

BOARD MEETING OF JANUARY 31, 2008

C. Kent Conine, Chair



Leslie Bingham-Escareño, Member

Tomas Cardenas, Member

Sonny Flores, Member

Juan Muñoz, Member

Gloria Ray, Member

MISSION

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

***TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY
OF LIFE THROUGH THE DEVELOPMENT OF BETTER
COMMUNITIES***

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

**BOARD MEETING
January 31, 2008**

ROLL CALL

	Present	Absent
Bingham-Escareño, Leslie, Member	_____	_____
Cardenas, Tomas, Member	_____	_____
Conine, C. Kent, Chair	_____	_____
Muñoz, Juan, Member	_____	_____
Ray, Gloria, Member	_____	_____
Flores, Sonny, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

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

**January 31, 2008
9:30 am
Capitol Extension, E1.016
1500 N. Congress**

A G E N D A

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

**Kent Conine
Chair of Board**

PUBLIC COMMENT

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

Presentation and Discussion regarding tax credit program and current market conditions for the 2008 cycle.

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

ACTION ITEMS

Item 1: Election of Board Officers and Appointment of Board Committees

Item 2: Presentation, Discussion and Possible Approval of Financial Services Items:

- a) Presentation, Discussion and Acceptance of Audit Reports from Deloitte and Touche
- b) Presentation and Discussion of 1st Quarter Investment Report

Item 3: Presentation, Discussion and Possible Approval of Community Affairs Division Items:

- a) Presentation, Discussion and Possible Approval of the Section 8 Streamlined 2008 Public Housing Agency (PHA) Plan
- b) Presentation, Discussion and Possible Approval of the 2008 Investor Owned Utility Weatherization Contracts

Item 4: Presentation, Discussion and Possible Approval to Publish Draft Department Rules in the *Texas Register*

- a) Presentation, Discussion and Possible approval to publish the draft of proposed new 10 TAC §8.1, Eligibility Requirements for the State of Texas Project Access Program, for comment in the *Texas Register*

Item 5: Presentation, Discussion and Approval of HOME Division Items:

- a) Presentation, Discussion and Possible Approval of Housing Trust Fund Homeownership SuperNOFA
- b) Presentation, Discussion and Possible Approval of four 2007 Housing Trust Fund Texas Veterans Housing Support Program Awards:

- 2007-40 City of San Antonio
- 2007-41 HOVER, Inc.
- 2007-44 Catholic Charities of Dallas
- 2007-45 City of Dallas

- c) Presentation, Discussion and Possible Approval of Funding Plan for Deobligated and Uncommitted HOME Funds

Item 6: Presentation, Discussion and Approval of Texas Homeownership Division Items:

- a) Presentation, Discussion and Possible Approval to use deobligated Housing Trust Fund (HTF) funds for match to secure foreclosure mitigation assistance through the National Foreclosure Mitigation Counseling Program
- b) Presentation and Discussion of recent agreement to purchase by Bank of America of Countrywide Home Loans, Inc., the TDHCA Single Family Mortgage Revenue Bond Program Master Servicer

Item 7: Presentation, Discussion and Approval of Bond Division Items:

- a) Presentation, Discussion and Possible Approval of the Department's Investment Policy, Resolution No. 08-010
- b) Presentation, Discussion and Possible Approval of the Department's Interest Rate Swap Policy
- c) Presentation, Discussion and Possible Approval of Resolution No. 08-007 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and possible preliminary approval of Single Family Mortgage Revenue Bonds, 2008 Series A-C and approval of Underwriting Team for Program 71
- d) Presentation, Discussion and Possible Preliminary Approval for Bond Finance to change the existing Single Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes Program into a Drawdown Bond Program and continue to utilize the Investment Banking services of Goldman Sachs for the Drawdown Bond Program

Item 8: Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:

- a) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by TDHCA for CDBG Round 1 Funding

C060002 Deep East Texas Council of Governments
- b) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to non-housing activities and infrastructure activities for CDBG Round 2
- c) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs
- d) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to Housing
- e) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs
- f) Presentation, Discussion and possible Approval of an Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the Texas Department of Housing & Community Affairs Partial Action Plan as approved on April 13, 2007 by the U.S. Department of Housing and Urban Development (HUD)

- g) Presentation, Discussion and Possible Approval of an Amendment to the Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the City of Houston and Harris County Public Service and Community Development Program as approved on August 29, 2007 by the U.S. Department of Housing and Urban Development (HUD)

Item 9: Presentation, Discussion and Possible Approval of Multifamily Division Items:

- a) Presentation, Discussion, and Possible Action on HTC Amendments

94114	Villa of Rock Prairie	College Station
01420	Park at Pineywoods	Conroe
02040	Residences on Stillhouse Road	Paris
04447	Rosemont at Bethel	San Antonio
05026	Mesa Vista	Donna
07177	Hamilton Senior Village	Hamilton
- b) Presentation, Discussion and Possible Approval to Ratify Recommendation for Adjusted HTC Scoring and Census Tract Data
- c) Presentation, Discussion and Possible Action for the Ownership Transfers of Housing Tax Credit and Bond Developments

Item 10: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:

- a) Presentation, Discussion, and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

08401	Artisan at San Pedro Creek Apartments, San Antonio San Antonio HFC is the Issuer Recommended Credit Amount of \$1,149,825
07460	Woodland Park at Greenville, Greenville North Central Texas HFC is the Issuer Recommended Credit Amount of \$364,632
- b) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2008, Resolution No. 08-008

08603	West Oaks Seniors Apartments	Houston
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EXECUTIVE SESSION

Kent Conine, Chairman

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
- c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:
 1. With Respect to pending litigation styled *Brandal v. TDHCA* Filed in State Court in Potter County
 2. With Respect to pending litigation styled *Rick Sims v. Texas Department of Housing and Community Affairs* filed in federal district court (new filing of previously dismissed suit)

3. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION

Kent Conine, Chairman

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

Executive Director's Report

1. TDHCA Outreach Activities, December 2007
2. Quarterly Delinquency Report of Department's Single Family Bond Mortgages (Countrywide)
3. Status of HOME Amendments Report

ADJOURN

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

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

ORAL PRESENTATION

**FINANCIAL ADMINISTRATION DIVISION
BOARD ACTION REQUEST
January 31, 2008**

Action Items

Audit reports from Deloitte and Touche, LLP (Fiscal Year 2007).

Required Action

Presentation, discussion and acceptance of audit reports from Deloitte and Touche, LLP.

Background

The Department's governing statute, Texas Govt. Code §2306.074, requires an annual audit of the Department's books and accounts. Texas Govt. Code §2306.204 requires an annual audit of the Housing Trust Fund to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund. Additionally, the Department's bond indentures require audited financial statements of the Housing Finance Division and the Supplemental Bond Schedules.

Results of the audits are as follows:

- FY 2007 Basic Financial Statements
Unqualified Opinion
- FY 2007 Revenue Bond Program Audit
Unqualified Opinion
- FY 2007 Unencumbered Fund Balances Calculation
Results yielded no required transfer to the Housing Trust Fund
- FY 2007 Report to Management
Section I - Control Deficiencies
Recommendations are for the following control deficiencies:
 - **Oracle Security and Data Updates – PeopleSoft / Oracle**
Recommendation: Individual super user accounts should be used to established accountability. In addition, all user accounts should be assigned to a profile other than the DEFAULT profile, with strong password and security settings. The default passwords for OUTLN and SYSADM should be changed.

Management has implemented recommendations in FY2008 and auditors will verify during the FY2008 audit.

- **Mitas Vendor Access / Change Management**

Recommendation: Emails or other formal documentation should be retained to evidence testing and approvals for all production changes to the Mitas application.

Management has implemented recommendations in FY2008 and auditors will verify during the FY2008 audit.

- **Network and Systems Software Change Management (Windows, UNIX, Firewall, Network Components)**

Recommendation: Changes made to network and operating systems software should be documented. Documentation should evidence testing and approvals of changes made.

Management has implemented recommendations in FY2008 and auditors will verify during the FY2008 audit.

Section II - Other Matters

- **Recently Issued Government Accounting Standards Board (“GASB”) Statements**

Recommendation: Begin reviewing GASB Statement Nos. 45, 47, 48, 49, 50, 51 and 52 and their implications to determine the potential impact on the TDHCA’s financial statements.

Management’s Response: Management will proactively review GASB Statement Nos. 45, 47, 48, 49, 50, 51, and 52 for their potential implications for TDHCA’s financial statements.

- **Status of Prior-Year Observations**

Business Cycle Controls Observations

Status: Issues have been resolved and verified as of fiscal year end 2007

General Computer Controls Observations

Status: Issues have been resolved and verified as of fiscal year end 2007

Recommendation

Acceptance of the Department’s audit reports from Deloitte and Touche, LLP.

Texas Department of Housing and Community Affairs

External Audit Results

For Fiscal Year 2007

- Communications with Audit Committee Letter
- Opinion Audit on FY 2007 Basic Financial Statements
- Opinion Audit on FY 2007 Revenue Bond Program
- Opinion Audit on FY 2007 Unencumbered Fund Balances
- Report to Management (Management Letter)

December 19, 2007

To the Audit Committee of the Governing Board of
Texas Department of Housing and Community Affairs:

We have performed an audit of the financial statements of the Texas Department of Housing and Community Affairs (the "Department") as of and for the year ended August 31, 2007, in accordance with auditing standards generally accepted in the United States of America and have issued our report thereon dated December 19, 2007.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Department is responsible.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND GOVERNMENT AUDITING STANDARDS

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States has been described to you in our engagement letter dated June 11, 2007. As described in that letter, the objective of a financial statement audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States is to express an opinion on the fairness of the presentation of the Department's financial statements for the year ended August 31, 2007, in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects. We considered the Department's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the Department's 2007 financial statements include the allowance for doubtful accounts, accumulated depreciation, and fair market value of investments. During the year ended August 31, 2007, we were not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

AUDIT ADJUSTMENTS AND UNCORRECTED MISSTATEMENTS

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. All proposed audit adjustments were reviewed with management and were determined, individually and in the aggregate, not to have a significant effect on the financial reporting process.

There were no uncorrected misstatements or disclosure items passed aggregated by us during the current engagement and pertaining to the latest period presented since all misstatements and disclosure items detected in our audit have been corrected by management.

SIGNIFICANT ACCOUNTING POLICIES

The Department's significant accounting policies are set forth in Note 1 to the Department's 2007 basic financial statements. During the year ended August 31, 2007, there were no significant changes in previously adopted accounting policies or their application.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

Critical accounting policies are those that are both most important to the portrayal of the Department's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Department has not identified any critical accounting policies or practices.

ALTERNATIVE ACCOUNTING TREATMENTS

We had no discussions with management regarding alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions, as well as general accounting policies, related to the year ended August 31, 2007.

OTHER INFORMATION IN THE BASIC FINANCIAL STATEMENTS

When audited financial statements are included in documents containing other information such as the schedules included with the basic financial statements, generally accepted auditing standards require that we read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. We have read the other information in the schedules and have inquired as to the methods of measurement and presentation of such information. If we had noted a material inconsistency, or if we had obtained any knowledge of a material misstatement of fact in the other information, we would have discussed this matter with management.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the Department's 2007 financial statements. We received the full cooperation of management during our audit.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2007.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

Throughout the year, routine discussions regarding the application of accounting principles or auditing standards were held with management in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions were not held in connection with our retention as auditors.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of the Department's management and staff and had unrestricted access to the Department's senior management in the performance of our audit.

OTHER MATERIAL WRITTEN COMMUNICATIONS

Items that we believe constitute other material written communications between management and us related to the audit for the year ended August 31, 2007, are the following:

- Engagement Letter — June 11, 2007
- Management Representation Letters — December 19, 2007
- Report to Management — December 19, 2007

CONTROL-RELATED MATTERS

We have communicated to management, in a separate report dated December 19, 2007, other control deficiencies involving the Department's internal control over financial reporting and other matters that we identified during our audit.

* * * * *

This report is intended solely for the information and use of the Audit Committee, the Governing Board, management, and others within the Department and is not intended to be, and should not be, used by anyone other than these specified parties.

We will be pleased to discuss this report with you further at your convenience.

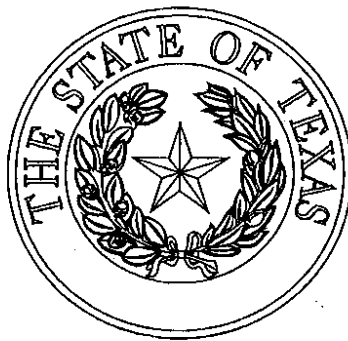
Yours truly,

Deloitte & Touche LLP

**TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS**

**BASIC FINANCIAL STATEMENTS
for the year ended August 31, 2007**

(With Independent Auditors' Report Thereon)



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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS

Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

December 19, 2007

The Honorable Rick Perry, Governor
The Honorable Susan Combs, Texas Comptroller
Mr. John O'Brien, Director, Legislative Budget Board
Mr. John Keel, CPA, State Auditor

Dear Governor Perry, Comptroller Combs, Mr. O'Brien and Mr. Keel:

We are pleased to submit the Annual Financial Report of the Texas Department of Housing and Community Affairs for the year ended August 31, 2007, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying annual financial report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) reporting requirements. The financial report has been audited by an independent Auditor as required by statute.

If you have any questions, please contact David Cervantes, Director of Financial Administration at (512) 475-3875. Esther Ku may be contacted at (512) 475-3871 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink, appearing to read "M Gerber", written over a white background.

Michael Gerber
Executive Director

MG/tt

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Basic Financial Statements
for the year ended August 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Honorable Rick Perry, Governor,
and the Governing Board of
Texas Department of Housing and Community Affairs:

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds, remaining fund information, and supplementary schedules 1-A through 1-F of the Texas Department of Housing and Community Affairs (the "Department") as of and for the year ended August 31, 2007, as listed in the table of contents. These financial statements and supplementary schedules 1-A through 1-F are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements and supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of Texas as of August 31, 2007, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, major funds, and remaining fund information of the Department, as of August 31, 2007, and the results of its operations and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, schedules 1-A through 1-F, as listed in the table of contents, present fairly, in all material respects, the information set forth therein in accordance with guidelines issued by the Texas Comptroller of Public Accounts.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the financial statements but is supplementary information required by the Governmental Accounting

Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2007, on our consideration of the Department's internal control over financial reporting and our tests of its compliance and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

December 19, 2007

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Texas Department of Housing and Community Affairs' (Department) annual financial report presents management's discussion and analysis of the Department's financial performance during the fiscal year that ended on August 31, 2007. Please read it in conjunction with the Department's financial statements, which follow this section.

Financial Highlights

- The Department's business-type activity net assets decreased \$9.2 million and governmental activities net assets increased \$84 thousand.
- The Department's proprietary fund experienced an increase in operating income in the amount of \$25.9 million to an Operating (Loss) of (\$12.3) million. This impact on operating income resulted primarily from the increase of the fair value of investments in the amount of \$26.1 million. The \$20.0 million increase in interest and investment income, the \$2.4 million increase in other operating revenues, the \$14.3 million increase in interest expense, the \$2.2 million increase in bad debt expense and the \$6.7 million increase in Down Payment Assistance had a net offsetting effect on operating income.
- Net Assets in the Department's Governmental Fund increased from \$686 thousand to \$770 thousand. The change represents larger decrease in expenditures than in revenues. Net Assets were also reduced by the transfer out of Housing Trust Fund and Earned Federal Funds during the fiscal year.
- The Department's proprietary fund debt increased \$267.7 million to \$2.6 billion. Debt issuances and debt retirements totaled \$468.5 million and \$200.8 million, respectively.
- Loan originations for the year totaled \$200.6 million and \$15.0 million in the Department's proprietary and governmental funds, respectively.
- Subprime lending continues to receive significant attention in the financial market. A rise in the number of borrowers who are unable to pay debt obligations has led to increased foreclosures causing uncertainty in the housing market. According to Standard and Poor's, Housing Finance Agencies (HFAs) face lower risk from defaults on their loans. Homebuyer education programs, conservative underwriting, generous reserves and ongoing HFA asset management have resulted in strong portfolio performance which is expected to continue for the long-term. Since 1988, the Department has had its single family mortgage loans guaranteed by Fannie Mae, GNMA or Freddie Mac.

Overview of the Financial Statements

The financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two types of statements that present different views of the Department.

- The first set of statements are government-wide financial statements that provide information about the Department's overall financial position and results. These statements, which are presented on an accrual basis, consist of the Statement of Net Assets and the Statement of Activities.
- The remaining statements are fund financial statements of the Department's governmental fund and proprietary fund. The governmental fund's activities are funded primarily from Federal funds but also include General Revenue appropriations for which the Department follows a modified accrual basis of accounting. The Department's proprietary fund operates similar to business activities and follows an accrual basis of accounting.
- The basic financial statements also include a "Notes to Financial Statement" section which explains some of the information presented in the Government-wide and fund financial statements and provides additional detailed data.
- The Notes to the Financial Statements are followed by a "Supplementary Information" section, which presents supplementary bond information.

The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of these statements.

Government-Wide Financial Statements

The Statement of Net Assets shows Governmental Activities and Business-type Activities consolidated on a full accrual basis. The Statement of Activities presents a government wide format of expenses, charges for services, operating grants and contributions and net expenses by both Governmental activities and Business-type activities. Both activities are further broken down by function and programs. The second section of the Statement of Activities shows general revenues not associated with a particular program but which provide resources for the Department's programs and operations. The fiduciary activity is not included in the government wide statements.

Statements of Net Assets

The following tables show a summary of changes from prior year amounts for governmental activities.

Texas Department of Housing and Community Affairs Condensed Statement of Net Assets – Governmental Activities As of August 31, 2007				
	Governmental Activities		Increase / (Decrease)	
	2007	2006	Amount	%
Assets				
Cash & Investments	\$ 6,696,555	\$ 5,005,004	\$ 1,691,551	33.8
Legislative Appropriations	2,880,562	1,305,355	1,575,207	120.7
Federal Receivable	399,825	7,862,358	(7,462,533)	(94.9)
Other Intergovernmental Receivables	65,593	160,161	(94,568)	(59.0)
Accounts Receivable	353,456	379,473	(26,017)	(6.9)
Interfund Receivables	-	35,884	(35,884)	(100.0)
Loans and Contracts	116,647,963	101,570,577	15,077,386	14.8
Capital Assets	210,927	262,815	(51,888)	(19.7)
Other Assets	81,021	94,553	(13,532)	(14.3)
Total Assets	127,335,902	116,676,180	10,659,722	9.1
Liabilities				
Accounts Payable	7,230,317	12,583,233	(5,352,916)	(42.5)
Payroll Payable	971,482	887,210	84,272	9.5
Claims & Judgments Payable	109,334	-	109,334	100.0
Interfund Payable	577,403	-	577,402	100.0
Deferred Revenue	116,647,963	101,570,577	15,077,386	14.8
Other Current Liabilities	770,582	724,577	46,005	6.3
Other Non-current Liabilities	258,622	224,652	33,971	15.1
Total Liabilities	126,565,703	115,990,249	10,575,454	9.1
Net Assets				
Invested in Capital Assets	210,927	262,815	(51,888)	(19.7)
Restricted by Grantor	136,181	374,890	(238,709)	(63.7)
Unrestricted	423,091	48,226	374,865	777.3
Total Net Assets	\$ 770,199	\$ 685,931	\$ 84,268	12.3

Net Assets of the Department's governmental fund increased by 12.3%. The ending balance of Unrestricted Net Assets primarily consists of balances in the Manufactured Housing Division. Restricted Net Assets represent balances in the Investor Owned Utility Programs.

The balance in Cash and Investments increased by \$1.7 million. The net change is associated with an increase of \$2 million in the Section 8 program and a \$300,000 decrease in Manufactured Housing. The Section 8 balance resulted from installments received from the U.S. Department of Housing and Urban Development that were not fully utilized, resulting in a cash balance at year end. The drop in Manufactured Housing occurred due to an effort to reduce cash balances associated with Federal funds.

Legislative Appropriations increased by \$1.6 million. The increase resulted primarily from activities in Manufactured Housing where Federal Funds were used first to fund program activities in this fiscal year. In addition, revenues collected in excess of budget authority were not transferred to the Comptroller's Office until after year end.

The Department experienced a decrease in Federal Receivable and Accounts Payable. The changes occurred primarily because of the substantial payment activities for the Low Income Home Energy Assistance Program (LIHEAP) and HOME Investment Partnerships Program (HOME) at year end of fiscal year 2006. Federal Receivable was also decreased due to an unspent Cash balance in the Section 8 Program at year end.

The Department experienced increases of Loans and Contracts as well as Deferred Revenue. This change was due to the receipt, disbursement and adjustment of the portfolio, which is funded by federal funds for the purpose of HOME program activities.

Included in Other Liabilities is the current and non-current portion of Employees' Compensable Leave. It represents unpaid balances of employees' accumulated annual leave.

Business-Type Activities

Texas Department of Housing and Community Affairs Business-Type Activities – Condensed Statement of Net Assets as of August 31, 2007				
	Business-Type Activities		Increase / (Decrease)	
	2007	2006	Amount	%
Assets				
Cash & Investments	\$ 1,630,392,649	\$ 1,418,156,810	\$ 212,235,839	15.0
Loans and Contracts	1,285,810,608	1,183,252,271	102,558,337	8.7
Interest Receivable	20,078,776	18,674,249	1,404,527	7.5
Capital Assets	206,714	269,218	(62,504)	(23.2)
Real Estate Owned	295,124	243,372	51,752	21.3
Deferred Issuance Cost	11,655,758	11,292,615	363,143	3.2
Other Assets	1,661,912	1,257,013	404,899	32.2
Total Assets	2,950,101,541	2,633,145,548	316,955,993	12.0
Liabilities				
Current				
Interest Payable	40,093,199	32,977,121	7,116,078	21.6
Deferred Revenue	35,104,327	27,983,948	7,120,379	25.4
Other Liabilities	33,677,908	42,959,693	(9,281,785)	(21.6)
Non-current				
Bonds/Notes Payable	2,591,530,011	2,294,308,557	297,221,454	13.0
Other Non-current Liabilities	195,989,745	171,965,689	24,024,056	14.0
Total Liabilities	2,896,395,190	2,570,195,008	326,200,182	12.7
Net Assets				
Invested in Capital Assets	191,765	269,218	(77,453)	(28.8)
Restricted	11,349,639	23,720,348	(12,370,709)	(52.2)
Unrestricted	42,164,947	38,960,974	3,203,973	8.2
Total Net Assets	\$ 53,706,351	\$ 62,950,540	\$ (9,244,189)	(14.7)

Net assets of the Department's proprietary fund decreased \$9.2 million, or 14.7%, to \$53.7 million. A decline in the Department's fair value of its investments contributed to this decrease in net assets and bad debt expense related to the recognition of an allowance for uncollectible debt related to Housing Trust Fund in the amount of \$1.9 million. This decline resulted in an unrealized (loss) of (\$7.3) million, up \$26.1 million from an unrealized (loss) of (\$33.4) million.

Restricted net assets of the Department's proprietary fund decreased \$12.4 million or 52.2%. Unrestricted net assets increased \$3.2 million or 8.2%.

Cash and investments increased \$212.2 million, or 15.0%, to \$1.6 billion, as funds were generated from debt issuances, reinvestment of loan repayments, and interest earnings. Program loans receivable (current and non-current) increased \$102.6 million, or 8.7%, to \$1.3 billion, primarily as a result from the origination of \$193.3 million and \$87.9 million in payoffs of mortgage loans under the Department's Multifamily Program. Total bonds and notes payable (current and non-current) increased \$297.2 million, or 13.0%, due to new debt issuances associated with the Department's Single Family and Multifamily Programs.

Earnings within the Department's various funds were \$148 million of which \$133.3 million is classified as restricted and \$14.7 million as unrestricted.

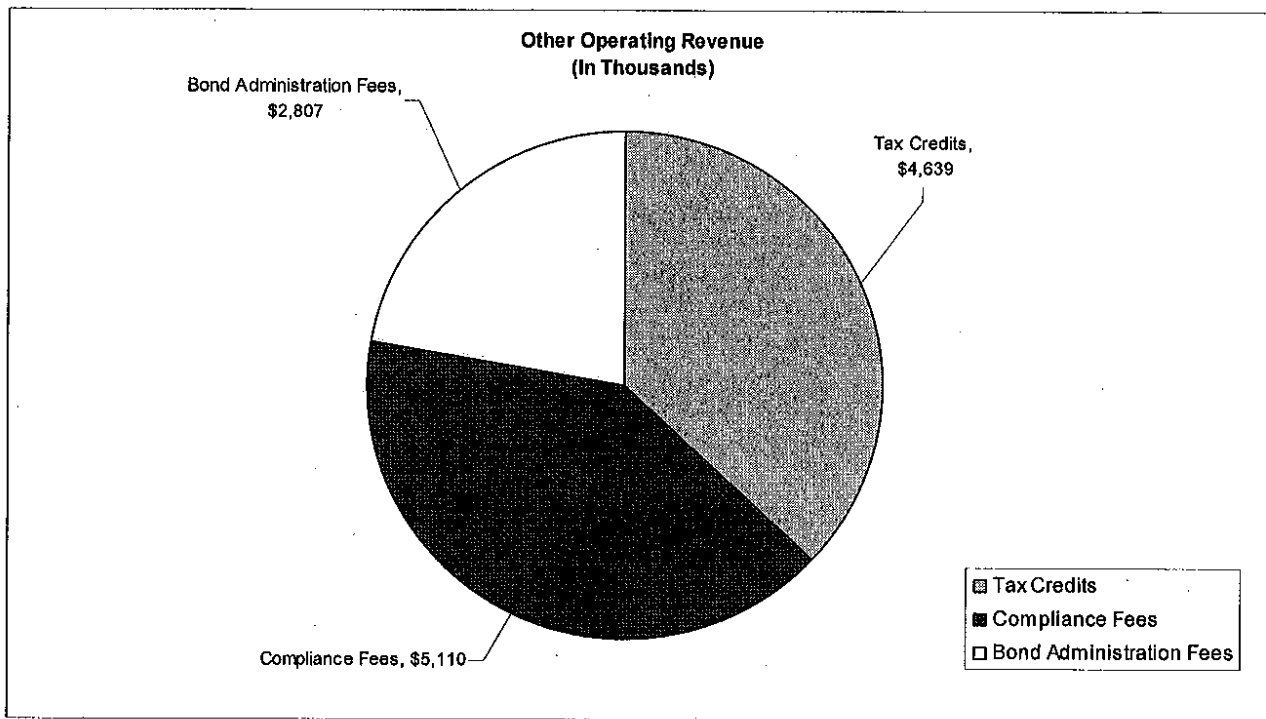
Restricted earnings are composed of \$139.2 million in interest and investment income, (\$7.3) million in fair value of investments, and \$1.4 million in other revenue. Interest and investment income are restricted per bond covenants for debt service. Fair value of investments is an unrealized (loss) due to the fact that the Department holds investments until maturity. Other revenue is predominantly an accounting recognition of fees received in previous years that were deferred when received and are being amortized over a period of time.

Unrestricted earnings are composed of \$2.1 million in interest and investment income and \$12.6 million in other operating revenue.

Interest and investment income earned from unrestricted investments are used to support various housing initiatives programs such as Housing Trust Fund and the Bootstrap Program. Sources for other operating revenue are fees from the Tax Credit Program, compliance fees, bond administrative fees, and miscellaneous interest earned from funds held by the Comptroller.

Fees earned under the Tax Credit Program are application fees, commitment fees, and inspection fees. Yearly compliance fees are generated from the Department's portfolio of multifamily properties. The Department performs on site visits and desk reviews to ensure that the properties are in compliance with the various housing regulations. Bond administrative fees are generated yearly from the various bond issuances to support the Department's administrative expenses.

The graph below illustrates the composition of the \$12.6 million in other operating revenue, classified as unrestricted earnings, according to the different housing programs.



Statement of Activities

The Statement of Activities reflects the sources of the Department’s changes in net assets as they arise through its various programs and functions. Single Family, Multifamily and Housing Trust Fund are shown as business-type activities, and six major programs are shown as governmental activities. Federal and state assistance activities allocate various subsidy funds to local governments, nonprofit organizations or individuals.

A condensed Statement of Activities for the fiscal year ended August 31, 2007 and 2006 is shown in the table below.

Texas Department of Housing and Community Affairs Condensed Statement of Activities (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$ 4,561	4,462	\$ 153,153	131,251	\$ 157,714	135,713
Operating Grants and Contributions	160,692	163,065	-	-	160,692	163,065
General Revenues	7,073	5,686	(5,132)	(31,759)	1,941	(26,073)
Total Revenue	172,326	173,213	148,021	99,492	320,347	272,705
Total Expenses	167,412	169,168	160,274	137,655	327,686	306,823
Excess before Transfers	4,914	4,045	(12,253)	(38,163)	(7,339)	(34,118)
Transfers	(4,830)	(11,957)	3,008	12,097	(1,822)	140
Change in Net Assets	84	(7,912)	(9,245)	(26,066)	(9,161)	(33,978)
Beginning Net Assets	686	8,598	62,951	89,017	63,637	97,615
Ending Net Assets	\$ 770	\$ 686	\$ 53,706	\$ 62,951	\$ 54,476	\$ 63,637

Governmental Activities

Revenues of the Department's Governmental Activities were primarily from Operating Grants and Contributions. The majority of the revenues were from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Health and Human Services. General Revenues are revenues appropriated to the Department in accordance with legislative acts and regulations.

Total revenue decreased \$0.9 million. This decrease consisted primarily of decreases of \$2.4 million in Operating Grants and Contributions, increase of Charges for Services of \$0.1 million and increase of General Revenues of \$1.4 million. The decrease of Operating Grants and Contributions is a result of increased federal activities in the LIHEAP Program and decreased activity in the HOME Program. The increase of General Revenues is due to an increased balance in Earned Federal Fund.

Expenses of the Department's Governmental Activities consisted primarily of Intergovernmental Payments and Public Assistance Payments. The Department distributes program funds to local providers, including local governments, nonprofit and for-profit organizations, community based organizations and real estate developers. The net impact to expenses is primarily due to decreased activities in the HOME and Community Services Block Grant (CSBG) Programs and increased activity in the LIHEAP Program.

Transfers consisted primarily of the transferring out of Housing Trust Fund (HTF) from Governmental Activities to Business-Type Activities according to TDHCA rider 19 in the 2006-2007 General Appropriations Act. All of the current and prior year balances were transferred in fiscal year 2006 while current activities were transferred in fiscal year 2007. There were also additional transfers of earned federal funds from the Department to the State Comptroller's Office.

Business-Type Activities

Revenues of the Department's Business-type Activities were primarily from charges for services of \$153.2 million and a decrease in fair value of investments of (\$7.3 million). Charges for services consist primarily of earned interest income on loans for the three housing lending programs. It also includes program investment income which is earned within the Department's bond programs, the investments and the income of which are restricted to those programs by a pledge to the respective bond indentures. Total revenue increased \$21.9 million which consisted primarily of an increase in fair value of investments of \$26.1 million compared to 2006 and an increase in other operating revenue of \$2.4 which were offset by an increase of \$6.7 million in Down Payment Assistance grants.

Expenses of the Department's Business-type Activities consist primarily of interest expense of \$117.5 million, which increased \$14.3 million. The increase in interest expense is a result of an increase in the Department's debt issued to fund its various Single Family and Multifamily lending programs. The direct expenses also include Administrative Funds, allocations of expenses of Department programs that directly involve the production or monitoring activities associated with the housing programs, as well as certain costs incurred, both internally and externally. Administrative expenses, which were incurred within the Department's Administrative Fund, including all other administrative and supportive functions and overhead expenses remained approximately constant.

The Department's Business-type Activities expenses of \$160.2 million exceeded Charges for Services of \$153.2 million by \$7.0 million. Charges for Services, primarily interest income on loans and investment income, are intended to cover bond principal and interest expense. The other direct expenses were covered and the difference was covered by prior year available net assets. This income, plus interest earned on loans, produces an adequate amount to pay Department obligations as required by the bond indentures covenants.

The Department's Business-type Activities also generated \$2.1 million of unrestricted investment income, which was used primarily to pay administrative costs.

Fund Financial Statements

The fund financial statements provide more detailed information about the Department's most significant funds and the Department as a whole. The Department has two types of funds:

- Governmental fund – The General Revenue Fund is the Department's only Governmental Fund. It is the principal operating fund used to account for the Department's general activities. The financing for this fund is authorized through state legislative appropriations either as committed or collected revenues. Federal and state programs are also reported within this fund. The Condensed Balance Sheet – Governmental Funds would be substantially the same as that of the Condensed Statement of Net Assets – Governmental Activities and therefore, is not included.
- Proprietary fund – The Department's activities in its proprietary fund are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuances of taxable and tax-exempt bonds whose proceeds are used primarily to fund various types of loans to finance low and moderate-income housing. This fund also receives fee income from the Multifamily Tax Credit Program and Compliance fees collected for the purpose of covering the operating costs of the Department. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes or debt service. The Condensed Statement of Net Assets – Proprietary Funds would be exactly the same as the Business-Type Activities Condensed Statement of Net Assets and therefore, is not included.

Governmental Fund

**Texas Department of Housing and Community Affairs
Governmental Fund Activities
Statements of Revenues, Expenditures and Changes in Fund Balances**

			<u>Increase / (Decrease)</u>	
	2007	2006	Amount	%
OPERATING REVENUES				
Legislative Appropriations	\$ 5,011,158	\$ 3,913,405	\$ 1,097,753	28.1
Federal Revenues	158,265,413	161,140,601	(2,875,188)	(1.8)
Federal Grant Pass-Through	561,044	319,217	241,827	75.8
State Grant Pass-Through	4,924	80,279	(75,355)	(93.9)
Licenses, Fees and Permits	3,991,048	3,858,931	132,117	3.4
Interest and Investment Income	664,179	662,083	2,096	0.3
Sales of Goods and Services	570,340	603,466	(33,126)	(5.5)
Other Revenue	3,258,537	3,039,925	218,612	7.2
Total Operating Revenues	<u>172,326,643</u>	<u>173,617,907</u>	<u>(1,291,264)</u>	<u>(0.7)</u>
OPERATING EXPENDITURES				
Salaries and Wages	8,518,829	8,264,995	253,834	3.1
Payroll Related Costs	2,427,977	2,248,764	179,213	8.0
Professional Fees and Services	238,088	668,733	(430,645)	(64.4)
Travel	535,916	530,709	5,207	1.0
Materials and Supplies	408,758	201,975	206,783	102.4
Communications and Utilities	220,278	207,108	13,170	6.4
Repairs and Maintenance	484,966	233,905	251,061	107.3
Rentals and Leases	110,343	402,640	(292,297)	(72.6)
Printing and Reproduction	33,235	81,730	(48,495)	(59.3)
Claims and Judgments	858,419	949,011	(90,592)	(9.5)
Other Operating Expenditures	412,295	478,116	(65,821)	(13.8)
Capital Outlay	17,136	226,083	(208,947)	(92.4)
Intergovernmental Payments	39,748,890	47,419,792	(7,670,902)	(16.2)
Public Assistance Payments	113,265,314	107,389,437	5,875,877	5.5
Total Operating Expenditures	<u>167,280,444</u>	<u>169,302,998</u>	<u>(2,022,554)</u>	<u>(1.2)</u>
Excess of Revenues over Expenditures	5,046,199	4,314,909	731,290	16.9
Other Financing Sources (Uses)	<u>(4,830,068)</u>	<u>(11,957,025)</u>	<u>7,126,957</u>	<u>59.6</u>
CHANGE IN FUND BALANCE	216,131	(7,642,116)	7,858,247	102.8
Beginning Fund Balance	1,372,345	9,419,177	(8,046,832)	(85.4)
Appropriations (Lapsed)	-	(404,716)	404,716	100.00
Ending Fund Balance	<u>\$ 1,588,476</u>	<u>\$ 1,372,345</u>	<u>\$ 216,131</u>	<u>15.7</u>

Revenues of the Department's governmental activities totaled \$172.3 million and were generated by federal grants primarily from LIHEAP, CSBG and HOME programs. Expenditures of \$167.3 million consisted primarily of Intergovernmental and Public Assistance Payments.

Total revenues from governmental activities decreased by \$1.3 million in 2007. The change was attributed to the decrease in Federal Revenue from the HOME program and increase in the LIHEAP program. The HOME program decrease is due to contract closeouts and the implementation of new HOME program rules. The increase of LIHEAP revenue is a result of additional funds from the U.S. Department of Health and Human Services allocated in late 2006.

The change to Federal Grant Pass-Through Revenues was due to the funding awarded from HUD in Community Development Block Grant (CDBG). This program was for recovery assistance in the areas impacted by Hurricanes Katrina and Rita.

The Department experienced similar changes in expenses. The majority of the decrease was attributed to the Intergovernmental Payments for the HOME and CSBG Programs. The decrease was offset by increase of Intergovernmental Payments and Public Assistance payment for LIHEAP.

The Department also experienced increases in Salaries and Wages and Payroll Related Costs. It was primarily due to across the board cost of living adjustments and a shift of Governmental Fund's share of Payroll Related Costs in accordance with the funding proportionality calculation provided in Accounting Policy Statements.

The decrease of Professional Fees and Services was primarily attributed to the expiration of a proprietary service contract for HOME program and decreased charges from State Auditor's Office. The decrease of Rentals & Leases was a result of the Department's relocation to a state owned facility.

The fiscal year 2007 Other Financing Sources (Uses) consisted primarily of the transfer of HTF from General Revenue to Texas Treasury Safekeeping Trust Company. It included transfers of interest earnings and loan repayments received during the year. There were also additional transfers of Allocation Office Space Reduction and Earned Federal funds collected in excess of appropriation authority. The decrease of Other Financing Uses represents transfers of the HTF General Revenue balances from previous years due to a legislative mandate.

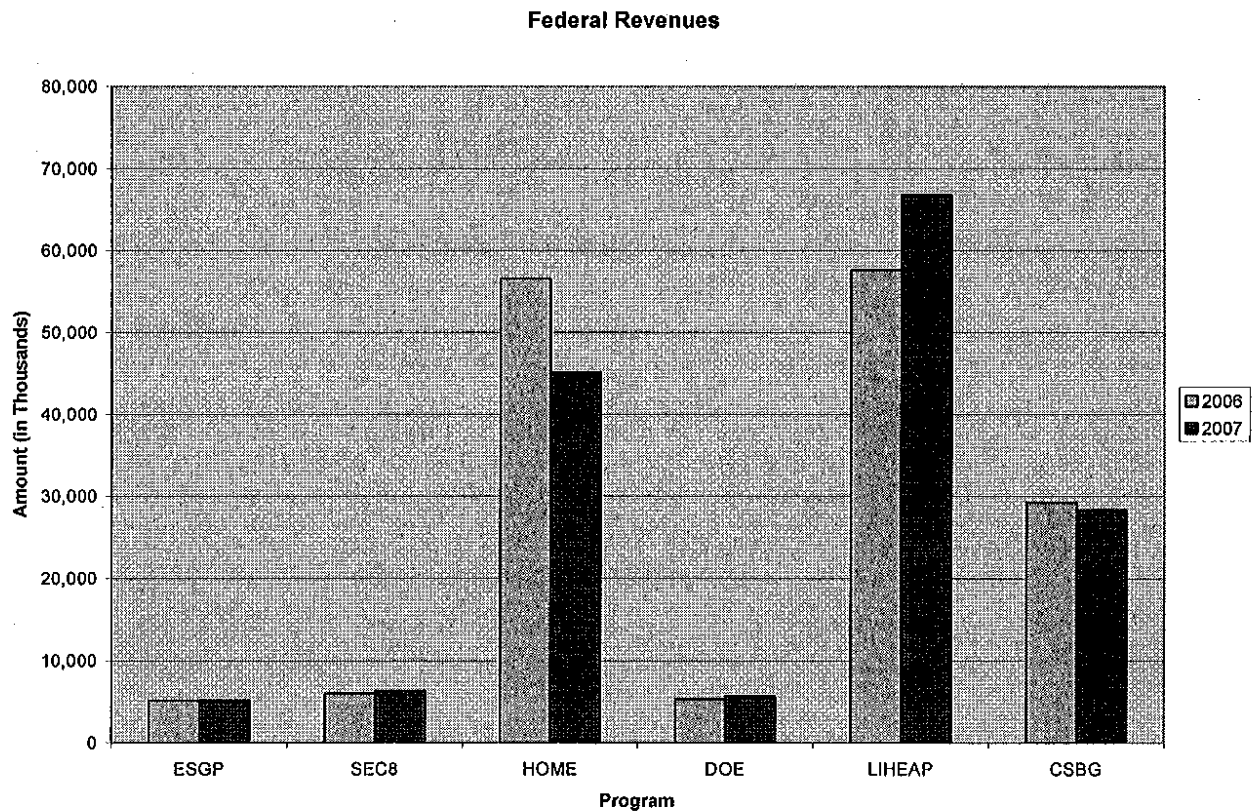
The variance of Lapse is a result of timing difference. Two appropriation years were lapsed during fiscal year 2006. Therefore, there was no lapse in fiscal year 2007.

The following graphs illustrate a comparison between fiscal year 2007 and 2006 for Federal Revenues, Intergovernmental Payments, and Public Assistance Payments.

The acronyms used in the graphs are defined as following:

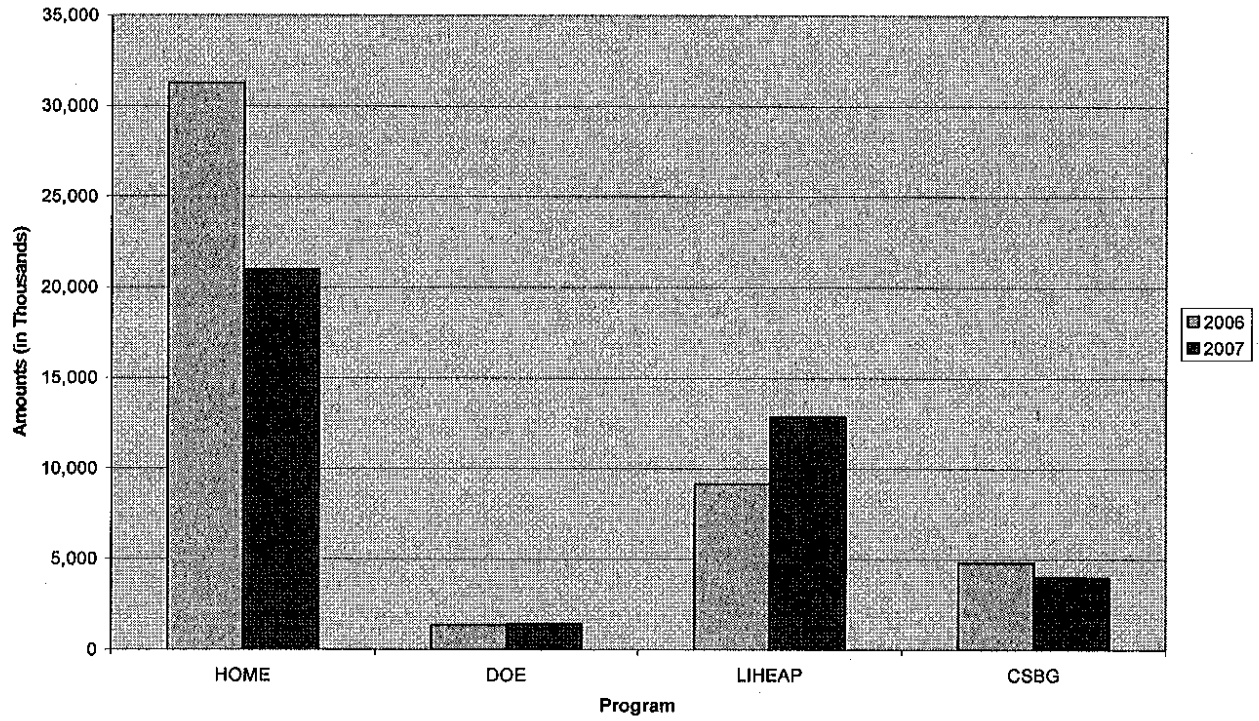
CSBG	Community Services Block Grant
DOE	Department of Energy, Weatherization Assistance for Low-Income Persons
ESGP	Emergency Shelter Grants Program
HOME	HOME Investment Partnerships Program
LIHEAP	Low-Income Home Energy Assistance Program
SEC 8	Section 8 Housing Choice Vouchers

Federal Revenues: Receipts from the State's participation in programs financed with federal funds.



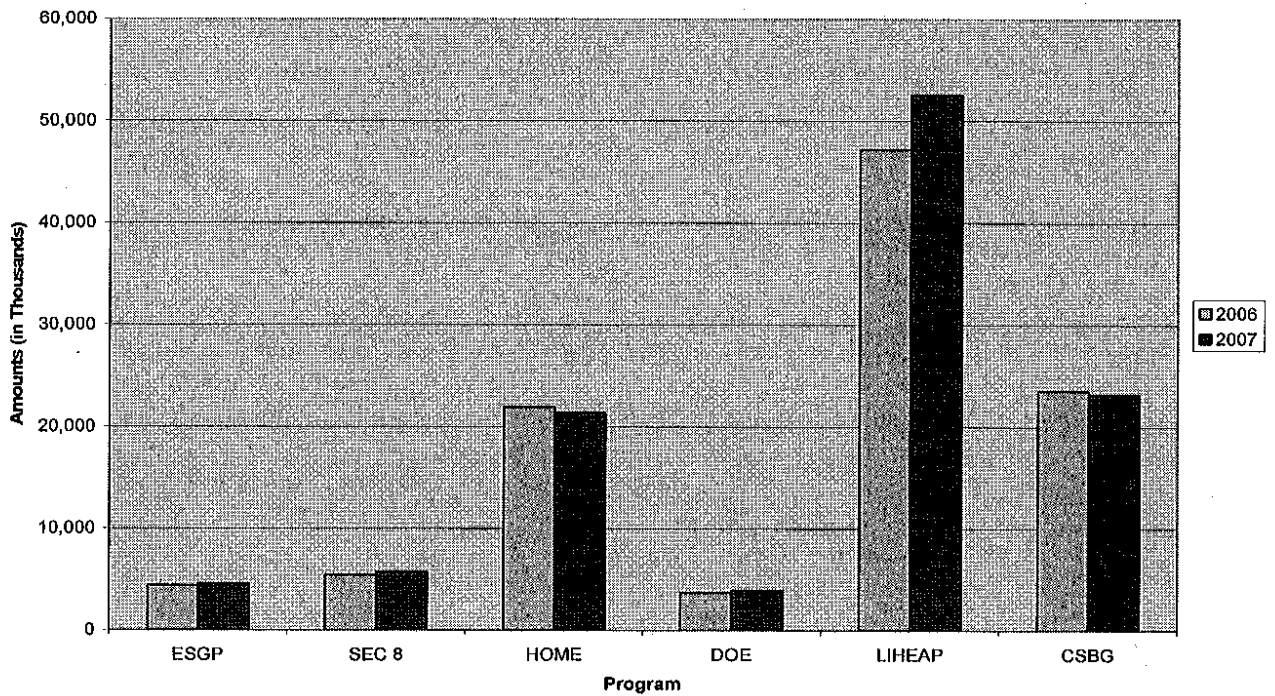
Intergovernmental Payments: Payment of grants to cities, counties, council of governments or other governmental entities.

Intergovernmental Payments



Public Assistance Payments: Payment of grants to community action groups and organizations for community service programs.

Public Assistance Payments



Proprietary Fund

Net assets of the Department's proprietary fund decreased from the August 31, 2007 figures by \$9.2 million, or 14.7%, to \$53.7 million. The following table summarizes the Statement of Revenues, Expenses and Changes in Net Assets of the Department's proprietary fund for the fiscal years ended August 31, 2007 and August 31, 2006.

Texas Department of Housing and Community Affairs Business-Type Activities Statement of Revenues, Expenses and Changes in Net Assets				
			Increase / (Decrease)	
	2007	2006	Amount	%
OPERATING REVENUES				
Interest and Investment Income	\$ 141,324,170	121,291,682	\$ 20,032,488	16.5
Net (Decrease) in Fair Value	(7,271,533)	(33,415,610)	26,144,077	78.2
Other Operating Revenues	13,969,145	11,600,406	2,368,740	20.4
Total Operating Revenues	148,021,782	99,476,478	48,545,305	48.8
OPERATING EXPENSES				
Salaries and Wages	6,963,206	6,527,655	435,551	6.7
Payroll Related Costs	1,530,973	1,467,957	63,016	4.3
Professional Fees and Services	1,273,659	1,560,386	(286,727)	(18.4)
Travel	215,834	277,773	(61,939)	(22.3)
Materials and Supplies	247,848	281,615	(33,767)	(12.0)
Communications and Utilities	132,166	134,036	(1,870)	(1.4)
Repairs and Maintenance	348,768	211,205	137,563	65.1
Rentals and Leases	66,536	412,103	(345,567)	(83.9)
Printing and Reproduction	12,925	33,404	(20,479)	(61.3)
Depreciation Expense	979,548	1,113,411	(133,863)	(12.0)
Interest	131,807,514	117,489,648	14,317,866	12.2
Bad Debt Expense	2,242,486	12,364	2,230,122	18,037.2
Down Payment Assistance	13,082,692	6,333,294	6,749,398	106.6
Other Operating Expenses	1,369,799	1,800,494	(430,695)	(23.9)
Total Operating Expenses	160,273,954	137,655,345	22,618,609	16.4
Operating Income (Loss)	(12,252,172)	(38,178,867)	25,926,696	67.9
NONOPERATING REVENUES (EXPENSES) & EXTRAORDINARY ITEMS				
	3,007,983	12,112,852	(9,104,869)	(75.1)
CHANGE IN NET ASSETS	(9,244,189)	(26,066,015)	16,821,827	40.5
Beginning Net Assets	62,950,540	89,016,555	(26,066,015)	(29.3)
Ending Net Assets	\$ 53,706,351	62,950,540	\$ (9,244,188)	(14.7)

Interest earned on program loans increased by \$6.4 million, or 10.1%, due primarily to an increase within the Department's Multifamily Bond Program, due to higher loan amounts outstanding.

Investment income increased \$13.6 million or 9.3% and reflected higher investment yields for the market overall and the investment of bond proceeds associated with two new Single Family issuances totaling \$392.8 million. The primary increase in investment income was within the Single Family Bond Program funds, which increased \$18.2 million or 60% but was offset by the Residential Mortgage Revenue Bond Program funds which declined \$2.0 million.

The following table illustrates the changes in net assets by program of the Department's business-type activities for the fiscal years 2007 and 2006.

Texas Department of Housing and Community Affairs					
Business-Type Activities					
Changes in Net Assets by Fund Groups					
(amounts in thousands)					
Fund		2007	2006	Increase / (Decrease)	
				Amount	%
Single Family	\$	4,616	17,209	\$ (12,593)	(73.2)
RMRB		5,253	5,352	(99)	(1.9)
CHMRB		1,587	1,355	232	17.1
Multifamily		(158)	(206)	48	(23.3)
1993 SF CHMRB		0	10	(10)	(100.0)
Commercial Paper		52	1	51	5,100.0
General Funds		19,488	16,544	2,944	17.8
Housing Trust Fund		19,173	21,907	(2,734)	(12.5)
Administration Fund		(170)	(235)	65	27.7
Compliance Programs		2,212	341	1,871	549.0
Housing Initiatives		1,653	673	980	145.6
Total	\$	53,706	62,951	\$ (9,245)	(14.7)

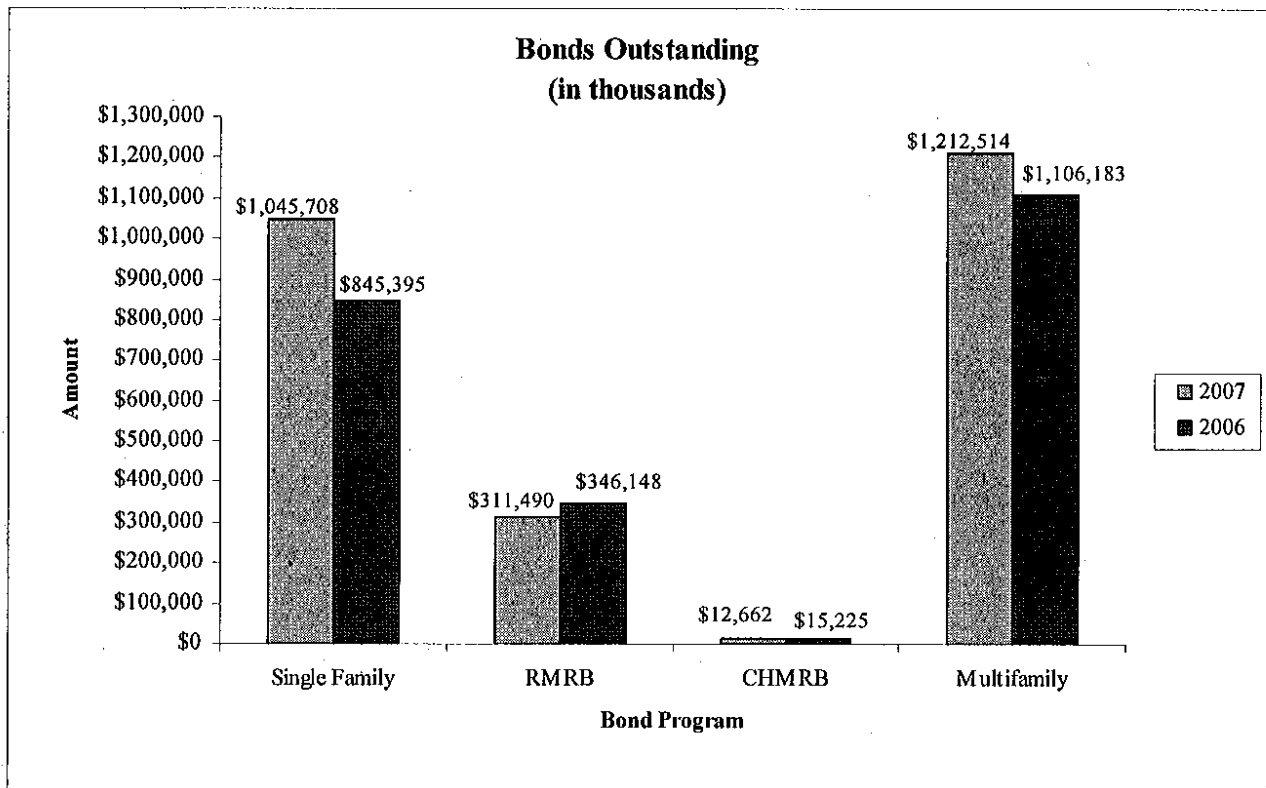
The net assets of the Single Family Bond Program decreased by \$12.6 million or 73.2%, primarily due to a decrease in fair value in investments and increase in interest expense.

The net assets of the Housing Trust Fund decreased \$2.7 million due to the increase in origination of loans for the Bootstrap Program and other Housing Trust Fund initiatives. The net assets of the Compliance Programs increased \$1.9 million due to the increase in properties being monitored.

Department Debt

The Department's new debt issuances during fiscal year 2007 totaled \$468.5 million. The Single Family program issued \$275.2 million in bonds and the Multi-Family Bond Program issued \$193.3 million. The Department also had \$200.8 million in debt retirement during the year primarily due to consumer refinancing and prepayments of original loans. The net result was an increase in bonds payable of \$267.7 million to \$2.6 billion of which \$23.7 million is due within one year. For additional information, see Note 10, Bond Indebtedness, and supplementary bond information schedules.

The following graph will illustrate a comparison of bonds outstanding between fiscal year 2007 and 2006 per bond program.



Request for Information

This financial report is designed to provide a general overview of the Texas Department of Housing and Community Affairs' (TDHCA) operations for all parties interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Texas Department of Housing and Community Affairs, Director of Financial Administration, P.O. Box 13941, Austin, Texas, 78711-3941.

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BASIC FINANCIAL

STATEMENTS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT I
STATEMENT OF NET ASSETS - GOVERNMENT WIDE
 As of August 31, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3):			
Cash on Hand	\$ 200	\$ 200	\$ 400
Cash in Bank	20,000	116,145	136,145
Cash in State Treasury	-	1,110,196	1,110,196
Cash Equivalents	-	41,236,609	41,236,609
Restricted:			
Cash and Cash Equivalents (Note 3):			
Cash in Bank	-	1,113,281	1,113,281
Cash in State Treasury	6,676,355	-	6,676,355
Cash Equivalents	-	121,138,994	121,138,994
Short-term Investments (Note 3)	-	204,298,616	204,298,616
Loans and Contracts	-	9,871,989	9,871,989
Interest Receivable	-	20,003,764	20,003,764
Federal Receivable	399,825	-	399,825
Legislative Appropriations	2,880,562	-	2,880,562
Receivables From:			
Interest Receivable	66,072	75,012	141,084
Accounts Receivable	353,456	1,448,903	1,802,359
Other Intergovernmental	65,593	-	65,593
Consumable Inventories	14,949	14,949	29,898
Loans and Contracts	2,817,964	999,995	3,817,959
Other Current Assets	-	213,007	213,007
Total Current Assets	13,294,976	401,641,660	414,936,636
Non-Current Assets:			
Loans and Contracts	-	29,181,335	29,181,335
Capital Assets (Note 2):			
Depreciable:			
Furniture & Equipment	1,735,344	1,437,962	3,173,306
Accumulated Depreciation	(1,607,895)	(1,330,513)	(2,938,408)
Other Capital Assets	130,964	132,279	263,243
Accumulated Depreciation	(47,486)	(47,963)	(95,449)
Restricted Assets:			
Investments (Note 3)	-	1,261,378,609	1,261,378,609
Loans and Contracts	113,829,999	1,245,757,289	1,359,587,288
Other Non-Current Assets:			
Deferred Issuance Cost, net (Note 10)	-	11,655,758	11,655,758
Real Estate Owned, net	-	295,125	295,125
Total Non-Current Assets	114,040,926	2,548,459,881	2,662,500,807
Total Assets	\$ 127,335,902	\$ 2,950,101,541	\$ 3,077,437,443

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT I (Continued)

STATEMENT OF NET ASSETS - GOVERNMENT WIDE

As of August 31, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Payables:			
Accounts Payable	\$ 7,230,317	\$ 833,454	\$ 8,063,771
Accrued Bond Interest Payable	-	40,093,199	40,093,199
Payroll Payable	971,482	-	971,482
Claims and Judgments Payable (Note 6)	109,334	-	109,334
Interfund Payable (Note 5)	577,403	169,074	746,477
Deferred Revenues	116,647,963	35,104,327	151,752,290
Employees' Compensable Leave (Note 4)	770,582	587,279	1,357,861
Revenue Bonds Payable (Notes 4 & 10)	-	23,712,494	23,712,494
Other Current Liabilities	-	8,375,607	8,375,607
Total Current Liabilities	<u>126,307,081</u>	<u>108,875,434</u>	<u>235,182,515</u>
Non-Current Liabilities:			
Employees' Compensable Leave (Note 4)	258,622	169,287	427,909
Notes and Loans Payable (Note 4)	-	32,869,000	32,869,000
Revenue Bonds Payable (Notes 4 & 10)	-	2,558,661,011	2,558,661,011
Other Non-Current Liabilities	-	195,820,458	195,820,458
Total Non-Current Liabilities	<u>258,622</u>	<u>2,787,519,756</u>	<u>2,787,778,378</u>
Total Liabilities	<u>126,565,703</u>	<u>2,896,395,190</u>	<u>3,022,960,893</u>
NET ASSETS			
Invested in Capital Assets	210,927	191,765	402,692
Restricted:			
For Single Family Bonds	-	11,508,077	11,508,077
For MultiFamily Bonds	-	(158,438)	(158,438)
By Grantor	136,181	-	136,181
Unrestricted	423,091	42,164,947	42,588,038
Total Net Assets	<u>\$ 770,199</u>	<u>\$ 53,706,351</u>	<u>\$ 54,476,550</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT II
STATEMENT OF ACTIVITIES - GOVERNMENT WIDE
 For the Year Ended August 31, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary Government						
Governmental Activities:						
Manufactured Housing	\$ 5,263,665	\$ 4,510,652	\$ -	\$ (753,013)	\$ -	\$ (753,013)
HOME Investment in Affordable Housing	44,961,475	2	45,089,476	128,003	-	128,003
Energy Assistance	74,223,755	716	74,166,783	(56,256)	-	(56,256)
Community Services	33,545,085	28,370	33,629,977	113,262	-	113,262
Section 8	6,299,493	-	6,321,554	22,061	-	22,061
Housing Trust Fund	290,197	-	147,578	(142,619)	-	(142,619)
Administration (CDBG)	2,828,637	21,648	1,336,572	(1,470,417)	-	(1,470,417)
Total Governmental Activities	167,412,307	4,561,388	160,691,940	(2,158,979)	-	(2,158,979)
Business-type Activities:						
Single Family Bonds	74,526,367	72,652,998	-	-	(1,873,369)	(1,873,369)
Multifamily Bonds	67,880,755	67,927,836	-	-	47,081	47,081
Housing Trust Fund Program	6,626,462	16,597	-	-	(6,609,865)	(6,609,865)
Administration	11,240,370	12,555,621	-	-	1,315,251	1,315,251
	160,273,954	153,153,052	-	-	(7,120,902)	(7,120,902)
Total Primary Government	\$ 327,686,261	\$ 157,714,440	\$ 160,691,940	\$ (2,158,979)	\$ (7,120,902)	\$ (9,279,881)

General Revenues:

Original Appropriations	\$ 2,914,534	\$ -	\$ 2,914,534
Additional Appropriations	2,096,624	-	2,096,624
Interest & Other Investment Income	516,601	2,140,263	2,656,864
Other Revenues	1,545,556	-	1,545,556
Net Decrease in Fair Value of Investments	-	(7,271,533)	(7,271,533)
Legislative Transfers (Out)	(1,419,309)	-	(1,419,309)
Transfers In (Out)	(3,410,759)	3,007,983	(402,776)
Total General Revenues and Transfers	2,243,247	(2,123,287)	119,960
Change in Net Assets	84,268	(9,244,189)	(9,159,921)
Net Assets, September 1, 2006	685,931	62,950,540	63,636,471
Net Assets - August 31, 2007	\$ 770,199	\$ 53,706,351	\$ 54,476,550

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT III
COMBINED BALANCE SHEET - GOVERNMENTAL FUND
 As of August 31, 2007

	<u>Total</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3):	
Cash on Hand	\$ 200
Cash in Bank	20,000
Restricted:	
Cash and Cash Equivalents (Note 3):	
Cash in State Treasury	6,676,355
Federal Receivable	399,825
Legislative Appropriations	2,880,562
Accounts Receivable	353,456
Receivables From:	
Other Intergovernmental	65,593
Interest	66,072
Consumable Inventories	14,949
Restricted - Loans and Contracts	2,817,964
Total Current Assets	<u>13,294,976</u>
Non-Current Assets:	
Restricted - Loans and Contracts	113,829,999
Total Non-Current Assets	<u>113,829,999</u>
Total Assets	<u>127,124,975</u>
LIABILITIES	
Current Liabilities:	
Payables From:	
Accounts Payable	7,230,317
Payroll Payable	971,482
Claims and Judgments Payable	109,334
Interfund Payable (Note 5)	577,403
Deferred Revenues	116,647,963
Total Liabilities	<u>125,536,499</u>
FUND FINANCIAL STATEMENT-FUND BALANCES	
Fund Balances:	
Reserved for:	
Encumbrances	1,588,166
Inventories	14,949
Imprest	20,200
Unreserved/Undesignated	(34,839)
Total Fund Balances as of August 31	<u>1,588,476</u>
NOTE: Amounts reported for governmental activities in the statement of net assets are different because:	
Capital net assets net of accumulated depreciation used in governmental activities are not financial resources and therefore not reported in the funds.	210,927
Long term liabilities relating to employees' compensable leave are not due and payable in the current year therefore are not reported in the funds.	(1,029,204)
NET ASSETS AS OF AUGUST 31	<u>\$ 770,199</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT IV

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUND

Year Ended August 31, 2007

	<u>Total</u>
REVENUES	
Legislative Appropriations:	
Original Appropriations (GR)	\$ 2,914,534
Additional Appropriations (GR)	2,096,624
Federal Revenue (PR-OP G/C)	158,265,413
Federal Revenue Grant Pass-Thru Revenue(PR-OP G/C)	561,044
State Grant Pass-Through Revenue (PR-OP G/C)	4,924
Licenses, Fees & Permits (PR-C/S)	3,991,048
Interest and Other Investment Income (PR-OP G/C)	147,578
Interest and Other Investment Income (GR)	516,601
Sales of Goods and Services (PR-C/S)	570,340
Other (PR-OP G/C)	1,712,981
Other (GR)	<u>1,545,556</u>
Total Revenues	<u>172,326,643</u>
EXPENDITURES	
Salaries and Wages	8,518,829
Payroll Related Costs	2,427,977
Professional Fees and Services	238,088
Travel	535,916
Materials and Supplies	408,758
Communication and Utilities	220,278
Repairs and Maintenance	484,966
Rentals & Leases	110,343
Printing and Reproduction	33,235
Claims and Judgments	858,419
Intergovernmental Payments	39,748,890
Public Assistance Payments	113,265,314
Other Expenditures	412,295
Capital Outlay	<u>17,136</u>
Total Expenditures	<u>167,280,444</u>
Excess of Revenues	
Over Expenditures	<u>5,046,199</u>
OTHER FINANCING SOURCES (USES)	
Transfers Out (Note 5)	(3,410,759)
Legislative Transfers In (Note 5)	-
Legislative Transfers Out (Note 5)	<u>(1,419,309)</u>
Total Other Financing (Uses)	<u>(4,830,068)</u>
Net Change in Fund Balances	216,131
FUND FINANCIAL STATEMENT-FUND BALANCES	
Fund Balances--Beginning	1,372,345
Appropriations Reinstated (Lapsed)	-
Fund Balances - August 31	<u>\$ 1,588,476</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT IV (Continued)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- GOVERNMENTAL FUND

Year Ended August 31, 2007

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the statement of activities.

	<u>Total</u>
Net Change in Fund Balances (Exhibit IV)	\$ 216,131
Appropriations (Lapsed)	-
Changes in Fund Balances	<u>216,131</u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit II) are different because of the adjustments to:	
- capital outlay expense	17,136
- depreciation expense	(69,024)
- payroll expense due to Compensable Leave	(79,975)
Changes in Net Assets, August 31 (Exhibit II)	<u>\$ 84,268</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT V
STATEMENT OF NET ASSETS - PROPRIETARY FUND
As of August 31, 2007

	Total
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 200
Cash in Bank	116,145
Cash in State Treasury	1,110,196
Cash Equivalents	41,236,609
Restricted Assets:	
Cash and Cash Equivalents (Note 3)	
Cash in Bank	1,113,281
Cash Equivalents	121,138,994
Short-term Investments (Note 3)	204,298,616
Loans and Contracts	9,871,989
Interest Receivable	20,003,764
Receivable:	
Interest Receivable	75,012
Accounts Receivable	1,448,903
Consumable Inventories	14,949
Loans and Contracts	999,995
Other Current Assets	213,007
Total Current Assets	<u>401,641,660</u>
Non-Current Assets	
Loans and Contracts	29,181,335
Capital Assets: (Note 2)	
Depreciable	
Furniture and Equipment	1,437,962
Less: Accumulated Depreciation	(1,330,513)
Other Capital Assets	132,279
Less: Accumulated Depreciation	(47,963)
Restricted Assets:	
Investments (Note 3)	1,261,378,609
Loans and Contracts	1,245,757,289
Other Non-current Assets	
Deferred Issuance Cost, net (Note 10)	11,655,758
Real Estate Owned, net	295,125
Total Non-Current Assets	<u>2,548,459,881</u>
Total Assets	<u>\$ 2,950,101,541</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT V (Continued)

STATEMENT OF NET ASSETS - PROPRIETARY FUND

As of August 31, 2007

	Total
LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	\$ 833,454
Accrued Bond Interest Payable	40,093,199
Interfund Payable (Note 5)	169,074
Deferred Revenues	35,104,327
Employees' Compensable Leave (Note 4)	587,279
Revenue Bonds Payable (Notes 4 & 10)	23,712,494
Other Current Liabilities	<u>8,375,607</u>
Total Current Liabilities	<u>108,875,434</u>
Non-Current Liabilities	
Employees' Compensable Leave (Note 4)	169,287
Notes and Loans Payable (Note 4)	32,869,000
Revenue Bonds Payable (Note 4 & 10)	2,558,661,011
Other Non-Current Liabilities	<u>195,820,458</u>
Total Non-Current Liabilities	<u>2,787,519,756</u>
Total Liabilities	<u>2,896,395,190</u>
NET ASSETS	
Invested in Capital Assets	191,765
Restricted:	
For Single Family Bonds	11,508,077
For Multifamily Bonds	(158,438)
Unrestricted	<u>42,164,947</u>
Total Net Assets	<u>\$ 53,706,351</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUND

For the fiscal year ended August 31, 2007

	Total
OPERATING REVENUES	
Interest and Investment Income	\$ 141,324,170
Net Decrease in Fair Value	(7,271,533)
Other Operating Revenues	13,969,145
Total Operating Revenues	<u>148,021,782</u>
OPERATING EXPENSES	
Salaries and Wages	6,963,206
Payroll Related Costs	1,530,973
Professional Fees and Services	1,273,659
Travel	215,834
Materials and Supplies	247,848
Communications and Utilities	132,166
Repairs and Maintenance	348,768
Rentals and Leases	66,536
Printing and Reproduction	12,925
Depreciation and Amortization	979,548
Interest	131,807,514
Bad Debt Expense	2,242,486
Down Payment Assistance	13,082,692
Other Operating Expenses	1,369,799
Total Operating Expenses	<u>160,273,954</u>
Operating (Loss)	<u>(12,252,172)</u>
NON-OPERATING REVENUES (EXPENSES)	
Gain on Sale of Investments	-
Total Non-Operating Revenues (Expenses)	<u>-</u>
(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(12,252,172)
OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS	
Transfers In (Note 5)	3,007,983
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>3,007,983</u>
CHANGE IN NET ASSETS	(9,244,189)
Net Assets, September 1, 2006	<u>62,950,540</u>
NET ASSETS, AUGUST 31, 2007	\$ <u>53,706,351</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VII

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year ended August 31, 2007

	Total
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Loan Programs	\$ 187,599,549
Proceeds from Other Revenues	18,642,466
Payments to Suppliers for Goods/Services	(16,071,440)
Payments to Employees	(8,349,665)
Payments for Loans Provided	<u>(200,574,522)</u>
Net Cash (used for) Operating Activities	<u>(18,753,612)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	503,955,930
Proceeds from Transfers from Other Funds	3,007,983
Proceeds from Other Funds	133,190
Payments of Principal on Debt Issuance	(215,762,709)
Payments of Interest	(124,026,797)
Payments for Other Cost of Debt	<u>(3,016,739)</u>
Net Cash Provided by Noncapital Financing Activities	<u>164,290,858</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Additions to Capital Assets	<u>(12,409)</u>
Net Cash (Used for) Capital Activities	<u>(12,409)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	639,478,276
Proceeds from Interest/Invest. Income	75,535,762
Payments to Acquire Investments	<u>(857,364,164)</u>
Net Cash (Used for) Investing Activities	<u>(142,350,126)</u>
Net Increase in Cash and Cash Equivalents	3,174,711
Cash and Cash Equivalents, September 1, 2006	<u>161,540,713</u>
Cash and Cash Equivalents, August 31, 2007	<u>\$ 164,715,424</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VII (Continued)

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year ended August 31, 2007

	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating (Loss)	\$ (12,252,172)
Adjustments to Reconcile Operating (Loss) to Net Cash	
Used for Operating Activities:	
Amortization and Depreciation	979,548
Provision for Uncollectibles	2,242,486
Operating Income and Cash Flow Categories Classification Differences	55,967,737
Changes in Assets and Liabilities:	
(Increase) in Receivables	(334,739)
(Increase) in Accrued Interest Receivable	(1,404,527)
(Increase) in Loans / Contracts	(102,558,337)
(Increase) in Property Owned	(51,753)
(Increase) in Acquisition Costs	(363,142)
Change in Other Assets and Liabilities, net	24,784,831
Increase in Deferred Revenues	7,120,378
Increase in Accrued Interest Payable	<u>7,116,078</u>
 Total Adjustments	 <u>(6,501,440)</u>
 Net Cash (Used for) Operating Activities	 <u>\$ (18,753,612)</u>

NON CASH TRANSACTIONS

(Decrease) in Fair Value of Investments for 2007
was \$(7,271,533)

Loans and the related properties acquired were transferred to real estate owned in the amount of \$213,417 for 2007

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIR

EXHIBIT VIII

COMBINED STATEMENT OF FIDUCIARY NET ASSETS

As of August 31, 2007

AGENCY FUND	Total
ASSETS	
Current Assets:	
Restricted:	
Cash in State Treasury	\$ 43,144
Interfund Receivable (Note 5)	746,477
Total Current Assets	<u>789,621</u>
Total Assets	<u>\$ 789,621</u>
LIABILITIES	
Current Liabilities:	
Funds Held for Others	\$ 789,621
Total Current Liabilities	<u>789,621</u>
Total Liabilities	<u>\$ 789,621</u>

**NOTES TO THE
FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENTITY

Effective September 1, 1991, the Texas Department of Housing and Community Affairs (Department) was created to assist local governments in helping residents overcome financial, social and environmental problems; to address very low to moderate income housing needs; to contribute to the preservation and redevelopment of neighborhoods and communities; to assist the Governor and the legislature in coordinating federal and state programs affecting local governments; and to continually inform the state and the public about the needs of local government (*Texas Government Code Ann., Chapter 2306*). The Department was created by merging two former agencies, the Texas Housing Agency and the Texas Department of Community Affairs.

The regulation of manufactured housing was transferred from the Texas Department of Licensing and Regulation to the Department on September 1, 1995. The Manufactured Housing Division is administratively attached to the Department and is responsible for establishing standards and requirements for the construction and installation of manufactured housing that are reasonably necessary to protect the health, safety and welfare of the occupants of such housing and the general public. The Manufactured Housing Division has a governing Board of five members appointed by the Governor.

The Department is governed by a Board, composed of seven members, all of whom are appointed by the Governor with the advice and consent of the Texas Senate. The Board then appoints the Executive Director, with the approval of the Governor.

The accompanying financial statements of the Department have been prepared to conform with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Department's financial statements are combined with other state departments in the State of Texas financial statements.

Component Units - No component units have been identified which should be included in the Department's financial statements.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Funds

General Fund

The General Fund is the principal operating fund used to account for most of the Department's general activities. It accounts for all financial resources except those accounted for in other funds.

Proprietary Fund Types

Enterprise Funds (Business-Type Activity)

Enterprise Funds account for operations financed and operated in a manner similar to private business. The intent is to recover costs through user charges and where a periodic determination of revenues earned, expenses incurred, and net income are appropriate for management control, accountability, contractual obligations and other purposes.

Fiduciary Fund Types

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental funds are accounted for using the modified accrual basis of accounting. Under modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The Department considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for the Fund Financial Statements prepared on the modified accrual basis of accounting. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

The Government-wide Financial Statements are accounted for using the accrual method of accounting. This includes unpaid employees' compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, capital assets and accumulated depreciation.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary Funds distinguish operating from non-operating items. Operating revenues result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets.

The Department has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989 as allowed by GASB Statement No. 20.

BUDGET AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). The state monitors its statewide budget by establishing the legal level of control at the agency level to ensure that expenditures are not made in excess of budgetary authority. Within the Department, procedures are used to ensure that expenditures do not exceed their total budget at the division level, but the State Comptroller ultimately ensures that each total authorized agency budget is not exceeded.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

ASSETS, LIABILITIES AND FUND BALANCES/NET ASSETS

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, (GASB Statement 31). The Department utilizes established quoted market prices for determining the fair value of its debt securities in reserve funds. Fair value of the Department's securitized mortgage loans (GNMA/FNMA) has been established by each bond issues trustee using a pricing service.

The Department has reported all investment securities at fair value as of August 31, 2007 with exception of some short-term money market investments and nonparticipating interest-earning investments contracts which are reported at amortized cost provided that the fair value of these investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

Changes in the fair value for the Enterprise Fund are reported in the Combined Statement of Revenues, Expenses, and Changes in Net Assets as "Net Increase (Decrease) in the Fair Value of Investments."

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets in the General Fund include federal grants which are restricted by the grantor for specific program purposes established by the State Legislature. The Proprietary Fund includes certain assets pledged to respective bond indentures, the use of which is restricted by those same bond covenants.

Consumable Inventories

Consumable inventories consist of postage on hand at year-end. Inventories for governmental fund types and proprietary fund types are accounted for using the consumption method of accounting. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if donated, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset (5 years for both Furniture & Equipment and Other Capital Assets) using the straight-line method.

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the donation date. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

Loans and Contracts

Loans and contracts consist of loans in the General Fund made from federal funds for the purpose of Single Family loans and Multifamily development loans from the HOME Program.

Restricted loans and contracts in proprietary funds consist of mortgage loans made from Single Family and Multifamily bond proceeds. Unrestricted loans and contracts consist of Single Family loans and Multifamily development loans from the Housing Trust Fund and other Housing Initiative Programs. Loans receivable are carried at the unpaid principal balance outstanding, net of the allowance for estimated losses. Deferred commitment fees relating to the Single Family, Residential Mortgage Revenue Bonds (RMRB) Series 1987A and certain Multifamily programs are included as a reduction of loans receivable. Interest on loans is credited to income as earned. Loans are generally placed on nonaccrual status when the Department becomes aware that the borrower has entered bankruptcy proceedings or when they are past due 90 days as to either principal or interest or when payment in full of principal and interest is not expected. Deferred commitment fees are recognized using the interest method over the estimated lives of the loans.

Real Estate Owned

Real estate owned are properties acquired through foreclosure that are carried at the unpaid principal balance on the related property plus accrued interest and reimbursable expenses through the date of foreclosure, less any sales proceeds, reimbursements received from mortgage insurers and an allowance for estimated losses on such properties, which approximates the net realizable value of the property at foreclosure.

Loans secured by Single Family properties on which there is an indication that the borrower no longer has the ability to repay the loan and that foreclosure is likely are considered in-substance foreclosures and are classified as real estate owned in the accompanying balance sheet. Interest on real estate owned is credited to income as earned based on a calculation of interest recoverable in accordance with the Department's agreements with its mortgage insurers.

Allowance for Estimated Losses on Loans and Foreclosed Properties

The allowance for estimated losses on loans is calculated for future charge-offs on Single Family and Multifamily loans. The allowance for estimated losses on real estate owned is calculated for future charge-offs on foreclosed Single Family loans.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

All losses are charged to the allowance when the loss actually occurs or when a determination is made that a loss is likely to occur. During the year, management estimates the level of future losses to determine whether the allowances for estimated losses are adequate to absorb anticipated losses in the existing loan and real estate owned portfolios. Based on these estimates, a provision for estimated losses on loans and real estate owned is credited to the allowances in order to adjust the allowances to levels estimated to be adequate to absorb reasonably foreseeable losses.

While management uses available information to recognize losses in the loan and real estate owned portfolios, future additions may be necessary based on changes in economic conditions. However, it is the judgment of management that allowances are currently adequate to absorb reasonably foreseeable losses in the existing loan and real estate owned portfolios.

Commitment Fees

Commitment fees received in connection with the origination of loans are deferred and recognized using the interest method over the estimated lives of the related loans and mortgage-backed securities, or if the commitment expires unexercised it is credited to income upon expiration of the commitment.

Deferred Issuance Costs

Deferred issuance costs on bonds are amortized using the interest method over the contractual life of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of deferred issuance costs.

Discounts and Premiums on Debt

Discounts and premiums on debt are recognized using the interest method over the lives of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of discounts and premiums on debt.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Current Liabilities

Other current liabilities primarily consist of escrow fees and arbitrage rebate liability.

Deferred Revenues

Deferred Revenues in the governmental fund represent a deferral of amounts disbursed from funding agencies for the amount of Loans and Contracts outstanding. These deferred revenues are classified as current liabilities in accordance with GAAP. The deferred revenues in the proprietary fund represent fees such as commitment fees and compliance fees that are deferred upon receipt and amortized over a period of time. It also includes deferred revenues for loans and contracts.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Bonds Payable – Revenue Bonds

Revenue bonds are accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or noncurrent in the statement of net assets.

Notes and Loans Payable

Notes and Loans Payable is composed of Commercial Paper Notes issued by the Department. Proceeds not used to refund outstanding Commercial Paper Notes are intended to redeem single-family mortgage revenue bonds.

Other Non-current Liabilities

Other non-current liabilities primarily account for funds due to Developers as a result of Multifamily bond proceeds. These proceeds are conduit debt issued on behalf of the Developer for the purpose of Multifamily developments and are held by the trustee. Due to the developers' fluctuation in cash flow needs, the current portion cannot be reasonably estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

Fund Balance/Net Assets

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and the "Fund Balance" is the difference between fund assets and liabilities on the governmental fund statements.

Reservations of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserved for Consumable Inventories

This represents the amount of postage to be used in the next fiscal year.

Reserve for Imprest Accounts

This represents reserves for travel and imprest cash in amounts equal to the assets.

Unreserved/Undesignated

Unreserved represents the unappropriated balance at year-end.

Net Assets

Invested in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation. The Department reports net assets as restricted when constraints placed on net assets are externally imposed by bond covenants and federal grants. Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets or Restricted Net Assets.

Interfund Transactions and Balances

The Department may have the following types of transactions among funds:

1. Transfers - Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
2. Legislative Sources/Uses -- Budget transfers between agencies within the General Revenue Fund (0001).
3. Quasi-External Transactions - Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2007, is presented below:

	PRIMARY GOVERNMENT			Balance 08/31/07
	Balance 09/01/06	Additions	Deletions	
Governmental Activities:				
Depreciable Assets:				
Furniture and Equipment	\$1,724,302	\$17,137	(\$6,095)	\$1,735,344
Other Capital Assets	130,964	-	-	130,964
Total Depreciable Assets at Historical Costs	\$1,855,266	\$17,137	(\$6,095)	\$1,866,308
Less Accumulated Depreciation for:				
Furniture and Equipment	(\$1,571,158)	(\$42,832)	\$6,095	(\$1,607,895)
Other Capital Assets	(21,293)	(26,193)	-	(47,486)
Total Accumulated Depreciation	(1,592,451)	(69,025)	6,095	(1,655,381)
Governmental Activities Capital Assets, Net	\$262,815	(\$51,888)	-	\$210,927

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2007

NOTE 2: CAPITAL ASSETS Cont'd

	PRIMARY GOVERNMENT			Balance 08/31/07
	Balance 09/01/06	Additions	Deletions	
Business-Type Activities:				
Depreciable Assets:				
Furniture and Equipment	\$1,425,553	\$12,409	-	\$1,437,962
Other Capital Assets	132,279	-	-	132,279
Total Depreciable Assets at Historical Costs	\$1,557,832	\$12,409	-	\$1,570,241
Less Accumulated Depreciation for:				
Furniture and Equipment	(\$1,267,107)	(\$63,406)	-	(\$1,330,513)
Other Capital Assets	(21,507)	(26,456)	-	(47,963)
Total Accumulated Depreciation	(1,288,614)	(89,862)	-	(1,378,476)
Business-Type Activities Capital Assets, Net	\$269,218	(\$77,453)	-	\$191,765

Depreciation expense was allocated to Administration in the Statement of Activities for both the Governmental and Business-type activities.

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

The Department is authorized by statute to make investments following the "prudent person rule" and based upon provisions within the master bond indentures and its Investment Policy adopted by the Board in accordance with the Public Funds Investment Act. There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2007, the carrying amount of deposits was \$1,249,426.

Governmental Funds Current Assets Cash in Bank	\$ 20,000
Proprietary Funds Current Assets Cash in Bank	
Texas Treasury Safekeeping Trust	116,145
Proprietary Funds Current Assets Restricted Cash in Bank	
Texas Treasury Safekeeping Trust	263,381
Demand Deposits	849,900
Cash in Bank per AFR	\$1,249,426

At August 31, 2007 the Department's cash and deposits in the State Treasury amounted to \$7,786,551. Of that amount, \$7,786,551 was fully collateralized by securities held with a trustee in the State's name, as reported to the Department by the Comptroller of Public Accounts of the State of Texas.

Investments

The types of investments in which the Department may invest are restricted by the provisions of the master bond indentures and the Department's Investment Policy adopted by its Board in accordance with the Public Funds Investment Act. The indentures allow for investments in direct obligations of or guaranteed by the U.S. Government; obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by agencies or intermediaries of the U.S. Government; obligations issued by public agencies or municipalities; obligations and general obligations of or guaranteed by the state; demand deposits, interest-bearing time deposits or certificates of deposit; repurchase agreements in U.S. Government securities; direct or general obligations of any state within the territorial U.S.; investment agreements with any bank or financial institution; commercial paper; and guaranteed investment contracts. Certain trust indentures restrict the Department from investing in certain of the aforementioned investments.

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2007

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS Cont'd

At August 31, 2007, the fair value of investments (including both short-term and long-term) are shown below.

Business Type Activities	Carrying Value	Fair Value
U.S. Treasury Securities	\$ 938,785	\$ 1,080,697
U.S. Government Agency Obligations	1,129,168,860	1,098,900,081
Repurchase Agreements (TTSTC)	112,436,746	112,436,746
Fixed Income Money Markets	49,938,862	49,938,862
Misc (Investment Agreements/GICs)	365,696,442	365,696,442
Total	\$ 1,658,179,695	\$ 1,628,052,828

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Preservation and safety of principal is the foremost objective of the investment program. According to the Department's investment policy, investments should be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk is mitigated by

- Limiting investments to the safest types of securities.
- Pre-qualifying the financial institution, broker/dealers, intermediaries, and advisors with which the Department will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

As of August 31, 2007, the Department's credit quality distribution for securities with credit risk exposure was as follows.

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	Not Rated	AAA	AA	A
05	3054	U.S. Government Agency Obligations		\$153,761,970		
05	3054	Repurchase Agreements (TTSTC)	\$112,436,746			
05	3054	Misc (Investment Agreements/GICs)	\$365,696,442			
			Not Rated	AAA-M	AA-M	A-M
05	3054	Fixed Income Money Market		\$49,938,862		

A total of \$946,218,807 was not subject to credit risk disclosure due to their explicit guarantee by the U.S. Government which is composed of \$1,080,697 in U.S. Treasury securities and \$945,138,110 in U.S. Government Agency obligations issued by the Government National Mortgage Association.

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2007, the Department's concentration of credit risk is as follows.

Fund Type	GAAP Fund	Issuer	Carrying Value	% of Total Portfolio
05	3054	Transamerican Life	\$151,199,674	9.29%
05	3054	USB Warburg	\$112,436,746	6.91%

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS Cont'd

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investment. The longer the maturity of an investment will result in greater sensitivity of its fair value to changes in the market interest rates. The Department's investment policy allows for the mitigation of interest rate risk by

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities.

Information about the sensitivity of the fair values of the Departments investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Department's investments by maturity:

Remaining Maturity (in months)

Government and Business Type Activities	Fair Value	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
U.S. Treasury Securities	\$1,080,697				\$1,080,697
U.S. Government Agency Obligations	1,098,900,080		\$7,000,000	\$1,833,002	1,090,067,078
Repurchase Agreements (TTSTC)	112,436,746	\$112,436,746			
Fixed Income Money Markets	49,938,863	49,938,863			
Misc (Investment Agreements/GICs)	365,696,442	204,298,616	18,892,235	116,698,939	25,806,652
Total	\$1,628,052,828	\$366,674,225	\$25,892,235	\$118,531,941	\$1,116,954,427

Highly Sensitive Investments

U. S. Government Agency obligations in the form of Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. These prepayments result in a reduction of expected total cash flows affecting the fair value of these securities and make the fair value of these securities highly sensitive to the changes in interest rates. The Department does not make it a common practice to sell these investments. Any fluctuation in fair value generates an unrealized gain or loss. The fair value of these investments is inversely affected by national mortgage interest rates. In an environment of rising interest rates, the Department would recognize an unrealized loss in fair market value and vice versa. Since the end of the 2007 fiscal year, the national mortgage rates have begun to decrease; as such, the Department does not believe that the value of these assets has been impaired. As of August 31, 2007, the Department holds \$1,098,900,080 in U. S. Government Agency obligations in the form of mortgage backed securities.

NOTE 4: SUMMARY OF LONG TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2007, the following changes occurred in liabilities.

Governmental Activities	Balance 9/1/06	Additions	Reductions	Balance 8/31/07	Amounts Due Within One Year
Compensable Leave	\$ 949,229	\$ 770,582	\$ 690,606	\$ 1,029,205	\$ 770,582
Total Governmental Activities	\$ 949,229	\$ 770,582	\$ 690,606	\$ 1,029,205	\$ 770,582

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2007

NOTE 4: SUMMARY OF LONG TERM LIABILITIES Cont'd

Business-Type Activities	Balance 9/1/06	Additions	Reductions	Balance 8/31/07	Amounts Due Within One Year
Revenue Bonds Payable	\$ 2,312,950,557	\$ 469,578,648	\$ 200,155,700	\$ 2,582,373,505	\$23,712,494
Commercial Paper Notes*	15,198,000	(15,198,000)	-	-	-
Notes Payable*	-	47,869,000	15,000,000	32,869,000	-
Subtotal	2,328,148,557	502,249,648	215,155,700	2,615,242,505	23,712,494
Compensable Leave	612,051	587,279	442,764	756,566	587,279
Total Business-Type Activities	\$ 2,328,760,608	\$ 502,836,927	\$ 215,598,464	\$2,615,999,071	\$24,299,773

Commercial Paper Notes Payable

The Department is authorized to issue the Notes in an aggregate principal amount not to exceed \$75,000,000 outstanding. Proceeds of the initial issuance of the Notes and of future issues not issued to refund outstanding Notes will be used to redeem certain of the Department’s single-family mortgage revenue bonds (the “Refunded Bonds”), which are subject to redemption as a result of the receipt by the Department of prepayments of the related underlying mortgage loans. Such prepayments may, at a future date, be recycled into new mortgage loans by the Department.

*On August 31, 2006, Commercial Paper Notes Payable was included in Bonds Payable but will be reported in Long-Term Notes Payable on August 31, 2007, per instructions from the State Comptroller.

Employees’ Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee’s resignation, dismissal or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Other Non-current Liabilities

Other non-current liabilities in the Enterprise Fund totaling \$195,820,458 primarily account for funds due to Developers as a result of Multifamily bond proceeds. These proceeds are conduit debt issued on behalf of the Developer for the purpose of Multifamily developments and are held by the trustee. Due to the various variables related to the balance, the current portion cannot be reasonably estimated.

NOTE 5: INTERFUND BALANCES / ACTIVITIES

As explained in Note 1 on Interfund Transactions and Balances, there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

The Department experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 5: INTERFUND BALANCES / ACTIVITIES Cont'd

Individual balances and activity at August 31, 2007, follows:

Fund	Current Interfund Receivable	Current Interfund Payable
General Fund (01)		
General Revenue (0001)	-	\$ 701,618
Consolidated Federal (0127)	-	(124,215)
Enterprise Fund (05, 0896)	-	169,074
Agency Fund (09, 1000)	\$ 746,477	-
Total Interfund Receivable/ Payable (Exhibit I, Exhibit III & VIII)	\$ 746,477	\$ 746,477

The Department has no Non-Current Interfund Receivables/Interfund Payables.

Fund	Transfers In	Transfers Out	Purpose
General Fund (01)			
Appd Fund 0001, D23 Fund 0001		\$ 3,007,983	Article VII-7, Rider 19
Appd Fund 0001, D23 Fund 0001		402,776	Article IX, § 11.04
Total Transfers for Fund 0001 (Exhibit IV)		\$ 3,410,759	
Enterprise Fund (05)			
Appd Fund 3054, D23 Fund 0999	\$ 3,007,983		Article VII-7, Rider 19
Total Transfers for Fund 3054 (Exhibit VI)	\$ 3,007,983		
Total Transfers	\$ 3,007,983	\$ 3,410,759	

Fund	Legislative Transfers In	Legislative Transfers Out
General Fund (01)		
Appd Fund 0001, D23 Fund 0001	-	\$ 2,288,255
Appd Fund 0001, D23 Fund 0066	-	(904,189)
Appd Fund 0001, D23 Fund 0088	-	35,243
Total Legislative Transfers (Exh IV)	-	\$ 1,419,309

NOTE 6: CONTINGENT LIABILITIES

The Department is a defendant in legal actions arising from transactions and activities conducted in the ordinary course of business. Management, after consultation with legal counsel, believes that the aggregate liabilities, if any, will not be material to the basic financial statements.

The Department receives federal grants that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The Department's management has recorded \$109,334 as an estimate of potential settlement of disallowed costs pursuant to administration of federal programs. The Department is considering seeking a waiver of repayment provisions by the federal grantor agency.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 7: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Department will be abolished effective September 1, 2011 unless continued in existence as provided by the Act. If abolished, the Department may continue until September 1, 2012 to close out its operations.

NOTE 8: RISK FINANCING AND RELATED INSURANCE

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. It is the Department's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The Department assumes substantially all risks associated with the performance of its duties. Currently there is no purchase of commercial insurance, nor is the Department involved in any risk pools with other government entities. The Department carries Public Official Liabilities Insurance coverage in the amount of \$10,000,000; automobile liability insurance in the amount of \$500,000, errors and omissions insurance of \$300,000 related to loan servicing for others and a \$350,000 Public Employee Fidelity Bond.

The Department's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There have been no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. The Department incurred no claims liability during fiscal years 2006 and 2007 related to these policies.

NOTE 9: SEGMENT INFORMATION FOR ENTERPRISE FUND

The Segment information following is the Department's direct debt associated with the issuance of Single Family bonds only and does not include the Multifamily bonds where the Department is only a conduit issuer. Therefore, this note represents less than what is reported in the Enterprise Fund as a whole. Each grouping consists of separate indentures that have one or more bonds outstanding with the revenue stream and assets exclusively pledged in support of that debt. Each indenture imposes the requirement of separate accounting of the revenues, expenses, gains, losses, assets, and liabilities.

CONDENSED STATEMENT OF NET ASSETS

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds	Single Family CHMRB Series 1993 Funds	Single Family CHMRB 1994 & 1995 Funds
Restricted Assets:					
Current Assets	\$ 184,464,844	\$ 9,476,210	\$ 873,441	\$ -	\$ -
Capital Assets	-	-	-	-	-
Other Assets	898,679,145	313,705,131	13,771,995	-	-
Total Assets	1,083,143,989	323,181,341	14,645,436	-	-
Liabilities:					
Current Liabilities	44,344,912	10,569,380	404,858	-	-
Long Term Liabilities	1,034,183,523	307,358,821	12,653,558	-	-
Total Liabilities	1,078,528,435	317,928,201	13,058,416	-	-
Net Assets:					
Restricted Net Assets	4,615,554	5,253,140	1,587,020	-	-
Total Restricted Net Assets	\$ 4,615,554	\$ 5,253,140	\$ 1,587,020	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2007

NOTE 9: SEGMENT INFORMATION FOR ENTERPRISE FUND Cont'd

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Operating Revenues:

Interest and Investment Income	\$ 50,683,618	\$ 19,139,073	\$ 1,053,349	\$ 70	\$ (0)
Net Increase (Decrease) in Fair Value	(6,771,348)	(551,459)	51,275	-	-
Other Operating Revenues	824,758	367,043	48,446	-	3
Operating Expenses	(54,359,498)	(17,931,787)	(919,951)	(1,752)	(108)
Depreciation and Amortization	<u>(568,361)</u>	<u>(161,969)</u>	<u>(3,166)</u>	<u>-</u>	<u>-</u>
Operating Income (Loss)	<u>(10,190,831)</u>	<u>860,901</u>	<u>229,953</u>	<u>(1,682)</u>	<u>(105)</u>
Transfers In (Out)	<u>(2,402,853)</u>	<u>(959,433)</u>	<u>2,291</u>	<u>(8,033)</u>	<u>40</u>
Changes in Net Assets	(12,593,684)	(98,532)	232,244	(9,715)	(65)
Net Assets, September 1, 2006	<u>17,209,238</u>	<u>5,351,672</u>	<u>1,354,776</u>	<u>9,715</u>	<u>65</u>
Net Assets, August 31, 2007	<u>\$ 4,615,554</u>	<u>\$ 5,253,140</u>	<u>\$ 1,587,020</u>	<u>\$ -</u>	<u>\$ -</u>

CONDENSED STATEMENT OF CASH FLOWS

	<u>Single Family Program Funds</u>	<u>Residential Mortgage Revenue Bond Funds</u>	<u>Collateralized Home Mortgage Revenue Funds</u>	<u>Single Family CHMRB Series 1993 Funds</u>	<u>Single Family CHMRB 1994 & 1995 Funds</u>
Net Cash Provided (Used) By:					
Operating Activities	\$ 2,416,223	\$ 476,013	\$ (7,838)	\$ 35	\$ (128)
Noncapital Financing Activities	158,842,118	(53,519,673)	(3,514,988)	(8,039)	40
Investing Activities	<u>(160,060,337)</u>	<u>56,047,654</u>	<u>3,728,496</u>	<u>2</u>	<u>-</u>
Net Increase (Decrease)	1,198,004	3,003,994	205,670	(8,002)	(88)
Beginning Cash and Cash Equivalents	<u>61,136,071</u>	<u>4,413,284</u>	<u>586,610</u>	<u>8,002</u>	<u>88</u>
Ending Cash and Cash Equivalents	<u>\$ 62,334,075</u>	<u>\$ 7,417,278</u>	<u>\$ 792,280</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 10: BONDED INDEBTEDNESS

The Department has 123 bond issues outstanding at August 31, 2007. All series are revenue bonds backed by the pledged revenue sources and restricted funds specified in the bond resolutions. Each series is designed to be self-supporting with no repayment nor obligation from the State's General Revenue. The Department issues bonds to assist in financing the purchase of homes by or the construction of rental housing for families with very low to moderate incomes. Loan payments provide the revenues for debt service payments. (Detailed supplemental bond information is disclosed in Schedules 1-A, 1-B, 1-C, 1-D, 1-E and 1-F.)

Proceeds from the issuance of bonds under the Single Family and Residential Mortgage Revenue Bonds (RMRB) Series 1987A Programs were used to acquire loans. Proceeds from Collateralized Home Mortgage Revenue Bond (CHMRB) and the remaining RMRB programs were used to acquire pass-through certificates backed by mortgage loans. Proceeds from the remaining Multifamily bond issues were used to finance mortgage loans.

Interest on bonds and collateralized mortgage obligations is payable periodically, except for capital appreciation bonds, on which interest is compounded semiannually and payable at maturity or upon redemption.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 10: BONDED INDEBTEDNESS Cont'd

The Single Family, RMRB and CHMRB bonds are collateralized by the revenues and assets pledged under the trust indentures, primarily Single Family mortgage loans, mortgage-backed securities and investments. The Multifamily bonds are collateralized by varying methods, including, but not limited to, the mortgage loans on the applicable housing developments, certificates of deposit, letters of credit, guarantees provided by third parties and collateralized mortgage obligations issued by federally chartered, privately owned corporations.

The trust indentures contain positive and negative covenants. Events of default include the following: failure to make timely payment of both principal and interest on any outstanding bond; failure to make timely payment of any other monies required to be paid to the Trustee; and non-performance or non-observance of any other covenants, agreements or conditions contained in the indentures. Management believes they are in compliance with the covenants of the indentures.

Deferred issuance costs at August 31, 2007, consist of the following:

	Amount
Deferred Issuance Costs at August 31, 2007	\$ 39,626,610
Less Accumulated Amortization	(27,970,852)
Deferred Issuance Costs, net	<u>\$ 11,655,758</u>

CHANGES IN BONDS PAYABLE (amounts in thousands)

Description	Bonds Outstanding 9/1/06	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/07	Amounts Due Within One Year
Single Family	\$ 837,845	275,200	6,115	69,845	\$ 1,037,085	\$ 11,553
RMRB	345,065	-	5,595	28,780	310,690	5,387
CHMRB	14,900	-	-	2,500	12,400	8
Multifamily	1,107,945	193,282	5,266	82,662	1,213,299	6,764
Commercial Paper*	15,198	(15,198)	-	-	-	-
Total						
Principal	<u>\$ 2,320,953</u>	<u>453,284</u>	<u>16,976</u>	<u>183,787</u>	<u>\$ 2,573,474</u>	<u>\$ 23,712</u>
Net Deferred Amt due to Refund	(1,197)				(239)	
Unamortized Premium	13,405				14,365	
Unamortized Refunding (Loss)	(5,012)				(5,226)	
Total	<u>\$ 2,328,149</u>				<u>\$ 2,582,374</u>	

*Commercial Paper no longer reported as Bonds Payable per instructions from the State Comptroller.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 10: BONDED INDEBTEDNESS Cont'd

DEBT SERVICE REQUIREMENTS

PRINCIPAL ONLY (amounts in thousands)

Description	2008	2009	2010	2011	2012	2013 to 2017	2018 to 2022
Single-family	\$ 11,310	\$ 18,445	\$ 18,800	\$ 19,575	\$ 20,535	\$ 119,775	\$ 150,360
RMRB	5,335	5,550	5,515	4,600	4,815	22,720	59,900
CHMRB							
Multifamily	7,022	9,471	9,612	10,509	11,191	65,677	91,516
Total	\$ 23,667	\$ 33,466	\$ 33,927	\$ 34,684	\$ 36,541	\$ 208,172	\$ 301,776

Description	2023 to 2027	2028 to 2032	2033 to 2037	2038 to 2042	2043 to 2047	Total
Single-family	\$204,485	\$202,735	\$251,270	\$ 19,795	\$ -	\$ 1,037,085
RMRB	51,280	116,435	34,540	-	-	310,690
CHMRB	12,400	-	-	-	-	12,400
Multifamily	206,874	154,473	285,525	242,932	118,497	1,213,299
Total	\$475,039	\$473,643	\$571,335	\$262,727	\$118,497	\$ 2,573,474

Actual maturities will differ from contractual maturities since the Department has the right to call or prepay obligations with or without call or prepayment penalties as the related loans and mortgage-backed securities mature or prepay.

PRINCIPAL AND INTEREST (amounts in thousands)

Description	2008	2009	2010	2011	2012	2013 to 2017	2018 to 2022
Single-family	\$ 58,403	\$ 64,834	\$ 64,435	\$ 64,387	\$ 64,485	\$ 324,311	\$ 323,479
RMRB	22,073	22,009	21,722	20,569	20,566	97,946	124,769
CHMRB	858	856	856	856	858	4,282	4,282
Multifamily	84,005	79,869	79,528	79,836	79,894	394,102	394,030
Total	\$165,339	\$167,568	\$166,541	\$165,648	\$165,803	\$ 820,641	\$ 846,560

Description	2023 to 2027	2028 to 2032	2033 to 2037	2038 to 2042	2043 to 2047	Total
Single-family	\$337,325	\$288,183	\$278,687	\$ 19,919	\$ -	\$ 1,888,448
RMRB	100,776	148,716	35,610	-	-	614,756
CHMRB	13,963	-	-	-	-	26,811
Multifamily	468,631	361,566	436,394	312,761	131,790	2,902,406
Total	\$920,695	\$798,465	\$750,691	\$332,680	\$131,790	\$ 5,432,421

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended August 31, 2007

NOTE 10: BONDED INDEBTEDNESS Cont'd

VARIABLE TO FIXED INTEREST RATE SWAP

OBJECTIVE

In order to hedge against increases in interest rates on variable rate demand bond issues, the Department has entered into five interest rate swap agreements with the objective of reducing the interest rate risk of certain variable rate demand bonds. The variable rate demand bonds were issued at a lower total interest cost than attainable through traditional fixed rate bond structures. The Department has entered into interest rate swap agreements with various rated counterparties. Under the terms of the agreements, the Department makes periodic fixed interest rate payments in exchange for receiving variable rate payments comparable to the rates payable on the variable rate demand bonds. The swap notional amounts amortize in accordance with the scheduled and/or anticipated reductions in the related variable rate demand bond liability. The Department is potentially exposed to loss in the event of nonperformance by the counterparties under the swap agreements. Termination of the swap agreements may result in the Department making or receiving termination payments. Each swap agreement includes optional early termination provisions granting the Department the right, but not an obligation, to terminate the interest rate swaps at par without a termination payment after an effective date.

TERMS AND FAIR VALUE

The terms, including the fair value of the outstanding swaps as of August 31, 2007 are as follows. The fair value of the swaps are not shown in the financial statements. The notional amounts of the swaps match the principal amount of the associated debt.

Counterparty	Notional Amount	Fair Value	Effective Date	Fixed Rate	Variable Rate	Swap Termination Date
UBS AG	\$53,000,000	(\$378,758)	9/1/04	3.843 %	63% of LIBOR + .30%	9/1/34 (a)
Goldman Sachs	35,000,000	(96,416)	1/1/05	3.6125 %	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR	3/1/35 (b)
Bear Stearns	98,145,000	(1,580,061)	8/1/05	3.99 %	Less of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR	9/1/36 (c)
UBS AG	36,000,000	(554,019)	11/15/06	3.857%	63% of LIBOR +.30%	9/1/25 (d)
Bear Stearns	143,005,000	(3,223,482)	6/5/07	4.013% %	Less of (the greater of (a) 65% of LIBOR and (b) 56% of LIBOR + .45%) and LIBOR	9/1/38 (c)
Total	\$365,150,000	(\$5,832,736)				

- a. Swap Agreement has an optional early termination date of March 1, 2014 and every March and September thereafter. The maximum notional amount subject to early termination is equal to 60% of the current notional amount.
- b. Swap Agreement has an optional early termination date of September 1, 2014 and every March and September thereafter.
- c. Swap Agreement is subject to an early termination date at any time with a 10 business day notice.
- d. Swap Agreement has an optional early termination date of March 1, 2016 and every March and September thereafter. The maximum notional amount subject to early termination is current notional amount per the amortization schedule.

CREDIT RISK

As of August 31, 2007, the Department is not exposed to credit risk on any of its outstanding swaps because the swaps have negative fair values. If interest rates change and the fair value of the swaps become positive, the department would be exposed to credit risk on those swaps. The swap agreements contain varying collateral agreements and insurance policies with the counterparties. The credit ratings for the counterparties are as follows.

Counterparty	Standard & Poor's	Moody's	Fitch
UBS AG	AA	A3	AA+
Goldman Sachs Capital Markets, LP	Not Rated	Aa3	AA-
Bear Stearns Financial Products, Inc.	AAA	Not Rated	Not Rated

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 10: BONDED INDEBTEDNESS Cont'd

BASIS RISK

The Department's variable-rate bond coupon payments are equivalent to the Bond Market Association (BMA) rate. The swap agreements designate a function of LIBOR as the rate for payments received on these swaps. The Department will be exposed to basis risk should LIBOR and BMA converge. The swap agreements provide an option to terminate as stated above.

ROLLOVER RISK

The Department is exposed to rollover risk on swap agreements which mature or may be terminated prior to the maturity of the associated debt. The following debt is exposed to rollover risk if the option for early termination is executed:

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
2004B Single Family	September 2034	May be terminated as early as March 2014
2004D Single Family	March 2035	May be terminated as early as September 2014
2005A Single Family	September 2036	May be terminated at anytime giving 10 day notice
2006H Single Family	September 2037	May be terminated as early as March 2016
2007A Single Family	September 2038	May be terminated at anytime giving 10 day notice

SWAP PAYMENTS AND ASSOCIATED DEBT

Using rates as of August 31, 2007, debt service requirements of the Department's outstanding variable-rate debt and net swap payments are as follows. As rates vary, variable-rate debt bond interest payments and new swap payments will vary. The Department's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds outstanding.

Fiscal Year Ending August 31	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2008	\$ 850,000	\$ 12,686,733	\$ 1,147,606	\$ 14,684,339
2009	4,345,000	14,048,238	1,344,464	19,737,702
2010	4,540,000	13,876,258	1,320,526	19,736,784
2011	4,755,000	13,696,461	1,295,495	19,746,956
2012	4,990,000	13,508,075	1,269,262	19,767,337
2013-2017	38,205,000	63,804,920	5,902,754	107,912,674
2018-2022	59,600,000	53,850,697	4,984,785	118,435,482
2023-2027	74,360,000	40,758,445	3,807,750	118,926,195
2028-2032	84,915,000	24,850,859	2,355,251	112,121,110
2033-2037	81,475,000	8,573,644	915,947	90,964,591
2038-2042	7,115,000	199,679	25,762	7,340,441
Total	\$ 365,150,000	\$ 259,854,009	\$ 24,369,602	\$ 649,373,611

DEFEASED DEBT

In fiscal year 2007 and in prior years, the Department has issued refunding bonds to advance refund certain single family and multifamily revenue bonds. The proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent. The funds were used to purchase government securities, which will provide for all future debt service requirements.

On August 31, 2007, defeased bonds remaining unredeemed or unmatured from the 2003 and 2007 refunding issuance amounted to \$24,525,000 and \$36,700,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2007

NOTE 10: BONDED INDEBTEDNESS Cont'd

ADVANCE REFUNDING BONDS

On June 5, 2007, the Department issued \$143,005,000 in variable rate revenue bonds (2007A Single Family Revenue Bonds) with a maximum rate of 12% of which \$36,600,000 was used to advance refund \$27,120,000 of outstanding 1997A Single Family Revenue Bonds and \$9,580,000 of 1997D Single Family Revenue Bonds. The bond proceeds were deposited with an escrow agent to provide for future debt service on the 1997 bonds. As a result, the 1997 bonds are considered to be defeased and the liability for those bonds has been removed from the Department's financial statements.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$529,156. Since the old debt will be redeemed on September 1, 2007, the entire difference will be amortized this fiscal year increasing interest expense. The Department advance refunded the 1997 Single Family Revenue Bonds Series A & D to reduce its total debt service payments over the next 30 years by \$19,912,544 and to obtain an economic gain of \$10,031,775. Because the new debt is variable rate debt, the economic and cash differences were calculated using the current rate as of August 31, 2007 which is 4%. The cash flow and economic impact will fluctuate with the prevailing interest rates. Using the maximum rate allowable by the trust indenture of 12%, the Department could incur a maximum of additional \$33,323,234 in debt service payments and an economic loss of \$16,755,147 as a result of the advance refunding.

NOTE 11: EMPLOYEE BENEFITS

PLAN DESCRIPTION

The Department contributes to the Employees Retirement System of Texas (the "System"), a cost-sharing, multiple-employer, defined benefit plan. The Department has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which standardizes financial reporting for pensions by state and local government employers. The System provides service retirement, disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Subtitle B, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Employees Retirement System of Texas, P.O. Box 13207, Austin, Texas, 78711-3207 or by calling (512) 476-6431.

FUNDING POLICY

Under provisions in State law, plan members are required to contribute 6% of their annual covered salary, and the Department contributes an amount equal to 6.45% of the Department's covered payroll. The Department and the employees' contributions to the System for the years ending August 31, 2007, 2006, and 2005, were \$947,383, \$874,775, and \$784,304, respectively, equal to the required contributions for each year.

NOTE 12: SUBSEQUENT EVENTS

On September 20, 2007, the Department issued \$157,060,000 in Single Family revenue bonds made up as follows:

\$157,060,000 SF 2007 Series B (AMT)

The Series 2007 B bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "2007 B Mortgage Certificates") guaranteed as to timely payment of principal and interest by either Government National Mortgage Association ("Ginnie Mae"), Freddie Mac or Fannie Mae which represent beneficial ownership of pools of Mortgage Loans (the "2007 Mortgage Loans").

On December 3, 2007, the Department issued \$15,000,000 in Multifamily revenue bonds (The Residences @ Onion Creek) made up as follows:

\$ 15,000,000 MF 2007 Series

The Multifamily bonds are issued for the primary purpose to finance the acquisition, construction and equipping of multifamily residential rental developments. The Residences @ Onion Creek will be located in Austin, Texas.

SUPPLEMENTARY BOND

SCHEDULES

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
 Supplementary Bond Schedules
 SCHEDULE 1-A
 MISCELLANEOUS BOND INFORMATION
 For the fiscal year ended August 31, 2007
 (Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range Of Interest Rates		Scheduled Mat.		First Call Date
				First Year	Last Year	
1995 Single Family Series A	\$ 85,760	4.15%	6.15%	1997	2027	09/01/2005
1995 Single Family Series C	71,760	6.44%	7.76%	2006	2017	09/01/2005
1996 Single Family Series A	15,000	4.50%	6.30%	2001	2028	09/01/2006
1996 Single Family Series D	70,760	5.45%	6.25%	2021	2028	09/01/2006
1996 Single Family Series E	98,730	3.90%	6.00%	1997	2017	09/01/2006
1997 Single Family Series A	44,465	5.25%	5.80%	2013	2029	09/01/2007
1997 Single Family Series B	9,510	5.45%	5.45%	2019	2019	09/01/2007
1997 Single Family Series D	44,795	5.65%	5.70%	2029	2029	09/01/2007
1997 Single Family Series F	20,000	6.77%	6.77%	2029	2029	09/01/2007
2002 Single Family Series A (Jr. Lien)	10,000	7.01%	7.01%	2025	2026	09/01/2012
2002 Single Family Series A	38,750	5.45%	5.55%	2023	2034	03/01/2012
2002 Single Family Series B	52,695	5.35%	5.55%	2033	2033	03/01/2012
2002 Single Family Series C	12,950	2.80%	5.20%	2004	2017	03/01/2012
2002 Single Family Series D	13,605	2.00%	4.50%	2003	2012	03/01/2012
2004 Single Family Series A	123,610	2.00%	4.70%	2006	2035	03/01/2013
2004 Single Family Series B	53,000	VAR - Weekly		2015	2034	03/01/2015 (f)
2004 Single Family Series A (Jr. Lien)	4,140	VAR - Weekly		2036	2036	09/01/2036 (f)
2004 Single Family Series C	41,245	4.30%	4.80%	2019	2036	09/01/2014
2004 Single Family Series D	35,000	VAR - Weekly		2035	2035	(g)
2004 Single Family Series E	10,825	2.45%	4.30%	2006	2013	09/01/2014
2005 Single Family Series A	100,000	VAR - Weekly		2007	2036	03/01/2006
2005 Single Family Series B	25,495	4.38%	4.38%	2006	2026	03/01/2006
2005 Single Family Series C	8,970	4.31%	5.39%	2017	2017	03/01/2006
2005 Single Family Series D	3,730	5.00%	5.00%	2025	2035	03/01/2006
2006 Single Family Series A	59,555	5.00%	5.00%	2008	2037	09/01/2006
2006 Single Family Series B	70,485	5.00%	5.00%	2008	2034	09/02/2006
2006 Single Family Series C	105,410	5.13%	5.13%	2008	2037	09/03/2006
2006 Single Family Series D	29,685	4.50%	4.50%	2018	2028	09/04/2006
2006 Single Family Series E	17,295	4.06%	4.06%	2007	2017	09/05/2006
2006 Single Family Series F	81,195	4.65%	5.75%	2008	2038	03/01/2016
2006 Single Family Series G	15,000	3.75%	4.60%	2012	2019	03/01/2016
2006 Single Family Series H	36,000	VAR - Weekly		2016	2037	03/01/2016 (f)
2007 Single Family Series A	143,005	VAR - Weekly		2008	2038	03/01/2008 (f)
1998 RMRB Series A	102,055	4.05%	5.35%	2002	2031	01/01/2009
1998 RMRB Series B	14,300	5.30%	5.30%	2022	2022	01/01/2009
1999 RMRB Series A	25,615	4.80%	5.50%	2018	2021	01/01/2009
1999 RMRB Series B-1	52,260	6.32%	7.10%	2021	2032	07/01/2009
1999 RMRB Series C	12,150	5.05%	6.25%	2003	2024	07/01/2009
2000 RMRB Series A	50,000	5.10%	6.30%	2003	2031	07/01/2010
2000 RMRB Series B	82,975	5.70%	5.70%	2005	2033	07/01/2010
2000 RMRB Series C	13,675	5.82%	5.85%	2011	2025	07/01/2010
2000 RMRB Series D	18,265	4.55%	5.85%	2003	2020	07/01/2010
2001 RMRB Series A	52,715	3.15%	5.70%	2004	2033	07/01/2011
2001 RMRB Series B	15,585	5.00%	5.25%	2011	2022	07/01/2011
2001 RMRB Series C	32,225	2.55%	4.63%	2003	2015	07/01/2011
2001 RMRB Series D	300	5.35%	5.35%	2008	2033	07/01/2011
2002 RMRB Series A	42,310	2.25%	5.35%	2004	2034	07/01/2012
2003 RMRB Series A	73,630	1.70%	5.00%	2005	2034	01/01/2013
1992 Coll Home Mtg Rev Bonds, Series C	72,700	3.48%	10.27%	2024	2024	05/04/1995
1994 SF MRB CHMRB Series C	15,360	6.25%	6.25%	2026	2026	06/27/2005
TOTAL SINGLE FAMILY & RMRB BONDS	\$ 2,228,545					
1987 MF Series (South Texas Rental Housing)	\$ 1,400	9.50%	9.50%	1988	2012	02/01/1988
1993 MF Series A/B (RemHill/HighPt)	26,370	VAR - Weekly		2023	2023	02/01/2000
1996 MF Series A/B (Brighton's Mark)	10,174	6.13%	6.13%	2026	2026	01/01/2003
1996 MF Series A/B (Las Colinas)	15,469	5.65%	5.65%	2026	2026	01/01/2003
1996 MF Series A/B (Braxton's Mark)	14,867	5.81%	5.81%	2026	2026	01/01/2003
1998 MF Series A (Pebble Brook)	10,900	4.95%	5.60%	2001	2030	06/01/2001
1998 MF Series A-C (Residence Oaks)	8,200	5.98%	7.18%	2001	2030	05/01/2001
1998 MF Series A (Volente Project)	10,850	5.00%	5.63%	2001	2031	07/01/2001
1998 MF Series A (Dallas Oxford Refidg)	10,300	7.25%	7.25%	2018	2018	01/01/2004

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-A (Continued)

MISCELLANEOUS BOND INFORMATION

For the fiscal year ended August 31, 2007

(Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range Of Interest Rates		Scheduled Mat.		First Call Date
				First Year	Last Year	
1998 MF Series A/B (Greens of Hickory Trail)	\$ 13,500	5.20%	6.03%	2001	2030	09/01/2008
1999 MF Series A-C (Mayfield)	11,445	5.70%	7.25%	2001	2031	05/01/2002
1999 MF Series A (Woodglenn Village)	10,660	7.38%	8.25%	2002	2039	12/01/2016
2000 MF Series A (Timber Point Apts)	8,100	VAR - Weekly		2003	2032	07/01/2000 (a)
2000 MF Series A/B (Oaks at Hampton)	10,060	7.20%	9.00%	2002	2040	03/01/2017 (a)
2000 MF Series A (Deerwood Apts)	6,435	5.25%	6.40%	2003	2032	06/01/2010
2000 MF Series A (Creek Point Apts)	7,200	VAR - Weekly		2004	2032	07/01/2000 (a)
2000 MF Series A/B (Parks @ Westmoreland)	9,990	7.20%	9.00%	2002	2040	07/01/2017 (a)
2000 MF Series A (Honeycreek)	20,485	7.63%	8.15%	2004	2035	06/30/2007
2000 MF Series A-C (Highland Meadow Apts)	13,500	6.75%	8.00%	2004	2033	05/01/2019
2000 MF Series A/B (Greenbridge)	20,085	7.40%	10.00%	2003	2040	03/01/2014
2000 MF Series A-C (Collingham Park)	13,500	6.72%	7.72%	2004	2033	05/01/2019
2000 MF Series A/B (Williams Run)	12,850	7.65%	9.25%	2002	2040	01/01/2011
2000 MF Series A/B (Red Hills Villas)	10,300	8.40%	9.50%	2003	2040	12/01/2017
2001 MF Series A (Bluffview Senior Apts)	10,700	7.65%	7.65%	2003	2041	05/01/2018
2001 MF Series A (Knollwood Villas Apts)	13,750	7.65%	7.65%	2003	2041	05/01/2018
2001 MF Series A (Skyway Villas)	13,250	6.00%	6.50%	2005	2034	12/01/2011
2001 MF Series A/B (Cobb Park)	7,785	6.77%	6.77%	2003	2041	07/01/2018
2001 MF Series A (Greens Road Apts.)	8,375	5.30%	5.40%	2004	2034	12/01/2011
2001 MF Series A/B (Meridian Apts.)	14,310	5.45%	6.85%	2004	2034	12/01/2011
2001 MF Series A/B (Wildwood Apts.)	14,365	5.45%	6.75%	2004	2034	12/01/2011
2001 MF Series A-C (Fallbrook Apts.)	14,700	6.06%	6.78%	2005	2034	01/01/2012
2001 MF Series A (Oak Hollow Apts.)	8,625	7.00%	7.90%	2003	2041	11/01/2018
2001 MF Series A/B (Hillside Apts.)	12,900	7.00%	9.25%	2003	2041	11/01/2018
2002 MF Series A (Millstone Apts.)	12,700	5.35%	5.86%	2005	2035	06/01/2012
2002 MF Series A (Sugar Creek Apts.)	11,950	6.00%	6.00%	2004	2042	01/01/2016
2002 MF Series A (West Oaks Apts.)	10,150	7.15%	7.50%	2004	2042	12/01/2018
2002 MF Series A (Park Meadows Apts)	4,600	6.53%	6.53%	2004	2034	05/01/2012
2002 MF Series A (Clarkridge Villas Apts)	14,600	7.00%	7.00%	2004	2042	08/01/2019
2002 MF Series A (Hickory Trace Apts)	11,920	7.00%	7.00%	2004	2042	12/01/2019
2002 MF Series A (Green Crest Apts)	12,500	7.00%	7.00%	2004	2042	11/01/2019
2002 MF Series A/B (Ironwood Crossing)	16,970	5.50%	8.75%	2005	2042	10/01/2027
2002 MF Series A (Woodway Village Apts)	9,100	4.95%	5.20%	2006	2023	01/01/2013
2003 MF Series A/B (Reading Road)	12,200	VAR-Weekly		2007	2036	01/01/2004 (a)
2003 MF Series A/B (North Vista Apts)	14,000	4.10%	5.41%	2006	2036	06/01/2013
2003 MF Series A/B (West Virginia Apts)	9,450	4.15%	5.41%	2006	2036	06/01/2013
2003 MF Series A/B (Sphinx @ Murdeaux)	15,085	3.55%	5.00%	2005	2042	06/20/2013
2003 MF Series A/B (Primrose Houston School)	16,900	5.50%	8.00%	2006	2036	07/01/2003 (a)
2003 MF Series A/B (Timber Oaks Apts)	13,200	6.75%	8.75%	2005	2043	06/01/2020
2003 MF Series A/B (Ash Creek Apts)	16,375	5.60%	15.00%	2006	2036	10/01/2003 (a)
2003 MF Series A/B (Peninsula Apts)	12,400	4.25%	5.30%	2007	2024	10/01/2013
2003 MF Series A (Evergreen @ Mesquite)	11,000	6.60%	8.00%	2006	2043	09/01/2020
2003 MF Series A/B (Arlington Villas)	17,100	6.75%	8.00%	2007	2036	01/01/2007 (a)
2003 MF Series A/B (Parkview Twnhms)	16,600	6.60%	8.50%	2006	2043	12/01/2020
2003 MF Series A (NHP-Asmara) Refunding	31,500	VAR - Weekly		2007	2033	07/01/2007 (a)
2004 MF Series A/B (Timber Ridge)	7,500	5.75%	8.00%	2007	2037	03/01/2007 (a)
2004 MF Series A/B (Century Park)	13,000	5.75%	5.75%	2007	2037	05/01/2007 (a)
2004 MF Series A (Addison Park)	14,000	VAR - Weekly (c)		2007	2044	01/01/2007 (a)
2004 MF Series A/B (Veterans Memorial)	16,300	6.60%	8.50%	2006	2044	03/01/2006 (a)
2004 MF Series A (Rush Creek)	10,000	5.38%	6.70%	2006	2044	03/01/2021
2004 MF Series A (Humble Park)	11,700	6.60%	6.60%	2007	2041	07/01/2021
2004 MF Series A (Chisholm Trail)	12,000	VAR - Weekly (b)		2006	2037	10/15/2006 (a)
2004 MF Series A (Evergreen @ Plano)	14,750	5.25%	6.55%	2007	2044	06/01/2021
2004 MF Series A (Montgomery Pines)	12,300	VAR - Weekly		2006	2037	12/15/2006 (a)
2004 MF Series A (Bristol)	12,625	VAR - Weekly		2007	2037	06/15/2007 (a)
2004 MF Series A (Pinnacle)	14,500	VAR - Weekly (c)		2007	2044	09/01/2007 (a)
2004 MF Series A (Tranquility Bay)	14,350	VAR - Weekly (c)		2007	2044	06/01/2021 (e)
2004 MF Series A (Sphinx @ Delafield)	11,380	5.05%	5.35%	2006	2044	07/20/2014

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
 Supplementary Bond Schedules
 SCHEDULE 1-A (Continued)
 MISCELLANEOUS BOND INFORMATION
 For the fiscal year ended August 31, 2007
 (Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range Of Interest Rates	Scheduled Mat.		First Call Date
			First Year	Last Year	
2004 MF Series A (Churchill @ Pinnacle)	\$ 10,750	5.25% 6.55%	2007	2044	09/01/2021 (e)
2004 MF Series A/B (Post Oak East)	13,600	VAR - Weekly	(d)	2037	(d)
2004 MF Series A (Village Fair)	14,100	5.00% 6.50%	2007	2044	12/01/2021
2005 MF Series A (Pecan Grove)	14,030	5.00% 6.50%	2007	2045	01/01/2022
2005 MF Series A (Prairie Oaks)	11,050	4.75% 6.50%	2007	2045	01/01/2022
2005 MF Series A (Port Royal)	12,200	5.00% 6.50%	2007	2045	02/01/2022
2005 MF Series A (Del Rio)	11,490	5.00% 6.50%	2007	2045	02/01/2022
2005 MF Series A (Atascocita Pines)	11,900	VAR - Weekly (c)	2007	2037	(f)
2005 MF Series A (Tower Ridge)	15,000	VAR - Weekly (b)	2009	2038	(f)
2005 MF Series A (Alta Cullen)	14,000	5.89% 6.60%	2007	2045	06/01/2022
2005 MF Series A (Lafayette Village)	14,100	VAR - Weekly	2008	2038	n/a
2005 MF Series A (Prairie Ranch)	12,200	4.85% 4.85%	2007	2045	12/20/2015
2005 MF Series A (St Augustine)	7,650	VAR - Weekly	2009	2038	n/a
2005 MF Series A (Park Manor)	10,400	5.00% 6.40%	2008	2045	09/01/2022
2005 MF Series A (Mockingbird)	14,360	6.40% 6.40%	2007	2045	08/01/2022
2005 MF Series A (Chase Oaks)	14,250	5.05% 5.05%	2007	2035	(h)
2006 MF Series A/B (Canal Place)	16,100	3.45% 8.00%	2019	2039	(i)
2006 MF Series A (Coral Hills)	5,320	5.05% 5.05%	2038	2038	08/01/2015
2006 MF Series A (Harris Branch)	15,000	VAR - Weekly	2009	2039	(j)
2006 MF Series A (Bella Vista)	6,800	6.15% 6.15%	2008	2046	04/01/2016
2006 MF Series A (Village Park)	13,660	4.75% 5.13%	2009	2026	06/01/2021
2006 MF Series A (Oakmoor)	14,635	5.50% 6.00%	2008	2046	03/01/2023
2006 MF Series A (Sunset Pointe)	15,000	VAR - Weekly	2039	2039	(i)
2006 MF Series A (Hillcrest)	12,435	5.25% 5.25%	2009	2039	04/01/2021
2006 MF Series A (Pleasant Village)	6,000	6.00% 6.00%	2008	2023	(k)
2006 MF Series A (Grove Village)	6,180	6.00% 6.00%	2008	2023	(k)
2006 MF Series A (Red Hills Villas)	5,015	VAR - Weekly	2036	2036	(j)
2006 MF Series A (Champion Crossing)	5,125	VAR - Weekly	2036	2036	(j)
2006 MF Series A (Stonchaven)	11,300	5.80% 5.80%	2008	2026	(h)
2006 MF Series A (Center Ridge)	8,325	5.00% 5.00%	2009	2039	05/01/2021
2006 MF Series A (Meadowlands)	13,500	6.00% 6.00%	2009	2046	09/01/2023
2006 MF Series A (East Tex Pines)	13,500	4.95% 4.95%	2010	2046	(l)
2006 MF Series A (Villas at Henderson)	7,200	VAR - Weekly	2010	2039	(m)
2006 MF Series A (Aspen Park Apts)	9,800	5.00% 5.00%	2010	2039	07/01/2021
2006 MF Series A (Idlewild Apts)	14,250	VAR - Weekly	2010	2040	(j)
2007 MF Series A (Lancaster Apts)	14,250	VAR - Weekly	2010	2040	(j)
2007 MF Series A (Park Place)	15,000	5.80% 5.80%	2010	2047	03/01/2024
2007 MF Series A (Terrace at Cibolo)	8,000	VAR - Weekly	2010	2040	(m)
2007 MF Series A (Santora Villas)	13,072	5.80% 5.80%	2010	2047	06/01/2024
2007 MF Series A (Villas @ Mesquite Creek)	16,860	5.00% 5.81%	2010	2047	01/20/2017
2007 MF Series A (Summit Point)	11,700	4.80% 5.25%	2009	2047	06/20/2017
2007 MF Series A (Costa Rialto)	12,385	5.35% 5.35%	2010	2047	08/01/2025
2007 MF Series A (Windshire)	14,000	VAR - Weekly	2010	2041	(j)
TOTAL MULTIFAMILY BONDS	\$ 1,355,597				
TOTAL BONDS ISSUED	\$ 3,584,142				

FOOTNOTES:

- (a) The taxable bonds shall be subject to redemption prior to maturity in whole or any part on any interest payment date after the completion date from the proceeds of an optional prepayment of the loan by the borrower.
- (b) Variable rate not to exceed the maximum rate permitted by applicable law.
- (c) Variable rate could change to fixed rate provided the conversion option is exercised.
- (d) No set amortization, per trustee, amortization will occur in \$100,000 denominations when the amount in the principal reserve fund exceeds 20% of the issue.
- (e) The bonds are subject to redemption, in whole, at the option of the Issuer acting at the direction of the Holders of a majority of the outstanding principal amount of the Bonds.

- (f) The Bonds shall be subject to redemption prior to maturity, after giving the required notice, as follows: During the variable interest rate period the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (g) The Series bonds are subject to redemption prior to maturity, after giving notice as provided in the Trust Indenture, as follows: During a daily interest rate period or weekly interest rate period for the Series bonds, the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (h) The bonds are subject to redemption at the option of the Issuer, at the direction of the Borrower, in whole or in part on the first day of any month, in the event and to the extent the trustee receives funds from the Borrower representing an optional prepayment of the principal of the note, at a redemption price equal to the principal thereof, plus accrued interest to the redemption date plus any premium remitted therewith as required by the note.
- (i) Bonds are subject to redemption if and to the extent the Borrower is entitled to make, or is required to make, a prepayment pursuant to the loan agreement.
- (j) The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower.
- (k) The Bonds are subject to optional redemption at the direction of the Borrower on any interest payment date, in whole or in part, at the redemption price (as calculated by the sole bondholder) calculated in accordance with the Exhibit H plus accrued and unpaid interest, if any, to the redemption date. Optional redemptions may be made only in denominations of \$100,000 plus integral multiples of \$5,000 or for the entire amount of the bonds outstanding.
- (l) The Bonds shall be subject to redemption prior to maturity in whole but not in part on any Bond Payment Date on or after fifteen years from Conversion Date, from the proceeds of an optional prepayment of the Loan by the Borrower at a redemption price equal to the principal amount plus accrued and unpaid interest to the date fixed for redemption.
- (m) The Bonds may be redeemed by the Trustee at the option of the Issuer, but only upon the written request of the Borrower pursuant of the Loan Agreement, and with the prior written consent of the Bank, in whole or in part, at a redemption price equal to the principal amount, without premium, plus accrued interest to the date of redemptions.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-B

MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS

For the fiscal year ended August 31, 2007

Description of Issue	Bonds Outstanding 9/1/06	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/07	Amounts Due Within One Year
1997 SERIES A	\$ 30,175,000	\$	\$	\$ 30,175,000	\$	\$
1997 SERIES B	740,000			740,000		
1997 SERIES D	14,705,000			14,705,000		
2002 SERIES A (Jr Lien)	9,085,000			3,685,000	5,400,000	
2002 SERIES A	37,485,000				37,485,000	
2002 SERIES B	43,755,000			4,620,000	39,135,000	26,499
2002 SERIES C	11,650,000		470,000		11,180,000	480,950
2002 SERIES D	6,945,000		895,000	310,000	5,740,000	861,323
2004 SERIES A	122,715,000		1,635,000	4,215,000	116,865,000	3,433,176
2004 SERIES B	53,000,000				53,000,000	
2004 SERIES A (Jr Lien)	4,140,000				4,140,000	
2004 SERIES C	38,870,000		240,000	1,825,000	36,805,000	485,686
2004 SERIES D	35,000,000				35,000,000	
2004 SERIES E	10,505,000		1,310,000		9,195,000	1,026,543
2005 SERIES A	99,970,000		780,000	1,045,000	98,145,000	850,000
2005 SERIES B	24,530,000		785,000	3,040,000	20,705,000	622,098
2005 SERIES C	8,660,000			650,000	8,010,000	
2005 SERIES D	3,485,000			260,000	3,225,000	
2006 SERIES A	59,555,000			450,000	59,105,000	267,681
2006 SERIES B	70,485,000			535,000	69,950,000	781,196
2006 SERIES C	105,410,000			800,000	104,610,000	1,009,335
2006 SERIES D	29,685,000			2,055,000	27,630,000	(74,882)
2006 SERIES E	17,295,000			735,000	16,560,000	1,273,302
2006 SERIES F		81,195,000			81,195,000	
2006 SERIES G		15,000,000			15,000,000	575,000
2006 SERIES H		36,000,000			36,000,000	
2007 SERIES A		143,005,000			143,005,000	(64,795)
1998 SERIES A	46,075,000		1,275,000	4,695,000	40,105,000	1,190,000
1998 SERIES B	8,195,000			1,070,000	7,125,000	22,395
1999 SERIES A	6,715,000			850,000	5,865,000	(13,532)
1999 SERIES B-1	25,750,000			3,335,000	22,415,000	(7,087)
1999 SERIES C	3,880,000			380,000	3,500,000	(1,052)
2000 SERIES A	18,410,000		255,000	1,825,000	16,330,000	241,547
2000 SERIES B	54,745,000			6,580,000	48,165,000	10,081
2000 SERIES C	8,915,000			385,000	8,530,000	
2000 SERIES D	7,800,000		565,000	540,000	6,695,000	555,000
2001 SERIES A	36,725,000		650,000	2,575,000	33,500,000	676,435
2001 SERIES B	12,390,000			90,000	12,300,000	
2001 SERIES C	11,820,000		1,145,000	985,000	9,690,000	1,032,948
2001 SERIES D	235,000				235,000	5,000
2002 SERIES A	34,180,000		570,000	2,140,000	31,470,000	576,663
2003 SERIES A	69,230,000		1,135,000	3,330,000	64,765,000	1,098,813
1992 SERIES A-C	14,900,000			2,500,000	12,400,000	8,480
COMMERCIAL PAPER NOTES SERIES A	15,198,000	(15,198,000)				
Total Single Family Bonds	1,213,008,000	260,002,000	11,710,000	101,125,000	1,360,175,000	16,948,799
1996 SERIES A&B (BRIGHTON'S MARK)	8,075,000				8,075,000	
1996 SERIES A&B (MARKS OF LAS COLINAS)	12,670,000				12,670,000	
1998 SERIES (DALLAS-OXFORD REPDG)	10,300,000			10,300,000		
1996 SERIES A&B (BRAXTON'S MARK)	14,273,700				14,273,700	
1993 SERIES A&B (REM HILL / HIGHPT)	11,390,000			11,390,000		
1987 SOUTH TEXAS RENTAL HOUSING	696,525		84,215		612,309	93,000
1998 SERIES (PEBBLE BROOK)	10,075,000		180,000		9,895,000	190,000
1998 SERIES A-C (RESIDENCE OAKS)	7,549,000		141,000		7,408,000	151,000
1998 SERIES (VOLENTE)	10,005,000		85,000	9,920,000		
1998 SERIES (GREENS-HICKORY TRAIL)	12,545,000		220,000		12,325,000	240,000
1999 SERIES (MAYFIELD)	10,606,000		199,000		10,407,000	209,000
1999 SERIES (WOODGLEN VILLAGE)	10,505,283				10,505,283	184,000
2000 SERIES (TIMBER POINT APTS)	7,800,000			130,000	7,670,000	
2000 SERIES A/B (OAKS at HAMPTON)	9,822,093		68,247		9,753,846	75,000
2000 SERIES (DEERWOOD APTS)	6,160,000		85,000		6,075,000	95,000
2000 SERIES (CREEK POINT APTS)	6,685,000			100,000	6,585,000	
2000 SERIES A/B (PARKS at WESTMORELAND)	9,771,353		66,900		9,704,453	73,000
2000 SERIES (HONEYCREEK)	20,363,158			20,363,158		
2000 SERIES A-C (HIGHLAND MEADOW APTS)	11,022,000		58,000	2,399,000	8,565,000	121,000
2000 SERIES A/B (GREENBRIDGE @ BUCKINGHAM)	19,891,056		156,056		19,735,000	164,000
2000 SERIES A-C (COLLINGHAM PARK APTS)	13,115,000		172,000		12,943,000	182,000
2000 SERIES A/B (WILLIAMS RUN APTS)	12,560,907		(5,160)		12,566,068	262,000
2000 SERIES A/B (RED HILLS VILLAS APTS)	10,138,657		4,276	10,134,381		
2001 SERIES (BLUFF SENIOR APTS)	10,544,008		55,012		10,488,996	59,000
2001 SERIES (KNOLLWOOD VILLAS APTS)	13,549,544		70,694		13,478,850	77,000
2001 SERIES A (SKYWAY VILLAS)	8,885,000		125,000	575,000	8,185,000	125,000
2001 SERIES A/B (COBB PARK APTS)	7,687,321		38,309		7,649,012	42,000
2001 SERIES A (GREENS ROAD APTS)	8,170,000		110,000		8,060,000	120,000
2001 SERIES A/B (MERIDIAN APARTMENTS)	14,060,000		175,000		13,885,000	185,000
2001 SERIES A/B (WILDWOOD BRANCH)	14,115,000		175,000		13,940,000	190,000

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-B (Continued)

MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS (Continued)

For the fiscal year ended August 31, 2007

Description of Issue	Bonds Outstanding 9/1/06	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2007	Amounts Due Within One Year
2001 SERIES A-C (FALLBROOK APTS)	\$ 14,434,000	\$	\$ 193,000	\$	\$ 14,241,000	\$ 206,000
2001 SERIES (OAK HOLLOW APTS)	6,417,842		37,046		6,380,796	40,000
2001 SERIES A/B (HILLSIDE APTS)	12,740,871		41,796	100,000	12,599,075	43,000
2001 SERIES A (MILLSTONE APTS)	12,455,000		170,000	1,710,000	10,575,000	165,000
2002 SERIES (SUGARCREEK APTS)	11,820,000		70,000		11,750,000	105,451
2002 SERIES (WEST OAKS APTS)	9,643,262		70,389		9,572,873	57,000
2002 SERIES (PARK MEADOWS APTS)	4,395,000		60,000		4,335,000	60,000
2002 SERIES (CLARKRIDGE VILLAS APTS)	14,457,154		76,447	590,381	13,790,327	81,000
2002 SERIES A (HICKORY TRACE APTS)	11,463,047		62,062		11,400,985	67,000
2002 SERIES A (GREEN CREST APTS)	11,427,896		(31)		11,427,927	143,000
2002 SERIES A/B (IRON WOOD CROSSING)	16,918,645		66,759		16,851,886	73,000
2002 SERIES A (WOODWAY VILLAGE)	7,745,000		100,000		7,645,000	110,000
2003 SERIES A/B (READING ROAD)	12,200,000		20,000		12,180,000	20,000
2003 SERIES A/B (NORTH VISTA)	14,000,000		200,000		13,800,000	210,000
2003 SERIES A/B (WEST VIRGINIA)	9,450,000		135,000		9,315,000	145,000
2003 SERIES A/B (SPHINX @ MURDEAUX)	14,875,000		160,000		14,715,000	165,000
2003 SERIES A/B (PRIMROSE HOUSTON)	16,624,202		72,711		16,551,491	79,000
2003 SERIES A/B (TIMBER OAKS)	13,149,082		51,466		13,097,616	56,000
2003 SERIES A/B (ASH CREEK APTS)	16,351,806		73,445		16,278,361	80,000
2003 SERIES A/B (PENINSULA APTS)	12,400,000		75,000	195,000	12,130,000	160,000
2003 SERIES A (EVERGREEN @ MBSQUITE)	10,958,997		102,973		10,856,023	110,000
2003 SERIES A/B (ARLINGTON VILLAS)	17,100,000		46,315		17,053,685	74,000
2003 SERIES A/B (PARK VIEW TWNHMS)	16,554,666		72,987		16,481,679	79,000
2003 SERIES (NHP-ASMARA)REFUNDING	21,625,000		335,000		21,290,000	111,244
2004 SERIES A/B (TIMBER RIDGE)	6,700,000		31,895		6,668,105	34,000
2004 SERIES A/B (CENTURY PARK)	13,000,000		80,000		12,920,000	165,000
2004 SERIES A (ADDISON PARK)	14,000,000				14,000,000	
2004 SERIES A/B (VETERANS MEMORIAL)	16,265,889		72,713		16,193,176	79,000
2004 SERIES (RUSH CREEK)	9,995,857		51,557		9,944,300	55,000
2004 SERIES (HUMBLE PARK)	11,700,000		90,000		11,610,000	100,000
2004 SERIES (CHISHOLM TRAIL)	12,000,000				12,000,000	
2004 SERIES (EVERGREEN @ PLANO)	14,750,000		12,776		14,737,224	80,000
2004 SERIES (MONTGOMERY PINES)	12,300,000				12,300,000	
2004 SERIES (BRISTOL)	12,625,000				12,625,000	
2004 SERIES (PINNACLE)	14,500,000				14,500,000	
2004 SERIES (TRANQUILITY BAY)	14,331,046		78,964		14,252,083	84,000
2004 SERIES (SPHINX @ DELAFIELD)	11,330,000		95,000		11,235,000	100,000
2004 SERIES (CHURCHILL @ PINNACLE)	10,750,000		5,399	650,000	10,094,601	67,000
2004 SERIES A/B (POST OAK EAST)	13,600,000				13,600,000	
2004 SERIES (VILLAGE FAIR)	14,100,000		50,342		14,049,658	80,000
2005 SERIES (PECAN GROVE)	14,030,000		43,711		13,986,289	79,000
2005 SERIES (PRAIRIE OAKS)	11,050,000		34,427		11,015,573	62,000
2005 SERIES (PORT ROYAL)	12,200,000		32,490		12,167,510	68,000
2005 SERIES (MISSION DEL RIO)	11,490,000		30,600		11,459,400	64,000
2005 SERIES (ATASCOCITA)	11,900,000				11,900,000	
2005 SERIES (TOWER RIDGE)	15,000,000				15,000,000	
2005 SERIES (ALTA CULLEN)	14,000,000				14,000,000	
2005 SERIES (LAFAYETTE VILLAGE)	14,100,000			14,100,000		
2005 SERIES (PRAIRIE RANCH)	12,200,000			5,000	12,195,000	145,000
2005 SERIES (ST. AUGUSTINE)	7,650,000				7,650,000	
2005 SERIES (PARK MANOR)	10,400,000				10,400,000	
2005 SERIES (PROVIDENCE @ MOCKINGBIRD)	14,360,000				14,360,000	80,000
2005 SERIES (PLAZA CHASE OAKS)	14,250,000				14,250,000	
2005 SERIES (CANAL PLACE)	16,100,000				16,100,000	
2006 SERIES (CORAL HILLS)	5,320,000				5,320,000	
2006 SERIES (HARRIS BRANCH)	15,000,000				15,000,000	
2006 SERIES (BELLA VISTA)	6,800,000				6,800,000	15,000
2006 SERIES (VILLAGE PARK)	13,660,000				13,660,000	
2006 SERIES (OAKMOOR)	14,635,000				14,635,000	
2006 SERIES (SUNSET POINTE)	15,000,000				15,000,000	
2006 SERIES (HILLCREST)	12,435,000				12,435,000	
2006 SERIES (PLEASANT VILLAGE)	6,000,000				6,000,000	34,000
2006 SERIES (GROVE VILLAGE)	6,180,000				6,180,000	35,000
2006 SERIES (RED HILLS)		5,015,000			5,015,000	
2006 SERIES (CHAMPION'S CROSSING)		5,125,000			5,125,000	
2006 SERIES (STONEHAVEN)		11,300,000			11,300,000	
2006 SERIES (CENTER RIDGE)		8,325,000			8,325,000	
2006 SERIES (MEADOWLANDS)		13,500,000			13,500,000	
2006 SERIES (EAST TEXAS PINES)		13,500,000			13,500,000	
2006 SERIES (VILLAS @ HENDERSON)		7,200,000			7,200,000	
2006 SERIES (ASPEN PARKS)		9,800,000			9,800,000	
2006 SERIES (IDLEWILDE)		14,250,000			14,250,000	
2007 SERIES (LANDCASTER)		14,250,000			14,250,000	
2007 SERIES (PARK PLACE AT LOYOLA)		15,000,000			15,000,000	
2007 SERIES (TERRACE AT CIBOLO)		8,000,000			8,000,000	
2007 SERIES (SANTORA VILLAS)		13,072,000			13,072,000	

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-B (Continued)

MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS (Continued)

For the fiscal year ended August 31, 2007

Description of Issue	Bonds Outstanding 9/1/06	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2007	Amounts Due Within One Year
2007 SERIES (A/B VILLAS @ MESQUITE)	\$	\$ 16,860,000	\$	\$	\$ 16,860,000	\$
2007 SERIES (SUMMIT POINT)		11,700,000			11,700,000	
2007 SERIES (COSTA RIALTO)		12,385,000			12,385,000	
2007 SERIES (WINDSHIRE)		14,000,000			14,000,000	
Total Multifamily Bonds	\$ 1,107,944,868	\$ 193,282,000	\$ 5,265,789	\$ 82,661,921	\$ 1,213,299,159	\$ 6,763,695
	<u>\$ 2,320,952,868</u>	<u>\$ 453,284,000</u>	<u>\$ 16,975,789</u>	<u>\$ 183,786,921</u>	<u>\$ 2,573,474,159</u>	(a) <u>\$ 23,712,494</u>

FOOTNOTES:

(a) Bonds Outstanding balance at 8/31/07 does not include unamortized premium or discounts.

Bonds Outstanding per schedule	\$ 2,573,474,159
Unamortized (Discount)/Premium:	
Single Family	12,648,659
RMRB	1,999,854
CHMRB	262,038
Multi-Family	(545,639)
Unamortized Deferred Gain/(Loss) on Refunding:	
Single Family	(4,025,952)
RMRB	(1,200,200)
Deferred Amount on Refunding	(239,414)
Bonds Outstanding per Exhibit III	<u>\$ 2,582,373,505</u>

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TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2007

(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2002 SINGLE FAMILY, SERIES A JUNIOR LIEN	Principal	\$	\$	\$	\$	\$
2002 SINGLE FAMILY, SERIES A JUNIOR LIEN	Interest	379	379	379	379	379
2002 SINGLE FAMILY, SERIES A	Principal					
2002 SINGLE FAMILY, SERIES A	Interest	2,063	2,063	2,063	2,063	2,063
2002 SINGLE FAMILY, SERIES B	Principal					
2002 SINGLE FAMILY, SERIES B	Interest	2,128	2,128	2,128	2,128	2,128
2002 SINGLE FAMILY, SERIES C	Principal	500	525	555	590	625
2002 SINGLE FAMILY, SERIES C	Interest	536	514	490	463	433
2002 SINGLE FAMILY, SERIES D	Principal	875	895	930	960	1,015
2002 SINGLE FAMILY, SERIES D	Interest	207	172	134	93	47
2004 SINGLE FAMILY, SERIES A	Principal	3,320	3,910	3,505	3,545	3,695
2004 SINGLE FAMILY, SERIES A	Interest	5,152	5,046	4,921	4,785	4,637
2004 SINGLE FAMILY, SERIES B	Principal					
2004 SINGLE FAMILY, SERIES B	Interest	2,175	2,171	2,173	2,173	2,175
2004 SINGLE FAMILY, SERIES A (JUNIOR LIEN)	Principal					
2004 SINGLE FAMILY, SERIES A (JUNIOR LIEN)	Interest	240	240	240	240	240
2004 SINGLE FAMILY, SERIES C	Principal	445	465	485	510	540
2004 SINGLE FAMILY, SERIES C	Interest	1,739	1,716	1,692	1,666	1,640
2004 SINGLE FAMILY, SERIES D	Principal					
2004 SINGLE FAMILY, SERIES D	Interest	1,433	1,430	1,431	1,431	1,433
2004 SINGLE FAMILY, SERIES E	Principal	1,080	1,110	1,155	1,200	1,260
2004 SINGLE FAMILY, SERIES E	Interest	318	284	246	202	154
2005 SINGLE FAMILY, SERIES A	Principal	850	1,895	1,970	2,050	2,130
2005 SINGLE FAMILY, SERIES A	Interest	3,912	3,831	3,757	3,675	3,594
2005 SINGLE FAMILY, SERIES B	Principal	725	750	790	825	860
2005 SINGLE FAMILY, SERIES B	Interest	890	861	830	796	761
2005 SINGLE FAMILY, SERIES C	Principal					
2005 SINGLE FAMILY, SERIES C	Interest	441	440	441	441	441
2005 SINGLE FAMILY, SERIES D	Principal					
2005 SINGLE FAMILY, SERIES D	Interest	161	161	161	161	161
2006 SINGLE FAMILY, SERIES A	Principal	230	490	525	560	600
2006 SINGLE FAMILY, SERIES A	Interest	2,950	2,926	2,900	2,872	2,843
2006 SINGLE FAMILY, SERIES B	Principal	720	1,485	1,550	1,620	1,690
2006 SINGLE FAMILY, SERIES B	Interest	3,479	3,406	3,329	3,249	3,166
2006 SINGLE FAMILY, SERIES C	Principal	750	1,560	1,640	1,725	1,815
2006 SINGLE FAMILY, SERIES C	Interest	5,342	5,263	5,180	5,093	5,000
2006 SINGLE FAMILY, SERIES D	Principal					
2006 SINGLE FAMILY, SERIES D	Interest	1,244	1,244	1,244	1,244	1,244
2006 SINGLE FAMILY, SERIES E	Principal	1,240	1,280	1,320	1,375	1,425
2006 SINGLE FAMILY, SERIES E	Interest	626	578	527	473	417

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SCHEDULE 1-C

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(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 1,895	\$ 1,895	\$ 5,400 1,223	\$	\$	\$	\$	\$ 5,400 6,908
		21,240		16,245			37,485
10,315	10,315	6,523	4,510	1,107			43,085
		1,755	10,540	26,840			39,135
10,640	10,640	10,568	8,622	765			51,875
7,515	870						11,180
1,149							3,585
1,065							5,740 653
18,195	15,765	18,970	23,040	22,920			116,865
20,700	17,202	13,083	8,033	1,908			85,467
4,640	10,700	12,915	15,680	9,065			53,000
10,581	8,741	6,305	3,355	378			40,227
				4,140			4,140
1,200	1,200	1,200	1,200	964			6,964
4,065	6,565	7,675	8,460	7,595			36,805
7,695	6,442	4,684	2,814	590			30,678
3,555	7,330	8,220	9,100	6,795			35,000
6,906	5,639	3,977	2,270	358			26,308
3,100	290						9,195
206	10						1,420
11,995	14,585	17,740	21,555	23,375			98,145
16,564	13,892	10,639	6,684	1,932			68,480
4,830	6,070	5,855					20,705
3,205	1,970	478					9,791
	8,010						8,010
2,202							4,406
		1,745	810	670			3,225
805	805	725	261	57			3,458
3,655	5,090	6,845	9,055	27,985	4,070		59,105
13,697	12,598	11,087	9,083	4,919			65,875
9,655	11,910	14,910	18,760	7,650			69,950
14,436	11,720	8,351	4,113	287			55,536
10,575	13,655	17,600	22,710	29,230	3,350		104,610
23,453	20,327	16,292	11,090	4,383			101,423
	9,650	13,340	4,640				27,630
6,220	5,176	2,477	116				20,209
8,085	1,835						16,560
1,116							3,737

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(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2006 SINGLE FAMILY, SERIES F	Principal	\$ 4,285	\$ 510	\$ 560	\$ 595	\$ 630
2006 SINGLE FAMILY, SERIES F	Interest	4,285	4,264	4,232	4,198	4,162
2006 SINGLE FAMILY, SERIES G	Principal	575	1,120	1,245	1,315	1,390
2006 SINGLE FAMILY, SERIES G	Interest	620	579	532	481	425
2006 SINGLE FAMILY, SERIES H	Principal	1,477	1,475	1,476	1,476	1,477
2006 SINGLE FAMILY, SERIES H	Interest	1,477	1,475	1,476	1,476	1,477
2007 SINGLE FAMILY, SERIES A	Principal	5,296	2,450	2,570	2,705	2,860
2007 SINGLE FAMILY, SERIES A	Interest	5,296	5,218	5,129	5,030	4,930
Total Single Family Bonds		<u>58,403</u>	<u>64,834</u>	<u>64,435</u>	<u>64,387</u>	<u>64,485</u>
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	1,190	1,250	1,300		
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	2,077	2,020	1,959	1,922	1,922
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal	378	378	378	378	378
1998 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	378	378	378	378	378
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	304	304	304	304	304
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	304	304	304	304	304
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal	1,474	1,474	1,474	1,474	1,474
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	1,474	1,474	1,474	1,474	1,474
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Principal	219	219	219	219	219
1999 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Interest	219	219	219	219	219
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	250	255			
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	1,016	1,001	993	993	993
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal	2,797	2,797	2,797	2,797	2,797
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	2,797	2,797	2,797	2,797	2,797
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Principal	498	498	498	498	498
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Interest	498	498	498	498	498
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Principal	555	595	640	680	720
2000 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Interest	346	318	287	253	217
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	630	660	685	160	165
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	1,795	1,763	1,729	1,705	1,696
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Principal	633	633	633	725	780
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES B	Interest	633	633	633	618	581
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Principal	1,095	1,140	1,195	1,245	1,305
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES C	Interest	429	348	299	247	191
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Principal	5	10	10	10	5
2001 RESIDENTIAL MTG REVENUE BONDS, SERIES D	Interest	13	12	12	11	11
2002 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	535	550	575	620	640
2002 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	1,643	1,618	1,592	1,564	1,533
2003 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Principal	1,075	1,090	1,110	1,160	1,200
2003 RESIDENTIAL MTG REVENUE BONDS, SERIES A	Interest	3,116	3,076	3,033	2,986	2,937
Total Residential Mtg Revenue Bonds		<u>22,073</u>	<u>22,009</u>	<u>21,722</u>	<u>20,569</u>	<u>20,566</u>

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

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SCHEDULE 1-C

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August 31, 2007

(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 3,775	\$ 8,750	\$ 14,790	\$ 19,805	\$ 26,520	\$ 5,260	\$	\$ 81,195
20,196	18,630	15,340	10,766	4,611	65		90,749
7,055	2,300						15,000
1,172	87						3,896
1,270	5,140	6,875	9,205	12,310	1,200		36,000
7,327	6,566	5,323	3,663	1,443			31,703
16,745	21,845	28,610	29,375	29,930	5,915		143,005
22,856	19,264	14,565	8,868	3,715	59		94,930
<u>324,311</u>	<u>323,479</u>	<u>337,325</u>	<u>288,183</u>	<u>278,687</u>	<u>19,919</u>		<u>1,888,448</u>
	8,535		27,830				40,105
9,610	7,743	7,370	4,303				38,926
	7,125						7,125
1,890	1,697						5,477
	5,865						5,865
1,520	702						3,742
	7,400		15,015				22,415
7,370	6,758	4,745	4,591				30,834
		3,500					3,500
1,095	1,095	397					3,682
	4,035		11,790				16,330
4,965	4,078	3,715	2,845				20,599
		12,000	16,755	19,410			48,165
13,985	13,985	12,470	10,325	365			65,115
	4,855	3,675					8,530
2,490	1,875	497					7,352
2,510	995						6,695
514	135						2,070
1,065	1,370	10,675	14,405	3,685			33,500
8,310	7,968	6,437	3,097	120			34,620
4,560	6,235						12,300
2,266	887						6,251
3,710							9,690
240							1,754
45	45	45	45	15			235
46	34	23	9	1			172
3,770	4,410	7,215	11,015	2,140			31,470
7,118	6,019	4,637	2,159	75			27,958
7,060	9,030	14,170	19,580	9,290			64,765
13,807	11,893	9,205	4,952	509			55,514
<u>97,946</u>	<u>124,769</u>	<u>100,776</u>	<u>148,716</u>	<u>35,610</u>			<u>614,756</u>

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

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SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

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(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
1992 COLL HOME MTG REV BONDS, SERIES C	Principal	\$	\$	\$	\$	\$
1992 COLL HOME MTG REV BONDS, SERIES C	Interest	858	856	856	856	858
Total Coll Home Mtg Revenue Bonds		858	856	856	856	858
1987 MF SERIES (SOUTH TEXAS RENTAL HOUSING)	Principal	93	102	112	123	135
1987 MF SERIES (SOUTH TEXAS RENTAL HOUSING)	Interest	53	44	34	23	11
1996 MF SERIES A&B (BRIGHTON'S MARK)	Principal					
1996 MF SERIES A&B (BRIGHTON'S MARK)	Interest	495	495	495	495	495
1996 MF SERIES A&B (MARKS OF LAS COLINAS)	Principal					
1996 MF SERIES A&B (MARKS OF LAS COLINAS)	Interest	716	716	716	716	716
1996 MF SERIES A&B (BRAXTON'S MARK)	Principal					
1996 MF SERIES A&B (BRAXTON'S MARK)	Interest	829	829	829	829	829
1998 MF SERIES (PEBBLE BROOK APARTMENTS)	Principal	190	205	215	225	245
1998 MF SERIES (PEBBLE BROOK APARTMENTS)	Interest	544	535	524	513	500
1998 MF SERIES A-C (RESIDENCE AT THE OAKS)	Principal	151	159	169	180	189
1998 MF SERIES A-C (RESIDENCE AT THE OAKS)	Interest	440	430	420	410	399
1998 MF SERIES A&B (GREENS OF HICKORY TRAIL)	Principal	240	250	270	290	310
1998 MF SERIES A&B (GREENS OF HICKORY TRAIL)	Interest	654	640	624	608	590
1999 MF SERIES A-C (MAYFIELD)	Principal	209	222	235	248	263
1999 MF SERIES A-C (MAYFIELD)	Interest	587	575	562	548	534
1999 MF SERIES (WOODGLEN VILLAGE)	Principal	184	71	76	82	88
1999 MF SERIES (WOODGLEN VILLAGE)	Interest	2,306	759	753	748	741
2000 MF SERIES (TIMBER POINT APTS)	Principal					
2000 MF SERIES (TIMBER POINT APTS)	Interest	311	310	311	311	311
2000 MF SERIES A&B (OAKS AT HAMPTON)	Principal	75	82	89	96	104
2000 MF SERIES A&B (OAKS AT HAMPTON)	Interest	703	696	689	681	674
2000 MF SERIES (DEERWOOD APTS)	Principal	95	95	105	115	120
2000 MF SERIES (DEERWOOD APTS)	Interest	383	377	372	365	359
2000 MF SERIES (CREEK POINT APTS)	Principal					
2000 MF SERIES (CREEK POINT APTS)	Interest	267	266	267	267	267
2000 MF SERIES PARKS AT (WESTMORELAND)	Principal	73	80	87	94	101
2000 MF SERIES PARKS AT (WESTMORELAND)	Interest	823	816	809	801	793
2000 A/C MF SERIES (HIGHLAND MEADOWS)	Principal	121	130	139	149	159
2000 A/C MF SERIES (HIGHLAND MEADOWS)	Interest	573	565	556	546	536
2000 A&B MF SERIES (GREENBRIDGE)	Principal	164	127	137	148	159
2000 A&B MF SERIES (GREENBRIDGE)	Interest	2,735	1,441	1,432	1,421	1,410
2000 A/C MF SERIES (COLLINGHAM PARK)	Principal	182	208	230	244	259
2000 A/C MF SERIES (COLLINGHAM PARK)	Interest	864	850	905	888	869
2000 A&B MF SERIES (WILLIAMS RUN)	Principal	262	91	98	106	115
2000 A&B MF SERIES (WILLIAMS RUN)	Interest	3,172	938	931	923	915

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SCHEDULE 1-C

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(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 4,282	\$ 4,282	\$ 12,400 1,563	\$	\$	\$	\$	\$ 12,400 14,411
<u>4,282</u>	<u>4,282</u>	<u>13,963</u>					<u>26,811</u>
48							613
1							166
		8,075					8,075
2,475	2,475	1,980					9,405
		12,670					12,670
3,580	3,580	2,861					13,601
		14,274					14,274
4,145	4,145	3,324					15,759
1,475	2,020	2,775	2,545				9,895
2,281	1,809	1,160	294				8,160
202			6,358				7,408
1,911	1,905	1,905	1,240				9,060
1,880	2,555	3,440	3,090				12,325
2,665	2,100	1,331	330				9,542
1,563	2,075	2,753	2,839				10,407
2,418	1,902	1,220	337				8,683
554	799	1,154	1,667	2,409	3,421		10,505
3,595	3,348	2,993	2,480	1,739	467		19,929
				7,670			7,670
1,553	1,554	1,554	1,551				7,766
645	924	1,323	1,895	2,713	1,808		9,754
3,244	2,966	2,567	1,995	1,176	175		15,566
	1,305			4,240			6,075
1,770	1,604	1,355	1,355	139			8,079
				6,585			6,585
1,333	1,334	1,334	1,334	20			6,689
627	898	1,286	1,840	2,633	1,985		9,704
3,816	3,498	3,039	2,384	1,446	257		18,482
974	1,362	1,900	2,648	983			8,565
2,494	2,102	1,552	788	45			9,757
997	1,442	2,086	3,016	4,360	7,099		19,735
6,844	6,398	5,750	4,814	3,461	1,206		36,912
1,548	2,094	2,852	3,908	1,418			12,943
4,030	3,371	2,477	1,253	72			15,379
724	1,061	1,553	2,274	3,328	2,954		12,566
4,421	4,086	3,593	2,872	1,817	391		24,059

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SCHEDULE 1-C

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(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2001A MF SERIES (BLUFFVIEW SR. APTS.)	Principal	\$ 59	\$ 64	\$ 69	\$ 74	\$ 80
2001A MF SERIES (BLUFFVIEW SR. APTS.)	Interest	900	894	889	883	876
2001A MF SERIES (KNOLLWOOD VILLAS APTS)	Principal	77	82	89	96	103
2001A MF SERIES (KNOLLWOOD VILLAS APTS)	Interest	1,162	1,156	1,149	1,142	1,134
2001A MF SERIES (SKYWAY VILLAS)	Principal	125	145	150	150	160
2001A MF SERIES (SKYWAY VILLAS)	Interest	453	446	438	431	422
2001A MF SERIES (COBB PARK)	Principal	42	46	51	56	60
2001A MF SERIES (COBB PARK)	Interest	604	599	595	590	585
2001 MF SERIES (GREENS ROAD APTS.)	Principal	120	130	135	145	155
2001 MF SERIES (GREENS ROAD APTS.)	Interest	429	422	415	408	400
2001 MF SERIES (MERIDIAN APTS.)	Principal	185	200	215	230	245
2001 MF SERIES (MERIDIAN APTS.)	Interest	803	791	777	762	746
2001 MF SERIES (WILDWOOD APTS.)	Principal	190	205	220	235	250
2001 MF SERIES (WILDWOOD APTS.)	Interest	794	781	767	752	736
2001 A/C MF SERIES (FALLBROOK APTS.)	Principal	206	220	235	251	268
2001 A/C MF SERIES (FALLBROOK APTS.)	Interest	861	847	831	815	800
2001 MF SERIES (OAK HOLLOW APTS.)	Principal	40	43	46	49	53
2001 MF SERIES (OAK HOLLOW APTS.)	Interest	445	442	439	436	432
2001 A/B MF SERIES (HILLSIDE APTS.)	Principal	43	47	83	96	103
2001 A/B MF SERIES (HILLSIDE APTS.)	Interest	882	878	873	866	859
2002 MF SERIES (MILLSTONE APTS.)	Principal	165	175	185	195	215
2002 MF SERIES (MILLSTONE APTS.)	Interest	577	568	558	548	537
2002 MF SERIES (SUGAR CREEK APTS.)	Principal	115	85	90	100	105
2002 MF SERIES (SUGAR CREEK APTS.)	Interest	702	696	691	685	679
2002 MF SERIES (WEST OAKS APTS.)	Principal	57	62	66	71	76
2002 MF SERIES (WEST OAKS APTS.)	Interest	716	711	706	701	696
2002 MF SERIES (PARK MEADOWS APTS.)	Principal	60	70	65	80	80
2002 MF SERIES (PARK MEADOWS APTS.)	Interest	281	277	273	268	263
2002 SERIES (CLARKRIDGE VILLAS APTS)	Principal	81	87	93	100	107
2002 SERIES (CLARKRIDGE VILLAS APTS)	Interest	962	956	950	943	936
2002 SERIES A (HICKORY TRACE APTS)	Principal	67	71	77	82	88
2002 SERIES A (HICKORY TRACE APTS)	Interest	796	791	786	780	774
2002 SERIES A (GREEN CREST APTS)	Principal	143	71	76	82	88
2002 SERIES A (GREEN CREST APTS)	Interest	1,789	787	782	777	771
2002 SERIES A/B (IRON WOOD CROSSING)	Principal	73	79	87	95	103
2002 SERIES A/B (IRON WOOD CROSSING)	Interest	1,209	1,202	1,195	1,187	1,178
2002 SERIES A (WOODWAY VILLAGE)	Principal	110	115	120	130	135
2002 SERIES A (WOODWAY VILLAGE)	Interest	392	386	380	374	368
2003 SERIES A/B (READING ROAD)	Principal	20	20	30	30	30
2003 SERIES A/B (READING ROAD)	Interest	540	538	537	535	533

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(Amounts in Thousands)

	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$	507	\$ 741	\$ 1,081	\$ 1,580	\$ 2,307	\$ 3,927	\$	\$ 10,489
	4,261	3,996	3,610	3,045	2,224	904		22,482
	652	951	1,390	2,031	2,966	5,042		13,479
	5,529	5,213	4,755	4,083	3,102	1,361		29,786
	965	1,270	1,660	2,210	1,350			8,185
	1,961	1,654	1,247	702	97			7,851
	375	531	785	1,135	1,642	2,926		7,649
	2,846	2,666	2,410	2,032	1,490	635		15,052
	930	1,255	1,705	2,330	1,155			8,060
	1,861	1,573	1,182	642	63			7,395
	1,510	2,190	2,865	3,850	2,395			13,885
	3,457	2,857	2,140	1,217	165			13,715
	1,555	2,190	2,860	3,845	2,390			13,940
	3,397	2,825	2,134	1,215	167			13,568
	1,604	2,163	2,916	3,929	2,449			14,241
	3,725	3,160	2,395	1,366	190			14,990
	328	463	657	931	1,321	2,450		6,381
	2,097	1,962	1,766	1,489	1,098	506		11,112
	637	904	1,281	1,814	2,574	5,017		12,599
	4,173	3,905	3,526	2,988	2,224	1,054		22,228
	1,210	1,590	2,075	2,730	2,035			10,575
	2,496	2,116	1,616	956	170			10,142
	575					10,680		11,750
	3,289	3,205	3,205	3,205	3,205	2,777		22,339
	474	679	968	1,383	1,975	3,762		9,573
	3,379	3,166	2,860	2,421	1,796	846		17,998
	480	670	925	1,270	635			4,335
	1,224	1,039	780	425	42			4,872
	664	941	1,333	1,890	2,679	3,798	2,017	13,790
	4,551	4,272	3,879	3,318	2,524	1,400		24,691
	544	773	1,096	1,552	2,202	3,120	1,729	11,401
	3,765	3,536	3,210	2,751	2,099	1,174	17	20,479
	543	769	1,091	1,547	2,192	3,107	1,719	11,428
	3,747	3,521	3,197	2,739	2,089	1,170	17	21,386
	676	1,041	1,510	2,141	3,035	4,302	3,710	16,852
	5,730	5,362	4,891	4,255	3,356	2,083	42	31,690
	810	1,085	5,140					7,645
	1,727	1,489	218					5,334
	180	250	350	490	10,780			12,180
	2,630	2,558	2,459	2,318	1,649			14,297

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SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2007

(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2003 SERIES A/B (NORTH VISTA)	Principal	\$ 210	\$ 215	\$ 230	\$ 245	\$ 255
2003 SERIES A/B (NORTH VISTA)	Interest	685	676	666	656	645
2003 SERIES A/B (WEST VIRGINIA)	Principal	145	150	155	165	165
2003 SERIES A/B (WEST VIRGINIA)	Interest	463	456	450	443	435
2003 SERIES A/B (SPHINX @ MURDEAUX)	Principal	165	170	180	185	195
2003 SERIES A/B (SPHINX @ MURDEAUX)	Interest	1,998	2,005	2,013	2,022	2,031
2003 SERIES A/B (PRIMROSE HOUSTON)	Principal	79	85	93	101	109
2003 SERIES A/B (PRIMROSE HOUSTON)	Interest	1,096	1,090	1,083	1,075	1,067
2003 SERIES A/B (TIMBER OAKS)	Principal	56	61	67	73	80
2003 SERIES A/B (TIMBER OAKS)	Interest	925	920	915	909	902
2003 SERIES A/B (ASH CREEK APTS)	Principal	80	86	94	101	110
2003 SERIES A/B (ASH CREEK APTS)	Interest	1,089	1,082	1,075	1,067	1,059
2003 SERIES A/B (PENINSULA APTS)	Principal	160	165	170	180	190
2003 SERIES A/B (PENINSULA APTS)	Interest	629	622	614	606	597
2003 SERIES (EVERGREEN @ MESQUITE)	Principal	110	117	125	133	142
2003 SERIES (EVERGREEN @ MESQUITE)	Interest	744	737	729	720	711
2003 SERIES A/B (ARLINGTON VILLAS)	Principal	74	80	87	95	102
2003 SERIES A/B (ARLINGTON VILLAS)	Interest	1,174	1,167	1,161	1,153	1,145
2003 SERIES A/B (PARKVIEW TWNHMS)	Principal	79	86	94	102	111
2003 SERIES A/B (PARKVIEW TWNHMS)	Interest	1,112	1,105	1,098	1,089	1,080
2003 SERIES (NHP-ASMARA)REFUNDING	Principal	360	380	400	430	450
2003 SERIES (NHP-ASMARA)REFUNDING	Interest	837	821	807	791	775
2004 SERIES A/B (TIMBER RIDGE)	Principal	34	37	39	42	45
2004 SERIES A/B (TIMBER RIDGE)	Interest	449	446	444	441	438
2004 SERIES A/B (CENTURY PARK)	Principal	165	175	190	195	205
2004 SERIES A/B (CENTURY PARK)	Interest	692	683	673	662	652
2004 SERIES A (ADDISON PARK)	Principal					
2004 SERIES A (ADDISON PARK)	Interest	591	591	591	591	591
2004 SERIES A/B (VETERANS MEMORIAL)	Principal	79	86	94	102	111
2004 SERIES A/B (VETERANS MEMORIAL)	Interest	1,088	1,081	1,073	1,065	1,056
2004 SERIES (RUSH CREEK)	Principal	55	59	63	67	72
2004 SERIES (RUSH CREEK)	Interest	664	660	656	652	647
2004 SERIES (HUMBLE PARK)	Principal	100	110	110	120	130
2004 SERIES (HUMBLE PARK)	Interest	764	757	749	742	734
2004 SERIES (CHISHOLM TRAIL)	Principal					
2004 SERIES (CHISHOLM TRAIL)	Interest	457	456	456	456	456
2004 SERIES (EVERGREEN @ PLANO)	Principal	80	85	91	97	103
2004 SERIES (EVERGREEN @ PLANO)	Interest	962	957	951	945	939
2004 SERIES (MONTGOMERY PINES)	Principal					
2004 SERIES (MONTGOMERY PINES)	Interest	468	467	467	467	468

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(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 1,465	\$ 1,930	\$ 2,535	\$ 3,320	\$ 3,395			\$ 13,800
3,031	2,605	2,039	1,301	354			12,658
985	1,300	1,710	2,250	2,290			9,315
2,046	1,759	1,380	879	237			8,548
1,125	1,435	1,815	2,305	2,945	3,765	430	14,715
6,032	2,983	2,599	2,104	1,467	645	11	25,910
699	1,036	1,455	2,024	10,870			16,551
5,182	4,851	4,444	3,886	2,512			26,286
520	805	1,228	1,737	2,432	3,405	2,633	13,097
4,386	4,098	3,675	3,163	2,464	1,486	128	23,971
705	1,027	1,438	2,014	10,623			16,278
5,139	4,821	4,417	3,851	2,288			25,888
1,155	1,570	8,540					12,130
2,824	2,468	893					9,253
862	1,185	1,631	2,243	2,422	1,100	786	10,856
3,397	3,065	2,604	1,973	1,128	539	33	16,380
655	980	1,419	2,001	11,561			17,054
5,585	5,259	4,827	4,252	2,991			28,714
723	1,078	1,505	2,091	2,906	4,038	3,669	16,482
5,233	4,878	4,449	3,859	3,041	1,902	248	29,094
2,710	3,630	4,860	6,520	1,550			21,290
3,577	2,969	2,155	1,063	49			13,844
280	395	559	792	4,445			6,668
2,139	2,025	1,866	1,639	1,066			10,953
1,245	1,665	2,200	2,945	3,935			12,920
3,070	2,681	2,162	1,472	551			13,298
2,955	2,955	2,955	2,955	2,955	2,955	14,000	14,000
						879	21,564
722	1,048	1,457	2,024	2,813	3,911	3,746	16,193
5,112	4,784	4,373	3,802	3,009	1,907	268	28,618
442	617	862	1,204	1,682	2,348	2,473	9,944
3,154	2,978	2,731	2,388	1,908	1,237	187	17,862
780	1,090	1,525	2,085	2,890	2,670		11,610
3,526	3,222	2,797	2,208	1,399	335		17,233
				12,000			12,000
2,280	2,280	2,280	2,280	2,106			13,507
631	875	1,214	1,683	2,333	3,234	4,311	14,737
4,578	4,332	3,992	3,522	2,867	1,961	395	26,401
				12,300			12,300
2,336	2,336	2,336	2,337	2,241			13,923

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

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SCHEDULE I-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2007

(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2004 SERIES (BRISTOL)	Principal	\$	\$	\$	\$	\$
2004 SERIES (BRISTOL)	Interest	481	479	480	480	480
2004 SERIES (PINNACLE)	Principal					
2004 SERIES (PINNACLE)	Interest	654	550	551	551	552
2004 SERIES (TRANQUILITY BAY)	Principal	84	90	96	102	109
2004 SERIES (TRANQUILITY BAY)	Interest	923	918	912	905	898
2004 SERIES (SPHINX @ DELAFIELD)	Principal	100	110	110	120	125
2004 SERIES (SPHINX @ DELAFIELD)	Interest	588	583	577	572	566
2004 SERIES (CHURCHILL @ PINNACLE)	Principal	67	72	77	82	87
2004 SERIES (CHURCHILL @ PINNACLE)	Interest	659	654	649	644	639
2004 SERIES A/B (POST OAK EAST)	Principal					
2004 SERIES A/B (POST OAK EAST)	Interest	542	541	541	541	542
2004 SERIES (VILLAGE FAIR)	Principal	80	85	91	97	103
2004 SERIES (VILLAGE FAIR)	Interest	910	905	899	893	887
2005 SERIES (PECAN GROVE)	Principal	79	84	90	96	102
2005 SERIES (PECAN GROVE)	Interest	831	902	896	890	883
2005 SERIES (PRAIRIE OAKS)	Principal	62	66	71	75	81
2005 SERIES (PRAIRIE OAKS)	Interest	714	710	706	700	695
2005 SERIES (PORT ROYAL)	Principal	68	73	78	83	88
2005 SERIES (PORT ROYAL)	Interest	789	784	779	774	768
2005 SERIES (MISSION DEL RIO)	Principal	64	69	73	78	83
2005 SERIES (MISSION DEL RIO)	Interest	743	738	734	729	723
2005 SERIES (ATASCOCITA)	Principal		143	152	162	171
2005 SERIES (ATASCOCITA)	Interest	453	448	443	437	431
2005 SERIES (TOWER RIDGE)	Principal		100	100	100	100
2005 SERIES (TOWER RIDGE)	Interest	599	596	593	589	585
2005 SERIES (ALTA CULLEN)	Principal	61	78	83	89	95
2005 SERIES (ALTA CULLEN)	Interest	922	917	912	906	900
2005 SERIES (PRAIRIE RANCH)	Principal	145	115	125	125	135
2005 SERIES (PRAIRIE RANCH)	Interest	588	582	576	570	564
2005 SERIES (ST. AUGUSTINE)	Principal		47	98	104	111
2005 SERIES (ST. AUGUSTINE)	Interest	292	290	287	283	279
2005 SERIES (PARK MANOR)	Principal		58	62	66	70
2005 SERIES (PARK MANOR)	Interest	666	664	660	656	652
2005 SERIES (PROVIDENCE @ MOCKINGBIRD)	Principal	80	85	91	97	103
2005 SERIES (PROVIDENCE @ MOCKINGBIRD)	Interest	916	911	905	899	893
2005 SERIES (PLAZA CHASE OAKS)	Principal					
2005 SERIES (PLAZA CHASE OAKS)	Interest	720	720	720	720	720
2005 SERIES (CANAL PLACE APTS))	Principal			56	81	88
2005 SERIES (CANAL PLACE APTS))	Interest	1,026	1,026	1,024	1,018	1,011

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS (332)

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August 31, 2007

(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 2,398	\$ 2,399	\$ 2,399	\$ 2,399	\$ 12,625	\$	\$	\$ 12,625
				2,296			14,291
				14,500			14,500
2,754	2,755	2,755	2,756	2,637			16,515
667	921	1,275	1,761	2,435	3,368	3,344	14,252
4,371	4,114	3,760	3,271	2,593	1,656	296	24,617
750	980	1,285	1,685	2,190	2,790	990	11,235
2,722	2,509	2,227	1,845	1,342	693	56	14,280
532	739	1,024	1,420	1,967	2,725	1,303	10,095
3,097	2,891	2,603	2,205	1,655	890	78	16,664
				13,600			13,600
2,706	2,706	2,706	2,707	2,684			16,216
630	872	1,205	1,666	2,304	3,185	3,732	14,050
4,319	4,076	3,741	3,279	2,635	1,750	415	24,709
623	863	1,192	1,648	2,281	3,154	3,774	13,986
4,304	4,066	3,735	3,279	2,649	1,776	452	24,663
491	679	939	1,298	1,796	2,484	2,974	11,016
3,387	3,199	2,937	2,577	2,076	1,385	338	19,424
539	745	1,030	1,425	1,972	2,726	3,341	12,168
3,743	3,536	3,250	2,851	2,303	1,543	392	21,512
508	702	970	1,343	1,858	2,567	3,144	11,459
3,526	3,330	3,060	2,685	2,169	1,455	368	20,260
1,032	1,395	1,893	2,575	3,518	859		11,900
2,043	1,814	1,500	1,076	496	13		9,154
600	1,200	2,000	2,700	4,000	4,100		15,000
2,862	2,689	2,378	1,906	1,230	95		14,122
581	807	1,122	1,559	2,166	3,011	4,348	14,000
4,394	4,166	3,850	3,410	2,799	1,951	559	25,686
790	1,015	1,330	1,680	2,120	2,680	1,935	12,195
2,711	2,495	2,213	1,847	1,390	814	150	14,500
662	890	1,196	1,605	2,157	780		7,650
1,323	1,175	975	707	345	18		5,974
426	587	807	1,110	1,527	2,100	3,587	10,400
3,182	3,022	2,802	2,499	2,082	1,507	535	18,927
627	862	1,187	1,633	2,248	3,093	4,254	14,360
4,353	4,116	3,790	3,342	2,724	1,875	577	25,301
		14,250					14,250
3,600	3,600	1,074					11,874
563	836	1,159	1,596	2,195	9,526		16,100
4,929	4,665	4,350	3,922	3,333	942		27,246

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(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2005 SERIES (CORAL HILLS)	Principal	\$	\$	\$	\$	\$
2005 SERIES (CORAL HILLS)	Interest	269	269	269	269	269
2006 SERIES (HARRIS BRANCH APTS)	Principal			200	200	200
2006 SERIES (HARRIS BRANCH APTS)	Interest	589	587	583	575	568
2006 SERIES (BELLA VISTA APTS)	Principal	15	45	45	45	50
2006 SERIES (BELLA VISTA APTS)	Interest	418	416	413	411	408
2006 SERIES (VILLAGE PARK)	Principal		105	190	190	200
2006 SERIES (VILLAGE PARK)	Interest	700	699	690	680	670
2006 SERIES (OAKMOOR)	Principal		75	95	101	107
2006 SERIES (OAKMOOR)	Interest	878	876	871	865	858
2006 SERIES (SUNSET POINTE)	Principal					
2006 SERIES (SUNSET POINTE)	Interest	599	598	598	598	599
2006 SERIES (HILLCREST)	Principal			175	160	170
2006 SERIES (HILLCREST)	Interest	653	653	647	638	629
2006 SERIES (PLEASANT VILLAGE)	Principal	34	71	75	80	84
2006 SERIES (PLEASANT VILLAGE)	Interest	365	361	356	351	347
2006 SERIES (GROVE VILLAGE)	Principal	35	73	77	82	86
2006 SERIES (GROVE VILLAGE)	Interest	376	371	367	362	358
2006 SERIES (RED HILLS VILLAS)	Principal					
2006 SERIES (RED HILLS VILLAS)	Interest	197	196	197	197	197
2006 SERIES (CHAMPIONS CROSSING)	Principal					
2006 SERIES (CHAMPIONS CROSSING)	Interest	201	201	201	201	201
2006 SERIES (STONEHAVEN)	Principal		61	77	82	87
2006 SERIES (STONEHAVEN)	Interest	655	654	649	645	640
2006 SERIES (CENTER RIDGE)	Principal			120	110	115
2006 SERIES (CENTER RIDGE)	Interest	416	416	413	407	401
2006 SERIES (MEADOWLANDS)	Principal		1,780	75	79	84
2006 SERIES (MEADOWLANDS)	Interest	810	757	701	696	691
2006 SERIES (EAST TEX PINES)	Principal				80	95
2006 SERIES (EAST TEX PINES)	Interest	668	668	668	665	660
2006 SERIES (VILLAS @ HENDERSON)	Principal			47	98	104
2006 SERIES (VILLAS @ HENDERSON)	Interest	290	290	290	286	282
2006 SERIES (ASPEN PARK)	Principal			105	95	100
2006 SERIES (ASPEN PARK)	Interest	490	490	488	483	478
2006 SERIES (IDLEWILDE)	Principal			77	162	173
2006 SERIES (IDLEWILDE)	Interest	571	569	569	564	558
2007 SERIES (LANCASTER)	Principal					
2007 SERIES (LANCASTER)	Interest	571	569	570	570	571
2007 SERIES (PARK PLACE AT LOYOLA)	Principal				98	104
2007 SERIES (PARK PLACE AT LOYOLA)	Interest	870	870	870	867	861

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(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 1,345	\$ 1,345	\$ 1,345	\$ 1,345	\$ 1,345	\$ 5,320 236	\$	\$ 5,320 8,306
1,300	1,800	2,300	3,200	4,100	1,700		15,000
2,692	2,395	1,999	1,467	753	54		12,262
305	410	560	760	1,030	1,400	2,135	6,800
1,987	1,878	1,730	1,531	1,259	890	340	11,681
1,185	1,575	10,215					13,660
3,179	2,829	2,042					11,489
645	869	1,173	1,583	2,135	2,880	4,972	14,635
4,184	3,957	3,652	3,241	2,686	1,938	773	24,779
					15,000		15,000
2,991	2,991	2,991	2,992	2,991	1,126		19,074
1,020	1,380	1,885			7,645		12,435
2,996	2,680	2,250	2,005	2,005	637		15,793
510	690	4,456					6,000
1,645	1,465	267					5,157
525	711	4,591					6,180
1,696	1,508	137					5,175
	300	600	1,000	3,115			5,015
983	961	862	691	389			4,870
100	500	600	1,000	2,925			5,125
1,001	927	826	653	360			4,772
519	692	9,782					11,300
3,115	2,939	2,232					11,529
700	945	1,265			5,070		8,325
1,908	1,702	1,428	1,270	1,270	419		10,050
505	681	917	1,239	1,673	2,255	4,212	13,500
3,372	3,194	2,955	2,634	2,198	1,612	735	20,355
575	765	1,010	1,340	1,775	2,350	5,510	13,500
3,218	3,049	2,826	2,531	2,139	1,619	823	19,534
616	812	1,073	1,419	1,876	1,155		7,200
1,342	1,197	1,009	761	429	61		6,237
600	795	1,065			7,040		9,800
2,305	2,133	1,903	1,760	1,760	647		12,937
1,050	1,444	1,984	2,724	3,745	2,891		14,250
2,669	2,423	2,082	1,619	977	183		12,784
					14,250		14,250
2,849	2,850	2,850	2,851	2,849	1,636		18,736
620	828	1,104	1,476	1,971	2,632	6,167	15,000
4,204	3,996	3,717	3,344	2,847	2,183	1,197	25,826

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(Amounts in Thousands)

DESCRIPTION		2008	2009	2010	2011	2012
2007 SERIES (TERRACES AT CIBOLO)	Principal	\$	\$	\$	\$	\$
2007 SERIES (TERRACES AT CIBOLO)	Interest	313	313	313	313	313
2007 SERIES (SANTORA VILLAS)	Principal				64	89
2007 SERIES (SANTORA VILLAS)	Interest	758	758	758	757	752
2007 SERIES (A/B VILLAS @ MESQUITE CREEK)	Principal			210	155	165
2007 SERIES (A/B VILLAS @ MESQUITE CREEK)	Interest	858	858	853	843	833
2007 SERIES (SUMMIT POINT)	Principal			165	100	105
2007 SERIES (SUMMIT POINT)	Interest	603	603	598	593	588
2007 SERIES (COSTA RIALTO)	Principal				91	96
2007 SERIES (COSTA RIALTO)	Interest	663	663	663	660	655
2007 SERIES (WINDSHIRE)	Principal					
2007 SERIES (WINDSHIRE)	Interest	547	546	546	546	546
Total Multifamily Bonds		\$ 84,005	\$ 79,869	\$ 79,528	\$ 79,836	\$ 79,894
Total		\$ 165,339	\$ 167,568	\$ 166,541	\$ 165,648	\$ 165,803
Less Interest		141,672	134,102	132,614	130,964	129,262
Total Principal		\$ 23,667	\$ 33,466	\$ 33,927	\$ 34,684	\$ 36,541

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Supplementary Bond Schedules

SCHEDULE 1-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2007

(Amounts in Thousands)

2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	TOTAL REQUIRED
\$ 1,565	\$ 1,565	\$ 1,565	\$ 1,565	\$ 1,565	\$ 8,000 828	\$	\$ 8,000 10,218
531	711	949	1,268	1,693	2,260	5,507	13,072
3,672	3,493	3,253	2,932	2,505	1,935	1,123	22,696
985	1,300	1,675	2,135	2,740	3,505	3,990	16,860
4,008	3,691	3,321	2,852	2,249	1,476	495	22,337
640	820	1,060	1,390	1,830	2,415	3,175	11,700
2,852	2,676	2,442	2,136	1,722	1,171	443	16,427
565	738	964	1,259	1,645	2,147	4,880	12,385
3,189	3,016	2,789	2,492	2,105	1,601	923	19,419
					14,000		14,000
2,730	2,730	2,730	2,730	2,730	1,841		18,222
<u>\$ 394,101</u>	<u>\$ 394,030</u>	<u>\$ 468,631</u>	<u>\$ 361,566</u>	<u>\$ 436,394</u>	<u>\$ 312,761</u>	<u>\$ 131,790</u>	<u>\$ 2,902,405</u>
\$ 820,640	\$ 846,560	\$ 920,695	\$ 798,465	\$ 750,691	\$ 332,680	\$ 131,790	\$ 5,432,420
612,468	544,784	445,656	324,822	179,356	69,953	13,293	2,858,946
<u>\$ 208,172</u>	<u>\$ 301,776</u>	<u>\$ 475,039</u>	<u>\$ 473,643</u>	<u>\$ 571,335</u>	<u>\$ 262,727</u>	<u>\$ 118,497</u>	<u>\$ 2,573,474</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007				
	Net Available for Debt Service Operating		Debt Service		
	Total Pledged and Other Sources	Expenses/Expenditures and Capital Outlay	Principal	Interest	
1997 Single Family Series A	\$ 31,887	\$ 29	\$	\$ 1,233	
1997 Single Family Series B	740				
1997 Single Family Series D	16,354	14		502	
2002 Single Family Series A	1,879	59		2,063	
2002 Single Family Series A (Jr. Lien)	3,838	20		527	
2002 Single Family Series B	6,592	62		2,213	
2002 Single Family Series C	564	18	470	556	
2002 Single Family Series D	592	9	895	242	
2004 Single Family Series A	10,305	291	1,635	5,304	
2004 Single Family Series A (Jr. Lien)	30	345		221	
2004 Single Family Series B	2,736	131		2,057	
2004 Single Family Series C	3,613	85	240	1,789	
2004 Single Family Series D	1,709	81		1,335	
2004 Single Family Series E	477	23	1,310	347	
2005 Single Family Series A	5,701	310	780	4,180	
2005 Single Family Series B	4,235	155	785	950	
2005 Single Family Series C	1,110	59		435	
2005 Single Family Series D	444	24		164	
2006 Single Family Series A	3,681	1,194		2,968	
2006 Single Family Series B	4,381	1,422		3,513	
2006 Single Family Series C	6,646	2,161		5,384	
2006 Single Family Series D	3,594	569		1,289	
2006 Single Family Series E	1,658	341		685	
2006 Single Family Series F	3,427	1,208		3,404	
2006 Single Family Series G	618	218		501	
2006 Single Family Series H	1,573	555		1,128	
2007 Single Family Series A	1,302	159		1,466	
Total Single Family Bonds	119,686	9,543	6,115	44,459	
1998 RMRB Series A	7,411	48	1,275	2,267	
1998 RMRB Series B	1,549	9		412	
1999 RMRB Series A	1,418	15		326	
1999 RMRB Series B-1	5,036	17		1,609	
1999 RMRB Series C	657	3		234	
2000 RMRB Series A	2,969	15	255	1,093	
2000 RMRB Series B	9,855	55		3,028	
2000 RMRB Series C	945	9		515	
2000 RMRB Series D	1,014	8	565	395	
2001 RMRB Series A	4,556	13	650	1,914	
2001 RMRB Series B	816	5		637	
2001 RMRB Series C	1,546	4	1,145	463	
2001 RMRB Series D	33			13	
2002 RMRB Series A	3,839	1	570	1,735	
2003 RMRB Series A	6,610	36	1,135	3,239	
Total Residential Mtg Revenue Bonds	48,255	236	5,595	17,880	
1992 CHMRB Series C	3,577	10		957	
Total CHMRB 1992	3,577	10		957	

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D (Continued)

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
1987 MF Series (South Texas Rental Housing)	\$ 106	\$	\$ 84	\$ 62
1993 MF Series A/B (RemHill/HighPt)	11,933	147		395
1996 MF Series A/B (Brighton's Mark)	481	2		502
1996 MF Series A/B (Las Colinas)	753	4		726
1996 MF Series A/B (Braxton's Mark)	829	3		825
1998 MF Series A (Volente Project)	10,244		85	324
1998 MF Series A (Pebble Brook)	551		180	551
1998 MF Series A-C (Residence Oaks)	448		141	448
1998 MF Series A (Dallas Oxford Refndg)	10,532			232
1998 MF Series A/B (Greens of Hickory Trial)	661		220	661
1999 MF Series A-C (Mayfield)	598		199	598
1999 MF Series A (Woodglen Village)	775			775
2000 MF Series A (Creek Point Apts)	345			245
2000 MF Series A (Deerwood Apts)	386		85	386
2000 MF Series A (Honeycreek)	21,398			1,035
2000 MF Series A (Timber Point Apts)	420			290
2000 MF Series A/B (Greenbridge)	1,461		156	1,461
2000 MF Series A/B (Oaks at Hampton)	709		68	709
2000 MF Series A/B (Parks @ Westmoreland)	705		67	705
2000 MF Series A/B (Red Hills Villas)	10,162		4	27
2000 MF Series A/B (Williams Run)	961		-5	961
2000 MF Series A-C (Collingham Park)	877		172	877
2000 MF Series A-C (Highland Meadow Apts)	3,007		58	608
2001 MF Series A (Bluffview Senior Apts)	799		55	799
2001 MF Series A (Knollwood Villas Apts)	1,027		71	1,027
2001 MF Series A (Oak Hollow Apts.)	448		37	448
2001 MF Series A (Greens Road Apts.)	435		110	435
2001 MF Series A (Skyway Villas)	1,038		125	463
2001 MF Series A/B (Cobb Park)	571		38	571
2001 MF Series A/B (Hillside Apts.)	986		42	886
2001 MF Series A/B (Meridian Apts.)	815		175	815
2001 MF Series A/B (Wildwood Apts.)	806		175	806
2001 MF Series A-C (Fallbrook Apts.)	875		193	875
2002 MF Series A (Clarkridge Villas Apts)	1,565		77	975
2002 MF Series A (Park Meadows Apts)	285		60	285
2002 MF Series A (Sugar Creek Apts.)	707		70	707
2002 MF Series A (West Oaks Apts.)	686		70	686
2002 MF Series A (Green Crest Apts)	800			800
2002 MF Series A (Hickory Trace Apts)	800		62	800
2002 MF Series A (Millstone Apts.)	2,326		170	616
2002 MF Series A (Woodway Village Apts)	397		100	397
2002 MF Series A/B (Ironwood Crossing)	1,215		67	1,215
2003 MF Series A (NHP-Asmara) Refunding	794		335	794
2003 MF Series A (Evergreen @ Mesquite)	729		103	729
2003 MF Series A/B (Reading Road)	513		20	513
2003 MF Series A/B (Arlington Villas)	1,179		46	1,179
2003 MF Series A/B (Ash Creek Apts)	1,095		73	1,095
2003 MF Series A/B (North Vista Apts)	694		200	694
2003 MF Series A/B (Parkview Twnhms)	1,119		73	1,119
2003 MF Series A/B (Peninsula Apts)	832		75	637
2003 MF Series A/B (Primrose Houston School)	1,102		73	1,102
2003 MF Series A/B (Sphinx @ Murdeaux)	723		160	723
2003 MF Series A/B (Timber Oaks Apts)	930		52	930

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D (Continued)

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2003 MF Series A/B (West Virginia Apts)	469		135	469
2004 MF Series A (Bristol)	\$ 469	\$	\$	\$ 469
2004 MF Series A (Chisholm Trail)	446			446
2004 MF Series A (Churchill @ Pinnacle)	1,347		5	697
2004 MF Series A (Evergreen @ Plano)	966		13	966
2004 MF Series A (Humble Park)	770		90	770
2004 MF Series A (Montgomery Pines)	457			457
2004 MF Series A (Pinnacle)	539			539
2004 MF Series A (Rush Creek)	668		52	668
2004 MF Series A (Sphinx @ Delafield)	593		95	593
2004 MF Series A (Tranquility Bay)	929		79	929
2004 MF Series A (Village Fair)	915		50	915
2004 MF Series A (Addison Park)	539			539
2004 MF Series A/B (Century Park)	700		80	700
2004 MF Series A/B (Post Oak East)	515			515
2004 MF Series A/B (Timber Ridge)	451		32	451
2004 MF Series A/B (Veterans Memorial)	1,094		73	1,094
2005 MF Series A (Alta Cullen)	916			916
2005 MF Series A (Atascocita Pines)	445			445
2005 MF Series A/B (Canal Place)	720			720
2005 MF Series A (Lafayette Village)	14,186			86
2005 MF Series A (Del Rio)	746		31	746
2005 MF Series A (Park Manor)	581			581
2005 MF Series A (Pecan Grove)	911		44	911
2005 MF Series A (Chase Oaks)	720			720
2005 MF Series A (Port Royal)	792		32	792
2005 MF Series A (Prairie Oaks)	718		34	718
2005 MF Series A (Prairie Ranch)	597			597
2005 MF Series A (Mockingbird)	919			919
2005 MF Series A (St Augustine)	286			286
2005 MF Series A (Tower Ridge)	563			563
2006 MF Series A (Aspen Park Apts)	408			408
2006 MF Series A (Bella Vista)	418			418
2006 MF Series A (Center Ridge)	416			416
2006 MF Series A (Champions Crossing)	183			183
2005 MF Series A (Coral Hills)	269			269
2006 MF Series A (East Tex Pines)	570			570
2006 MF Series A (Grove Village)	377			377
2006 MF Series A (Harris Branch)	555			555
2006 MF Series A (Hillcrest)	653			653
2006 MF Series A (Idlewilde Apts)	414			414
2006 MF Series A (Meadowlands)	754			754
2006 MF Series A (Oakmoor)	805			805
2006 MF Series A (Pleasant Village)	366			366
2006 MF Series A (Red Hills Villas)	179			179
2006 MF Series A (Stonehaven)	630			630
2006 MF Series A (Sunset Pointe)	563			563
2006 MF Series A (Village Park)	688			688
2006 MF Series A (Villas at Henderson)	222			222
2007 MF Series A (Villas @ Mesquite Creek)	155			155
2007 MF Series A (Costa Rialto)	110			110
2007 MF Series A (Lancaster Apts)	344			344
2007 MF Series A (Park Place at Loyola)	459			459

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-D (Continued)

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2007 MF Series A (Santora Villas)	202			202
2007 MF Series A (Summit Point)	\$ 104	\$	\$	\$ 104
2007 MF Series A (Terraces at Cibolo)	107			107
2007 MF Series A (Windshire)	65			65
Total Multifamily Bonds	149,613	156	5,266	66,748
Total	\$ 321,131	\$ 9,946	\$ 16,976	\$ 130,044

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-E

DEFEASED BONDS OUTSTANDING

For the fiscal year ended August 31, 2007

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Business-Type Activities		
1996 Multi Family Series A/B (NHP Foundation)	2003	\$ 24,525,000
1997 Single Family Series A	2007	27,120,000
1997 Single Family Series D	2007	<u>9,580,000</u>
Total Business-Type Activities		<u>\$ 61,225,000</u>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 1-F

EARLY EXTINGUISHMENT AND REFUNDING

For the fiscal year ended August 31, 2007

Description of Issue	Category	Amount Extinguished or Refunded	For Refunding Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Business-Type Activities					
1997 Single Family Series A	Advance Refunding	\$ 27,120,000	\$ 27,120,000	\$ 14,714,665	\$ 7,413,126
1997 Single Family Series A	Early Extinguishment	3,055,000			
1997 Single Family Series B	Early Extinguishment	740,000			
1997 Single Family Series D	Advance Refunding	9,580,000	9,480,000	5,197,879	2,618,649
1997 Single Family Series D	Early Extinguishment	5,125,000			
2002 Single Family Series A (Jr. Lien)	Early Extinguishment	3,685,000			
2002 Single Family Series B	Early Extinguishment	4,620,000			
2002 Single Family Series D	Early Extinguishment	310,000			
2004 Single Family Series A	Early Extinguishment	4,215,000			
2004 Single Family Series C	Early Extinguishment	1,825,000			
2005 Single Family Series A	Early Extinguishment	1,045,000			
2005 Single Family Series B	Early Extinguishment	3,040,000			
2005 Single Family Series C	Early Extinguishment	650,000			
2005 Single Family Series D	Early Extinguishment	260,000			
2006 Single Family Series A	Early Extinguishment	450,000			
2006 Single Family Series B	Early Extinguishment	535,000			
2006 Single Family Series C	Early Extinguishment	800,000			
2006 Single Family Series D	Early Extinguishment	2,055,000			
2006 Single Family Series E	Early Extinguishment	735,000			
1998 RMRB Series A	Early Extinguishment	4,695,000			
1998 RMRB Series B	Early Extinguishment	1,070,000			
1999 RMRB Series A	Early Extinguishment	850,000			
1999 RMRB Series B-1	Early Extinguishment	3,335,000			
1999 RMRB Series C	Early Extinguishment	380,000			
2000 RMRB Series A	Early Extinguishment	1,825,000			
2000 RMRB Series B	Early Extinguishment	6,580,000			
2000 RMRB Series C	Early Extinguishment	385,000			
2000 RMRB Series D	Early Extinguishment	540,000			
2001 RMRB Series A	Early Extinguishment	2,575,000			
2001 RMRB Series B	Early Extinguishment	90,000			
2001 RMRB Series C	Early Extinguishment	985,000			
2002 RMRB Series A	Early Extinguishment	2,140,000			
2003 RMRB Series A	Early Extinguishment	3,330,000			
1992 Coll Home Mtg Rev Bonds, Series C	Early Extinguishment	2,500,000			
1998 Series (Dallas-Oxford Refdg)	Early Extinguishment	10,300,000			
1993 Series A&B (Remhill/Highpt)	Early Extinguishment	11,390,000			
1998 Series (Volente)	Early Extinguishment	9,920,000			
2000 Series (Timber Point Apts)	Early Extinguishment	130,000			
2000 Series (Creek Point Apts)	Early Extinguishment	100,000			
2000 Series (Honey Creek)	Early Extinguishment	20,363,158			
2000 Series A-C (Highland Meadow Apts)	Early Extinguishment	2,399,000			
2000 Series A/B (Red Hills Villas Apts)	Early Extinguishment	10,134,381			
2001 Series A (Skyway Villas)	Early Extinguishment	575,000			
2001 Series A/B (Hillside Apts)	Early Extinguishment	100,000			
2002 Series A (Millstone Apts)	Early Extinguishment	1,710,000			
2002 Series (Clarkridge Villas Apts)	Early Extinguishment	590,381			
2003 Series A/B (Pennisula Apts)	Early Extinguishment	195,000			
2004 Series (Churchill @ Pinnacle)	Early Extinguishment	650,000			
2005 Series (Lafayette Villagae)	Early Extinguishment	14,100,000			
2005 Series (Prairie Ranch)	Early Extinguishment	5,000			
Total Business-Type Activities		\$ 183,786,920	\$ 36,600,000	\$ 19,912,544	\$ 10,031,775

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Rick Perry, Governor,
and the Governing Board of
Texas Department of Housing and Community Affairs:

We have audited the basic financial statements of the Texas Department of Housing and Community Affairs (the "Department") as of and for the year ended August 31, 2007, and have issued our report thereon dated December 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, including the Public Funds Investment Act (§2256, Texas Government Code); regulations; contracts; and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department in a separate letter dated December 19, 2007.

This report is intended solely for the information and use of the Governing Board, management, and federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte & Touche LLP

December 19, 2007

Texas Department of Housing and Community Affairs — Revenue Bond Program

Financial Statements as of and for the
Year Ended August 31, 2007, and
Independent Auditors' Report

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS — REVENUE BOND PROGRAM

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INDEPENDENT AUDITORS' REPORT

To The Honorable Rick Perry, Governor, and the Governing Board
Texas Department of Housing and Community Affairs:

We have audited the accompanying statement of net assets of Texas Department of Housing and Community Affairs — Revenue Bond Enterprise Fund (the “Fund”) as of August 31, 2007, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended and supporting schedules 3 through 8. These financial statements and supporting schedules are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and supporting schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Revenue Bond Enterprise Fund of the Texas Department of Housing and Community Affairs (the “Department”) and are not intended to present fairly the financial position of the Department or the results of its operations and the cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Texas Department of Housing and Community Affairs — Revenue Bond Enterprise Fund at August 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, supporting schedules 3 through 8 present fairly, in all material respects, the information set forth therein.

Management’s Discussion and Analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information by bond program, included as Schedules 1 and 2, listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the

financial statements. These schedules are also the responsibility of the Fund's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly presented in all material respects when considered in relation to the financial statements taken as a whole.

Deloitte & Touche LLP

December 19, 2007

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS –
REVENUE BOND PROGRAM
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2007**

This section of the Texas Department of Housing and Community Affairs-Revenue Bond Program ("Bond Program") annual financial report presents management's discussion and analysis of the Texas Department of Housing and Community Affairs ("Department's") financial performance during the fiscal year that ended on August 31, 2007. Please read it in conjunction with the Department's Bond Program financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Bond Program's net assets decreased by \$9.4 million. This was primarily as a result of the change in fair value of investments as explained below.
- The Bond Program had a lower Operating (Loss) of (\$11.6 million), an improvement of \$27.8 million over the prior year. The change in operating loss was a result of the following factors. The change in fair value of investments increased from an unrealized loss of \$33.4 million in fiscal year 2006 to an unrealized loss of \$7.3 million in fiscal year 2007, or \$26.1 million, which accounted for the majority of the increase in operating results. Although interest and investment income increased by \$19.7 million, it was offset by an increase in bond interest expense of \$14.3 million and an increase of Down Payment Assistance of \$4.8 million.
- The Bond Program's debt outstanding of \$2.6 billion as of August 31, 2007, increased \$267.7 million. Debt issuances and debt retirements totaled \$468.5 million and \$200.8 million, respectively.
- Loan originations for the year totaled \$194.2 million in the Bond Program.
- The Department entered into two new interest rate swap agreements, for a total of five, with three different counterparties at combined notional amount of \$365.2 million and a fair value of (\$5.8 million) as of August 31, 2007.
- Subprime lending continues to receive significant attention in the financial market. A rise in the number of borrowers who are unable to pay debt obligations has led to increased foreclosures causing uncertainty in the housing market. According to Standard and Poor's, Housing Finance Agencies (HFAs) face lower risk from defaults on their loans. Homebuyer education programs, conservative underwriting, generous reserves and ongoing HFA asset management have resulted in strong portfolio performance which is expected to continue for the long-term. Since 1988, the Department has had its single family mortgage loans guaranteed by Fannie Mae, GNMA or Freddie Mac.

FINANCIAL STATEMENTS

The financial statements provide information about the Bond Program's funds. The Bond Program has only one type of fund, the proprietary fund, which is as follows:

- **Proprietary Fund** — The Bond Program's activities in its proprietary fund are accounted for in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuances of taxable and tax-exempt bonds whose proceeds are used primarily to fund various types

of loans to finance low- and moderate-income housing. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes or debt service.

FINANCIAL ANALYSIS OF THE REVENUE BOND PROGRAM

Bond Program — Condensed Statement of Net Assets

	Bond Program		Increase (Decrease)	
	2007	2006	Amount	Percentage
ASSETS:				
Cash and investments	\$ 1,604,601,447	\$ 1,394,915,573	\$ 209,685,874	15.03 %
Loans, contracts, and notes receivable	1,258,715,642	1,158,656,080	100,059,562	8.64 %
Interest receivable	20,024,161	18,621,101	1,403,060	7.53 %
Capital assets	89,062	136,636	(47,574)	(34.82)%
Real estate owned	294,919	243,166	51,753	21.28 %
Deferred issuance cost	11,655,758	11,292,615	363,143	3.22 %
Other assets	438,349	526,791	(88,442)	(16.79)%
Total assets	2,895,819,338	2,584,391,962	311,427,376	12.05 %
LIABILITIES:				
Bonds/notes payable	2,615,242,505	2,328,148,557	287,093,948	12.33 %
Interest payable	40,093,198	32,977,121	7,116,077	21.58 %
Deferred revenue	4,631,000	2,784,444	1,846,556	66.32 %
Other liabilities	205,015,216	180,217,279	24,797,937	13.76 %
Total liabilities	2,864,981,919	2,544,127,401	320,854,518	12.61 %
NET ASSETS:				
Invested in capital assets	89,062	136,636	(47,574)	(34.82)%
Restricted	11,349,640	23,720,346	(12,370,706)	(52.15)%
Unrestricted	19,398,717	16,407,579	2,991,138	18.23 %
Total net assets	\$ 30,837,419	\$ 40,264,561	\$ (9,427,142)	(23.41)%

Net assets of the Bond Program decreased \$9.4 million, or 23.4%, to \$30.8 million. The net decrease primarily resulted from a decrease in fair value of the Bond Program's investments and an increase in expenses particularly interest expense. Restricted net assets of the Bond Program decreased \$12.4 million, or 52.2%. Unrestricted net assets increased \$3.0 million, or 18.23%.

Cash and investments increased \$209.7 million, or 15.0%, to \$1.6 billion, since funds were used for debt service, funding of loans, and multi-family construction draws. The Bond Program loans receivable (current and non-current) increased \$100.1 million, or 8.64%, to \$1.3 billion, due primarily to \$193.3 million worth of mortgage loans originated and \$87.9 million paid down under the Multi-Family Program. Total bonds and notes payable (current and non-current) increased \$287.1 million, or 12.3%, due to new debt issuances associated with the Bond Program's Single Family and Multi-Family Programs.

A comparison between 2007 and 2006 for the Statement of Revenues, Expenses, and Changes in Net Assets is as follows:

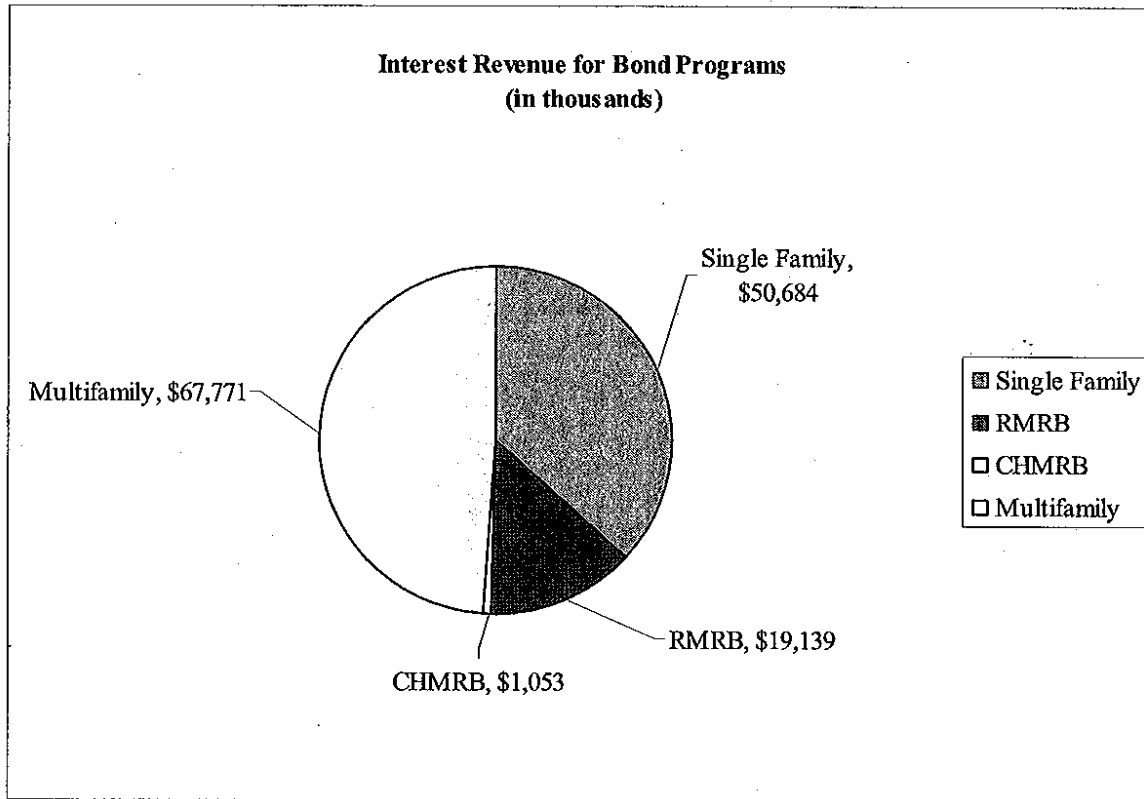
Bond Program - Statement of Revenues, Expenses, and Changes in Net Assets

	2007	2006	Increase (Decrease)	
			Amount	Percentage
OPERATING REVENUES:				
Interest and investment income	\$140,011,272	\$120,279,128	\$ 19,732,144	16.41 %
Net (decrease) in fair value	(7,271,532)	(33,415,610)	26,144,078	(78.24)%
Other operating revenues	<u>4,204,419</u>	<u>3,663,929</u>	<u>540,490</u>	14.75 %
Total operating revenues	<u>136,944,159</u>	<u>90,527,447</u>	<u>46,416,712</u>	51.27 %
OPERATING EXPENSES:				
Salaries and wages	3,878,630	3,232,945	645,685	19.97 %
Payroll-related costs	852,761	1,422,995	(570,234)	(40.07)%
Professional fees and services	684,758	897,513	(212,755)	(23.70)%
Travel	81,612	93,034	(11,422)	(12.28)%
Materials and supplies	136,373	105,221	31,152	29.61 %
Communications and utilities	69,016	70,220	(1,204)	(1.71)%
Repairs and maintenance	115,797	90,150	25,647	28.45 %
Rentals and leases	33,175	198,680	(165,505)	(83.30)%
Printing and reproduction	7,575	26,235	(18,660)	(71.13)%
Depreciation expense	943,856	1,084,636	(140,780)	(12.98)%
Interest	131,807,514	117,489,650	14,317,864	12.19 %
Bad Debt Expense	249,370	12,364	237,006	1916.90 %
Down Payment Assistance	8,555,264	3,737,491	4,817,773	128.90 %
Other operating expenses	<u>1,097,974</u>	<u>1,436,990</u>	<u>(339,016)</u>	(23.59)%
Total operating expenses	<u>148,513,675</u>	<u>129,898,124</u>	<u>18,615,551</u>	14.33 %
OPERATING (LOSS)	(11,569,516)	(39,370,677)	27,801,161	(70.61)%
NONOPERATING REVENUES (EXPENSES)				
	<u>2,142,374</u>	<u>2,993,775</u>	<u>(851,401)</u>	(28.44)%
CHANGE IN NET ASSETS	<u>(9,427,142)</u>	<u>(36,376,902)</u>	<u>26,949,760</u>	(74.08)%
BEGINNING NET ASSETS	<u>40,264,561</u>	<u>76,641,463</u>	<u>(36,376,902)</u>	(47.46)%
ENDING NET ASSETS	<u>\$ 30,837,419</u>	<u>\$ 40,264,561</u>	<u>\$ (9,427,142)</u>	(23.41)%

Net assets of the Bond Program decreased from the August 31, 2006 amount by \$9.4 million, or 23.4%, to \$30.8 million.

Earnings within the Bond Program's various bond indentures were \$136.9 million, of which \$133.3 million is classified as restricted and \$3.6 million, as unrestricted. Restricted earnings are composed of \$139.2 million in interest and investment income, (\$7.3) million decrease in fair value of investments, and \$1.4 million in other revenue. Interest and investment income is restricted per bond covenants for debt service, fair value in investments is an unrealized loss due to the fact that the Bond Program holds investments until maturity, and other revenue is predominantly an accounting recognition of fees received in previous years that were deferred when received and are being amortized over a period of time. Unrestricted earnings are composed of \$0.8 million in interest and investment income and \$2.8 million in other operating revenue.

The graph below will illustrate the composition of interest revenue for the various bond indentures that make up the Bond Program:



Interest earned on program loans increased by \$6.4 million, or 10.1%, due primarily to an increase of \$7.0 million, or 11.5%, within the Bond Program's Multi-Family Program, due to higher loan amounts outstanding and offset by decreases in the Single Family Program due to decreasing loan balances.

Investment income increased \$13.4 million, or 23.6%, and reflected higher investment yields. The primary changes in investment income were within the Single Family Bond Program funds, which increased \$18.2 million, or 60.0%, and the Residential Mortgage Revenue Bond Program funds, which decreased \$2.0 million, or 9.34%, and the Commercial Paper Program which decreased \$2.6 million or 83% due to less commercial paper notes outstanding.

Expenses of the Bond Program consist primarily of interest expense of \$131.8 million, which increased \$14.3 million, or 12.2%, on the Bond Program's debt incurred to fund its various lending programs.

The Bond Program also generated \$0.7 million of unrestricted investment income, which was used primarily to partially offset its administrative costs.

The changes in net assets by bond indenture for the Bond Program for fiscal years 2007 and 2006 are as follows:

**Changes in Net Assets by Fund Groups, Year Ended August 31,
(Amounts in thousands)**

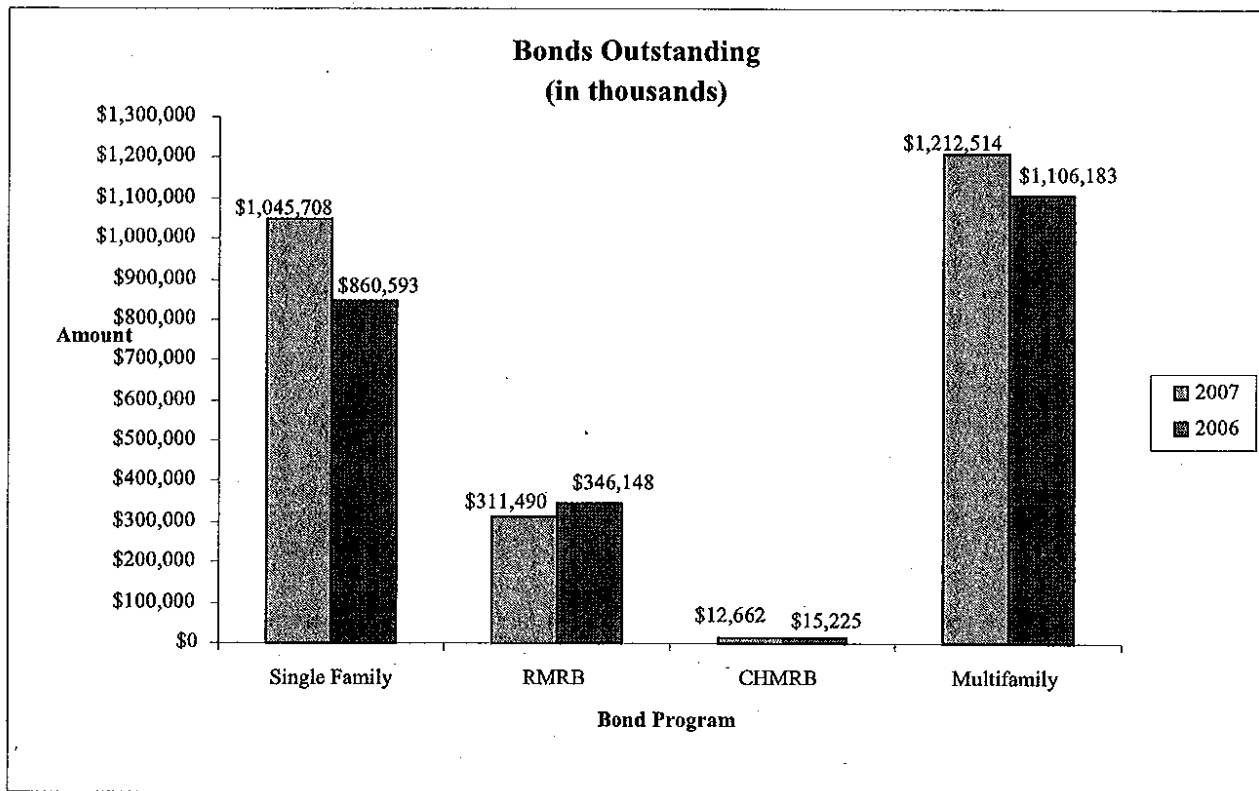
Fund	2007	2006	Increase (Decrease)	
			Amount	Percentage
Single Family	\$ 4,616	\$17,209	\$ (12,593)	(73.2)%
RMRB	5,253	5,352	(99)	(1.8)%
CHMRB	1,587	1,355	232	17.1 %
Multifamily	(158)	(206)	48	(23.3)%
1993 SF CHMRB		10	(10)	(100.0)%
Commercial paper	51	1	50	5000.00%
General funds	<u>19,488</u>	<u>16,544</u>	<u>2,944</u>	17.8 %
Total	<u>\$30,837</u>	<u>\$40,265</u>	<u>\$ (9,428)</u>	(23.4)%

Net assets of the Single Family Bond Programs decreased by \$12.6 million, or 73.2%, primarily due to a decrease of \$6.8 million to the fair value of investments, an increase in interest expense of \$12.1 million which were offset by an increase in interest and investment income.

BOND PROGRAM DEBT

The Bond Program's new debt issuances excluding commercial paper during fiscal year 2007 totaled \$468.5 million. The Single Family Program issued \$275.2 million in bonds, and the Multi-Family Bond Program issued \$193.3 million. The Bond Program also had \$200.8 million in debt retirement during the year primarily due to consumer refinancing and paying off original loans. The net result was an increase in bonds payable of \$267.7 million to \$2.6 billion of which \$23.7 million is due within one year. For additional information, see Note 8, Bonds Payable, and supplementary bond information schedules.

The following graph will illustrate a comparison of bonds outstanding between fiscal year 2007 and 2006 per bond program:



REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Texas Department of Housing and Community Affairs' ("TDHCA") operations for all parties interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Texas Department of Housing and Community Affairs, Director of Financial Administration, P.O. Box 13941, Austin, Texas, 78711-3941.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

**STATEMENT OF NET ASSETS
AS OF AUGUST 31, 2007**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents:	
Cash on hand	\$ 200
Cash in bank	57,926
Cash in state treasury	488,843
Cash equivalents	16,124,980
Restricted assets:	
Cash and cash equivalents:	
Cash in bank	1,113,280
Cash equivalents	121,138,993
Short-term investments	204,298,616
Loans and contracts	9,992,441
Interest receivable	20,024,161
Consumable inventories	14,949
Other current assets	<u>423,400</u>
Total current assets	<u>373,677,789</u>

NONCURRENT ASSETS:

Capital assets	
Depreciable:	
Furniture and equipment	1,309,468
Less accumulated depreciation	(1,220,406)
Restricted assets:	
Investments	1,261,378,609
Loans and contracts	1,248,723,201
Other noncurrent assets:	
Deferred bond issuance cost — net	11,655,758
Real estate owned — net	<u>294,919</u>
Total noncurrent assets	<u>2,522,141,549</u>

TOTAL ASSETS \$ 2,895,819,338

See notes to the financial statements.

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

**STATEMENT OF NET ASSETS
AS OF AUGUST 31, 2007**

LIABILITIES

CURRENT LIABILITIES:

Payables:

Accounts payable	\$	242,168
Accrued bond interest payable		40,093,198
Payable to Operating Fund		169,074
Deferred revenues		4,631,000
Employees' compensable leave		327,118
Revenue bonds payable		23,712,493
Other current liabilities		<u>8,363,066</u>

Total current liabilities 77,538,117

NONCURRENT LIABILITIES:

Employees' compensable leave		94,294
Notes Payable		32,869,000
Revenue bonds payable		2,558,661,012
Other noncurrent liabilities		<u>195,819,496</u>

Total noncurrent liabilities 2,787,443,802

TOTAL LIABILITIES \$ 2,864,981,919

NET ASSETS:

Invested in capital assets	\$	89,062
Restricted		11,349,640
Unrestricted		<u>19,398,717</u>

TOTAL NET ASSETS \$ 30,837,419

See notes to financial statements.

(Concluded)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2007**

OPERATING REVENUES:	
Interest and investment income	\$ 140,011,272
Net decrease in fair value of investments	(7,271,532)
Other operating revenues	<u>4,204,419</u>
Total operating revenues	<u>136,944,159</u>
OPERATING EXPENSES:	
Salaries and wages	3,878,630
Payroll-related costs	852,761
Professional fees and services	684,758
Travel	81,612
Materials and supplies	136,373
Communications and utilities	69,016
Repairs and maintenance	115,797
Rentals and leases	33,175
Printing and reproduction	7,575
Depreciation and amortization	943,856
Interest	131,807,514
Bad debt expense	249,370
Down payment assistance	8,555,264
Other operating expenses	<u>1,097,974</u>
Total operating expenses	<u>148,513,675</u>
OPERATING (LOSS)	<u>(11,569,516)</u>
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS —	
Transfers from General Fund	<u>2,142,374</u>
Total other revenues, expenses, gains, losses, and transfers	<u>2,142,374</u>
CHANGE IN NET ASSETS	<u>(9,427,142)</u>
NET ASSETS — September 1, 2006	<u>40,264,561</u>
NET ASSETS — August 31, 2007	<u>\$ 30,837,419</u>

See notes to financial statements.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES:

Proceeds from loan programs	\$ 185,696,848
Proceeds from other revenues	4,030,708
Payments to suppliers for goods/services	(10,053,166)
Payments to employees	(4,628,247)
Payments for loans provided	<u>(194,209,543)</u>
Net cash used in operating activities	<u>(19,163,400)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Proceeds from debt issuance	503,955,930
Payments from other costs of debt	(3,016,739)
Transfers from General Fund	133,190
Payments from General Fund	2,142,374
Payments of principal on debt	(215,762,709)
Payments of interest	<u>(124,026,797)</u>
Net cash provided by noncapital financing activities	<u>163,425,249</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING
ACTIVITIES — Payments for additions to capital assets

(6,595)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	639,478,277
Proceeds from interest and investment income	74,255,380
Payments to acquire investments	<u>(857,364,166)</u>
Net cash used in investing activities	<u>(143,630,509)</u>

INCREASE IN CASH AND CASH EQUIVALENTS

624,745

CASH AND CASH EQUIVALENTS — Beginning of year

138,299,477

CASH AND CASH EQUIVALENTS — End of year

\$ 138,924,222

See notes to financial statements.

(Continued)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS — REVENUE BOND PROGRAM

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2007

RECONCILIATION OF CASH FROM OPERATING ACTIVITIES

TO OPERATING LOSS:	
Operating loss	\$ (11,569,516)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Amortization and depreciation	943,856
Provision for estimated losses	249,370
Operating income and cash flow categories — classification differences	59,508,442
Changes in assets and liabilities:	
Increase in accrued interest receivable	(1,403,060)
Increase in loans	(100,059,562)
Increase in property owned	(51,753)
Increase in mortgage loan acquisition costs	(363,143)
Increase in deferred revenues	1,846,556
Increase in other assets and liabilities	24,619,333
Increase in accrued interest payable	<u>7,116,077</u>

NET CASH USED IN OPERATING ACTIVITIES \$ (19,163,400)

NONCASH TRANSACTIONS —

Net Change in Fair Value of Investments \$ (33,415,610)

During 2007, loans totaling \$213,417 were foreclosed and the related properties acquired were transferred to real estate owned.

See notes to financial statements.

(Concluded)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS — REVENUE BOND PROGRAM

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED AUGUST 31, 2007

1. GENERAL STATEMENT AND SIGNIFICANT ACCOUNTING POLICIES

General Statement — The Texas Department of Housing and Community Affairs (the “Department”), was created effective September 1, 1991, by an act of the 72nd Texas Legislature, pursuant to Senate Bill 546 (codified as Article 4413 (501), Texas Revised Civil Statutes) (the “Department Act”), passed by the Texas Legislature on May 24, 1991, and signed by the Governor of the State of Texas. Effective September 1, 1991, the Department was established to assist local governments in helping residents overcome financial, social, and environmental problems; to address low- to moderate-income housing needs; to contribute to the preservation and redevelopment of neighborhoods and communities; to assist the Governor and the Legislature in coordinating federal and state programs affecting local governments; and to continually inform the State and the public about the needs of local government. The Department was created by merging two former agencies: the Texas Housing Agency and the Texas Department of Community Affairs.

The accompanying financial statements represent the financial status of the Revenue Bond Program (the “Program”), which is included in the enterprise fund of the Department, and are not intended to present the financial position of the Department or its results of operations or cash flows. The Department is governed by a Board composed of seven members, all of whom are appointed by the Governor with advice and consent of the Senate. The Board then appoints the Executive Director with the approval of the Governor. The Department is authorized to issue tax-exempt or taxable bonds, notes, or other obligations to finance or refinance multifamily housing developments and single-family residential housing. Bonds and notes of the Department do not constitute a debt of the State or any political subdivision thereof. The Department Act specifically provides for the assumption by the Department of the outstanding indebtedness of the former agencies. The Department is required to continue to carry out all covenants with respect to any bonds outstanding, including the payments of any bonds from the sources provided in the proceedings authorizing such bonds. For financial reporting purposes, the Department is an agency of the State and is included in its reporting entity.

The Program operates several bond programs under separate trust indentures, as follows:

- *Single-Family Bond Program (“Single-Family”)* — These bonds are limited obligations of the Department. Bond proceeds were used to originate below-market rate loans for eligible low- and moderate-income residents who were purchasing a residence. These bonds were issued pursuant to a Single-Family Mortgage Revenue Bond Trust Indenture, dated October 1, 1980, and indentures supplemental thereto, and are secured on an equal and ratable basis by the trust estate established by such trust indentures.
- *Residential Mortgage Revenue Bond Program (“RMRB”)* — Eleven series (three of which have been refunded) of these bonds have been issued pursuant to the RMRB master indenture and 10 separate Series *Supplements*, and are secured on an equal and ratable basis by the trust estates established by such trust indentures. Proceeds from the 1987 A Bonds were used to purchase single-family loans, while proceeds from the remaining RMRB bond issues were used to purchase pass-through certificates created through the origination of single-family loans.

- *Collateralized Home Mortgage Revenue Bond Program ("CHMRB")* — The Department issued six series of bonds pursuant to the CHMRB Trust Indenture with separate supplements for each series. The bonds are secured on an equal and ratable basis. Proceeds from the bonds are being used to purchase pass-through certificates created through the funding of loans made to finance the purchase by eligible borrowers of new and existing single-family residences in the state.
- *Multifamily Housing Revenue Bond Programs ("Multifamily")* — These bonds were issued pursuant to separate trust indentures and are secured by individual trust estates, which are not on an equal and ratable basis with each other. The bonds are limited obligations of the Department and are payable solely from the payments received from the assets and guarantors, which secure the individual trust indentures. Under these programs, the proceeds were either provided to nonprofit and for-profit developers of multifamily properties to construct or rehabilitate rental housing or used to refund other multifamily bonds issued for the same purposes.
- *Collateralized Home Mortgage Revenue Bond Program — Series 1994 and 1995 ("COBs")* — On November 1, 1994, the Department issued Single-Family Mortgage Revenue Bonds (Collateralized Home Mortgage Revenue Bond Program), Series 1994, in the amount of \$84,140,000. This bond program was issued as a Private Placement Memorandum with Federal National Mortgage Association ("FNMA"). The Series 1994 and 1995 COBs were issued to provide funds for the purchase of mortgage-backed, pass-through certificates backed by qualifying FHA-insured, VA-guaranteed, FMHA-guaranteed mortgage loans, or conventional mortgage loans acceptable for pooling by FNMA, made to eligible borrowers for single-family residences.
- *Commercial Paper Notes* — By resolution adopted November 10, 1994, the Department's Board has authorized the issuance of two series of commercial paper notes: its Single-Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes, Series A, and its Single-Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes, Series B (collectively, the "Notes"). Pursuant to the resolution, the Department is authorized to issue the Notes in an aggregate principal amount not to exceed \$75,000,000 outstanding. Proceeds of the initial issuance of the Notes and of future issues not issued to refund outstanding Notes will be used to redeem certain of the Department's single-family mortgage revenue bonds (the "Refunded Bonds"), which are subject to redemption as a result of the receipt by the Department of prepayments of the related underlying mortgage loans. Such prepayments may, at a future date, be recycled into new mortgage loans by the Department. The Notes are being issued in anticipation of the issuance of refunding bonds that will refund the Notes.
- *Housing Trust Fund* — The Department Act provided for a transfer of a portion of the unencumbered fund balance from the bond programs for use in the Housing Trust Fund. The Housing Trust Fund will be used to provide assistance for low- and very-low-income persons and families in financing, acquiring, rehabilitating, and developing affordable, decent, and safe housing. The Housing Trust Fund will be made available to local units of government, public housing authorities, the Department, community housing development organizations, and nonprofit organizations, as well as eligible low- and very-low-income individuals and families.

Continuance Subject to Review — Under the Texas Sunset Act, the Department will be abolished effective September 1, 2011, unless it is continued in existence as provided in the Texas Sunset Act. If abolished, the Department may continue in existence until September 1, 2012, to close out its operations.

Significant Accounting Policies — The significant accounting policies of the Program are as follows:

- a. *Fund Accounting* — The Program’s financial statements have been prepared on the basis of the governmental proprietary fund concept as set forth by the Governmental Accounting Standards Board (“GASB”). The governmental proprietary fund concept provides that financial activities operated similarly to private business enterprises and financed through fees and charges assessed primarily to users of the services are presented as a proprietary fund. Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred. The Program has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989, as allowed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.
- b. *Investments* — The Program follows the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. GASB Statement No. 31 requires certain types of investments to be reported at fair value on the balance sheet. The Program utilizes established quoted market prices for determining the fair value of its debt securities in reserve funds. The Program’s portfolio of mortgage-backed securities consists of pools of mortgage loans exchanged for mortgage-backed securities or mortgage pass-through certificates. Fair value of the Program’s securitized mortgage loans (“GNMA/FNMA”) has been estimated by each bond issue’s trustee using a pricing service.

The Program has reported all investment securities at fair value as of August 31, 2007, with the exception of certain money market investments and nonparticipating interest-earning investment contracts, which are reported at amortized cost (historical cost adjusted for amortization of premiums and accretion of discounts), provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors (see Note 3).

In accordance with GASB Statement No. 31, changes in the fair value of investments are reported in the statement of revenues, expenses, and changes in net assets as net increase (decrease) in fair value of investments.

- c. *Loans Receivable* — Loans receivable are carried at the unpaid principal balance outstanding less the allowance for estimated loan losses and deferred commitment fees. Interest on loans is credited to income as earned. Loans are generally placed on nonaccrual status when the Department becomes aware that the borrower has entered bankruptcy proceedings or when the loans are 90 days past due as to either principal or interest or when payment in full of principal and interest is not expected. Deferred commitment fees are recognized using the interest method over the estimated lives of the single-family loans and the contractual lives, adjusted for actual repayments, of the multifamily loans.
- d. *Real Estate Owned* — Properties acquired through foreclosure are carried at the unpaid principal balance on the related property plus accrued interest and reimbursable expenses through the date of foreclosure, less any sales proceeds, reimbursements received from mortgage insurers, and an allowance for estimated losses on such properties. After foreclosure, foreclosed assets are carried at lower of cost or fair value minus selling costs.

Interest on real estate owned is credited to income as earned based on a calculation of interest recoverable in accordance with the Department’s agreements with its mortgage insurers.

- e. *Allowance for Estimated Losses on Loans and Foreclosed Properties* — The allowance for estimated losses on loans is available for future chargeoffs on single-family and multifamily loans. The allowance for estimated losses on real estate owned is available for future chargeoffs on foreclosed single-family loans.

All losses are charged to the allowance when the loss actually occurs or when a determination is made that a loss is likely to occur. Periodically, management estimates the likely level of future losses to determine whether the allowances for estimated losses are adequate to absorb anticipated losses in the existing loan and real estate owned portfolios. Based on these estimates, a provision for estimated losses on loans and real estate owned is made to the allowances in order to adjust the allowances to levels estimated to be adequate to absorb reasonably foreseeable losses.

While management uses available information to recognize losses in the loan and real estate owned portfolios, future adjustments may be necessary based on changes in economic conditions. However, it is the judgment of management that the allowances are currently adequate to absorb reasonably foreseeable losses in the existing loan and real estate owned portfolios.

- f. *Commitment Fees* — Commitment fees received in connection with the origination of loans are deferred and recognized using the interest method over the estimated life of the related loans and mortgage-backed securities, or if the commitment expires unexercised, it is credited to income upon expiration of the commitment.
- g. *Deferred Issuance Costs* — Deferred issuance costs on bonds are amortized using the interest method over the contractual life of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of deferred issuance costs.
- h. *Discounts and Premiums on Debt* — Discounts and premiums on debt are recognized using the interest method over the life of the bonds or collateralized mortgage obligations to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of discounts and premiums on debt.
- i. *Restricted Net Assets* — The net assets of the Program are restricted for various purposes of the bond trust indentures.
- j. *Invested in Capital Assets* — This component of net assets consists of capital assets, net of accumulated depreciation.
- m. *Cash Flows* — For purposes of reporting cash flows, cash and cash equivalents consist of cash and short-term investments with a maturity at the date of purchase of three months or less, which are highly liquid and are readily exchanged for cash at amounts equal to their stated value.
- n. *Interfund Transactions* — The Program has transactions between and with other funds of the Department. Quasi-external transactions are charges for services rendered by one fund to another, and they are accounted for as revenue or expense. All other interfund transactions are reported as transfers.
- o. *Gain/Loss on Refundings of Debt* — Any gain/loss on refunding of bonds is deferred and amortized as a component of interest expense using the interest method.

- p. *Loss on Early Extinguishment of Debt* — Any loss on extinguishment of debt prior to its stated maturity is recorded in the period the debt is retired.
- q. *Estimates* — In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and the reported revenues and expenses for the period. Actual results could differ significantly from those estimates. Management judgments and accounting estimates are made in the evaluation of the allowance for estimated losses on loans and real estate owned and in determination of the assumptions with respect to prepayments on loans and mortgage-backed securities in the recognition of deferred commitment fees to income.

2. CAPITAL ASSETS

A summary of changes in capital assets for the year ended August 31, 2007, is presented below:

Program Activities	Balance September 1, 2006	Additions	Deletions	Balance August 31, 2007
Depreciable assets:				
Furniture and equipment	\$ 1,239,919	\$ 6,595	\$	\$ 1,246,514
Other capital assets	62,954			62,954
Less accumulated depreciation:				
Furniture and equipment	(1,156,001)	(41,578)		(1,197,579)
Other capital assets	<u>(10,236)</u>	<u>(12,591)</u>	<u> </u>	<u>(22,827)</u>
Depreciable assets — net	<u>\$ 136,636</u>	<u>\$ (47,574)</u>	<u>\$</u>	<u>\$ 89,062</u>

3. CASH AND CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES

The Department is authorized by statute to make investments following the “prudent person rule” and based upon provisions within the master bond indentures and its Investment Policy adopted by the Board in accordance with the Public Funds Investment Act. There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank — As of August 31, 2007, the carrying amount of deposits was \$1,171 (in thousands).

Program funds — current assets — cash in bank:	
Texas Treasury Safekeeping Trust (TTSTC)	\$ 58
Demand deposits	
Program funds — current assets — restricted cash in bank:	
Texas Treasury Safekeeping Trust	263
Demand deposits	<u>850</u>
Cash in bank	<u>\$ 1,171</u>

At August 31, 2007, the Program's cash and deposits in the State Treasury amounted to \$488,843. Of that amount, \$488,843 was fully collateralized by securities held with a trustee in the State's name, as reported to the Department by the Comptroller of Public Accounts of the State of Texas.

Investments — The types of investments in which the Department may invest are restricted by the provisions of the master bond indentures and the Department's Investment Policy adopted by its Board in accordance with the Public Funds Investment Act. The indentures allow for investments in direct obligations of or guaranteed by the U.S. government; obligations, debentures, notes, or other evidences of indebtedness issued or guaranteed by agencies or intermediaries of the U.S. government; obligations issued by public agencies or municipalities; obligations and general obligations of or guaranteed by the state; demand deposits, interest-bearing time deposits or certificates of deposit; repurchase agreements in U.S. government securities; direct or general obligations of any state within the territorial U.S.; investment agreements with any bank or financial institution; commercial paper; and guaranteed investment contracts. Certain trust indentures restrict the Department from investing in certain of the aforementioned investments.

At August 31, 2007, the fair values of investments as of the balance sheet date (including both short term and long term) are shown below (in thousands).

Program Activities	Carrying Value	Fair Value
U.S. government Treasury securities	\$ 939	\$ 1,081
U.S. government agency obligations	1,129,169	1,098,900
Repurchase agreements (TTSTC)	87,325	87,325
Fixed income money markets	49,939	49,939
Miscellaneous (investment agreements/GICs)	<u>365,697</u>	<u>365,697</u>
Total	<u>\$1,633,069</u>	<u>\$1,602,942</u>

Credit Risk — Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Preservation and safety of principal is the foremost objective of the investment program. According to the Department's investment policy, investments should be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk is mitigated by:

- Limiting investments to the safest types of securities.
- Prequalifying the financial institution, broker/dealers, intermediaries, and advisors with which the Department will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

As of August 31, 2007, the Program's credit quality distribution for securities with credit risk exposure was as follows (in thousands):

Standard & Poor's

<u>Investment Type</u>	<u>Not Rated</u>	<u>AAA</u>	<u>Aa</u>	<u>A</u>
U.S. government agency obligations	\$ -	\$ 153,762	\$ -	\$ -
Repurchase agreements (TTSTC)	87,325	-	-	-
Miscellaneous (investment agreements/GICs)	365,697	-	-	-
	<u>Not Rated</u>	<u>AAA-M</u>	<u>AA-M</u>	<u>A-M</u>
Fixed income money markets	\$ -	\$ 49,939	\$ -	\$ -

A total of \$946,218,807 was not subject to credit risk disclosure due to their explicit guarantee by the U.S. government which is composed of \$1,080,697 in U.S. Treasury securities and \$945,138,110 in U.S. government agency obligations issued by the Government National Mortgage Association.

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2007, the Department's concentration of credit risk is as follows.

<u>Issuer</u>	<u>Carrying Value (In Thousands)</u>	<u>% of Total Portfolio</u>
Transamerican Life	\$ 151,200	9.29 %
USB Warburg	87,325	5.36

Interest Rate Risk — Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investment. Longer maturity of an investment will result in greater sensitivity of its fair value to changes in the market interest rates. The Department's investment policy allows for the mitigation of interest rate risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities.

Information about the sensitivity of the fair values of the Program's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Program's investments by maturity (in thousands):

<u>Program Activities</u>	<u>Fair Value</u>	<u>12 months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
U.S. Treasury securities	\$ 1,081	\$ -	\$ -	\$ -	\$ 1,081
U.S. government agency obligations	1,098,900	-	7,000	1,833	1,090,067
Repurchase agreements (TTSTC)	87,325	87,325	-	-	-
Fixed income money markets	49,939	49,939	-	-	-
Miscellaneous (investment agreements/GICs)	<u>365,697</u>	<u>204,299</u>	<u>18,892</u>	<u>116,699</u>	<u>25,807</u>
Total	<u>\$ 1,602,942</u>	<u>\$ 341,563</u>	<u>\$ 25,892</u>	<u>\$ 118,532</u>	<u>\$ 1,116,955</u>

Highly Sensitive Investments — U.S. government agency obligations held in the form of mortgage-backed securities: These securities are subject to early payment in a period of declining interest rates. These prepayments result in a reduction of expected total cash flows affecting the fair value of these securities and make the fair value of these securities highly sensitive to the changes in interest rates. The Department does not make it a common practice to sell these investments. Any fluctuation in fair value generates an unrealized gain or loss. The fair value of these investments is inversely affected by national mortgage interest rates. In an environment of rising interest rates, the Department would recognize an unrealized loss in fair market value and vice versa. Since the end of the 2007 fiscal year, the national mortgage rates have begun to decrease; as such, the Department does not believe that the value of these assets has been impaired. As of August 31, 2007, the Department holds \$1,090,900,086 in mortgage-backed securities.

4. SUMMARY OF LONG-TERM LIABILITIES

Commercial Paper Notes Payable — The Department is authorized to issue the Notes in an aggregate principal amount not to exceed \$75,000,000 outstanding. Proceeds of the initial issuance of the Notes and future issues not issued to refund outstanding Notes will be used to redeem certain of the Department's single family mortgage revenue bonds (the "Refunded Bonds"), which are subject to redemption as a result of the receipt by the Department of prepayments of the related underlying mortgage loans. Such prepayments may, at a future date, be recycled into new mortgage loans by the Department.

*On August 31, 2006, Commercial Paper Notes Payable was included in Bonds Payable but will be reported in Long-Term Notes Payable on August 31, 2007, per instructions from the State Comptroller.

Employees' Compensable Leave — A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. An expense and liability is recorded as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Other Noncurrent Liabilities — Other noncurrent liabilities totaling \$195,819,496 primarily account for funds due to developers as a result of Multifamily bond proceeds. These proceeds are conduit debt issued on behalf of the developer for the purpose of Multifamily developments and are held by the trustee. Due to the variables related to the balance, the current portion cannot be reasonably estimated.

5. RESTRICTED ASSETS

Cash in bank, cash equivalents, short-term investments, loans and contracts, interest receivable, and investments (which include mortgage-backed securities) totaling \$2.9 billion are restricted by the trust indentures of the related bonds and collateralized mortgage obligations. The trust indentures of the Department also require the establishing of accounts for the segregation of assets and restricting the use of bond proceeds, and other funds in connection with each bond program. Such restricted assets, primarily investments, at August 31, 2007, are as follows (in thousands):

Program	Mortgage and Debt Service Reserve	Unspent Bond Proceeds	Revenue Account	Self-Insurance	Rebate Account
Single-family	\$ 1,238	\$ 221,000	\$ 48,146	\$ 1,571	\$ 25
RMRB		1	11,080	401	312
CHMRB			457		
Multifamily	1,412	69,219	5,266		
Commercial paper					26
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 2,650</u>	<u>\$ 290,220</u>	<u>\$ 64,949</u>	<u>\$ 1,972</u>	<u>\$ 363</u>

Additionally, deferred issuance costs and real estate owned totaling \$11.7 million and \$294,000, respectively, are also restricted.

6. LOANS RECEIVABLE

Loans receivable as of August 31, 2007, consisted of the following (in thousands):

Single-family loans	\$ 44,815
Multifamily loans	1,212,864
RMRB (1987 Series A) single-family loans	1,309
Miscellaneous loans	<u>3,323</u>
Total loans	1,262,311
Deferred commitment fees, net of accumulated amortization of \$39,397 in 2007	(1,000)
Allowance for estimated loan losses	<u>(2,595)</u>
Total	<u>\$ 1,258,716</u>

All of the loans made directly by the Department are secured by real estate properties located in the state.

Single-family loans are collateralized by first-lien mortgages on the applicable real estate and (i) are federally insured or guaranteed or (ii) are insured by a private mortgage insurer approved by the Department for the amount by which the loan exceeds 80% of the original appraised value.

Certain properties acquired through foreclosure are covered by mortgage pool insurance. The mortgage pool insurance covers the unpaid principal balance of the loan at the ultimate date of sale, delinquent interest up to the claim settlement date, and certain other expenses.

The single-family trust indenture requires the Department to obtain and maintain mortgage pool insurance on loans collateralizing each series of bonds issued under that trust indenture. Except with respect to four series, the requirement has been satisfied by purchasing and maintaining a mortgage pool insurance policy for each bond series. For loans collateralizing the other four series of bonds, the Department has entered into Mortgage Pool Self-Insurance Fund Agreements ("Agreements") with the trustee. The funding requirements of these Agreements have been met as of August 31, 2007.

Multifamily mortgage and lender loans are collateralized by first-lien mortgages on the applicable housing developments, letters of credit, guarantees provided by third parties and collateralized mortgage obligations issued by federally chartered, privately owned corporations.

The activity in the allowance for estimated loan losses is as follows (in thousands):

Balance — beginning of year	\$2,989
Provision for estimated losses on loans	<u>(394)</u>
Balance — end of year	<u>\$2,595</u>

7. REAL ESTATE OWNED

Real estate owned for the Program was as follows (in thousands):

Real estate owned	\$ 809
Allowance for estimated losses	<u>(514)</u>
Real estate owned — net	<u>\$ 295</u>

The activity in the allowance for estimated losses was as follows (in thousands):

Balance — beginning of year	\$(1,151)
Amounts charged off	59
Provision for losses on real estate owned	<u>578</u>
Balance — end of year	<u>\$ (514)</u>

The provision for loss on real estate owned was recorded to adjust real estate owned to the estimated fair value less estimated costs of disposal.

8. BONDS PAYABLE

Bonds payable activity for the year ended August 31, 2007, consisted of the following (in thousands):

	Original Face Amount	Balance September 1, 2006	Additions/ Accretions	Maturities/ Prepayments	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
Single-family:							
1997 Series A — 5.25% to 5.80%	\$85,760	\$ 30,175		\$ 30,175		2029	
1997 Series B — 5.45%	9,510	740		740		2019	
1997 Series D — 5.65% to 5.70%	44,795	14,705		14,705		2029	
2002 Series A — 7.01%	10,000	9,085		3,685	\$ 5,400	2026	
2002 Series A — 5.45% to 5.55%	38,750	37,485			37,485	2034	
2002 Series B — 5.35% to 5.55%	52,695	43,755		4,620	39,135	2033	\$ 26
2002 Series C — 2.80% to 5.20%	12,950	11,650		470	11,180	2017	481
2002 Series D — 2.0% to 4.5%	13,605	6,945		1,205	5,740	2012	861
2004 Series A — 2.0% to 4.7%	123,610	122,715		5,850	116,865	2035	3,433
2004 Series B — variable rate	53,000	53,000			53,000	2034	
2004 Series A — variable rate	4,140	4,140			4,140	2036	
2004 Series C — 4.3% to 4.8%	41,245	38,870		2,065	36,805	2036	486
2004 Series D — variable rate	35,000	35,000			35,000	2035	
2004 Series E — 2.45% to 4.3%	10,825	10,505		1,310	9,195	2013	1,027
2005 Series A — variable rate	100,000	99,970		1,825	98,145	2036	850
2005 Series B — 4.38%	25,495	24,530		3,825	20,705	2026	622
2005 Series C — 4.31% to 5.39%	8,970	8,660		650	8,010	2017	
2005 Series D — 5.0%	3,730	3,485		260	3,225	2035	
2006 Series A — 5.0%	59,555	59,555		450	59,105	2037	268
2006 Series B — 5.0%	70,485	70,485		535	69,950	2034	781
2006 Series C — 5.13%	105,410	105,410		800	104,610	2037	1,009
2006 Series D — 4.50%	29,685	29,685		2,055	27,630	2028	(75)
2006 Series E — 4.06%	17,295	17,295		735	16,560	2017	1,273
2006 Series F — 4.65% to 5.75%	81,195		\$ 81,195		81,195	2038	
2006 Series G — 3.75% to 4.60%	15,000		15,000		15,000	2019	575
2006 Series H — variable rate	36,000		36,000		36,000	2037	
2007 Series A — variable rate	143,005		143,005		143,005	2038	(64)
2006 Commercial Paper Series A — 3.63%	75,000	15,198	(15,198)				
Total principal amount		853,043	\$260,002	\$ 75,960	1,037,085		\$11,553
Unamortized premium		11,120			12,649		
Unamortized discount and losses on refundings		(3,570)			(4,026)		
Total single-family		\$860,593			\$1,045,708		

	Original Face Amount	Balance September 1, 2006	Additions Accretions	Maturities/ Prepayment	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
RMRB:							
1998 Series A — 4.05% to 5.35%	\$ 102,055	\$ 46,075	\$	\$ 5,970	\$ 40,105	2031	\$ 1,190
1998 Series B — 5.30%	14,300	8,195		1,070	7,125	2022	22
1999 Series A — 4.80% to 5.50%	25,615	6,715		850	5,865	2021	(14)
1999 Series B-1 — 6.32% to 5.50%	52,260	25,750		3,335	22,415	2032	(7)
1999 Series C — 5.05% to 6.25%	12,150	3,880		380	3,500	2024	(1)
2000 Series A — 5.10% to 6.30%	50,000	18,410		2,080	16,330	2031	241
2000 Series B — 5.70%	82,975	54,745		6,580	48,165	2033	10
2000 Series C — 5.85% to 5.82%	13,675	8,915		385	8,530	2025	
2000 Series D — 4.55% to 5.85%	18,265	7,800		1,105	6,695	2020	555
2001 Series A — 3.15% to 5.70%	52,715	36,725		3,225	33,500	2033	676
2001 Series B — 5.0% to 5.25%	15,585	12,390		90	12,300	2022	
2001 Series C — 2.55% to 4.63%	32,225	11,820		2,130	9,690	2015	1,033
2001 Series D — 5.35%	300	235			235	2033	5
2002 Series A — 2.25% to 5.35%	42,310	34,180		2,710	31,470	2034	577
2003 Series A — 1.70% to 5.00%	73,630	69,230		4,465	64,765	2034	1,100
Total principal amount		345,065	\$	\$ 34,375	310,690		\$ 5,387
Unamortized premium		2,525			2,000		
Unamortized discount and loss on refundings		(1,442)			(1,200)		
Total RMRB		<u>\$346,148</u>			<u>\$311,490</u>		
CHMRB:							
1992 Series C — linked rate averaging 6.90%	\$ 72,700	\$ 14,900		\$ 2,500	\$ 12,400	2024	\$ 8
Total principal		14,900		\$ 2,500	12,400		
Plus unamortized premium		325			262		
Total CHMRB		<u>\$ 15,225</u>			<u>\$ 12,662</u>		

	Original Face Amount	Balance September 1, 2006	Additions Accretions	Maturities/ Prepayment	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
Multifamily:							
1987 Series (South Texas Rental Housing) — 9.5%	\$ 1,400	\$ 696	\$	\$ 84	\$ 612	2012	\$ 93
1993 Series A and B Refunding (High Point III Development/ Remington Hill Development)	26,370	11,390		11,390		2023	
1996 Series A and B (Brighton's Mark) — 6.13%	10,174	8,075			8,075	2026	
1996 Series A and B (Marks of Las Colinas) — 5.56%	15,469	12,670			12,670	2026	
1996 Series A and B (Braxton's Mark) — 5.81%	14,867	14,274			14,274	2026	
1998 Series (Pebble Brook) — 4.95% to 5.60%	10,900	10,075		180	9,895	2030	190
1998 Series A, B, and C (Residence Oaks) — 5.98% to 7.18%	8,200	7,549		141	7,408	2030	151
1998 Series (Volente) — 5.00% to 5.63%	10,850	10,005		10,005		2031	
1998 Series (Dallas — Oxford Rfdg.) — 7.25%	10,300	10,300		10,300		2018	
1998 Series (Greens) — 5.2% to 6.03%	13,500	12,545		220	12,325	2030	240
1999 Series (Mayfield) — 5.7% to 7.25%	11,445	10,605		199	10,406	2031	209
1999 Series (Woodglen Village) — 7.38% to 8.25%	10,660	10,505			10,505	2039	184
2000 Series (Timber Point) — variable rate	8,100	7,800		130	7,670	2032	
2000 Series (Oaks @ Hampton) — 7.20% to 9.00%	10,060	9,823		69	9,754	2040	75
2000 Series (Deerwood) — 5.25% to 6.40%	6,435	6,160		85	6,075	2032	95
2000 Series (Creek Point) — variable rate	7,200	6,685		100	6,585	2032	
2000 Series A/B (Parks @ Westmoreland — 7.20% to 9.00%	9,990	9,771		67	9,704	2040	73
2000 Series (Honeycreek) — 7.63% to 8.15%	20,485	20,363		20,363		2035	
2000 MF Series A-C (Highland Meadow Apts) — 6.75% to 8%	13,500	11,022		2,457	8,565	2033	121
2000 MF Series A/B (Greenbridge) — 7.4% to 10%	20,085	19,891		156	19,735	2040	164
2000 MF Series A-C (Collingham Park) — 6.72% to 7.72%	13,500	13,115		172	12,943	2033	182
2000 MF Series A/B (Williams Run) — 7.65% to 9.25%	12,850	12,561		(5)	12,566	2040	262
2000 MF Series A/B (Red Hills Villas) - 8.4% to 9.5%	10,300	10,139		10,139		2040	
2001 MF Series (Bluffview Senior Apts) — 7.65%	10,700	10,544		55	10,489	2041	59
2001 MF Series (Knollwood Villas Apts) — 7.65%	13,750	13,549		71	13,478	2041	77
2001 MF Series (Skyway Villas) — 6.0% to 6.5%	13,250	8,885		700	8,185	2034	125

(Continued)

	Original Face Amount	Balance September 1, 2006	Additions Accretions	Maturities/ Prepayment	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
2001 MF Series A/B (Cobb Park) — 6.77%	\$ 7,785	\$ 7,687	\$	\$ 38	\$ 7,649	2041	\$ 42
2001 MF Series A (Greens Road Apts) — 5.3% to 5.4%	8,375	8,170		110	8,060	2034	120
2001 MF Series A (Meridian Apts) — 5.45% to 6.85%	14,310	14,060		175	13,885	2034	185
2001 MF Series A (Wildwood Apts) — 5.45% to 6.75%	14,365	14,115		175	13,940	2034	190
2001 MF Series A-C (Fallbrook Apts) — 6.06% to 6.78%	14,700	14,434		193	14,241	2034	206
2001 MF Series A (Oak Hollow Apts) — 7.0% to 7.9%	8,625	6,418		37	6,381	2041	40
2001 MF Series A/B (Hillside Apts) — 7.0% to 9.25%	12,900	12,741		142	12,599	2041	43
2002 MF Series A (Millstone Apts) — 5.35% to 5.86%	12,700	12,455		1,880	10,575	2035	165
2002 MF Series A (Sugar Creek Apts) — 6.0%	11,950	11,820		70	11,750	2042	105
2002 MF Series A (West Oaks Apts) — 7.15% to 7.5%	10,150	9,643		70	9,573	2042	57
2002 MF Series A (Park Meadows Apts) — 6.53%	4,600	4,395		60	4,335	2034	60
2002 MF Series A (Clarkridge Villas Apts) — 7.0%	14,600	14,457		667	13,790	2042	81
2002 MF Series A (Hickory Trace Apts) — 7.0%	11,920	11,463		62	11,401	2042	67
2002 MF Series A (Green Crest Apts) — 7.0%	12,500	11,428			11,428	2042	143
2002 MF Series A/B (Ironwood Crossing) — 5.5% to 8.75%	16,970	16,919		67	16,852	2042	73
2002 MF Series A/B (Woodway Village Apts) — 4.9% to 5.2%	9,100	7,745		100	7,645	2023	110
2003 MF Series A/B (Reading Road Apts) — Variable not to exceed 12%	12,200	12,200		20	12,180	2036	20
2003 MF Series A/B (North Vista Apts) — 4.1% to 5.41%	14,000	14,000		200	13,800	2036	210
2003 MF Series A/B (West Virginia Apts) — 4.15% to 5.41%	9,450	9,450		135	9,315	2036	145
2003 MF Series A/B (Sphinx @ Murdeaux) — 3.55% to 5.0%	15,085	14,875		160	14,715	2042	165
2003 MF Series A/B (Primrose Houston School) — 5.5% to 8.0%	16,900	16,624		73	16,551	2036	79
2003 MF Series A/B (Timber Oaks Apts) — 6.75 to 8.75%	13,200	13,149		51	13,098	2043	56
2003 MF Series A/B (Ash Creek Apts) — 5.6% to 15.0%	16,375	16,351		73	16,278	2036	80
2003 MF Series A/B (Peninsula Apts) — 4.25 to 5.3%	12,400	12,400		270	12,130	2024	160
2003 MF Series A/B (Evergreen @ Mesquite) — 6.6% to 8.0%	11,000	10,959		103	10,856	2043	110
2003 MF Series A/B (Arlington Villas Apts) — Variable rate	17,100	17,100		46	17,054	2036	74
2003 MF Series A/B (Parkview Twnhms Apts) — 6.6% to 8.5%	16,600	16,555		73	16,482	2043	79
2003 MF Series A (NHP-Asmara Apts) Refunding — Variable rate	31,500	21,625		335	21,290	2033	111

(Continued)

	Original Face Amount	Balance September 1, 2006	Additions Accretions	Maturities/ Prepayment	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
2004 MF Series A/B (Timber Ridge Apts) — 5.75% to 8.0%	\$ 7,500	\$ 6,700	\$	\$ 32	\$ 6,668	2037	\$ 34
2004 MF Series A/B (Century Park Apts) — Variable rate	13,000	13,000		80	12,920	2037	165
2004 MF Series A (Addison Park Apts) — Variable rate	14,000	14,000			14,000	2044	
2004 MF Series A/B (Veterans Memorial Apts) — 6.6% to 8.5%	16,300	16,266		73	16,193	2044	79
2004 MF Series A (Rush Creek Apts) — 5.38% to 6.7%	10,000	9,996		52	9,944	2044	55
2004 MF Series A (Humble Park Apts) — 5.38% to 6.7%	11,700	11,700		90	11,610	2041	100
2004 MF Series A (Chisholm Trail Apts) — Variable rate	12,000	12,000			12,000	2037	
2004 MF Series A (Evergreen @ Plano Apts) — 5.25% to 6.55%	14,750	14,750		13	14,737	2044	80
2004 MF Series A (Montgomery Pines Apts) — Variable rate	12,300	12,300			12,300	2037	
2004 MF Series A (Bristol Apts) — Variable rate	12,625	12,625			12,625	2037	
2004 MF Series A (Pinnacle Apts) — Variable rate	14,500	14,500			14,500	2044	
2004 MF Series A (Tranquility Bay Apts) — Variable rate	14,350	14,332		79	14,253	2044	84
2004 MF Series A (Sphinx @ Delafield Apts) — 5.05% to 5.35%	11,380	11,331		95	11,236	2044	100
2004 MF Series A (Churchill @ Pinnacle Apts) — 5.25% to 6.55%	10,750	10,750		655	10,095	2044	67
2004 MF Series A/B (Post Oak East Apts) — Variable rate	13,600	13,600			13,600	2037	
2004 MF A Series (Village Fair Apts) — 5.0% to 6.5%	14,100	14,100		50	14,050	2044	80
2005 MF A Series (Pecan Grove Apts) — 5.0% to 6.5%	14,030	14,030		44	13,986	2045	79
2005 MF Series A (Prairie Oaks Apts) — 4.75% to 6.5%	11,050	11,050		34	11,016	2045	62
2005 MF Series A (Port Royal Apts) — 5.0% to 6.5%	12,200	12,200		32	12,168	2045	68
2005 MF Series A (Del Rio Apts) — 5.0% to 6.5%	11,490	11,490		31	11,459	2045	64
2005 MF Series A (Atascocita Pines Apts) — Variable rate	11,900	11,900			11,900	2037	
2005 MF Series A (Tower Ridge Apts) — Variable rate	15,000	15,000			15,000	2038	
2005 MF Series A (Alta Cullen Apts) — 5.89% to 6.6%	14,000	14,000			14,000	2045	61
2005 MF Series A (Lafayette Village Apts) — Variable rate	14,100	14,100		14,100		2038	
2005 MF Series A (Prairie Ranch Apts) — 4.85%	12,200	12,200		5	12,195	2045	145
2005 MF Series A (St. Augustine Apts) — Variable rate	7,650	7,650			7,650	2038	
2005 MF Series A (Park Manor Apts) — 5.0% to 6.4%	10,400	10,400			10,400	2045	

(Continued)

	Original Face Amount	Balance September 1, 2006	Additions Accretions	Maturities/ Prepayment	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
2005 MF Series A (Mockingbird Apts) — 6.4%	\$14,360	\$ 14,360	\$	\$	\$ 14,360	2045	\$ 80
2005 MF Series A (Chase Oaks Apts) — 5.05%	14,250	14,250			14,250	2035	
2006 MF Series A (Canal Place Apts) — Variable rate	16,100	16,100			16,100	2039	
2006 MF Series A (Coral Hills) — 5.05%	5,320	5,320			5,320	2038	
2006 MF Series A (Harris Branch) — Variable rate	15,000	15,000			15,000	2039	
2006 MF Series A (Bella Vista) — 6.15%	6,800	6,800			6,800	2046	15
2006 MF Series A (Village Park) — 4.75% to 5.13%	13,660	13,660			13,660	2026	
2006 MF Series A (Oakmoor) — 5.50% to 6.00%	14,635	14,635			14,635	2046	
2006 MF Series A (Sunset Pointe) — Variable rate	15,000	15,000			15,000	2039	
2006 MF Series A (Hillcrest) — -5.25%	12,435	12,435			12,435	2039	
2006 MF Series A (Pleasant Village) — -6.00%	6,000	6,000			6,000	2023	34
2006 MF Series A (Grove Village) — -6.00%	6,180	6,180			6,180	2023	36
2006 MF Series A (Red Hills Villas) — Variable rate	5,015		5,015		5,015	2036	
2006 MF Series A (Champion Crossing) — Variable rate	5,125		5,125		5,125	2036	
2006 MF Series A (Stonehaven) — -5.80%	11,300		11,300		11,300	2026	
2006 MF Series A (Center Ridge) — -5.00%	8,325		8,325		8,325	2039	
2006 MF Series A (Meadowlands) — -6.00%	13,500		13,500		13,500	2046	
2006 MF Series A (East Tex Pines) — -4.95%	13,500		13,500		13,500	2046	
2006 MF Series A (Villas at Henderson) — Variable rate	7,200		7,200		7,200	2039	
2006 MF Series A (Aspen Park Apts) — -5.00%	9,800		9,800		9,800	2039	
2006 MF Series A (Idlewilde Apts) — Variable rate	14,250		14,250		14,250	2040	
2007 MF Series A (Lancaster Apts) — Variable rate	14,250		14,250		14,250	2040	
2007 MF Series A (Park Place) — -5.80%	15,000		15,000		15,000	2047	
2007 MF Series A (Terrace at at Cibolo) — Variable rate	8,000		8,000		8,000	2040	
2007 MF Series A (Santora Villas) — Variable rate	13,072		13,072		13,072	2047	
2007 MF Series A (Villas @ Mesquite Creek) — 5.00 - 5.81%	16,860		16,860		16,860	2047	

(Continued)

	Original Face Amount	Balance September 1, 2006	Additions Accretions	Maturities/ Prepayment	Balance August 31, 2007	Final Maturity Date	Amounts Due Within One Year
2007 MF Series A (Summit Point) — 4.80 - 5.25%	\$11,700		\$ 11,700		\$ 11,700	2047	
2007 MF Series A (Costa Rialto) — -5.35%	12,385		12,385		12,385	2047	
2007 MF Series A (Windshire) — Variable rate	14,000		<u>14,000</u>		<u>14,000</u>	2041	
Total principal amount		\$1,107,945	<u>\$193,282</u>	<u>\$ 87,928</u>	<u>\$1,213,299</u>		<u>\$6,764</u>
Net deferred amount on refunding		(1,197)			(239)		
Unamortized discount		<u>(565)</u>			<u>(546)</u>		
Total multifamily		<u>1,106,183</u>			<u>1,212,514</u>		
Total		<u>\$2,328,149</u>			<u>\$2,582,374</u>		

(Concluded)

Proceeds from the issuance of bonds under the single-family and RMRB Series 1987A programs were used to acquire loans. Proceeds from the issuance of bonds under CHMRB and remaining RMRB programs were used to acquire pass-through certificates backed by mortgage loans. Pass-through certificates were purchased with proceeds from the multifamily 1985 Series G. Proceeds from the remaining multifamily bond issues were used to finance mortgage loans. Interest on bonds is payable periodically.

The single-family, RMRB, and CHMRB bonds are collateralized by the revenues and assets pledged under the trust indentures, primarily single-family mortgage loans, mortgage-backed securities, and investments. The multifamily bonds are collateralized by varying methods, including, but not limited to, the mortgage loans on the applicable housing developments, certificates of deposit, letters of credit, guarantees provided by third parties, and collateralized mortgage obligations issued by federally chartered, privately owned corporations.

The Department is authorized to issue the Notes in an aggregate principal amount not to exceed \$75,000,000 outstanding. Proceeds of the initial issuance of the Notes and of future issues not issued to refund outstanding Notes will be used to redeem certain of the Department's single-family mortgage revenue bonds (the "Refunded Bonds"), which are subject to redemption as a result of the receipt by the Department of prepayments of the related underlying mortgage loans. Such prepayments may, at a future date, be recycled into new mortgage loans by the Department.

The trust indentures contain positive and negative covenants. Events of default include failure to make timely payment of both principal and interest on any outstanding bond; failure to make timely payment of any other monies required to be paid to the trustee; and nonperformance or nonobservance of any other covenants, agreements, or conditions contained in the indentures. Management believes that it is in compliance with the covenants of the indentures.

Bond contractual maturities (principal only) at August 31, 2007, are as follows (in thousands):

Description	2008	2009	2010	2011	2012	2013 to 2017	2018 to 2022
Single-family	\$ 11,310	\$ 18,445	\$ 18,800	\$ 19,575	\$ 20,535	\$ 119,775	\$ 150,360
RMRB	5,335	5,550	5,515	4,600	4,815	22,720	59,900
CHMRB							
Multifamily	<u>7,022</u>	<u>9,471</u>	<u>9,612</u>	<u>10,509</u>	<u>11,191</u>	<u>65,677</u>	<u>91,516</u>
Total	<u>\$ 23,667</u>	<u>\$ 33,466</u>	<u>\$ 33,927</u>	<u>\$ 34,684</u>	<u>\$ 36,541</u>	<u>\$ 208,172</u>	<u>\$ 301,776</u>

Description	2023 to 2027	2028 to 2032	2033 to 2037	2038 to 2042	2043 to 2047	Total
Single-family	\$ 204,485	\$ 202,735	\$ 251,270	\$ 19,795	\$ -	\$ 1,037,085
RMRB	51,280	116,435	34,540			310,690
CHMRB	12,400					12,400
Multifamily	<u>206,874</u>	<u>154,473</u>	<u>285,525</u>	<u>242,932</u>	<u>118,497</u>	<u>1,213,299</u>
Total	<u>\$ 475,039</u>	<u>\$ 473,643</u>	<u>\$ 571,335</u>	<u>\$ 262,727</u>	<u>\$ 118,497</u>	<u>\$ 2,573,474</u>

Actual maturities will differ from contractual maturities since the Department has the right to call or prepay obligations with or without call or prepayment penalties as the related loans and mortgage-backed securities mature or prepay.

Bond maturities (principal and interest) at August 31, 2007, are as follows (in thousands):

Description	2008	2009	2010	2011	2012	2013 to 2017	2018 to 2022
Single-family	\$ 58,403	\$ 64,834	\$ 64,435	\$ 64,387	\$ 64,485	\$ 324,311	\$ 323,479
RMRB	22,073	22,009	21,722	20,569	20,566	97,946	124,769
CHMRB	858	856	856	856	858	4,282	4,282
Multifamily	<u>84,005</u>	<u>79,869</u>	<u>79,528</u>	<u>79,836</u>	<u>79,894</u>	<u>394,102</u>	<u>394,030</u>
Total	<u>\$ 165,339</u>	<u>\$ 167,568</u>	<u>\$ 166,541</u>	<u>\$ 165,648</u>	<u>\$ 165,803</u>	<u>\$ 820,641</u>	<u>\$ 846,560</u>

Description	2023 to 2027	2028 to 2032	2033 to 2037	2038 to 2042	2043 to 2047	Total
Single-family	\$ 337,325	\$ 288,183	\$ 278,687	\$ 19,919	\$ -	\$ 1,888,448
RMRB	100,776	148,716	35,610			614,756
CHMRB	13,963					26,811
Multifamily	<u>468,631</u>	<u>361,566</u>	<u>436,394</u>	<u>312,761</u>	<u>131,790</u>	<u>2,902,406</u>
Total	<u>\$ 920,695</u>	<u>\$ 798,465</u>	<u>\$ 750,691</u>	<u>\$ 332,680</u>	<u>\$ 131,790</u>	<u>\$ 5,432,421</u>

Deferred issuance costs at August 31, 2007, consist of the following (in thousands):

Deferred issuance costs	\$ 39,627
Less accumulated amortization	<u>(27,971)</u>
	<u>\$ 11,656</u>

9. EMPLOYEE BENEFITS

Plan Description — The Department contributes to the Employees Retirement System of Texas (the "System"), a cost-sharing, multiple-employer, defined benefit plan. The Department has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which standardizes financial reporting for pensions by state and local government employers. The System

provides service retirement, disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Subtitle B, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Employees Retirement System of Texas, P.O. Box 13207, Austin, Texas, 78711-3207 or by calling (512) 476-6431.

Funding Policy — Under provisions in State law, plan members are required to contribute 6% of their annual covered salary, and the Department contributes an amount equal to 6.45% of the Department's covered payroll. The Department and the employees' contributions to the System for the years ending August 31, 2007, 2006, and 2005, were \$947,383, \$874,775, and \$784,304, respectively, equal to the required contributions for each year.

10. SEGMENT FINANCIAL DATA

Segment financial data of the Program's direct-debt activities at August 31, 2007, and for the year then ended are follows (in thousands):

	Single-Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds	Single-Family CHMRB Series 1993 Fund	Single-Family CHMRB Series 1994 and 1995 Fund
Condensed statement of net assets:					
Restricted assets:					
Current assets	\$ 184,465	\$ 9,476	\$ 873	\$-	\$ -
Other assets	898,679	313,705	13,772	-	-
Total assets	<u>1,083,144</u>	<u>323,181</u>	<u>14,645</u>	-	-
Liabilities:					
Current liabilities	44,345	10,569	405	-	-
Long-term liabilities	1,034,183	307,359	12,653	-	-
Total liabilities	<u>1,078,528</u>	<u>317,928</u>	<u>13,058</u>	-	-
Net assets — restricted net assets	<u>\$ 4,616</u>	<u>\$ 5,253</u>	<u>\$ 1,587</u>	<u>\$-</u>	<u>\$ -</u>
Condensed statement of revenues, expenses, and changes in net assets:					
Operating revenues:					
Interest and investment income	\$ 50,684	\$ 19,139	\$ 1,053	\$-	\$ -
Net increase (decrease) in fair value	(6,771)	(551)	51	-	-
Other operating revenues	825	367	49	-	-
Operating expenses	54,360	17,932	920	2	-
Depreciation and amortization	569	162	3	-	-
Operating income (loss)	(10,191)	861	230	(2)	-
Non-operating revenues (expenses) — other non-operating revenues (expenses):					
Transfers out	(2,402)	(960)	2	(8)	-
Change in net assets	(12,593)	(99)	232	(10)	-
Net assets — September 1, 2006	<u>17,209</u>	<u>5,352</u>	<u>1,355</u>	<u>10</u>	<u>-</u>
Net assets — August 31, 2007	<u>\$ 4,616</u>	<u>\$ 5,253</u>	<u>\$ 1,587</u>	<u>\$-</u>	<u>\$ -</u>
Condensed statement of cash flows:					
Net cash provided by (used in):					
Operating activities	\$ 2,416	\$ 476	\$ (8)	\$	\$ -
Noncapital financing activities	158,842	(53,520)	(3,515)	(8)	-
Investing activities	(160,060)	56,048	3,728	-	-
Cash and cash equivalents — September 1, 2006	<u>61,136</u>	<u>4,413</u>	<u>587</u>	<u>8</u>	<u>-</u>
Cash and cash equivalents — August 31, 2007	<u>\$ 62,334</u>	<u>\$ 7,417</u>	<u>\$ 792</u>	<u>\$-</u>	<u>\$ -</u>

11. BONDED INDEBTEDNESS

The Department has 123 bond issues outstanding at August 31, 2007. All series are revenue bonds backed by the pledged revenue sources and restricted funds specified in the bond resolutions. Each series is designed to be self-supporting with no repayment nor obligation from the State's General Revenue. The Department issues bonds to assist in financing the purchase of homes by or the construction of rental housing for families with very low to moderate incomes. Loan payments provide the revenues for debt service payments. (Detailed supplemental bond information is disclosed in Schedules 3--8.)

Proceeds from the issuance of bonds under the Single Family and Residential Mortgage Revenue Bonds ("RMRB") Series 1987A Programs were used to acquire loans. Proceeds from Collateralized Home Mortgage Revenue Bond ("CHMRB") and the remaining RMRB programs were used to acquire pass-through certificates backed by mortgage loans. Proceeds from the remaining Multifamily bond issues were used to finance mortgage loans.

Interest on bonds and collateralized mortgage obligations is payable periodically, except for capital appreciation bonds, on which interest is compounded semiannually and payable at maturity or upon redemption.

The Single Family, RMRB, and CHMRB bonds are collateralized by the revenues and assets pledged under the trust indentures, primarily Single Family mortgage loans, mortgage-backed securities, and investments. The Multifamily bonds are collateralized by varying methods, including, but not limited to, the mortgage loans on the applicable housing developments, certificates of deposit, letters of credit, guarantees provided by third parties, and collateralized mortgage obligations issued by federally chartered, privately owned corporations.

The trust indentures contain positive and negative covenants. Events of default include the following: failure to make timely payment of both principal and interest on any outstanding bond; failure to make timely payment of any other monies required to be paid to the Trustee; and nonperformance or nonobservance of any other covenants, agreements, or conditions contained in the indentures. Management believes they are in compliance with the covenants of the indentures.

Changes in Bonds Payable (amounts in thousands) —

Description	Bonds Outstanding September 1, 2006	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding August 31, 2007	Amounts Due Within One Year
Single family RMRB	\$ 837,845	\$275,200	\$ 6,115	\$ 69,845	\$1,037,085	\$ 11,553
CHMRB	345,065		5,595	28,780	310,690	5,387
Multifamily	14,900			2,500	12,400	8
Commercial Paper *	1,107,945	193,282	5,266	82,662	1,213,299	6,764
	<u>15,198</u>	<u>(15,198)</u>				
Total principal	2,320,953	<u>\$453,284</u>	<u>\$ 16,976</u>	<u>\$183,787</u>	2,573,474	<u>\$ 23,712</u>
Net deferred amount —						
due to refunding	(1,197)				(239)	
Unamortized premium	13,405				14,365	
Unamortized refunding (loss)	<u>(5,012)</u>				<u>(5,226)</u>	
Total	<u>\$2,328,149</u>				<u>\$2,582,374</u>	

*On August 31, 2006, Commercial Paper Notes Payable was included in Bonds Payable but will be reported in Long-Term Notes Payable on August 31, 2007, per instructions from the State Comptroller.

Variable to Fixed Interest Rate Swap —

Objective — In order to hedge against increases in interest rates on variable rate demand bond issues, the Department has entered into five interest rate swap agreements with the objective of reducing the interest rate risk of certain variable rate demand bonds. The variable rate demand bonds were issued at a lower total interest cost than attainable through traditional fixed rate bond structures. The Department has entered into interest rate swap agreements with various rated counterparties. Under the terms of the agreements, the Department makes periodic fixed interest rate payments in exchange for receiving variable rate payments comparable to the rates payable on the variable rate demand bonds. The swap notional amounts amortize in accordance with the scheduled and/or anticipated reductions in the related variable rate demand bond liability. The Department is potentially exposed to loss in the event of nonperformance by the counterparties under the swap agreements. Termination of the swap agreements may result in the Department making or receiving termination payments. Each swap agreement includes optional early termination provisions granting the Department the right, but not an obligation, to terminate the interest rate swaps at par without a termination payment after an effective date.

Terms and Fair Value — The terms, including the fair value of the outstanding swaps as of August 31, 2007, are as follows. The notional amounts of the swaps match the principal amount of the associated debt.

Counterparty	Notional Amount	Fair Value	Effective Date	Fixed Rate	Variable Rate	Swap Termination Date
UBS AG	\$ 53,000,000	\$ (378,758)	September 1, 2004	3.84 %	63% of LIBOR + .30%	9/1/2034 (a)
Goldman Sachs Capital Markets, LP	35,000,000	(96,416)	January 1, 2005	3.61	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR	3/1/2035 (b)
Bear Streams Financial Products, Inc.	98,145,000	(1,580,061)	August 1, 2005	3.99	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR	9/1/2036 (c)
UBS AG	36,000,000	(554,019)	November 15, 2006	3.86	63% of LIBOR + .30%	9/1/2025 (d)
Bear Streams Financial Products, Inc.	<u>143,005,000</u>	<u>(3,223,482)</u>	June 5, 2007	4.01	Lesser of (the greater of (a) 65% of LIBOR and (b) 56% of LIBOR + .45%) and LIBOR	9/1/2036 (c)
Total	<u>\$365,150,000</u>	<u>\$ (5,832,736)</u>				

- Swap agreement has an optional early termination date of March 1, 2014, and every March and September thereafter. The maximum notional amount subject to early termination is equal to 60% of the current notional amount.
- Swap agreement has an optional early termination date of September 1, 2014, and every March and September thereafter.
- Swap agreement is subject to an early termination date at any time with a 10 business day notice.
- Swap agreement has an optional early termination date of March 1, 2016, and every March and September thereafter. The maximum notional amount subject to early termination is current notional amount per the amortization schedule.

Credit Risk — As of August 31, 2007, the Department is not exposed to credit risk on any of its outstanding swaps because the swaps have negative fair values. If interest rates change and the fair value of the swaps become positive, the department would be exposed to credit risk on those swaps. The swap agreements contain varying collateral agreements and insurance policies with the counterparties. The credit ratings for the counterparties are as follows:

Counterparty	Standard & Poor's	Moody's	Fitch
UBS AG	AA	A3	AA+
Goldman Sachs Capital Markets, LP	Not Rated	Aa3	AA-
Bear Stearns Financial Products, Inc.	AAA	Not Rated	Not Rated

Basis Risk — The Department's variable-rate bond coupon payments are equivalent to the Bond Market Association Municipal Swap Index ("BMA") rate. The swap agreements designate a function of London InterBank Offered Rate ("LIBOR") as the rate for payments received on these swaps. The Department will be exposed to basis risk should LIBOR and BMA converge. The swap agreements provide an option to terminate as stated above.

Rollover Risk — The Department is exposed to rollover risk on swap agreements which mature or may be terminated prior to the maturity of the associated debt. The following debt is exposed to rollover risk if the option for early termination is executed:

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
2004B Single Family	September 2034	May be terminated as early as March 2014
2004D Single Family	March 2035	May be terminated as early as September 2014
2005A Single Family	September 2036	May be terminated at anytime giving 10-day notice
2006H Single Family	September 2037	May be terminated as early as March 2016
2007A Single Family	September 2038	May be terminated at anytime giving 10-day notice

Swap Payments and Associated Debt — Using rates as of August 31, 2007, debt service requirements of the Department's outstanding variable-rate debt and net swap payments are as follows. As rates vary, variable-rate debt bond interest payments and new swap payments will vary. The Department's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds outstanding.

Fiscal Years Ending August 31	Variable-Rate Bonds		Interest Rate Swaps — Net	Total
	Principal	Interest		
2008	\$ 850,000	\$ 12,686,733	\$ 1,147,606	\$ 14,684,339
2009	4,345,000	14,048,238	1,344,464	19,737,702
2010	4,540,000	13,876,258	1,320,526	19,736,784
2011	4,755,000	13,696,461	1,295,495	19,746,956
2012	4,990,000	13,508,075	1,269,262	19,767,337
2013–2017	38,205,000	63,804,920	5,902,754	107,912,674
2018–2022	59,600,000	53,850,697	4,984,785	118,435,482
2023–2027	74,360,000	40,758,445	3,807,750	118,926,195
2028–2032	84,915,000	24,850,859	2,355,251	112,121,110
2033–2037	81,475,000	8,573,644	915,947	90,964,591
2038–2042	7,115,000	199,679	25,762	7,340,441
Total	<u>\$365,150,000</u>	<u>\$ 259,854,009</u>	<u>\$24,369,602</u>	<u>\$ 649,373,611</u>

Defeased Debt

In fiscal year 2007 and in prior years, the Department has issued refunding bonds to advance refund certain single family and multifamily revenue bonds. The proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent. The funds were used to purchase government securities, which will provide for all future debt service requirements.

On August 31, 2007, defeased bonds remaining unredeemed or unmatured from the 2003 and 2007 refunding issuance amounted to \$24,525,000 and \$36,700,000, respectively.

Advance Refunding Bonds

On June 5, 2007, the Department issued \$143,005,000 in variable rate revenue bonds (2007A Single Family Revenue Bonds) with a maximum rate of 12% of which \$36,600,000 was used to advance refund \$27,120,000 of outstanding 1997A Single Family Revenue Bonds and \$9,580,000 of 1997D Single Family Revenue Bonds. The bond proceeds were deposited with an escrow agent to provide for future debt service on the 1997 bonds. As a result, the 1997 bonds are considered to be defeased and the liability for those bonds has been removed from the Department's financial statements.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$529,156. Since the old debt will be redeemed on September 1, 2007, the entire difference will be amortized this fiscal year increasing interest expense. The Department advance refunded the 1997 Single Family Revenue Bonds Series A & D to reduce its total debt service payments over the next 30 years by \$19,912,544 and to obtain an economic gain of \$10,031,775. Because the new debt is variable rate debt, the economic and cash differences were calculated using the current rate as of August 31, 2007 which is 4%. The cash flow and economic impact will fluctuate with the prevailing interest rates. Using the maximum rate allowable by the trust indenture of 12%, the Department could incur a maximum of additional \$33,323,234 in debt service payments and an economic loss of \$16,755,147 as a result of the advance refunding.

12. COMMITMENTS AND CONTINGENCIES

The Department is a defendant in legal actions arising from transactions and activities conducted in the ordinary course of business. Management, after consultation with legal counsel, believes that the aggregate liabilities, if any, will not be material to the financial statements.

13. RISK FINANCING AND RELATED INSURANCE ISSUES

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. It is the Department's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The Department assumes substantially all risks associated with the performance of its duties. Currently there is no purchase of commercial insurance, nor is the Department involved in any risk pools with other government entities. The Department carries Public Official Liabilities Insurance coverage in the amount of \$10,000,000; automobile liability insurance in the amount of \$500,000, errors and omissions insurance of \$300,000 related to loan servicing for others and a \$350,000 Public Employee Fidelity Bond.

The Department's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There have been no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. The Department incurred no claims liability during fiscal years 2006 and 2007 related to these policies.

14. SUBSEQUENT EVENTS

On September 20, 2007, the Department issued \$157,060,000 in Single Family revenue bonds made up as follows:

\$157,060,000 SF 2007 Series B (AMT)

The Series 2007 B bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "2007 B Mortgage Certificates") guaranteed as to timely payment of principal and interest by either Government National Mortgage Association ("Ginnie Mae"), Freddie Mac or Fannie Mae which represent beneficial ownership of pools of Mortgage Loans (the "2007 Mortgage Loans").

On December 3, 2007, the Department issued \$15,000,000 in Multifamily revenue bonds (The Residences @ Onion Creek) made up as follows:

\$15,000,000 MF 2007 Series

The Multifamily bonds are issued for the primary purpose to finance the acquisition, construction and equipping of multifamily residential rental developments. The Residences @ Onion Creek will be located in Austin, Texas.

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SUPPLEMENTAL SCHEDULES

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 1

**SUPPLEMENTAL SCHEDULE — STATEMENT OF NET ASSETS INFORMATION BY INDIVIDUAL ACTIVITY (UNAUDITED)
AS OF AUGUST 31, 2007**

ASSETS	Single-Family Program	RMRB Program	CHMRB Program	Multifamily Program	1993 CHMRB Program	1994/1995 CHMRB Program	Commercial Paper Program	Operating Fund	Total
CURRENT ASSETS:									
Cash and cash equivalents:									
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200
Cash in bank								57,926	57,926
Cash in state treasury								488,843	488,843
Cash equivalents								16,124,980	16,124,980
Restricted assets:									
Cash and cash equivalents:									
Cash in bank	252,638			860,642					1,113,280
Cash equivalents	62,081,437	7,417,278	792,280	50,822,164			25,834		121,138,993
Short-term investments	115,595,903			55,833,713			32,869,000		204,298,616
Loans and contracts	3,018,109	90,186		6,763,694				120,452	9,992,441
Interest receivable	3,511,573	1,968,746	81,160	14,190,070			252,215	20,397	20,024,161
Consumable inventories								14,949	14,949
Other current assets	5,184							418,216	423,400
Total current assets	184,464,844	9,476,210	873,440	128,470,283	-	-	33,147,049	17,245,963	373,677,789
NONCURRENT ASSETS:									
Other receivables									
Capital assets:									
Nondepreciable — other capital assets									
Depreciable:									
Furniture and equipment								1,309,468	1,309,468
Less accumulated depreciation								(1,220,406)	(1,220,406)
Restricted assets:									
Investments	851,054,361	309,799,098	13,680,565	86,844,585					1,261,378,609
Loans, contracts, and notes receivable	39,050,183	1,186,518		1,205,520,588				2,965,912	1,248,723,201
Other noncurrent assets:									
Deferred issuance cost — net	8,352,110	2,720,765	91,430	491,453					11,655,758
Real estate owned — net	222,491	(1,250)						73,678	294,919
Total noncurrent assets	898,679,145	313,705,131	13,771,995	1,292,856,626	-	-	-	3,128,652	2,522,141,549
TOTAL ASSETS	\$1,083,143,989	\$323,181,341	\$14,645,435	\$1,421,326,909	\$ -	\$ -	\$33,147,049	\$20,374,615	\$2,895,819,338

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 1

**SUPPLEMENTAL SCHEDULE — STATEMENT OF NET ASSETS INFORMATION BY INDIVIDUAL ACTIVITY (UNAUDITED)
AS OF AUGUST 31, 2007**

LIABILITIES	Single-Family Program	RMRB Program	CHMRB Program	Multifamily Program	1993 CHMRB Program	1994/1995 CHMRB Program	Commercial Paper Program	Operating Fund	Total
CURRENT LIABILITIES:									
Payables:									
Accounts payable	\$ 7,577	\$ 1,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,483	\$ 242,168
Accrued bond interest payable	22,545,511	2,802,475	21,092	14,514,694	-	-	209,426	169,074	40,093,198
Due to other funds	-	-	-	-	-	-	-	169,074	169,074
Due to other agencies	-	-	-	-	-	-	-	-	-
Deferred revenues	2,155,370	2,100,345	375,285	-	-	-	-	-	4,631,000
Employee's compensable leave	-	-	-	-	-	-	-	327,118	327,118
Notes and loans payable	-	-	-	-	-	-	-	-	-
Revenue bonds payable	11,553,111	5,387,208	8,480	6,763,694	-	-	-	-	23,712,493
Other current liabilities	8,083,343	278,244	-	(48,181)	-	-	16,259	33,401	8,363,066
Total current liabilities	44,344,912	10,569,380	404,857	21,230,207	-	-	225,685	763,076	77,538,117
NONCURRENT LIABILITIES:									
Employee's compensable leave	-	-	-	-	-	-	-	94,294	94,294
Notes and Loans Payable	-	-	-	-	-	-	32,869,000	-	32,869,000
Revenue bonds payable	1,034,154,596	306,102,446	12,653,558	1,205,750,412	-	-	-	-	2,558,661,012
Other noncurrent liabilities	28,927	1,256,375	-	194,504,728	-	-	-	29,466	195,819,496
Total noncurrent liabilities	1,034,183,523	307,358,821	12,653,558	1,400,255,140	-	-	32,869,000	123,760	2,787,443,802
TOTAL LIABILITIES	\$1,078,528,435	\$317,928,201	\$13,058,415	\$1,421,485,347	\$ -	\$ -	\$33,094,685	\$ 886,836	\$2,864,981,919
NET ASSETS									
INVESTED IN CAPITAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,062	\$ 89,062
RESTRICTED	4,615,554	5,253,140	1,587,020	(158,438)	-	-	52,364	-	11,349,640
UNRESTRICTED	-	-	-	-	-	-	-	19,398,717	19,398,717
TOTAL NET ASSETS	\$ 4,615,554	\$ 5,253,140	\$ 1,587,020	\$ (158,438)	\$ -	\$ -	\$ 52,364	\$19,487,779	\$ 30,837,419

(Concluded)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 2

**SUPPLEMENTAL SCHEDULE — STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS INFORMATION BY INDIVIDUAL ACTIVITY (UNAUDITED)
FOR THE YEAR ENDED AUGUST 31, 2007**

	Single-Family Program	RMRB Program	CHMRB Program	Multifamily Program	1993 CHMRB Program	1994/1995 CHMRB Program	Commercial Paper Program	Operating Fund	Total
OPERATING REVENUES:									
Interest and investment income	\$ 50,683,618	\$19,139,073	\$1,053,349	\$67,771,159	\$ 70	\$ -	\$536,637	\$ 827,366	\$140,011,272
Net increase (decrease) in fair value	(6,771,348)	(551,459)	51,275						(7,271,532)
Other operating revenues	824,758	367,044	48,446	156,677		3		2,807,491	4,204,419
Total operating revenues	44,737,028	18,954,658	1,153,070	67,927,836	70	3	536,637	3,634,857	136,944,159
OPERATING EXPENSES:									
Salaries and wages								3,878,630	3,878,630
Payroll related costs								852,761	852,761
Professional fees and services	435,589	15,490	2,000				5,916	225,763	684,758
Travel								81,612	81,612
Materials and supplies								136,373	136,373
Communications and utilities								69,016	69,016
Repairs and maintenance								115,797	115,797
Rentals and leases								33,175	33,175
Printing and reproduction								7,575	7,575
Depreciation and amortization	568,361	161,969	3,166	156,191				54,169	943,856
Interest	44,743,611	17,856,809	912,846	67,724,199			570,049		131,807,514
Bad debt expense	11,400	2,000						235,970	249,370
Grant Expense	8,408,395							146,869	8,555,264
Other operating expenses	760,503	57,489	5,105	366	1,752	107	3,810	268,842	1,097,974
Total operating expenses	54,927,859	18,093,757	923,117	67,880,756	1,752	107	579,775	6,106,552	148,513,675
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS	(10,190,831)	860,901	229,953	47,080	(1,682)	(104)	(43,138)	(2,471,695)	(11,569,516)
NONOPERATING REVENUES AND EXPENSES — Gain on sale of investments									
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS:									
Extraordinary items									
Transfers in (out)	(2,402,853)	(959,433)	2,291	411	(8,033)	40	94,692	5,415,259	2,142,374
CHANGE IN NET ASSETS	(12,593,684)	(98,532)	232,244	47,491	(9,715)	(64)	51,554	2,943,564	(9,427,142)
NET ASSETS — September 1, 2006	17,209,238	5,351,672	1,354,776	(205,929)	9,715	64	810	16,544,215	40,264,561
NET ASSETS — August 31, 2007	\$ 4,615,554	\$ 5,253,140	\$1,587,020	\$ (158,438)	\$ -	\$ -	\$ 52,364	\$19,487,779	\$ 30,837,419

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 3

**MISCELLANEOUS BOND INFORMATION
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description of Issue	Original Principal Bonds Issued to Date	Range of		Schedule Maturities		First Call Date
		Interest	Rates	First Year	Last Year	
1995 Single Family Series A	85,760	4.15%	6.15%	1997	2027	09/01/2005
1995 Single Family Series C	71,760	6.44%	7.76%	2006	2017	09/01/2005
1996 Single Family Series A	15,000	4.50%	6.30%	2001	2028	09/01/2006
1996 Single Family Series D	70,760	5.45%	6.25%	2021	2028	09/01/2006
1996 Single Family Series E	98,730	3.90%	6.00%	1997	2017	09/01/2006
1997 Single Family Series A	44,465	5.25%	5.80%	2013	2029	09/01/2007
1997 Single Family Series B	9,510	5.45%	5.45%	2019	2019	09/01/2007
1997 Single Family Series D	44,795	5.65%	5.70%	2029	2029	09/01/2007
1997 Single Family Series F	20,000	6.77%	6.77%	2029	2029	09/01/2007
2002 Single Family Series A (Jr. Lien)	10,000	7.01%	7.01%	2025	2026	09/01/2012
2002 Single Family Series A	38,750	5.45%	5.55%	2023	2034	03/01/2012
2002 Single Family Series B	52,695	5.35%	5.55%	2033	2033	03/01/2012
2002 Single Family Series C	12,950	2.80%	5.20%	2004	2017	03/01/2012
2002 Single Family Series D	13,605	2.00%	4.50%	2003	2012	03/01/2012
2004 Single Family Series A	123,610	2.00%	4.70%	2006	2035	03/01/2013
2004 Single Family Series B	53,000	VAR - Weekly		2015	2034	03/01/2015 (f)
2004 Single Family Series A (Jr. Lien)	4,140	VAR - Weekly		2036	2036	09/01/2036 (f)
2004 Single Family Series C	41,245	4.30%	4.80%	2019	2036	09/01/2014
2004 Single Family Series D	35,000	VAR - Weekly		2035	2035	(g)
2004 Single Family Series E	10,825	2.45%	4.30%	2006	2013	09/01/2014
2005 Single Family Series A	100,000	VAR - Weekly		2007	2036	03/01/2006
2005 Single Family Series B	25,495	4.38%	4.38%	2006	2026	03/01/2006
2005 Single Family Series C	8,970	4.31%	5.39%	2017	2017	03/01/2006
2005 Single Family Series D	3,730	5.00%	5.00%	2025	2035	03/01/2006
2006 Single Family Series A	59,555	5.00%	5.00%	2008	2037	09/01/2006
2006 Single Family Series B	70,485	5.00%	5.00%	2008	2034	09/02/2006
2006 Single Family Series C	105,410	5.13%	5.13%	2008	2037	09/03/2006
2006 Single Family Series D	29,685	4.50%	4.50%	2018	2028	09/04/2006
2006 Single Family Series E	17,295	4.06%	4.06%	2007	2017	09/05/2006
2006 Single Family Series F	81,195	4.65%	5.75%	2008	2038	03/01/2016
2006 Single Family Series G	15,000	3.75%	4.60%	2012	2019	03/01/2016
2006 Single Family Series H	36,000	VAR - Weekly		2016	2037	03/01/2016
2007 Single Family Series A	143,005	VAR - Weekly		2008	2038	03/01/2008 (f)
1998 RMRB Series A	102,055	4.05%	5.35%	2002	2031	01/01/2009
1998 RMRB Series B	14,300	5.30%	5.30%	2022	2022	01/01/2009
1999 RMRB Series A	25,615	4.80%	5.50%	2018	2021	01/01/2009
1999 RMRB Series B-1	52,260	6.32%	7.10%	2021	2032	07/01/2009
1999 RMRB Series C	12,150	5.05%	6.25%	2003	2024	07/01/2009
2000 RMRB Series A	50,000	5.10%	6.30%	2003	2031	07/01/2010
2000 RMRB Series B	82,975	5.70%	5.70%	2005	2033	07/01/2010
2000 RMRB Series C	13,675	5.82%	5.85%	2011	2025	07/01/2010
2000 RMRB Series D	18,265	4.55%	5.85%	2003	2020	07/01/2010
2001 RMRB Series A	52,715	3.15%	5.70%	2004	2033	07/01/2011
2001 RMRB Series B	15,585	5.00%	5.25%	2011	2022	07/01/2011
2001 RMRB Series C	32,225	2.55%	4.63%	2003	2015	07/01/2011
2001 RMRB Series D	300	5.35%	5.35%	2008	2033	07/01/2011
2002 RMRB Series A	42,310	2.25%	5.35%	2004	2034	07/01/2012
2003 RMRB Series A	73,630	1.70%	5.00%	2005	2034	01/01/2013
1992 Coll Home Mtg Rev Bonds, Series C	72,700	3.48%	10.27%	2024	2024	05/04/1995
1994 SF MRB CHMRB Series C	15,360	6.25%	6.25%	2026	2026	06/27/2005

Total single family and MRB bonds 2,228,545

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 3

MISCELLANEOUS BOND INFORMATION

AS OF AUGUST 31, 2007

(Amounts in thousands)

Description of Issue	Original Principal Bonds Issued to Date	Range of		Schedule Maturities		First Call Date
		Interest	Rates	First Year	Last Year	
1987 MF Series (South Texas Rental Housing)	1,400	9.50%	9.50%	1988	2012	02/01/1988
1993 MF Series A/B (RemHill/HighPt)	26,370	VAR - Weekly		2023	2023	02/01/2000
1996 MF Series A/B (Brighton's Mark)	10,174	6.13%	6.13%	2026	2026	01/01/2003
1996 MF Series A/B (Las Colinas)	15,469	5.65%	5.65%	2026	2026	01/01/2003
1996 MF Series A/B (Braxton's Mark)	14,867	5.81%	5.81%	2026	2026	01/01/2003
1998 MF Series A (Pebble Brook)	10,900	4.95%	5.60%	2001	2030	06/01/2001
1998 MF Series A-C (Residence Oaks)	8,200	5.98%	7.18%	2001	2030	05/01/2001
1998 MF Series A (Volente Project)	10,850	5.00%	5.63%	2001	2031	07/01/2001
1998 MF Series A (Dallas Oxford Refndg)	10,300	7.25%	7.25%	2018	2018	01/01/2004
1998 MF Series A/B (Greens of Hickory Trial)	13,500	5.20%	6.03%	2001	2030	09/01/2008
1999 MF Series A-C (Mayfield)	11,445	5.70%	7.25%	2001	2031	05/01/2002
1999 MF Series A (Woodglen Village)	10,660	7.38%	8.25%	2002	2039	12/01/2016
2000 MF Series A (Timber Point Apts)	8,100	VAR - Weekly		2003	2032	07/01/2000 (a)
2000 MF Series A/B (Oaks at Hampton)	10,060	7.20%	9.00%	2002	2040	03/01/2017 (a)
2000 MF Series A (Deerwood Apts)	6,435	5.25%	6.40%	2003	2032	06/01/2010
2000 MF Series A (Creek Point Apts)	7,200	VAR - Weekly		2004	2032	07/01/2000 (a)
2000 MF Series A/B (Parks @ Westmoreland)	9,990	7.20%	9.00%	2002	2040	07/01/2017 (a)
2000 MF Series A (Honeycreek)	20,485	7.63%	8.15%	2004	2035	06/30/2007
2000 MF Series A-C (Highland Meadow Apts)	13,500	6.75%	8.00%	2004	2033	05/01/2019
2000 MF Series A/B (Greenbridge)	20,085	7.40%	10.00%	2003	2040	03/01/2014
2000 MF Series A-C (Collingham Park)	13,500	6.72%	7.72%	2004	2033	05/01/2019
2000 MF Series A/B (Williams Run)	12,850	7.65%	9.25%	2002	2040	01/01/2011
2000 MF Series A/B (Red Hills Villas)	10,300	8.40%	9.50%	2003	2040	12/01/2017
2001 MF Series A (Bluffview Senior Apts)	10,700	7.65%	7.65%	2003	2041	05/01/2018
2001 MF Series A (Knollwood Villas Apts)	13,750	7.65%	7.65%	2003	2041	05/01/2018
2001 MF Series A (Skyway Villas)	13,250	6.00%	6.50%	2005	2034	12/01/2011
2001 MF Series A/B (Cobb Park)	7,785	6.77%	6.77%	2003	2041	07/01/2018
2001 MF Series A (Greens Road Apts.)	8,375	5.30%	5.40%	2004	2034	12/01/2011
2001 MF Series A/B (Meridian Apts.)	14,310	5.45%	6.85%	2004	2034	12/01/2011
2001 MF Series A/B (Wildwood Apts.)	14,365	5.45%	6.75%	2004	2034	12/01/2011
2001 MF Series A-C (Fallbrook Apts.)	14,700	6.06%	6.78%	2005	2034	01/01/2012
2001 MF Series A (Oak Hollow Apts.)	8,625	7.00%	7.90%	2003	2041	11/01/2018
2001 MF Series A/B (Hillside Apts.)	12,900	7.00%	9.25%	2003	2041	11/01/2018
2002 MF Series A (Millstone Apts.)	12,700	5.35%	5.86%	2005	2035	06/01/2012
2002 MF Series A (Sugar Creek Apts.)	11,950	6.00%	6.00%	2004	2042	01/01/2016
2002 MF Series A (West Oaks Apts.)	10,150	7.15%	7.50%	2004	2042	12/01/2018
2002 MF Series A (Park Meadows Apts)	4,600	6.53%	6.53%	2004	2034	05/01/2012
2002 MF Series A (Clarkridge Villas Apts)	14,600	7.00%	7.00%	2004	2042	08/01/2019
2002 MF Series A (Hickory Trace Apts)	11,920	7.00%	7.00%	2004	2042	12/01/2019
2002 MF Series A (Green Crest Apts)	12,500	7.00%	7.00%	2004	2042	11/01/2019
2002 MF Series A/B (Ironwood Crossing)	16,970	5.50%	8.75%	2005	2042	10/01/2027
2002 MF Series A (Woodway Village Apts)	9,100	4.95%	5.20%	2006	2023	01/01/2013
2003 MF Series A/B (Reading Road)	12,200	VAR-Weekly		2007	2036	01/01/2004 (a)
2003 MF Series A/B (North Vista Apts)	14,000	4.10%	5.41%	2006	2036	06/01/2013
2003 MF Series A/B (West Virginia Apts)	9,450	4.15%	5.41%	2006	2036	06/01/2013
2003 MF Series A/B (Sphinx @ Murdeaux)	15,085	3.55%	5.00%	2005	2042	06/20/2013
2003 MF Series A/B (Primrose Houston School)	16,900	5.50%	8.00%	2006	2036	07/01/2003 (a)
2003 MF Series A/B (Timber Oaks Apts)	13,200	6.75%	8.75%	2005	2043	06/01/2020
2003 MF Series A/B (Ash Creek Apts)	16,375	5.60%	15.00%	2006	2036	10/01/2003 (a)
2003 MF Series A/B (Peninsula Apts)	12,400	4.25%	5.30%	2007	2024	10/01/2013

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 3

MISCELLANEOUS BOND INFORMATION

AS OF AUGUST 31, 2007

(Amounts in thousands)

Description of Issue	Original Principal Bonds Issued to Date	Range of		Schedule Maturities		First Call Date
		Interest	Rates	First Year	Last Year	
2003 MF Series A (Evergreen @ Mesquite)	11,000	6.60%	8.00%	2006	2043	09/01/2020
2003 MF Series A/B (Arlington Villas)	17,100	6.75%	8.00%	2007	2036	01/01/2007 (a)
2003 MF Series A/B (Parkview Twnhms)	16,600	6.60%	8.50%	2006	2043	12/01/2020
2003 MF Series A (NHP-Asmara) Refunding	31,500	VAR - Weekly		2007	2033	07/01/2007 (a)
2004 MF Series A/B (Timber Ridge)	7,500	5.75%	8.00%	2007	2037	03/01/2007 (a)
2004 MF Series A/B (Century Park)	13,000	5.75%	5.75%	2007	2037	05/01/2007 (a)
2004 MF Series A (Addison Park)	14,000	VAR - Weekly (c)		2007	2044	01/01/2007 (a)
2004 MF Series A/B (Veterans Memorial)	16,300	6.60%	8.50%	2006	2044	03/01/2006 (a)
2004 MF Series A (Rush Creek)	10,000	5.38%	6.70%	2006	2044	03/01/2021
2004 MF Series A (Humble Park)	11,700	6.60%	6.60%	2007	2041	07/01/2021
2004 MF Series A (Chisholm Trail)	12,000	VAR - Weekly (b)		2006	2037	10/15/2006 (a)
2004 MF Series A (Evergreen @ Plano)	14,750	5.25%	6.55%	2007	2044	06/01/2021
2004 MF Series A (Montgomery Pines)	12,300	VAR - Weekly		2006	2037	12/15/2006 (a)
2004 MF Series A (Bristol)	12,625	VAR - Weekly		2007	2037	06/15/2007 (a)
2004 MF Series A (Pinnacle)	14,500	VAR - Weekly (c)		2007	2044	09/01/2007 (a)
2004 MF Series A (Tranquility Bay)	14,350	VAR - Weekly (c)		2007	2044	06/01/2021 (e)
2004 MF Series A (Sphinx @ Delafield)	11,380	5.05%	5.35%	2006	2044	07/20/2014
2004 MF Series A (Churchill @ Pinnacle)	10,750	5.25%	6.55%	2007	2044	09/01/2021 (e)
2004 MF Series A/B (Post Oak East)	13,600	VAR - Weekly		(d)	2037	(d)
2004 MF Series A (Village Fair)	14,100	5.00%	6.50%	2007	2044	12/01/2021
2005 MF Series A (Pecan Grove)	14,030	5.00%	6.50%	2007	2045	01/01/2022
2005 MF Series A (Prairie Oaks)	11,050	4.75%	6.50%	2007	2045	01/01/2022
2005 MF Series A (Port Royal)	12,200	5.00%	6.50%	2007	2045	02/01/2022
2005 MF Series A (Del Rio)	11,490	5.00%	6.50%	2007	2045	02/01/2022
2005 MF Series A (Atascocita Pines)	11,900	VAR - Weekly (c)		2007	2037	(f)
2005 MF Series A (Tower Ridge)	15,000	VAR - Weekly (b)		2009	2038	(f)
2005 MF Series A (Alta Cullen)	14,000	5.89%	6.60%	2007	2045	06/01/2022
2005 MF Series A (Lafayette Village)	14,100	VAR - Weekly		2008	2038	n/a
2005 MF Series A (Prairie Ranch)	12,200	4.85%	4.85%	2007	2045	12/20/2015
2005 MF Series A (St Augustine)	7,650	VAR - Weekly		2009	2038	n/a
2005 MF Series A (Park Manor)	10,400	5.00%	6.40%	2008	2045	09/01/2022
2005 MF Series A (Mockingbird)	14,360	6.40%	6.40%	2007	2045	08/01/2022
2005 MF Series A (Chase Oaks)	14,250	5.05%	5.05%	2007	2035	(h)
2006 MF Series A/B (Canal Place)	16,100	3.45%	8.00%	2019	2039	(i)
2006 MF Series A (Coral Hills)	5,320	5.05%	5.05%	2038	2038	08/01/2015
2006 MF Series A (Harris Branch)	15,000	VAR - Weekly		2009	2039	(j)
2006 MF Series A (Bella Vista)	6,800	6.15%	6.15%	2008	2046	04/01/2016
2006 MF Series A (Village Park)	13,660	4.75%	5.13%	2009	2026	06/01/2021
2006 MF Series A (Oaknoor)	14,635	5.50%	6.00%	2008	2046	03/01/2023
2006 MF Series A (Sunset Pointe)	15,000	VAR - Weekly		2039	2039	(i)
2006 MF Series A (Hillcrest)	12,435	5.25%	5.25%	2009	2039	04/01/2021
2006 MF Series A (Pleasant Village)	6,000	6.00%	6.00%	2008	2023	(k)
2006 MF Series A (Grove Village)	6,180	6.00%	6.00%	2008	2023	(k)
2006 MF Series A (Red Hills Villas)	5,015	VAR - Weekly		2036	2036	(j)
2006 MF Series A (Champion Crossing)	5,125	VAR - Weekly		2036	2036	(j)
2006 MF Series A (Stonehaven)	11,300	5.80%	5.80%	2008	2026	(h)
2006 MF Series A (Center Ridge)	8,325	5.00%	5.00%	2009	2039	05/01/2021
2006 MF Series A (Meadowlands)	13,500	6.00%	6.00%	2009	2046	09/01/2023
2006 MF Series A (East Tex Pines)	13,500	4.95%	4.95%	2010	2046	(l)
2006 MF Series A (Villas at Henderson)	7,200	VAR - Weekly		2010	2039	(m)
2006 MF Series A (Aspen Park Apts)	9,800	5.00%	5.00%	2010	2039	07/01/2021

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 3

**MISCELLANEOUS BOND INFORMATION
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description of Issue	Original Principal Bonds Issued to Date	Range of		Schedule Maturities		First Call Date
		Interest	Rates	First Year	Last Year	
2006 MF Series A (Idlewilde Apts)	14,250	VAR - Weekly		2010	2040	(j)
2007 MF Series A (Lancaster Apts)	14,250	VAR - Weekly		2010	2040	(i)
2007 MF Series A (Park Place)	15,000	5.80%	5.80%	2010	2047	03/01/2024
2007 MF Series A (Terrace at Cibolo)	8,000	VAR - Weekly		2010	2040	(m)
2007 MF Series A (Santora Villas)	13,072	5.80%	5.80%	2010	2047	06/01/2024
2007 MF Series A (Villas @ Mesquite Creek)	16,860	5.00%	5.81%	2010	2047	01/20/2017
2007 MF Series A (Summit Point)	11,700	4.80%	5.25%	2009	2047	06/20/2017
2007 MF Series A (Costa Rialto)	12,385	5.35%	5.35%	2010	2047	08/01/2025
2007 MF Series A (Windshire)	14,000	VAR - Weekly		2010	2041	(j)
Total multifamily bonds	<u>1,355,597</u>					
TOTAL BONDS ISSUED	<u>\$3,584,142</u>					

(Concluded)

FOOTNOTES:

- (a) The taxable bonds shall be subject to redemption prior to maturity in whole or any part on any interest payment date after the completion date from the proceeds of an optional prepayment of the loan by the borrower.
- (b) Variable rate not to exceed the maximum rate permitted by applicable law.
- (c) Variable rate could change to fixed rate provided the conversion option is exercised.
- (d) No set amortization, per trustee, amortization will occur in \$100,000 denominations when the amount in the principal reserve fund exceeds 20% of the issue.
- (e) The bonds are subject to redemption, in whole, at the option of the issuer acting at the direction of the holders of a majority of the outstanding principal amount of the bonds.
- (f) The bonds shall be subject to redemption prior to maturity, after giving the required notice, as follows:

During the variable interest rate period the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (g) The series bonds are subject to redemption prior to maturity, after giving notice as provided in the Trust Indenture, as follows:

During a daily interest rate period or weekly interest rate period for the series bonds, the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (h) The bonds are subject to redemption at the option of the issuer, at the direction of the borrower, in whole or in part on the first day of any month, in the event and to the extent, the trustee receives funds from the borrower representing an optional prepayment of the principal of the note, at a redemption price equal to the principal thereof, plus accrued interest to the redemption date plus any premium remitted therewith as required by the note.
- (i) Bonds are subject to redemption if and to the extent, the borrower is entitled to make, or is required to make, a prepayment pursuant to the loan agreement.
- (j) The bonds are subject to optional redemption in whole or in part upon optional prepayment of the loan by the borrower as permitted by the loan documents.
- (k) The Bonds are subject to optional redemption at the direction of the borrower on any interest payment date, in whole or in part, at the redemption price (as calculated by the sole bondholder) calculated in accordance with the Exhibit H plus accrued and unpaid interest, if any, to the redemption date. Optional redemptions may be made only in denominations of \$100,000 plus integral multiples of \$5,000 or for the entire amount of the bonds outstanding.
- (l) The Bonds shall be subject to redemption prior to maturity in whole but not in part on any Bond Payment Date on or after fifteen years from Conversion Date, from the proceeds of an optional prepayment of the Loan by the Borrower at a redemption price equal to the principal amount plus accrued and unpaid interest to the date fixed for redemption.
- (m) The Bonds may be redeemed by the Trustee at the option of the Issuer, but only upon the written request of the Borrower pursuant of the Loan Agreement, and with the prior consent of the Bank, in whole or in part, at a redemption price equals to the principal amount, without premium, plus accrued interest to the date of redemption.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM

SCHEDULE 4

CHANGES IN BOND INDEBTEDNESS
AS OF AUGUST 31, 2007

Description of Issue	Bonds Outstanding September 1, 2006	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding August 31, 2007	Amounts Due Within One Year
1997 SERIES A	\$ 30,175,000	\$ -	\$ -	\$ 30,175,000	\$ -	\$ -
1997 SERIES B	740,000			740,000		
1997 SERIES D	14,705,000			14,705,000		
2002 SERIES A (Jr Lien)	9,085,000			3,685,000	5,400,000	
2002 SERIES A	37,485,000				37,485,000	
2002 SERIES B	43,755,000			4,620,000	39,135,000	26,499
2002 SERIES C	11,650,000		470,000		11,180,000	480,950
2002 SERIES D	6,945,000		895,000	310,000	5,740,000	861,323
2004 SERIES A	122,715,000		1,635,000	4,215,000	116,865,000	3,433,176
2004 SERIES B	53,000,000				53,000,000	
2004 SERIES A (Jr Lien)	4,140,000				4,140,000	
2004 SERIES C	38,870,000		240,000	1,825,000	36,805,000	485,686
2004 SERIES D	35,000,000				35,000,000	
2004 SERIES E	10,505,000		1,310,000		9,195,000	1,026,543
2005 SERIES A	99,970,000		780,000	1,045,000	98,145,000	850,000
2005 SERIES B	24,530,000		785,000	3,040,000	20,705,000	622,098
2005 SERIES C	8,660,000			650,000	8,010,000	
2005 SERIES D	3,485,000			260,000	3,225,000	
2006 SERIES A	59,555,000			450,000	59,105,000	267,681
2006 SERIES B	70,485,000			535,000	69,950,000	781,196
2006 SERIES C	105,410,000			800,000	104,610,000	1,009,335
2006 SERIES D	29,685,000			2,055,000	27,630,000	(74,882)
2006 SERIES E	17,295,000			735,000	16,560,000	1,273,302
2006 SERIES F		81,195,000			81,195,000	
2006 SERIES G		15,000,000			15,000,000	575,000
2006 SERIES H		36,000,000			36,000,000	
2007 SERIES A		143,005,000			143,005,000	(64,795)
1998 SERIES A	46,075,000		1,275,000	4,695,000	40,105,000	1,190,000
1998 SERIES B	8,195,000			1,070,000	7,125,000	22,395
1999 SERIES A	6,715,000			850,000	5,865,000	(13,532)
1999 SERIES B-1	25,750,000			3,335,000	22,415,000	(7,087)
1999 SERIES C	3,880,000			380,000	3,500,000	(1,052)
2000 SERIES A	18,410,000		255,000	1,825,000	16,330,000	241,547
2000 SERIES B	54,745,000			6,580,000	48,165,000	10,081
2000 SERIES C	8,915,000			385,000	8,530,000	
2000 SERIES D	7,800,000		565,000	540,000	6,695,000	555,000
2001 SERIES A	36,725,000		650,000	2,575,000	33,500,000	676,435
2001 SERIES B	12,390,000			90,000	12,300,000	
2001 SERIES C	11,820,000		1,145,000	985,000	9,690,000	1,032,948
2001 SERIES D	235,000				235,000	5,000
2002 SERIES A	34,180,000		570,000	2,140,000	31,470,000	576,663
2003 SERIES A	69,230,000		1,135,000	3,330,000	64,765,000	1,098,813
1992 SERIES A-C	14,900,000			2,500,000	12,400,000	8,480
COMMERCIAL PAPER						
NOTES SERIES A	15,198,000	(15,198,000)				
Total single family bonds	1,213,010,006	260,002,000	11,710,000	101,125,000	1,360,177,007	16,948,799
1996 MF Series A&B (Brighton's Mark)	8,075,000				8,075,000	
1996 MF Series A&B (Marks Of Las Colinas)	12,670,000				12,670,000	
1998 MF Series (Dallas-Oxford Refdg)	10,300,000			10,300,000		
1996 MF Series A&B (Braxton's Mark)	14,273,700				14,273,700	
1993 MF Series A&B (Remhill/Highpt)	11,390,000			11,390,000		
1987 South Texas Rental Housing	696,526		84,215		612,311	93,000
1998 MF Series (Pebble Brook)	10,075,000		180,000		9,895,000	190,000
1998 MF Series A-C (Residence Oaks)	7,549,000		141,000		7,408,000	151,000
1998 MF Series (Volente)	10,005,000		85,000	9,920,000		
1998 MF Series (Greens-Hickory Trail)	12,545,000		220,000		12,325,000	240,000
1999 MF Series (Mayfield)	10,606,000		199,000		10,407,000	209,000

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 4

**CHANGES IN BOND INDEBTEDNESS
AS OF AUGUST 31, 2007**

Description of Issue	Bonds Outstanding September 1, 2006		Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding August 31, 2007		Amounts Due Within One Year		
1999 MF Series (Woodglen Village)	\$	10,505,283	\$	-	\$	-	\$	10,505,283	\$	184,000
2000 MF Series (Timber Point Apts)		7,800,000				130,000		7,670,000		
2000 MF Series A/B (Oaks At Hampton)		9,822,093		68,247				9,753,846		75,000
2000 MF Series (Deerwood Apts)		6,160,000		85,000				6,075,000		95,000
2000 MF Series (Creek Point Apts)		6,685,000				100,000		6,585,000		
2000 MF Series A/B (Parks At Westmoreland)		9,771,353		66,900				9,704,453		73,000
2000 MF Series (Honeycreek)		20,363,158				20,363,158		(0)		
2000 MF Series A-C (Highland Meadow Apts)		11,022,000		58,000		2,399,000		8,565,000		121,000
2000 MF Series A/B (Greenbridge @ Buckingham)		19,891,056		156,056				19,735,000		164,000
2000 MF Series A-C (Collingham Park Apts)		13,115,000		172,000				12,943,000		182,000
2000 MF Series A/B (Williams Run Apts)		12,560,907		(5,160)				12,566,067		262,000
2000 MF Series A/B (Red Hills Villas Apts)		10,138,657		4,276		10,134,381		(0)		
2001 MF Series (Bluff Senior Apts)		10,544,008		55,012				10,488,996		59,000
2001 MF Series (Knollwood Villas Apts)		13,549,544		70,694				13,478,850		77,000
2001 MF Series A (Skyway Villas)		8,885,000		125,000		575,000		8,185,000		125,000
2001 MF Series A/B (Cobb Park Apts)		7,687,321		38,309				7,649,012		42,000
2001 MF Series A (Greens Road Apts)		8,170,000		110,000				8,060,000		120,000
2001 MF Series A/B (Meridian Apartments)		14,060,000		175,000				13,885,000		185,000
2001 MF Series A/B (Wildwood Branch)		14,115,000		175,000				13,940,000		190,000
2001 MF Series A-C (Fallbrook Apts)		14,434,000		193,000				14,241,000		206,000
2001 MF Series (Oak Hollow Apts)		6,417,842		37,046				6,380,796		40,000
2001 MF Series A/B (Hillside Apts)		12,740,871		41,796		100,000		12,599,075		43,000
2001 MF Series A (Millstone Apts)		12,455,000		170,000		1,710,000		10,575,000		165,000
2002 MF Series (Sugarcreek Apts)		11,820,000		70,000				11,750,000		105,451
2002 MF Series (West Oaks Apts)		9,643,262		70,389				9,572,873		57,000
2002 MF Series (Park Meadows Apts)		4,395,000		60,000				4,335,000		60,000
2002 MF Series (Clarkridge Villas Apts)		14,457,154		76,447		590,381		13,790,326		81,000
2002 MF Series A (Hickory Trace Apts)		11,463,047		62,062				11,400,985		67,000
2002 MF Series A (Green Crest Apts)		11,427,896		(31)				11,427,927		143,000
2002 MF Series A/B (Iron Wood Crossing)		16,918,645		66,759				16,851,886		73,000
2002 MF Series A (Woodway Village)		7,745,000		100,000				7,645,000		110,000
2003 MF Series A/B (Reading Road)		12,200,000		20,000				12,180,000		20,000
2003 MF Series A/B (North Vista)		14,000,000		200,000				13,800,000		210,000
2003 MF Series A/B (West Virginia)		9,450,000		135,000				9,315,000		145,000
2003 MF Series A/B (Sphinx @ Murdeaux)		14,875,000		160,000				14,715,000		165,000
2003 MF Series A/B (Primrose Houston)		16,624,202		72,711				16,551,491		79,000
2003 MF Series A/B (Timber Oaks)		13,149,082		51,466				13,097,616		56,000
2003 MF Series A/B (Ash Creek Apts)		16,351,806		73,445				16,278,361		80,000
2003 MF Series A/B (Peninsula Apts)		12,400,000		75,000		195,000		12,130,000		160,000
2003 MF Series A (Evergreen @ Mesquite)		10,958,997		102,973				10,856,024		110,000
2003 MF Series A/B (Arlington Villas)		17,100,000		46,315				17,053,685		74,000
2003 MF Series A/B (Parkview Twnhms)		16,554,666		72,987				16,481,679		79,000
2003 MF Series (Nhp-Asmara)Refunding		21,625,000		335,000				21,290,000		111,244
2004 MF Series A/B (Timber Ridge)		6,700,000		31,895				6,668,105		34,000
2004 MF Series A/B (Century Park)		13,000,000		80,000				12,920,000		165,000
2004 MF Series A (Addison Park)		14,000,000						14,000,000		
2004 MF Series A/B (Veterans Memorial)		16,265,889		72,713				16,193,176		79,000
2004 MF Series (Rush Creek)		9,995,857		51,557				9,944,300		55,000
2004 MF Series (Humble Park)		11,700,000		90,000				11,610,000		100,000
2004 MF Series (Chisholm Trail)		12,000,000						12,000,000		
2004 MF Series (Evergreen @ Plano)		14,750,000		12,776				14,737,224		80,000
2004 MF Series (Montgomery Pines)		12,300,000						12,300,000		
2004 MF Series (Bristol)		12,625,000						12,625,000		
2004 MF Series (Pinnacle)		14,500,000						14,500,000		
2004 MF Series (Tranquility Bay)		14,331,046		78,964				14,252,082		84,000
2004 MF Series (Sphinx @ Delafield)		11,330,000		95,000				11,235,000		100,000
2004 MF Series (Churchill @ Pinnacle)		10,750,000		5,399		650,000		10,094,601		67,000
2004 MF Series A/B (Post Oak East)		13,600,000						13,600,000		

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 4

**CHANGES IN BOND INDEBTEDNESS
AS OF AUGUST 31, 2007**

Description of Issue	Bonds Outstanding September 1, 2006	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding August 31, 2007	Amounts Due Within One Year
2004 MF Series (Village Fair)	\$ 14,100,000	\$ -	\$ 50,342		\$ 14,049,658	\$ 80,000
2005 MF Series (Pecan Grove)	14,030,000		43,711		13,986,289	79,000
2005 MF Series (Prairie Oaks)	11,050,000		34,427		11,015,573	62,000
2005 MF Series (Port Royal)	12,200,000		32,490		12,167,510	68,000
2005 MF Series (Mission Del Rio)	11,490,000		30,600		11,459,400	64,000
2005 MF Series (Atascocita)	11,900,000				11,900,000	
2005 MF Series (Tower Ridge)	15,000,000				15,000,000	
2005 MF Series (Alta Cullen)	14,000,000				14,000,000	61,000
2005 MF Series (Lafayette Village)	14,100,000			14,100,000		
2005 MF Series (Prairie Ranch)	12,200,000			5,000	12,195,000	145,000
2005 MF Series (St. Augustine)	7,650,000				7,650,000	
2005 MF Series (Park Manor)	10,400,000				10,400,000	
2005 MF Series (Providence @ Mockingbird)	14,360,000				14,360,000	80,000
2005 MF Series (Plaza Chase Oaks)	14,250,000				14,250,000	
2005 MF Series (Canal Place)	16,100,000				16,100,000	
2006 MF Series (Coral Hills)	5,320,000				5,320,000	
2006 MF Series (Harris Branch)	15,000,000				15,000,000	
2006 MF Series (Bella Vista)	6,800,000				6,800,000	15,000
2006 MF Series (Village Park)	13,660,000				13,660,000	
2006 MF Series (Oakmoor)	14,635,000				14,635,000	
2006 MF Series (Sunset Pointe)	15,000,000				15,000,000	
2006 MF Series (Hillcrest)	12,435,000				12,435,000	
2006 MF Series (Pleasant Village)	6,000,000				6,000,000	34,000
2006 MF Series (Grove Village)	6,180,000				6,180,000	35,000
2006 MF Series A (Red Hills Villas)		5,015,000			5,015,000	
2006 MF Series A (Champion Crossing)		5,125,000			5,125,000	
2006 MF Series A (Stonehaven)		11,300,000			11,300,000	
2006 MF Series A (Center Ridge)		8,325,000			8,325,000	
2006 MF Series A (Meadowlands)		13,500,000			13,500,000	
2006 MF Series A (East Tex Pines)		13,500,000			13,500,000	
2006 MF Series A (Villas at Henderson)		7,200,000			7,200,000	
2006 MF Series A (Aspen Park Apts)		9,800,000			9,800,000	
2006 MF Series A (Idlewilde Apts)		14,250,000			14,250,000	
2007 MF Series A (Lancaster Apts)		14,250,000			14,250,000	
2007 MF Series A (Park Place)		15,000,000			15,000,000	
2007 MF Series A (Terrace at Cibolo)		8,000,000			8,000,000	
2007 MF Series A (Santora Villas)		13,072,000			13,072,000	
2007 MF Series A (Villas @ Mesquite Creek)		16,860,000			16,860,000	
2007 MF Series A (Summit Point)		11,700,000			11,700,000	
2007 MF Series A (Costa Rialto)		12,385,000			12,385,000	
2007 MF Series A (Windshire)		14,000,000			14,000,000	
Total multifamily bonds	1,107,944,868	193,282,000	5,265,789	82,661,921	1,213,299,159	6,763,695
TOTAL BONDS	\$2,320,954,874	\$453,284,000	\$16,975,789	\$183,786,921	\$2,573,476,166	\$23,712,494

FOOTNOTES:

Bonds Outstanding Balance at August 31, 2007, does not include unamortized premium or discounts.

Bonds Outstanding per schedule	\$2,573,474,159
Unamortized (Discount) Premium:	
Single Family	12,648,659
RMRB	1,999,854
CHMRB	262,038
Multi-Family	(545,639)
Unamortized deferred gain (loss) on refunding:	
Single Family	(4,025,952)
RMRB	(1,200,200)
Deferred amount on refunding	(239,414)
Bonds outstanding	\$2,582,373,505

(Concluded)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2002 Single Family, Series A Junior Lien	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400	\$ -	\$ -	\$ -	\$ -	\$ 5,400
2002 Single Family, Series A Junior Lien	Interest	379	379	379	379	379	1,895	1,895	1,223	-	-	-	-	6,908
2002 Single Family, Series A	Principal								21,240		16,245			37,485
2002 Single Family, Series A	Interest	2,063	2,063	2,063	2,063	2,063	10,315	10,315	6,523	4,510	1,107			43,085
2002 Single Family, Series B	Principal								1,755	10,540	26,840			39,135
2002 Single Family, Series B	Interest	2,128	2,128	2,128	2,128	2,128	10,640	10,640	10,568	8,622	765			51,875
2002 Single Family, Series C	Principal	500	525	555	590	625	7,515	870						11,180
2002 Single Family, Series C	Interest	536	514	490	463	433	1,149							3,585
2002 Single Family, Series D	Principal	875	895	930	960	1,015	1,065							5,740
2002 Single Family, Series D	Interest	207	172	134	93	47								653
2004 Single Family, Series A	Principal	3,320	3,910	3,505	3,545	3,695	18,195	15,765	18,970	23,040	22,920			116,865
2004 Single Family, Series A	Interest	5,152	5,046	4,921	4,785	4,657	20,700	17,202	13,083	8,033	1,908			85,467
2004 Single Family, Series B	Principal						4,640	10,700	12,915	15,680	9,065			53,000
2004 Single Family, Series B	Interest	2,175	2,171	2,173	2,173	2,175	10,581	8,741	6,305	3,355	378			40,227
2004 Single Family, Series A (Junior Lien)	Principal											4,140		4,140
2004 Single Family, Series A (Junior Lien)	Interest	240	240	240	240	240	1,200	1,200	1,200	1,200		964		6,964
2004 Single Family, Series C	Principal	445	465	485	510	540	4,065	6,565	7,675	8,460	7,595			36,805
2004 Single Family, Series C	Interest	1,739	1,716	1,692	1,666	1,640	7,695	6,442	4,684	2,814	590			30,678
2004 Single Family, Series D	Principal						3,555	7,330	8,220	9,100	6,795			35,000
2004 Single Family, Series D	Interest	1,433	1,430	1,431	1,431	1,433	6,906	5,639	3,977	2,270	358			26,308
2004 Single Family, Series E	Principal	1,080	1,110	1,155	1,200	1,260	3,100	290						9,195
2004 Single Family, Series E	Interest	318	284	246	202	154	206	10						1,420
2005 Single Family, Series A	Principal	850	1,895	1,970	2,050	2,130	11,995	14,585	17,740	21,555	23,375			98,145
2005 Single Family, Series A	Interest	3,912	3,831	3,757	3,675	3,594	16,564	13,892	10,639	6,684	1,932			68,480
2005 Single Family, Series B	Principal	725	750	790	825	860	4,830	6,070	5,855					20,705
2005 Single Family, Series B	Interest	890	861	830	796	761	3,205	1,970	478					9,791
2005 Single Family, Series C	Principal							8,010						8,010
2005 Single Family, Series C	Interest	441	440	441	441	441	2,202							4,406
2005 Single Family, Series D	Principal								1,745	810	670			3,225
2005 Single Family, Series D	Interest	161	161	161	161	161	805	805	725	261	57			3,458

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2006 Single Family, Series A	Principal	\$ 230	\$ 490	\$ 525	\$ 560	\$ 600	\$ 3,655	\$ 5,090	\$ 6,845	\$ 9,055	\$ 27,985	\$ 4,070	\$ -	\$ 59,105
2006 Single Family, Series A	Interest	2,950	2,926	2,900	2,872	2,843	13,697	12,598	11,087	9,083	4,919			65,875
2006 Single Family, Series B	Principal	720	1,485	1,550	1,620	1,690	9,655	11,910	14,910	18,760	7,650			69,950
2006 Single Family, Series B	Interest	3,479	3,406	3,329	3,249	3,166	14,436	11,720	8,351	4,113	287			55,536
2006 Single Family, Series C	Principal	750	1,560	1,640	1,725	1,815	10,575	13,655	17,600	22,710	29,230	3,350		104,610
2006 Single Family, Series C	Interest	5,342	5,263	5,180	5,093	5,000	23,453	20,327	16,292	11,090	4,383			101,423
2006 Single Family, Series D	Principal							9,650	13,340	4,640				27,630
2006 Single Family, Series D	Interest	1,244	1,244	1,244	1,244	1,244	6,220	5,176	2,477	116				20,209
2006 Single Family, Series E	Principal	1,240	1,280	1,320	1,375	1,425	8,085	1,835						16,560
2006 Single Family, Series E	Interest	626	578	527	473	417	1,116							3,737
2006 Single Family, Series F	Principal		510	560	595	630	3,775	8,750	14,790	19,805	26,520	5,260		81,195
2006 Single Family, Series F	Interest	4,285	4,264	4,232	4,198	4,162	20,196	18,630	15,340	10,766	4,611	65		90,749
2006 Single Family, Series G	Principal	575	1,120	1,245	1,315	1,390	7,055	2,300						15,000
2006 Single Family, Series G	Interest	620	579	532	481	425	1,172	87						3,896
2006 Single Family, Series H	Principal						1,270	5,140	6,875	9,205	12,310	1,200		36,000
2006 Single Family, Series H	Interest	1,477	1,475	1,476	1,476	1,477	7,327	6,566	5,323	3,663	1,443			51,703
2007 Single Family, Series A	Principal		2,450	2,570	2,705	2,860	16,745	21,845	28,610	29,375	29,930	5,915		143,005
2007 Single Family, Series A	Interest	5,296	5,218	5,129	5,030	4,930	22,856	19,264	14,565	8,868	3,715	59		94,930
Total Single Family Bonds		58,403	64,834	64,435	64,387	64,485	324,311	323,479	337,325	288,183	278,687	19,919	-	1,888,448
1998 Residential Mtg Revenue Bonds, Series A	Principal	1,190	1,250	1,300				8,535		27,830				40,105
1998 Residential Mtg Revenue Bonds, Series A	Interest	2,077	2,020	1,959	1,922	1,922	9,610	7,743	7,370	4,303				38,926
1998 Residential Mtg Revenue Bonds, Series B	Principal							7,125						7,125
1998 Residential Mtg Revenue Bonds, Series B	Interest	378	378	378	378	378	1,890	1,697						5,477
1999 Residential Mtg Revenue Bonds, Series A	Principal							5,865						5,865
1999 Residential Mtg Revenue Bonds, Series A	Interest	304	304	304	304	304	1,520	702						3,742
1999 Residential Mtg Revenue Bonds, Series B-1	Principal							7,400		15,015				22,415
1999 Residential Mtg Revenue Bonds, Series B-1	Interest	1,474	1,474	1,474	1,474	1,474	7,370	6,758	4,745	4,591				30,834
1999 Residential Mtg Revenue Bonds, Series C	Principal								3,500					3,500
1999 Residential Mtg Revenue Bonds, Series C	Interest	219	219	219	219	219	1,095	1,095	397					3,682

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2000 Residential Mtg Revenue Bonds, Series A	Principal	\$ 250	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ 4,035	\$ -	\$ 11,790	\$ -	\$ -	\$ -	\$ 16,330
2000 Residential Mtg Revenue Bonds, Series A	Interest	1,016	1,001	993	993	993	4,965	4,078	3,715	2,845	-	-	-	20,599
2000 Residential Mtg Revenue Bonds, Series B	Principal	-	-	-	-	-	-	-	12,000	16,755	19,410	-	-	48,165
2000 Residential Mtg Revenue Bonds, Series B	Interest	2,797	2,797	2,797	2,797	2,797	13,985	13,985	12,470	10,325	365	-	-	65,115
2000 Residential Mtg Revenue Bonds, Series C	Principal	-	-	-	-	-	-	4,855	3,675	-	-	-	-	8,530
2000 Residential Mtg Revenue Bonds, Series C	Interest	498	498	498	498	498	2,490	1,875	497	-	-	-	-	7,352
2000 Residential Mtg Revenue Bonds, Series D	Principal	555	595	640	680	720	2,510	995	-	-	-	-	-	6,695
2000 Residential Mtg Revenue Bonds, Series D	Interest	346	318	287	253	217	514	135	-	-	-	-	-	2,070
2001 Residential Mtg Revenue Bonds, Series A	Principal	630	660	685	160	165	1,065	1,370	10,675	14,405	3,685	-	-	33,500
2001 Residential Mtg Revenue Bonds, Series A	Interest	1,795	1,763	1,729	1,705	1,596	8,310	7,968	6,437	3,097	120	-	-	34,620
2001 Residential Mtg Revenue Bonds, Series B	Principal	-	-	-	725	780	4,560	6,235	-	-	-	-	-	12,300
2001 Residential Mtg Revenue Bonds, Series B	Interest	633	633	633	618	581	2,266	887	-	-	-	-	-	6,251
2001 Residential Mtg Revenue Bonds, Series C	Principal	1,095	1,140	1,195	1,245	1,305	3,710	-	-	-	-	-	-	9,690
2001 Residential Mtg Revenue Bonds, Series C	Interest	429	348	299	247	191	240	-	-	-	-	-	-	1,754
2001 Residential Mtg Revenue Bonds, Series D	Principal	5	10	10	10	5	45	45	45	45	15	-	-	235
2001 Residential Mtg Revenue Bonds, Series D	Interest	13	12	12	11	11	46	34	23	9	1	-	-	172
2002 Residential Mtg Revenue Bonds, Series A	Principal	535	550	575	620	640	3,770	4,410	7,215	11,015	2,140	-	-	31,470
2002 Residential Mtg Revenue Bonds, Series A	Interest	1,643	1,618	1,592	1,564	1,533	7,118	6,019	4,637	2,159	75	-	-	27,958
2003 Residential Mtg Revenue Bonds, Series A	Principal	1,075	1,090	1,110	1,160	1,200	7,060	9,030	14,170	19,580	9,290	-	-	64,765
2003 Residential Mtg Revenue Bonds, Series A	Interest	3,116	3,076	3,033	2,986	2,937	13,807	11,893	9,205	4,952	509	-	-	55,514
Total Residential Mtg Revenue Bonds		22,073	22,009	21,722	20,569	20,566	97,946	124,769	100,776	148,716	35,610	-	-	614,756
1992 Coll Home Mtg Rev Bonds, Series C	Principal	-	-	-	-	-	-	-	12,400	-	-	-	-	12,400
1992 Coll Home Mtg Rev Bonds, Series C	Interest	858	856	856	856	858	4,282	4,282	1,563	-	-	-	-	14,411
Total Coll Home Mtg Revenue Bonds		858	856	856	856	858	4,282	4,282	13,963	-	-	-	-	26,811
1987 MF Series (South Texas Rental Housing)	Principal	93	102	112	123	135	48	-	-	-	-	-	-	613
1987 MF Series (South Texas Rental Housing)	Interest	53	44	34	23	11	1	-	-	-	-	-	-	166
1996 MF Series A&B (Brighton's Mark)	Principal	-	-	-	-	-	-	-	8,075	-	-	-	-	8,075
1996 MF Series A&B (Brighton's Mark)	Interest	495	495	495	495	495	2,475	2,475	1,980	-	-	-	-	9,405
1996 MF Series A&B (Marks Of Las Colinas)	Principal	-	-	-	-	-	-	-	12,670	-	-	-	-	12,670
1996 MF Series A&B (Marks Of Las Colinas)	Interest	716	716	716	716	716	3,580	3,580	2,861	-	-	-	-	13,601

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
1996 MF Series A&B (Braxton's Mark)	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,274	\$ -	\$ -	\$ -	\$ -	\$ 14,274
1996 MF Series A&B (Braxton's Mark)	Interest	829	829	829	829	829	4,145	4,145	3,324	-	-	-	-	15,759
1998 MF Series (Pebble Brook Apartments)	Principal	190	205	215	225	245	1,475	2,020	2,775	2,545	-	-	-	9,895
1998 MF Series (Pebble Brook Apartments)	Interest	544	535	524	513	500	2,281	1,809	1,160	294	-	-	-	8,160
1998 MF Series A-C (Residence At The Oaks)	Principal	151	159	169	180	189	202	-	-	6,358	-	-	-	7,408
1998 MF Series A-C (Residence At The Oaks)	Interest	440	430	420	410	399	1,911	1,905	1,905	1,240	-	-	-	9,060
1998 MF Series A&B (Greens Of Hickory Trail)	Principal	240	250	270	290	310	1,880	2,555	3,440	3,090	-	-	-	12,325
1998 MF Series A&B (Greens Of Hickory Trail)	Interest	654	640	624	608	590	2,665	2,100	1,331	330	-	-	-	9,542
1999 MF Series A-C (Mayfield)	Principal	209	222	235	248	263	1,563	2,075	2,753	2,839	-	-	-	10,407
1999 MF Series A-C (Mayfield)	Interest	587	575	562	548	534	2,418	1,902	1,220	337	-	-	-	8,683
1999 MF Series (Woodglen Village)	Principal	184	71	76	82	88	554	799	1,154	1,667	2,409	3,421	-	10,505
1999 MF Series (Woodglen Village)	Interest	2,306	759	753	748	741	3,595	3,348	2,993	2,480	1,739	467	-	19,929
2000 MF Series (Timber Point Apts)	Principal	-	-	-	-	-	-	-	-	-	7,670	-	-	7,670
2000 MF Series (Timber Point Apts)	Interest	311	310	311	311	311	1,553	1,554	1,554	1,551	-	-	-	7,766
2000 MF Series A&B (Oaks At Hampton)	Principal	75	82	89	96	104	645	924	1,323	1,895	2,713	1,808	-	9,754
2000 MF Series A&B (Oaks At Hampton)	Interest	703	696	689	681	674	3,244	2,966	2,567	1,995	1,176	175	-	15,566
2000 MF Series (Deerwood Apts)	Principal	95	95	105	115	120	-	1,305	-	-	4,240	-	-	6,075
2000 MF Series (Deerwood Apts)	Interest	383	377	372	365	359	1,770	1,604	1,355	1,355	139	-	-	8,079
2000 MF Series (Creek Point Apts)	Principal	-	-	-	-	-	-	-	-	-	6,585	-	-	6,585
2000 MF Series (Creek Point Apts)	Interest	267	266	267	267	267	1,333	1,334	1,334	1,334	20	-	-	6,689
2000 MF Series Parks At (Westmoreland)	Principal	73	80	87	94	101	627	898	1,286	1,840	2,633	1,985	-	9,704
2000 MF Series Parks At (Westmoreland)	Interest	823	816	809	801	793	3,816	3,498	3,039	2,384	1,446	257	-	18,482
2000 A/C MF Series (Highland Meadows)	Principal	121	130	139	149	159	974	1,362	1,900	2,648	983	-	-	8,565
2000 A/C MF Series (Highland Meadows)	Interest	573	565	556	546	536	2,494	2,102	1,552	788	45	-	-	9,757
2000 A&B MF Series (Greenbridge)	Principal	164	127	137	148	159	997	1,442	2,086	3,016	4,360	7,099	-	19,735
2000 A&B MF Series (Greenbridge)	Interest	2,735	1,441	1,432	1,421	1,410	6,844	6,398	5,750	4,814	3,461	1,206	-	36,912
2000 A/C MF Series (Collingham Park)	Principal	182	208	230	244	259	1,548	2,094	2,852	3,908	1,418	-	-	12,943
2000 A/C MF Series (Collingham Park)	Interest	864	850	905	888	869	4,030	3,371	2,477	1,253	72	-	-	15,579
2000 A&B MF Series (Williams Run)	Principal	262	91	98	106	115	724	1,061	1,553	2,274	3,328	2,954	-	12,566
2000 A&B MF Series (Williams Run)	Interest	3,172	958	931	923	915	4,421	4,086	3,593	2,872	1,817	391	-	24,059

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2001A MF Series (Bluffview Sr. Apts.)	Principal	\$ 59	\$ 64	\$ 69	\$ 74	\$ 80	\$ 507	\$ 741	\$ 1,081	\$ 1,580	\$ 2,307	\$ 3,927	\$ -	\$ 10,489
2001A MF Series (Bluffview Sr. Apts.)	Interest	900	894	889	883	876	4,261	3,996	3,610	3,045	2,224	904	-	22,482
2001A MF Series (Knollwood Villas Apts)	Principal	77	82	89	96	103	652	951	1,390	2,031	2,966	5,042	-	13,479
2001A MF Series (Knollwood Villas Apts)	Interest	1,162	1,156	1,149	1,142	1,134	5,529	5,213	4,755	4,083	3,102	1,361	-	29,786
2001A MF Series (Skyway Villas)	Principal	125	145	150	150	160	965	1,270	1,660	2,210	1,350	-	-	8,185
2001A MF Series (Skyway Villas)	Interest	453	446	438	431	422	1,961	1,654	1,247	702	97	-	-	7,851
2001A MF Series (Cobb Park)	Principal	42	46	51	56	60	375	531	785	1,135	1,642	2,926	-	7,649
2001A MF Series (Cobb Park)	Interest	604	599	595	590	585	2,846	2,666	2,410	2,032	1,490	635	-	15,052
2001 MF Series (Greens Road Apts.)	Principal	120	130	135	145	155	930	1,255	1,705	2,330	1,155	-	-	8,060
2001 MF Series (Greens Road Apts.)	Interest	429	422	415	408	400	1,861	1,573	1,182	642	63	-	-	7,395
2001 MF Series (Meridian Apts.)	Principal	185	200	215	230	245	1,510	2,190	2,865	3,850	2,395	-	-	13,885
2001 MF Series (Meridian Apts.)	Interest	803	791	777	762	746	3,457	2,857	2,140	1,217	165	-	-	13,715
2001 MF Series (Wildwood Apts.)	Principal	190	205	220	235	250	1,555	2,190	2,860	3,845	2,390	-	-	13,940
2001 MF Series (Wildwood Apts.)	Interest	794	781	767	752	736	3,397	2,825	2,134	1,215	167	-	-	13,568
2001 A/C MF Series (Fallbrook Apts.)	Principal	206	220	235	251	268	1,604	2,163	2,916	3,929	2,449	-	-	14,241
2001 A/C MF Series (Fallbrook Apts.)	Interest	861	847	831	815	800	3,725	3,160	2,395	1,366	190	-	-	14,990
2001 MF Series (Oak Hollow Apts.)	Principal	40	43	46	49	53	328	463	657	931	1,321	2,450	-	6,381
2001 MF Series (Oak Hollow Apts.)	Interest	445	442	439	436	432	2,097	1,962	1,766	1,489	1,098	506	-	11,112
2001 A/B MF Series (Hillside Apts.)	Principal	43	47	83	96	103	637	904	1,281	1,814	2,574	5,017	-	12,599
2001 A/B MF Series (Hillside Apts.)	Interest	882	878	873	866	859	4,173	3,905	3,526	2,988	2,224	1,054	-	22,228
2002 MF Series (Millstone Apts.)	Principal	165	175	185	195	215	1,210	1,590	2,075	2,730	2,035	-	-	10,575
2002 MF Series (Millstone Apts.)	Interest	577	568	558	548	537	2,496	2,116	1,616	956	170	-	-	10,142
2002 MF Series (Sugar Creek Apts.)	Principal	115	85	90	100	105	575	-	-	-	-	-	10,680	11,750
2002 MF Series (Sugar Creek Apts.)	Interest	702	696	691	685	679	3,289	3,205	3,205	3,205	3,205	2,777	-	22,339
2002 MF Series (West Oaks Apts.)	Principal	57	62	66	71	76	474	679	968	1,383	1,975	3,762	-	9,573
2002 MF Series (West Oaks Apts.)	Interest	716	711	706	701	696	3,379	3,166	2,860	2,421	1,796	846	-	17,998
2002 MF Series (Park Meadows Apts.)	Principal	60	70	65	80	80	480	670	925	1,270	635	-	-	4,335
2002 MF Series (Park Meadows Apts.)	Interest	281	277	275	268	263	1,224	1,039	780	425	42	-	-	4,872
2002 MF Series (Clarkridge Villas Apts)	Principal	81	87	93	100	107	664	941	1,333	1,890	2,679	3,798	2,017	13,790
2002 MF Series (Clarkridge Villas Apts)	Interest	962	956	950	943	936	4,551	4,272	3,879	3,318	2,524	1,400	-	24,691

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2002 MF Series A (Hickory Trace Apts)	Principal	\$ 67	\$ 71	\$ 77	\$ 82	\$ 88	\$ 544	\$ 773	\$ 1,096	\$ 1,552	\$ 2,202	\$ 3,120	\$ 1,729	\$ 11,401
2002 MF Series A (Hickory Trace Apts)	Interest	796	791	786	780	774	3,765	3,536	3,210	2,751	2,099	1,174	17	20,479
2002 MF Series A (Green Crest Apts)	Principal	143	71	76	82	88	543	769	1,091	1,547	2,192	3,107	1,719	11,428
2002 MF Series A (Green Crest Apts)	Interest	1,789	787	782	777	771	3,747	3,521	3,197	2,739	2,089	1,170	17	21,386
2002 MF Series A/B (Iron Wood Crossing)	Principal	73	79	87	95	103	676	1,041	1,510	2,141	3,035	4,302	3,710	16,852
2002 MF Series A/B (Iron Wood Crossing)	Interest	1,209	1,202	1,195	1,187	1,178	5,730	5,362	4,891	4,255	3,356	2,083	42	31,690
2002 MF Series A (Woodway Village)	Principal	110	115	120	130	135	810	1,085	5,140					7,645
2002 MF Series A (Woodway Village)	Interest	392	386	380	374	368	1,727	1,489	218					5,334
2003 MF Series A/B (Reading Road)	Principal	20	20	30	30	30	180	250	350	490	10,780			12,180
2003 MF Series A/B (Reading Road)	Interest	540	538	537	535	533	2,630	2,558	2,459	2,318	1,649			14,297
2003 MF Series A/B (North Vista)	Principal	210	215	230	245	255	1,465	1,930	2,535	3,320	3,395			13,800
2003 MF Series A/B (North Vista)	Interest	685	676	666	656	645	3,031	2,605	2,039	1,301	354			12,658
2003 MF Series A/B (West Virginia)	Principal	145	150	155	165	165	985	1,300	1,710	2,250	2,290			9,315
2003 MF Series A/B (West Virginia)	Interest	463	456	450	443	435	2,046	1,759	1,380	879	237			8,548
2003 MF Series A/B (Sphinx @ Murdeaux)	Principal	165	170	180	185	195	-1,125	1,435	1,815	2,305	2,945	3,765	430	14,715
2003 MF Series A/B (Sphinx @ Murdeaux)	Interest	1,998	2,005	2,013	2,022	2,031	6,032	2,983	2,599	2,104	1,467	645	11	25,910
2003 MF Series A/B (Primrose Houston)	Principal	79	85	93	101	109	699	1,036	1,455	2,024	10,870			16,551
2003 MF Series A/B (Primrose Houston)	Interest	1,096	1,090	1,083	1,075	1,067	5,182	4,851	4,444	3,886	2,512			26,286
2003 MF Series A/B (Timber Oaks)	Principal	56	61	67	73	80	520	805	1,228	1,737	2,432	3,405	2,633	13,097
2003 MF Series A/B (Timber Oaks)	Interest	925	920	915	909	902	4,386	4,098	3,675	3,163	2,464	1,486	128	23,971
2003 MF Series A/B (Ash Creek Apts)	Principal	80	86	94	101	110	705	1,027	1,438	2,014	10,623			16,278
2003 MF Series A/B (Ash Creek Apts)	Interest	1,089	1,082	1,075	1,067	1,059	5,139	4,821	4,417	3,851	2,288			25,888
2003 MF Series A/B (Peninsula Apts)	Principal	160	165	170	180	190	1,155	1,570	8,540					12,130
2003 MF Series A/B (Peninsula Apts)	Interest	629	622	614	606	597	2,824	2,468	893					9,253
2003 MF Series (Evergreen @ Mesquite)	Principal	110	117	125	133	142	862	1,185	1,631	2,243	2,422	1,100	786	10,856
2003 MF Series (Evergreen @ Mesquite)	Interest	744	737	729	720	711	3,397	3,065	2,604	1,973	1,128	539	33	16,380
2003 MF Series A/B (Arlington Villas)	Principal	74	80	87	95	102	655	980	1,419	2,001	11,561			17,054
2003 MF Series A/B (Arlington Villas)	Interest	1,174	1,167	1,161	1,153	1,145	5,585	5,259	4,827	4,252	2,991			28,714
2003 MF Series A/B (Parkview Twnhms)	Principal	79	86	94	102	111	723	1,078	1,505	2,091	2,906	4,038	3,669	16,482
2003 MF Series A/B (Parkview Twnhms)	Interest	1,112	1,105	1,098	1,089	1,080	5,233	4,878	4,449	3,859	3,041	1,902	248	29,094

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2003 MF Series (Nhp-Asmara) Refunding	Principal	\$ 360	\$ 380	\$ 400	\$ 430	\$ 450	\$ 2,710	\$ 3,630	\$ 4,860	\$ 6,520	\$ 1,550	\$ -	\$ -	\$ 21,290
2003 MF Series (Nhp-Asmara) Refunding	Interest	837	821	807	791	775	3,577	2,969	2,155	1,063	49			13,844
2004 MF Series A/B (Timber Ridge)	Principal	34	37	39	42	45	280	395	559	792	4,445			6,668
2004 MF Series A/B (Timber Ridge)	Interest	449	446	444	441	438	2,139	2,025	1,866	1,639	1,066			10,953
2004 MF Series A/B (Century Park)	Principal	165	175	190	195	205	1,245	1,665	2,200	2,945	3,935			12,920
2004 MF Series A/B (Century Park)	Interest	692	683	673	662	652	3,070	2,681	2,162	1,472	551			13,298
2004 MF Series A (Addison Park)	Principal												14,000	14,000
2004 MF Series A (Addison Park)	Interest	591	591	591	591	591	2,955	2,955	2,955	2,955	2,955	2,955	879	21,564
2004 MF Series A/B (Veterans Memorial)	Principal	79	86	94	102	111	722	1,048	1,457	2,024	2,813	3,911	3,746	16,193
2004 MF Series A/B (Veterans Memorial)	Interest	1,088	1,081	1,073	1,065	1,056	5,112	4,784	4,373	3,802	3,009	1,907	268	28,618
2004 MF Series (Rush Creek)	Principal	55	59	63	67	72	442	617	862	1,204	1,682	2,348	2,473	9,944
2004 MF Series (Rush Creek)	Interest	664	660	656	652	647	3,154	2,978	2,731	2,388	1,908	1,237	187	17,862
2004 MF Series (Humble Park)	Principal	100	110	110	120	130	780	1,090	1,525	2,085	2,890	2,670		11,610
2004 MF Series (Humble Park)	Interest	764	757	749	742	734	3,526	3,222	2,797	2,208	1,399	335		17,233
2004 MF Series (Chisholm Trail)	Principal												12,000	12,000
2004 MF Series (Chisholm Trail)	Interest	457	456	456	456	456	2,280	2,280	2,280	2,280	2,106			13,507
2004 MF Series (Evergreen @ Plano)	Principal	80	85	91	97	103	631	875	1,214	1,683	2,333	3,234	4,311	14,737
2004 MF Series (Evergreen @ Plano)	Interest	962	957	951	945	939	4,578	4,332	3,992	3,522	2,867	1,961	395	26,401
2004 MF Series (Montgomery Pines)	Principal												12,300	12,300
2004 MF Series (Montgomery Pines)	Interest	468	467	467	467	468	2,336	2,336	2,336	2,337	2,241			13,923
2004 MF Series (Bristol)	Principal												12,625	12,625
2004 MF Series (Bristol)	Interest	481	479	480	480	480	2,398	2,399	2,399	2,399				14,291
2004 MF Series (Pinnacle)	Principal												14,500	14,500
2004 MF Series (Pinnacle)	Interest	654	550	551	551	552	2,754	2,755	2,755	2,756	2,637			16,515
2004 MF Series (Tranquility Bay)	Principal	84	90	96	102	109	667	921	1,275	1,761	2,435	3,368	3,344	14,252
2004 MF Series (Tranquility Bay)	Interest	923	918	912	905	898	4,371	4,114	3,760	3,271	2,593	1,656	296	24,617
2004 MF Series (Sphinx @ Delafield)	Principal	100	110	110	120	125	750	980	1,285	1,685	2,190	2,790	990	11,235
2004 MF Series (Sphinx @ Delafield)	Interest	588	583	577	572	566	2,722	2,509	2,227	1,845	1,342	693	56	14,280
2004 MF Series (Churchill @ Pinnacle)	Principal	67	72	77	82	87	532	739	1,024	1,420	1,967	2,725	1,303	10,095
2004 MF Series (Churchill @ Pinnacle)	Interest	659	654	649	644	639	3,097	2,891	2,603	2,205	1,655	890	78	16,664

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2004 MF Series A/B (Post Oak East)	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,600	\$ -	\$ -	\$ 13,600
2004 MF Series A/B (Post Oak East)	Interest	542	541	541	541	542	2,706	2,706	2,706	2,707	2,684	-	-	16,216
2004 MF Series (Village Fair)	Principal	80	85	91	97	103	630	872	1,205	1,666	2,304	3,185	3,732	14,050
2004 MF Series (Village Fair)	Interest	910	905	899	893	887	4,319	4,076	3,741	3,279	2,635	1,750	415	24,709
2005 MF Series (Pecan Grove)	Principal	79	84	90	96	102	623	863	1,192	1,648	2,281	3,154	3,774	13,986
2005 MF Series (Pecan Grove)	Interest	831	902	896	890	883	4,304	4,066	3,755	3,279	2,649	1,776	452	24,663
2005 MF Series (Prairie Oaks)	Principal	62	66	71	75	81	491	679	959	1,298	1,796	2,484	2,974	11,016
2005 MF Series (Prairie Oaks)	Interest	714	710	706	700	695	3,387	3,199	2,937	2,577	2,076	1,385	338	19,424
2005 MF Series (Port Royal)	Principal	68	73	78	83	88	539	745	1,030	1,425	1,972	2,726	3,341	12,168
2005 MF Series (Port Royal)	Interest	789	784	779	774	768	3,745	3,536	3,250	2,851	2,303	1,543	392	21,512
2005 MF Series (Mission Del Rio)	Principal	64	69	73	78	83	508	702	970	1,343	1,858	2,567	3,144	11,459
2005 MF Series (Mission Del Rio)	Interest	743	738	734	729	723	3,526	3,330	3,060	2,685	2,169	1,455	368	20,260
2005 MF Series (Atascocita)	Principal		143	152	162	171	1,032	1,395	1,893	2,575	3,518	859		11,900
2005 MF Series (Atascocita)	Interest	453	448	443	437	431	2,043	1,814	1,500	1,076	496	13		9,154
2005 MF Series (Tower Ridge)	Principal		100	100	100	100	600	1,200	2,000	2,700	4,000	4,100		15,000
2005 MF Series (Tower Ridge)	Interest	599	596	593	589	585	2,862	2,689	2,378	1,906	1,230	95		14,122
2005 MF Series (Alta Cullen)	Principal	61	78	83	89	95	581	807	1,122	1,559	2,166	3,011	4,348	14,000
2005 MF Series (Alta Cullen)	Interest	922	917	912	906	900	4,394	4,166	3,850	3,410	2,799	1,951	559	25,686
2005 MF Series (Prairie Ranch)	Principal	145	115	125	125	135	790	1,015	1,330	1,680	2,120	2,680	1,935	12,195
2005 MF Series (Prairie Ranch)	Interest	588	582	576	570	564	2,711	2,495	2,213	1,847	1,390	814	150	14,500
2005 MF Series (St. Augustine)	Principal		47	98	104	111	662	890	1,196	1,605	2,157	780		7,650
2005 MF Series (St. Augustine)	Interest	292	290	287	283	279	1,323	1,175	975	707	345	18		5,974
2005 MF Series (Park Manor)	Principal		58	62	66	70	426	587	807	1,110	1,527	2,100	3,587	10,400
2005 MF Series (Park Manor)	Interest	666	664	660	656	652	3,182	3,022	2,802	2,499	2,082	1,507	535	18,927
2005 MF Series (Providence @ Mockingbird)	Principal	80	85	91	97	103	627	862	1,187	1,633	2,248	3,093	4,254	14,360
2005 MF Series (Providence @ Mockingbird)	Interest	916	911	905	899	893	4,353	4,116	3,790	3,342	2,724	1,875	577	25,301
2005 MF Series (Plaza Chase Oaks)	Principal								14,250					14,250
2005 MF Series (Plaza Chase Oaks)	Interest	720	720	720	720	720	3,600	3,600	1,074					11,874
2005 MF Series (Canal Place Apts)	Principal			56	81	88	563	836	1,159	1,596	2,195	9,526		16,100
2005 MF Series (Canal Place Apts)	Interest	1,026	1,026	1,024	1,018	1,011	4,929	4,665	4,350	3,922	3,333	942		27,246

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2005 MF Series (Coral Hills)	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,320	\$ -	\$ 5,320
2005 MF Series (Coral Hills)	Interest	269	269	269	269	269	1,345	1,345	1,345	1,345	1,345	236	-	8,306
2006 MF Series (Harris Branch Apts)	Principal			200	200	200	1,300	1,800	2,300	3,200	4,100	1,700		15,000
2006 MF Series (Harris Branch Apts)	Interest	589	587	583	575	568	2,692	2,395	1,999	1,467	753	54		12,262
2006 MF Series (Bella Vista Apts)	Principal	15	45	45	45	50	305	410	560	760	1,030	1,400	2,135	6,800
2006 MF Series (Bella Vista Apts)	Interest	418	416	413	411	408	1,987	1,878	1,730	1,531	1,259	890	340	11,681
2006 MF Series (Village Park)	Principal		105	190	190	200	1,185	1,575	10,215					13,660
2006 MF Series (Village Park)	Interest	700	699	690	680	670	3,179	2,829	2,042					11,489
2006 MF Series (Oakmoor)	Principal		75	95	101	107	645	869	1,173	1,583	2,135	2,880	4,972	14,635
2006 MF Series (Oakmoor)	Interest	878	876	871	865	858	4,184	3,957	3,652	3,241	2,686	1,938	773	24,779
2006 MF Series (Sunset Pointe)	Principal											15,000		15,000
2006 MF Series (Sunset Pointe)	Interest	599	598	598	598	599	2,991	2,991	2,991	2,992	2,991	1,126		19,074
2006 MF Series (Hillcrest)	Principal			175	160	170	1,020	1,380	1,885			7,645		12,435
2006 MF Series (Hillcrest)	Interest	653	653	647	638	629	2,996	2,680	2,250	2,005	2,005	637		15,793
2006 MF Series (Pleasant Village)	Principal	34	71	75	80	84	510	690	4,456					6,000
2006 MF Series (Pleasant Village)	Interest	365	361	356	351	347	1,645	1,465	267					5,157
2006 MF Series (Grove Village)	Principal	35	73	77	82	86	525	711	4,591					6,180
2006 MF Series (Grove Village)	Interest	376	371	367	362	358	1,696	1,508	137					5,175
2006 MF Series (Red Hills Villas)	Principal							300	600	1,000	3,115			5,015
2006 MF Series (Red Hills Villas)	Interest	197	196	197	197	197	983	961	862	691	389			4,870
2006 MF Series (Champions Crossing)	Principal						100	500	600	1,000	2,925			5,125
2006 MF Series (Champions Crossing)	Interest	201	201	201	201	201	1,001	927	826	653	360			4,772
2006 MF Series (Stonehaven)	Principal		61	77	82	87	519	692	9,782					11,300
2006 MF Series (Stonehaven)	Interest	655	654	649	645	640	3,115	2,939	2,232					11,529
2006 MF Series (Center Ridge)	Principal			120	110	115	700	945	1,265			5,070		8,325
2006 MF Series (Center Ridge)	Interest	416	416	413	407	401	1,908	1,702	1,428	1,270	1,270	419		10,050
2006 MF Series (Meadowlands)	Principal		1,780	75	79	84	505	681	917	1,239	1,673	2,255	4,212	13,500
2006 MF Series (Meadowlands)	Interest	810	757	701	696	691	3,372	3,194	2,955	2,634	2,198	1,612	735	20,355
2006 MF Series (East Tex Pines)	Principal				80	95	575	765	1,010	1,340	1,775	2,350	5,510	13,500
2006 MF Series (East Tex Pines)	Interest	668	668	668	665	660	3,218	3,049	2,826	2,531	2,139	1,619	823	19,534

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332) —
REVENUE BOND PROGRAM**

SCHEDULE 5

**DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description		2008	2009	2010	2011	2012	2013-17	2018-22	2023-27	2028-32	2033-37	2038-42	2043-47	Total Required
2006 MF Series (Villas @ Henderson)	Principal	\$ -	\$ -	\$ 47	\$ 98	\$ 104	\$ 616	\$ 812	\$ 1,073	\$ 1,419	\$ 1,876	\$ 1,155	\$ -	\$ 7,200
2006 MF Series (Villas @ Henderson)	Interest	290	290	290	286	282	1,342	1,197	1,009	761	429	61	-	6,237
2006 MF Series (Aspen Park)	Principal			105	95	100	600	795	1,065			7,040		9,800
2006 MF Series (Aspen Park)	Interest	490	490	488	483	478	2,305	2,133	1,903	1,760	1,760	647		12,937
2006 MF Series (Idlewildc)	Principal			77	162	173	1,050	1,444	1,984	2,724	3,745	2,891		14,250
2006 MF Series (Idlewildc)	Interest	571	569	569	564	558	2,669	2,423	2,082	1,619	977	183		12,784
2007 MF Series (Lancaster)	Principal												14,250	14,250
2007 MF Series (Lancaster)	Interest	571	569	570	570	571	2,849	2,850	2,850	2,851	2,849	1,636		18,736
2007 MF Series (Park Place At Loyola)	Principal				98	104	620	828	1,104	1,476	1,971	2,632	6,167	15,000
2007 MF Series (Park Place At Loyola)	Interest	870	870	870	867	861	4,204	3,996	3,717	3,344	2,847	2,183	1,197	25,826
2007 MF Series (Terraces At Cibolo)	Principal											8,000		8,000
2007 MF Series (Terraces At Cibolo)	Interest	313	313	313	313	313	1,565	1,565	1,565	1,565	1,565	828		10,218
2007 MF Series (Santora Villas)	Principal				64	89	531	711	949	1,268	1,693	2,260	5,507	13,072
2007 MF Series (Santora Villas)	Interest	758	758	758	757	752	3,672	3,493	3,253	2,932	2,505	1,935	1,123	22,696
2007 MF Series (A/B Villas @ Mesquite Creek)	Principal			210	155	165	985	1,300	1,675	2,135	2,740	3,505	3,990	16,860
2007 MF Series (A/B Villas @ Mesquite Creek)	Interest	858	858	853	843	833	4,008	3,691	3,321	2,852	2,249	1,476	495	22,337
2007 MF Series (Summit Point)	Principal			165	100	105	640	820	1,060	1,390	1,830	2,415	3,175	11,700
2007 MF Series (Summit Point)	Interest	603	603	598	593	588	2,852	2,676	2,442	2,136	1,722	1,171	443	16,427
2007 MF Series (Costa Rialto)	Principal				91	96	565	738	964	1,259	1,645	2,147	4,880	12,385
2007 MF Series (Costa Rialto)	Interest	663	663	663	660	655	3,189	3,016	2,789	2,492	2,105	1,601	923	19,419
2007 MF Series (Windshire)	Principal											14,000		14,000
2007 MF Series (Windshire)	Interest	547	546	546	546	546	2,730	2,730	2,730	2,730	2,730	1,841		18,222
Total Multifamily Bonds		84,005	79,869	79,528	79,836	79,894	394,101	394,030	468,631	361,566	436,394	312,761	131,790	2,902,405
Total		165,339	167,568	166,541	165,648	165,803	820,640	846,560	920,695	798,465	750,691	332,680	131,790	5,432,420
Less Interest		141,672	134,102	132,614	130,964	129,262	612,468	544,784	445,656	324,822	179,356	69,953	13,293	2,858,946
TOTAL PRINCIPAL		\$ 23,667	\$ 33,466	\$ 33,927	\$ 34,684	\$ 36,541	\$208,172	\$301,776	\$475,039	\$473,643	\$571,335	\$262,727	\$118,497	\$2,573,474

Notes: The actual maturity of any class of bonds may be shorter than its stated maturity as a result of prepayments on the mortgage certificates or loans. No assurance can be given as to the rates of prepayments that actually will occur. Interest does not include accretions on capital appreciation bonds or amortization of premium/discount on bonds.

(Concluded)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 6

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE — REVENUE BONDS

AS OF AUGUST 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
1997 Single Family Series A	\$ 31,887	\$ 29	\$ -	\$ 1,233
1997 Single Family Series B	740			
1997 Single Family Series D	16,354	14		502
2002 Single Family Series A	1,879	59		2,063
2002 Single Family Series A (Jr. Lien)	3,838	20		527
2002 Single Family Series B	6,592	62		2,213
2002 Single Family Series C	564	18	470	556
2002 Single Family Series D	592	9	895	242
2004 Single Family Series A	10,305	291	1,635	5,304
2004 Single Family Series A (Jr. Lien)	30	345		221
2004 Single Family Series B	2,736	131		2,057
2004 Single Family Series C	3,613	85	240	1,789
2004 Single Family Series D	1,709	81		1,335
2004 Single Family Series E	477	23	1,310	347
2005 Single Family Series A	5,701	310	780	4,180
2005 Single Family Series B	4,235	155	785	950
2005 Single Family Series C	1,110	59		435
2005 Single Family Series D	444	24		164
2006 Single Family Series A	3,681	1,194		2,968
2006 Single Family Series B	4,381	1,422		3,513
2006 Single Family Series C	6,646	2,161		5,384
2006 Single Family Series D	3,594	569		1,289
2006 Single Family Series E	1,658	341		685
2006 Single Family Series F	3,427	1,208		3,404
2006 Single Family Series G	618	218		501
2006 Single Family Series H	1,573	555		1,128
2007 Single Family Series A	1,302	159		1,466
Total Single Family Bonds	119,686	9,543	6,115	44,459
1998 RMRB Series A	7,411	48	1,275	2,267
1998 RMRB Series B	1,549	9		412
1999 RMRB Series A	1,418	15		326
1999 RMRB Series B-1	5,036	17		1,609
1999 RMRB Series C	657	3		234
2000 RMRB Series A	2,969	15	255	1,093
2000 RMRB Series B	9,855	55		3,028
2000 RMRB Series C	945	9		515
2000 RMRB Series D	1,014	8	565	395
2001 RMRB Series A	4,556	13	650	1,914
2001 RMRB Series B	816	5		637
2001 RMRB Series C	1,546	4	1,145	463
2001 RMRB Series D	33			13
2002 RMRB Series A	3,839	1	570	1,735
2003 RMRB Series A	6,610	36	1,135	3,239
Total Residential Mtg Revenue Bonds	48,255	236	5,595	17,880
1992 CHMRB Series C	3,577	10		957
Total 1992 CHMRB	3,577	10	-	957
1987 MF Series (South Texas Rental Housing)	106		84	62
1993 MF Series A/B (RemHill/HighPt)	11,933	147		395

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 6

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE — REVENUE BONDS

AS OF AUGUST 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
1996 MF Series A/B (Brighton's Mark)	\$ 481	\$ 2	\$ -	\$ 502
1996 MF Series A/B (Las Colinas)	753	4		726
1996 MF Series A/B (Braxton's Mark)	829	3		825
1998 MF Series A (Volente Project)	10,244		85	324
1998 MF Series A (Pebble Brook)	551		180	551
1998 MF Series A-C (Residence Oaks)	448		141	448
1998 MF Series A (Dallas Oxford Refndg)	10,532			232
1998 MF Series A/B (Greens of Hickory Trial)	661		220	661
1999 MF Series A-C (Mayfield)	598		199	598
1999 MF Series A (Woodglen Village)	775			775
2000 MF Series A (Creek Point Apts)	345			245
2000 MF Series A (Deerwood Apts)	386		85	386
2000 MF Series A (Honeycreek)	21,398			1,035
2000 MF Series A (Timber Point Apts)	420			290
2000 MF Series A/B (Greenbridge)	1,461		156	1,461
2000 MF Series A/B (Oaks at Hampton)	709		68	709
2000 MF Series A/B (Parks @ Westmoreland)	705		67	705
2000 MF Series A/B (Red Hills Villas)	10,162		4	27
2000 MF Series A/B (Williams Run)	961		(5)	961
2000 MF Series A-C (Collingham Park)	877		172	877
2000 MF Series A-C (Highland Meadow Apts)	3,007		58	608
2001 MF Series A (Bluffview Senior Apts)	799		55	799
2001 MF Series A (Knollwood Villas Apts)	1,027		71	1,027
2001 MF Series A (Oak Hollow Apts.)	448		37	448
2001 MF Series A (Greens Road Apts.)	435		110	435
2001 MF Series A (Skyway Villas)	1,038		125	463
2001 MF Series A/B (Cobb Park)	571		38	571
2001 MF Series A/B (Hillside Apts.)	986		42	886
2001 MF Series A/B (Meridian Apts.)	815		175	815
2001 MF Series A/B (Wildwood Apts.)	806		175	806
2001 MF Series A-C (Fallbrook Apts.)	875		193	875
2002 MF Series A (Clarkridge Villas Apts)	1,565		77	975
2002 MF Series A (Park Meadows Apts)	285		60	285
2002 MF Series A (Sugar Creek Apts.)	707		70	707
2002 MF Series A (West Oaks Apts.)	686		70	686
2002 MF Series A (Green Crest Apts)	800			800
2002 MF Series A (Hickory Trace Apts)	800		62	800
2002 MF Series A (Millstone Apts.)	2,326		170	616
2002 MF Series A (Woodway Village Apts)	397		100	397
2002 MF Series A/B (Ironwood Crossing)	1,215		67	1,215
2003 MF Series A (NHP-Asmara) Refunding	794		335	794
2003 MF Series A (Evergreen @ Mesquite)	729		103	729
2003 MF Series A/B (Reading Road)	513		20	513
2003 MF Series A/B (Arlington Villas)	1,179		46	1,179
2003 MF Series A/B (Ash Creek Apts)	1,095		73	1,095
2003 MF Series A/B (North Vista Apts)	694		200	694
2003 MF Series A/B (Parkview Twnhms)	1,119		73	1,119
2003 MF Series A/B (Peninsula Apts)	832		75	637

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 6

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE — REVENUE BONDS

AS OF AUGUST 31, 2007

(Amounts in thousands)

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
2003 MF Series A/B (Primrose Houston School)	\$ 1,102	\$ -	\$ 73	\$ 1,102
2003 MF Series A/B (Sphinx @ Murdeaux)	723		160	723
2003 MF Series A/B (Timber Oaks Apts)	930		52	930
2003 MF Series A/B (West Virginia Apts)	469		135	469
2004 MF Series A (Bristol)	469			469
2004 MF Series A (Chisholm Trail)	446			446
2004 MF Series A (Churchill @ Pinnacle)	1,347		5	697
2004 MF Series A (Evergreen @ Plano)	966		13	966
2004 MF Series A (Humble Park)	770		90	770
2004 MF Series A (Montgomery Pines)	457			457
2004 MF Series A (Pinnacle)	539			539
2004 MF Series A (Rush Creek)	668		52	668
2004 MF Series A (Sphinx @ Delafield)	593		95	593
2004 MF Series A (Tranquility Bay)	929		79	929
2004 MF Series A (Village Fair)	915		50	915
2004 MF Series A (Addison Park)	539			539
2004 MF Series A/B (Century Park)	700		80	700
2004 MF Series A/B (Post Oak East)	515			515
2004 MF Series A/B (Timber Ridge)	451		32	451
2004 MF Series A/B (Veterans Memorial)	1,094		73	1,094
2005 MF Series A (Alta Cullen)	916			916
2005 MF Series A (Atascocita Pines)	445			445
2005 MF Series A/B (Canal Place)	720			720
2005 MF Series A (Lafayette Village)	14,186			86
2005 MF Series A (Del Rio)	746		31	746
2005 MF Series A (Park Manor)	581			581
2005 MF Series A (Pecan Grove)	911		44	911
2005 MF Series A (Chase Oaks)	720			720
2005 MF Series A (Port Royal)	792		32	792
2005 MF Series A (Prairie Oaks)	718		34	718
2005 MF Series A (Prairie Ranch)	597			592
2005 MF Series A (Mockingbird)	919			919
2005 MF Series A (St Augustine)	286			286
2005 MF Series A (Tower Ridge)	563			563
2006 MF Series A (Aspen Park Apts)	408			408
2006 MF Series A (Bella Vista)	418			418
2006 MF Series A (Center Ridge)	416			416
2006 MF Series A (Champions Crossing)	183			183
2005 MF Series A (Coral Hills)	269			269
2006 MF Series A (East Tex Pines)	570			570
2006 MF Series A (Grove Village)	377			377
2006 MF Series A (Harris Branch)	555			555
2006 MF Series A (Hillcrest)	653			653
2006 MF Series A (Idlewilde Apts)	414			414
2006 MF Series A (Meadowlands)	754			754

(Continued)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 6

**ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE — REVENUE BONDS
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2007			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
2006 MF Series A (Oakmoor)	\$ 805	\$ -	\$ -	\$ 805
2006 MF Series A (Pleasant Village)	366			366
2006 MF Series A (Red Hills Villas)	179			179
2006 MF Series A (Stonehaven)	630			630
2006 MF Series A (Sunset Pointe)	563			563
2006 MF Series A (Village Park)	688			688
2006 MF Series A (Villas at Henderson)	222			222
2007 MF Series A (Villas @ Mesquite Creek)	155			155
2007 MF Series A (Costa Rialto)	110			110
2007 MF Series A (Lancaster Apts)	344			344
2007 MF Series A (Park Place @ Loyola)	459			459
2007 MF Series A (Santora Villas)	202			202
2007 MF Series A (Summit Point)	104			104
2007 MF Series A (Terraces at Cibolo)	107			107
2007 MF Series A (Windshire)	65			65
Total Multifamily Bonds	<u>149,613</u>	<u>156</u>	<u>5,266</u>	<u>66,748</u>
Total	<u>\$321,131</u>	<u>\$9,946</u>	<u>\$16,976</u>	<u>\$130,044</u>

(Concluded)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 7

**MISCELLANEOUS BOND INFORMATION — DEFEASED BONDS OUTSTANDING
AS OF AUGUST 31, 2007
(Amounts in thousands)**

Description of Issue	Year Refunded	Par Value Outstanding
BUSINESS-TYPE ACTIVITIES:		
1996 MF Series A/B (NHP Foundation)	2003	\$ 24,525,000
1997 Single Family Series A	2007	27,120,000
1997 Single Family Series D	2007	<u>9,580,000</u>
TOTAL BUSINESS-TYPE ACTIVITIES		<u>\$ 61,225,000</u>

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS —
REVENUE BOND PROGRAM**

SCHEDULE 8

**MISCELLANEOUS BOND INFORMATION — EARLY EXTINGUISHMENT AND REFUNDING
AS OF AUGUST 31, 2007**

Description of Issue	Category	Amount Extinguished or Refunded	For Refunding Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
BUSINESS-TYPE ACTIVITIES:					
1997 Single Family Series A	Advance Refunding	\$ 27,120,000	\$27,120,000	\$14,714,665	\$ 7,413,126
1997 Single Family Series A	Early Extinguishment	3,055,000			
1997 Single Family Series B	Early Extinguishment	740,000			
1997 Single Family Series D	Advance Refunding	9,580,000	9,480,000	5,197,879	2,618,649
1997 Single Family Series D	Early Extinguishment	5,125,000			
2002 Single Family Series A (Jr. Lien)	Early Extinguishment	3,685,000			
2002 Single Family Series B	Early Extinguishment	4,620,000			
2002 Single Family Series D	Early Extinguishment	310,000			
2004 Single Family Series A	Early Extinguishment	4,215,000			
2004 Single Family Series C	Early Extinguishment	1,825,000			
2005 Single Family Series A	Early Extinguishment	1,045,000			
2005 Single Family Series B	Early Extinguishment	3,040,000			
2005 Single Family Series C	Early Extinguishment	650,000			
2005 Single Family Series D	Early Extinguishment	260,000			
2006 Single Family Series A	Early Extinguishment	450,000			
2006 Single Family Series B	Early Extinguishment	535,000			
2006 Single Family Series C	Early Extinguishment	800,000			
2006 Single Family Series D	Early Extinguishment	2,055,000			
2006 Single Family Series E	Early Extinguishment	735,000			
1998 RMRB Series A	Early Extinguishment	4,695,000			
1998 RMRB Series B	Early Extinguishment	1,070,000			
1999 RMRB Series A	Early Extinguishment	850,000			
1999 RMRB Series B-1	Early Extinguishment	3,335,000			
1999 RMRB Series C	Early Extinguishment	380,000			
2000 RMRB Series A	Early Extinguishment	1,825,000			
2000 RMRB Series B	Early Extinguishment	6,580,000			
2000 RMRB Series C	Early Extinguishment	385,000			
2000 RMRB Series D	Early Extinguishment	540,000			
2001 RMRB Series A	Early Extinguishment	2,575,000			
2001 RMRB Series B	Early Extinguishment	90,000			
2001 RMRB Series C	Early Extinguishment	985,000			
2002 RMRB Series A	Early Extinguishment	2,140,000			
2003 RMRB Series A	Early Extinguishment	3,330,000			
1992 Coll Home Mtg Rev Bonds, Series C	Early Extinguishment	2,500,000			
1998 Series (Dallas-Oxford Refdg)	Early Extinguishment	10,300,000			
1993 Series A&B (Remhill/Highpt)	Early Extinguishment	11,390,000			
1998 Series (Volente)	Early Extinguishment	9,920,000			
2000 Series (Timber Point Apts)	Early Extinguishment	130,000			
2000 Series (Creek Point Apts)	Early Extinguishment	100,000			
2000 Series (Honey Creek)	Early Extinguishment	20,363,158			
2000 Series A-C (Highland Meadow Apts)	Early Extinguishment	2,399,000			
2000 Series A/B (Red Hills Villas Apts)	Early Extinguishment	10,134,381			
2001 Series A (Skyway Villas)	Early Extinguishment	575,000			
2001 Series A/B (Hillside Apts)	Early Extinguishment	100,000			
2002 Series A (Millstone Apts)	Early Extinguishment	1,710,000			
2002 Series (Clarkridge Villas Apts)	Early Extinguishment	590,381			
2003 Series A/B (Penminusla Apts)	Early Extinguishment	195,000			
2004 Series (Churchill @ Pinnacle)	Early Extinguishment	650,000			
2005 Series (Lafayette Villagae)	Early Extinguishment	14,100,000			
2005 Series (Prairie Ranch)	Early Extinguishment	5,000			
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 183,786,920	\$36,600,000	\$19,912,544	\$10,031,775

**Texas Department of
Housing and Community
Affairs — Housing
Finance Division**

**Computation of Unencumbered Fund Balances
as of August 31, 2007, and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

To the Governing Board of the
Texas Department of Housing and Community
Affairs — Housing Finance Division:

We have audited the accompanying Computation of Unencumbered Fund Balances (the "Computation") of the Texas Department of Housing and Community Affairs — Housing Finance Division (the "Division") as of August 31, 2007. The Computation is the responsibility of Division management. Our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Computation is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Computation. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Computation. We believe that our audit provides a reasonable basis for our opinion.

The Computation is presented on the basis of criteria described in Note 2 to the Computation for compliance with the provisions of Chapter 2306, Texas Government Code, Sections 2306.204 and 2306.205. The Computation is not intended to present unencumbered fund balances in accordance with accounting principles generally accepted in the United States of America. Unencumbered fund balances determined under the basis of presentation described in Note 2 may materially differ from those determined under accounting principles generally accepted in the United States of America.

In our opinion, the aforementioned Computation presents fairly, in all material respects, the unencumbered fund balances of the Division as of August 31, 2007, in conformity with the criteria specified by management of the Division for compliance with the computations described in the Texas Government Code, Sections 2306.204 and 2306.205, as set forth in Note 2 to the Computation.

This report is intended solely for the information and use of the Division's management and the Governing Board in accordance with the Texas Government Code, Sections 2306.204 and 2306.205, and is not intended to be, and should not be, used by anyone other than these specific parties.

Deloitte & Touche LLP

December 19, 2007

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

**COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(Dollars in thousands)**

	SFMRB Program	RMRB Program	CHMRB Program	M/F Program	1993 SF CHMRB Program	1994/1995 SF CHMRB Program	Commercial Paper Program	Operating Fund
BOND LIABILITIES:								
Bonds payable/commercial paper notes payable	\$1,037,085	\$310,690	\$12,400	\$1,213,299	\$ -	\$ -	\$32,869	\$ -
Accrued interest payable on bonds	<u>22,031</u>	<u>2,802</u>	<u>21</u>	<u>14,515</u>	<u> </u>	<u> </u>	<u>209</u>	<u> </u>
TOTAL	<u>\$1,059,116</u>	<u>\$313,492</u>	<u>\$12,421</u>	<u>\$1,227,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$33,078</u>	<u>\$ -</u>
ASSET TEST RATIO	102 %	102 %	102 %	100 %	100 %	100 %	100 %	- %
QUALIFYING ASSETS:								
Cash and temporary investments	\$ 62,334	\$ 7,417	\$ 792	\$ 51,683	\$ -	\$ -	\$ 26	\$16,672
Investments — at fair value	221,704	15,814	548	95,730			32,869	
Mortgage-backed securities — at fair value	744,946	293,986	13,132	46,948				
Less fair value adjustment	26,478	4,195	(546)					
Unamortized premium/discount	6,284	1,439	58					
Loans/notes receivable — net	42,463	1,302		1,213,291				3,086
Real estate owned — net	222	(1)						74
Accrued interest receivable	<u>3,512</u>	<u>1,969</u>	<u>81</u>	<u>14,190</u>	<u> </u>	<u> </u>	<u>252</u>	<u>20</u>
Subtotal	<u>1,107,943</u>	<u>326,121</u>	<u>14,065</u>	<u>1,421,842</u>	<u>-</u>	<u>-</u>	<u>33,147</u>	<u>19,852</u>
LESS RESTRICTIONS:								
Self-insurance fund	1,571	401						
Operating reserve fund	2,801	168	2	563			2	167
Debt service fund	3,638			9,910				486
Rebate payable	602	275					16	
Due to lenders/other departments	29			194,505				29
Housing assistance programs	21,450	2,507					51	16,126
Board/department restrictions								
Amounts reserved for special redemptions subsequent to August 31, 2007	<u>3,738</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u>33,829</u>	<u>3,351</u>	<u>2</u>	<u>204,978</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>16,808</u>
Total qualifying assets less restrictions	1,074,114	322,770	14,063	1,216,864			33,078	3,044
LESS ASSET TEST REQUIREMENT	1,080,298	319,762	12,669	1,227,814			33,078	
AMOUNT NEEDED TO MEET ASSET TEST REQUIREMENT	<u>6,184</u>	<u> </u>	<u> </u>	<u>10,950</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
UNENCUMBERED FUND BALANCES	<u>\$ -</u>	<u>\$ 3,008</u>	<u>\$ 1,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,044</u>

See accompanying independent auditors' report and accompanying notes to the computation.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS — HOUSING FINANCE DIVISION

NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES AS OF AUGUST 31, 2007 (DOLLARS IN THOUSANDS)

1. BACKGROUND OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

General Statement — The Texas Department of Housing and Community Affairs (the “Department”) was created effective September 1, 1991, by an act of the 72nd Texas Legislature, pursuant to Senate Bill 546 (subsequently codified as Chapter 2306, Texas Government Code) (the “Department Act”), passed by the Texas Legislature on May 24, 1991, and signed by the Governor of the State of Texas. Effective September 1, 1991, the Department was established to assist local governments in helping residents overcome financial, social, and environmental problems; to address low- to moderate-income housing needs; to contribute to the preservation and redevelopment of neighborhoods and communities; to assist the Governor and the Legislature in coordinating federal and state programs affecting local governments; and to continually inform the State and the public about the needs of local government. The Department was created by merging two former agencies: the Texas Housing Agency and the Texas Department of Community Affairs.

The Department is governed by a Governing Board composed of seven members appointed by the Governor with advice and consent of the Senate. The Department is administered by an Executive Director to be employed by the Board with the approval of the Governor. The Department is authorized to issue tax-exempt or taxable bonds, notes, or other obligations to finance or refinance multifamily housing developments and single-family residential housing. Bonds and notes of the Department do not constitute a debt of the State or any political subdivision thereof. The Department Act specifically provides for the assumption by the Department of the outstanding indebtedness of the former agencies. The Housing Finance Division (the “Division”) of the Department is required to continue to carry out all covenants with respect to any bonds outstanding, including the payments of any bonds from the sources provided in the proceedings authorizing such bonds. The Department Act requires a portion of the unencumbered fund balances, as defined, of the Division of the Department to be transferred to the Housing Trust Fund from the bond programs should certain conditions be met.

The Division operates several bond programs under separate trust indentures, as follows:

General — Single-Family — Since 1979, the year of creation of the Texas Housing Agency (the “Agency”), a predecessor to the Department, through August 31, 2007, the Agency or the Department has issued 27 series of Residential Mortgage Revenue Bonds, 50 series of Single-Family Mortgage Revenue Bonds, 4 series of Junior Lien Single-Family Mortgage Revenue Refunding Bonds, 10 series of GNMA/FNMA Collateralized Home Mortgage Revenue Bonds, 11 series of Collateralized Home Mortgage Revenue Bonds, and 2 series of Government National Mortgage Association (GNMA) Collateralized Home Mortgage Revenue Bonds. As of August 31, 2007, the outstanding principal amount of bonded indebtedness of the Department for single-family housing purposes was \$1,360,175.

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

General — Multifamily — The Department and the Agency have issued 187 multifamily housing revenue bonds, which have been issued pursuant to separate trust indentures and are secured by individual trust estates, which are separate and distinct from each other. As of August 31, 2007, 181 series were outstanding, with an aggregate outstanding principal amount of \$1,213,299.

Single-Family Mortgage Revenue Bonds (SFMRBs) — The Department has issued 50 series of SFMRBs under a SFMRB Trust Indenture, dated as of October 1, 1980, and 54 indentures supplemental thereto, which are secured on an equal and ratable basis by the trust estate established by the SFMRB Indenture. As of August 31, 2007, 22 series were outstanding, with an aggregate outstanding principal amount totaling \$1,027,545.

Junior Lien Bonds — The Department has issued four series of its Junior Lien SFMRBs (the “Junior Lien Bonds”) pursuant to a Junior Lien Trust Indenture, as supplemented by the First Supplemental Junior Lien Trust Indenture and the Second Supplemental Junior Lien Trust Indenture, each dated as of May 1, 1994, the Third Supplemental Junior Lien Trust Indenture dated as of March 27, 2002; and the Fourth Supplemental Junior Lien Trust Indenture dated as of April 1, 2004, by and between the Department and J.P. Morgan Trust Company, Texas, NA, as trustee. The Junior Lien Bonds are secured on an equal and ratable basis with each other and on a subordinated basis to the SFMRBs by the trust estate held under the SFMRB Indenture. As of August 31, 2007, two series are outstanding, with an aggregate outstanding principal of \$9,540.

Residential Mortgage Revenue Bonds (RMRBs) — As of August 31, 2007, the Department has issued 27 series of RMRBs pursuant to the RMRB Trust Indenture and 24 separate series supplements, which are secured on an equal and ratable basis by the trust estate established by the RMRB Indenture. As of August 31, 2007, 15 series were outstanding, with an aggregate outstanding principal amount of \$310,690.

Collateralized Home Mortgage Revenue Bonds (CHMRBs) — The Department has issued 11 series of CHMRBs pursuant to the CHMRB Master Indenture and six separate series supplements, which are secured on an equal and ratable basis by the trust estate established by such trust indentures. As of August 31, 2007, 1 series of CHMRBs was outstanding, with an aggregate outstanding principal amount of \$12,400.

Single-Family Collateralized Home Mortgage Revenue Bonds — 1993 (“SFCHMRB — 1993”) — The Department has issued five series of SFMRBs under a GNMA/FNMA SFMRB Trust Indenture dated as of November 1, 1993, amended as of February 1, 1995, by and between the Department and J.P. Morgan Trust Company, Texas, NA, as trustee. As of August 31, 2007, no series of the SFCHMRB — 1993s was outstanding.

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

Single-Family Collateralized Home Mortgage Revenue Bonds — 1994 (“SFCHMRBs — 1994”) — The Department has issued three series of SFCHMRBs in 1994 and 1995 under a GNMA/FNMA SFCHMRB Master Trust Indenture dated as of November 1, 1994, supplemented by a First Supplemental GNMA/FNMA CHMRB Trust Indenture dated as of November 1, 1994, as amended as of February 1, 1995, by and between the Department and J.P. Morgan Trust Company, Texas, NA, as trustee. As of August 31, 2007, no series of the SFCHMRBs — 1994 was outstanding.

Single-Family Collateralized Home Mortgage Revenue Bonds — 1995 (“SFCHMRBs — 1995”) — The Department has issued two series of single family mortgage revenue refunding bonds in 1995 for the purpose of refunding certain notes that previously refunded certain bonds outstanding, under a GNMA/FNMA CHMRB Master Trust Indenture, First Supplemental GNMA/FNMA Collateralized Home Mortgage Revenue Bond Trust Indenture and Second Supplemental GNMA/FNMA CHMRB Trust Indenture, each dated as of November 1, 1994, each amended as of February 1, 1995, and each by and between the Department and J.P. Morgan Trust Company, Texas, NA, as trustee. As of August 31, 2007, no series of SFCHMRBs — 1995 was outstanding.

Housing Trust Fund — The Department Act provided for a transfer of a portion of the unencumbered fund balance from the bond programs for use in the Housing Trust Fund. The fund will be used to provide assistance for low- and very-low-income persons and families in financing, acquiring, rehabilitating, and developing affordable, decent, and safe housing. The fund will be made available to local units of government, public housing authorities, the Department, community housing development organizations, and nonprofit organizations, as well as eligible low- and very-low-income individuals and families.

Commercial Paper Notes — By resolution adopted November 10, 1994, the Department’s Governing Board has authorized the issuance of two series of commercial paper notes: its Single-Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes, Series A, and its Single-Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes, Series B (the “Notes”). Pursuant to the resolution, the Department is authorized to issue the Notes in an aggregate principal amount not to exceed \$75,000 outstanding. On December 31, 2005, the Department was temporarily authorized to increase in aggregate principal amount of the notes to \$200,000 from \$75,000 for the purpose of warehousing a new volume cap. The authorization expired December 31, 2006 and the Department currently has \$32,869 commercial paper notes outstanding. Proceeds of the initial issuance of the Notes and of future issues not issued to refund outstanding Notes will be used to redeem certain of the Department’s single-family mortgage revenue bonds, which are subject to redemption as a result of the receipt by the Department of prepayments of the related underlying mortgage loans. Such prepayments may, at a future date, be recycled into new mortgage loans by the Department. The commercial paper notes are being issued in anticipation of the issuance of refunding bonds that will refund the Notes.

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

2. BASIS OF PRESENTATION

Management of the Department has determined the following criteria and definitions should be used in the computation of unencumbered fund balances specified by the Department Act, Texas Government Code, Sections 2306.204 and 2306.205. These criteria and definitions were determined based on the requirements of the bond trust indentures, the Board's designated purposes, and financial advisors' recommendations for credit rating purposes.

Definition of Unencumbered Fund Balance — The bond trust indentures of the Department include certain restrictions and encumbrances on Department assets for the benefit, protection, and security of the owners of the outstanding Department bonds. In addition, the Department's financial advisor has recommended that additional restrictions be maintained in the determination of unencumbered fund balance for ensuring the maintenance of parity over the immediate future.

The unencumbered fund balances of the Department represent qualifying assets less restrictions in excess of a percentage (the "Asset Test Ratio") of the total bond liabilities specified in the respective bond trust indentures. Unencumbered fund balances cannot be less than zero.

Generally, the unencumbered fund balances cannot be distributed or utilized except when certain conditions have been met within the bond trust indentures, including filing of a statement of projected revenues that projects that anticipated cash flows will be sufficient to pay Department expenses of the Division — Revenue Bond Enterprise Fund and aggregate debt service through the maturity of the bonds and to maintain all other reserve fund requirements of the respective bond trust indentures.

Total Bond Liabilities — The following represents the amounts included in determination of total bond liabilities:

- The bonds and commercial paper notes payable represent the contractual balance of bonds and commercial paper notes outstanding at August 31, 2007. Where the bonds are concerned, the amount excludes unamortized bond premiums or discounts.
- Accrued interest on bonds and commercial paper notes payable represents contractual interest due on outstanding balances at August 31, 2007.

Asset Test Ratio — This represents the ratio in excess of total bond liabilities considered necessary by the respective bond trust indentures.

Asset Test Requirement — This represents the encumbered qualifying assets considered necessary by the respective bond trust indentures. These amounts are calculated by multiplying the total bond liabilities by the Asset Test Ratio for the related programs.

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

Qualifying Assets — Qualifying assets exclude deferred issuance costs, deferred commitment fees, other assets, and the interfund receivables (payables). The following is a summary of amounts considered to be qualifying assets in determination of unencumbered fund balance by the respective bond trust indentures and the bond rating agencies:

- Cash, cash equivalents, and investments are included at fair value.
- Fair value adjustment represents the adjustment to eliminate the unrealized gain or loss in investments marked to fair value, since these funds are not currently available.
- Mortgage-backed securities are included at fair value. Deferred commitment fees are excluded.
- Unamortized premium/discount represents adjustment to value investments at par.
- Loans are included at their current contractual balances outstanding, net of the estimated allowance for estimated loan losses. Deferred commitment fees are excluded.
- Real estate owned is included at the carrying amount, net of the allowance for estimated losses.
- Accrued interest receivable is included at the contractual balances of accrued interest on investments, mortgage-backed securities, and loans.

Restrictions — The restrictions represent amounts to be deducted from qualifying assets for amounts required by the respective bond trust indentures, other Governing Board-designated purposes, or recommendations by the Department's financial advisors in the determination of unencumbered fund balance. The restrictions consist of the following:

- Self-insurance fund represents a required fund within the single-family and RMRB programs that is restricted for losses on self-insured loan pool programs.
- Operating reserve fund represents a restriction of approximately six months' operating expenses of the related bond programs. The single-family operating reserve also includes an estimate for 2007 cost of issuance.
- Debt service fund represents qualifying assets restricted for debt service requirements by the respective bond trust indentures.
- Rebate payable represents a restriction for amounts calculated to be payable under the rebate rules of the U.S. Treasury.
- Amounts due to lenders/other funds represent qualifying assets that are due to lenders under the bond trust indentures, as well as due to other Department funds, and are not available for any other purposes.

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

- Amounts reserved for Housing Assistance Programs represent amounts that are restricted for certain Department programs as designated by the Governing Board and respective bond trust indentures and, therefore, are not available for any other purpose as of August 31, 2007.
- Board/Department restrictions represent funds designated for a specific purpose by either Board action or management decision.
- Amounts reserved for special redemptions subsequent to August 31, 2007, represent amounts calculated for the redemption of bonds (debt service) according to provisions stipulated in each bond series' respective supplemental indenture.

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

A summary of the restrictions within the Housing Assistance Programs is as follows:

	Single- Family Program
Mortgage/housing development:	
Down Payment Assistance Program	\$ 979
REO Foreclosure Expense for Special Loan Programs	47
1991 Series A — Self-help/HCA&IL Program	377
1996 Series A-C Special Mortgage Loan Fund (designated for P68)	338
1996 Series D&E Special Mortgage Loan Fund (designated for P68)	520
1997 Series D-F Special Mortgage Loan Fund (designated for P68)	216
2002 Jr. Lien Bootstrap	418
2002 A-C Special Mortgage Loan Fund	245
2002 A-C Servicing Release Premium Fund (designated for SF Debt Service)	11
2004 Series AB SRP Fund (designated for SF Debt Service)	1,104
2004 CDE Special Mortgage Loan Fund	1,497
2004 Series CDE SRP Fund (designated for SF Debt Service)	714
2005 Series A SRP Fund (designated for SF Debt Service)	1,122
2005 BCD Mortgage Loan Account (designated for P66)	3
2006 ABC Down Payment Assistance Fund	1,711
2006 FGH Down Payment Assistance Fund	655
2007 A Down Payment Assistance Fund	2,104
2007 A Special Mortgage Loan Fund (designated for P70 and P71)	<u>9,389</u>
	<u>\$ 21,450</u>
RMRB Program	
1998 A/B RMRB Special Mortgage Loan Fund	\$ 1,148
2000 B-E Servicing Release Premium Fund (designated for RMRB Debt Service)	619
2001 A-C RMRB Servicing Release Premium Fund (designated for RMRB Debt Service)	88
2001 ABC Special Mortgage Loan Fund (designated for bond redemption)	465
2001 DE Special Mortgage Loan Fund (designated for bond redemption)	145
2002 A Servicing Release Program Fund (designated for RMRB Debt Service)	1
2003 A Servicing Release Program Fund (designated for RMRB Debt Service)	<u>41</u>
	<u>\$ 2,507</u>

**NOTES TO THE COMPUTATION OF UNENCUMBERED FUND BALANCES
AS OF AUGUST 31, 2007
(DOLLARS IN THOUSANDS)**

As of August 31, 2007, the following additional restrictions existed:

	Commercial Paper Program and Operating Fund
Pending arbitrage computation	\$ 51
Residual — CMO Defeasance	708
90 CHMRB/Colonias Contract for Deed	637
90 CHMRB/Colonias Contract for Deed — Interest	200
90 CHMRB/Colonias Contract for Deed (SB 867 Reserve)	401
Bond Refinancing Residuals/Bootstrap	239
Arkansas Development Finance Authority/Below Market Interest Rate Program	838
Multi-Family Housing Preservation	412
Bond Programs/COI	437
Colonias project/bond contingency reserve	3,434
Future operating and general contingencies	2,870
2003 Mortgage Credit Certificate Program	996
Bond Programs/Marketing	185
94 SF CHMRB Residual/Bootstrap	751
2005 CitiMortgage Market Rate Program	56
Below Market Interest Rate Program/Asset Management	140
M/F bond issuance fees reserved for HTF and/or other program use	<u>3,822</u>
	<u>\$ 16,177</u>

* * * * *

***Texas Department of
Housing and
Community Affairs***

*Report to Management for the
Year Ended August 31, 2007*



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December 19, 2007

To the Governing Board of
Texas Department of Housing and Community Affairs:

Dear Members of the Board of Directors:

In planning and performing our audit of the basic financial statements of the Texas Department of Housing and Community Affairs (the "Department") as of and for the year ended August 31, 2007 (on which we have issued our report dated December 19, 2007), in accordance with auditing standards generally accepted in the United States of America, we considered the Department's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, in connection with our audit, we identified, and included in the attached Exhibit, control deficiencies and other matters related to the Department's internal control over financial reporting as of August 31, 2007, that we wish to bring to your attention.

The definitions of a control deficiency, a significant deficiency, and a material weakness are set forth in the Section III of the attached Exhibit.

Although we have included management's written response to our comments in the attached Exhibit, such responses have not been subjected to the auditing procedures applied in our audit and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

A description of the responsibility of management for establishing and maintaining internal control over financial reporting and of the objectives of and inherent limitations of internal control over financial reporting, is set forth in the attached Appendix and should be read in conjunction with this report.

This report is intended solely for the information and use of management, the Governing Board and others within the Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

Member of
Deloitte Touche Tohmatsu

Our observations concerning control deficiencies and other matters related to operations, compliance with laws and regulations, and best practices involving internal control over financial reporting that we wish to bring to your attention are as follows:

SECTION I – CONTROL DEFICIENCIES

GENERAL COMPUTER CONTROLS OBSERVATIONS

Oracle Security and Data Updates – PeopleSoft / Oracle

Observation — The Oracle DBA and PeopleSoft support teams utilize a shared super user account to perform administrative activities. Accountability can not be established by using these shared accounts. Actions taken using these accounts can not be tied back to an individual user. These accounts are assigned to the DEFAULT profile, which does not allow for secure password parameters (periodic password changes, maintaining password history, enforcing password history, etc.).

Additionally, default passwords have not been changed for the accounts OUTLN and SYSADM for the PeopleSoft and Oracle systems.

The PeopleSoft support team also makes changes directly to financial data stored in the Oracle database (without going through the application interface). These changes are requested by business users and entered into the database via the SYSADM account in Oracle, which, as previously mentioned, is shared by the PeopleSoft support team. There is not a way to produce a system report of all data changes made for the period.

Recommendation — Individual super user accounts should be used to establish accountability. In addition, all user accounts should be assigned to a profile other than the DEFAULT profile, with strong password and security settings. The default passwords for OUTLN and SYSADM should be changed.

As it relates to data updates, individual user accounts should be used to make changes directly to the financial data. This allows for accountability when changes are made. In addition, all requests by the business to allow IT support to make data changes should be written, maintained and monitored for appropriateness.

Management's Response — In October 2007, the Information Systems Division (ISD) created individual super user accounts for the Oracle DBA and PeopleSoft administrators. The PeopleSoft administrators now use these accounts to make direct data updates requested by the Financial Administration Division. Per SOP 1264.08, "Requesting IS Services," management or team leader approval is required through email and this email is copied into the associated work order.

By January 31, 2008, these accounts will be assigned to custom profiles that follow the agency's standard password parameters. Also by January 31, 2008, most PeopleSoft system changes and related Oracle database changes will be performed using individual accounts. In limited cases where the SYSADM account is required, staff will request and receive ISD management approval to use the SYSADM account through email in advance of making the changes and will paste the text from the email into a work order to document approval.

The OUTLN account was locked on September 20, 2007. Because several Integrated Statewide Accounting Systems (ISAS) interfaces and other custom Texas features depend on the SYSADM account and password, ISD is currently performing extensive testing prior to modifying the SYSADM password. This password will be changed by January 31, 2008.

Mitas Vendor Access / Change Management

Observation — The Mitas application is supported by a third party vendor, and a formal policy has been created for granting the vendor temporary access to the system. However, there is no formal documentation that can evidence management approval and successful testing within a test environment before a change is made by the vendor in the production environment.

Recommendation — Emails or other formal documentation should be retained to evidence testing and approvals for all production changes to the Mitas application.

Management's Response — On December 18, 2007, the Information Systems Division (ISD) created a shared email folder to house correspondence related to Mitas system access, testing, and software changes. Mitas system users and ISD staff are able to copy email correspondence to this folder. By January 31, 2008, the Financial Administration Division and ISD will update the applicable written procedures to include the exact process for using the folder to document management approval and successful testing of vendor changes.

Network and Systems Software Change Management (Windows, UNIX, Firewall, Network Components)

Observation — Policies have been created to govern network and systems software change management. However, the policies do not require that documentation be created and maintained for each change to document management's approval (with the exception of changes to the firewall).

Recommendation — Changes made to network and operating systems software should be documented. Documentation should evidence testing and approvals of changes made.

Management's Response — On December 18, 2007, management updated SOP 2264.14, "Network Change Procedures," with the following text 1) to further clarify the levels of authorization that the Director of Information Systems has granted to the agency's Network Administrator, Unix Administrator, and Database Administrator and 2) to establish the Unix, Windows, and Cisco Change Log.

SOP 2264.14, Section 3.2: "The Information Systems Director has delegated the authority to test, approve, and implement installation and configuration changes to server and network hardware and software as follows:

- Position authorized to test/approve/implement changes to Windows servers: Network Administrator.
- Positions authorized to test/approve/implement changes to Unix servers: Unix Administrator and Network Administrator.
- Position authorized to test/approve/implement changes to Cisco network hardware/software: Network Administrator.
- Position authorized to test/approve/implement changes to Oracle software: Database Administrator."

SOP 2264.14, Section 4.1: "Changes to Windows and Unix servers and Cisco networking hardware/software will be logged in 'unix_windows_server_cisco_change_log.xls' located at: [network path removed]. The 'readme.txt' file in the same folder lists the types of changes that will be logged."

SECTION II –OTHER MATTERS AND STATUS OF PRIOR-YEAR OBSERVATIONS

RECENTLY ISSUED GOVERNMENT ACCOUNTING STANDARDS BOARD (“GASB”) STATEMENTS

GASB 45: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Observation — The GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which will be effective for the department in the fiscal year ending August 31, 2008. GASB 45 establishes standards for the measurement, recognition, and display of other postemployment benefits, expense/expenditures, related liabilities, and note disclosures in the financial statements of state and local governments.

GASB 47: Accounting for Termination Benefits

Observation — The GASB issued Statement No. 47, *Accounting for Termination Benefits*. This is effective for the department in two parts: (1) for those benefits that relate to other postemployment benefits, the department is to implement at the same time as GASB 45 and (2) for other termination benefits, in the current fiscal year for the Department. This statement defines the accounting for voluntary and involuntary termination benefits (i.e., early retirement incentives).

GASB 48: Sales and Pledges of Receivables and Future Revenues and Intraentity Transfers of Assets and Future Revenues

Observation — The GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria that governments use to ascertain whether the proceeds received should be reported as revenue or as a liability. The statement is effective for the department beginning in fiscal year 2008.

GASB 49: Accounting and Financial Reporting for Pollution Remediation Obligations

Observation — GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, was also issued and is effective for the Department beginning in fiscal year 2009. This statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation and be required to estimate its expected outlays for pollution remediation if it knows a site is polluted.

GASB 50: Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27

Observation — GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, was also issued and is effective for the Department beginning in fiscal year 2009. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB 51: Accounting and Financial Reporting for Intangible Assets

Observation — GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, was also issued and is effective for the Department beginning in fiscal year 2010. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets.

GASB 52: Land and Other Real Estate Held as Investments by Endowments

Observation — GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, was also issued and is effective for the Department beginning in fiscal year 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

Recommendation — Begin reviewing GASB Statement Nos. 45, 47, 48, 49, 50, 51 and 52 and their implications to determine the potential impact on the TDHCA's financial statements.

Management's Response — Management will proactively review GASB Statement Nos. 45, 47, 48, 49, 50, 51, and 52 for their potential implications for TDHCA's financial statements.

STATUS OF PRIOR-YEAR OBSERVATIONS

BUSINESS CYCLE CONTROLS OBSERVATIONS

Controls Related to Other Assets

Observation — In 2006, the department implemented an enhancement to its accounts receivable module in MITAS. We noted in testing certain accounts for administration fees that the “due from developer” accounts were overstated and the “due to developer” accounts were understated. It was noted that there was an oversight in the closeout procedures when changing from a manual process to an electronically-initiated process with the MITAS upgrade. Because of the shift in focus to the automated system, there was no closeout of the manual amounts that had been previously recognized and the other asset account and other liabilities account were misstated.

Recommendation — Prepare timely reconciliations and closeouts of the properties that record “due from developer” and “due to developer” amounts to ensure amounts are proper. TDHCA should also ensure that in the event of a change in an accounting process, whether automated or manual, accounting staff continue to perform reconciliations and proper closeouts on balances and accounts related to the old system.

Management's Response — Since transferring the accounting of the administration fee receivable to the account receivable subsidiary ledger in MITAS, the controls established enable the Department to have a more accurate accounting and recognition of administration fees. A reconciliation process has been established to ensure the general ledger and the subsidiary ledger agrees. In addition, the accounting of these fees in MITAS allows for the Department to ensure that invoices billed and payments received are complete and valid.

Status — This issue has been resolved as of fiscal year-end 2007.

Reference Check Policies and Procedures

Observation — It was noted that TDHCA has an in-house policy regarding reference checks for employees hired. It was noted that in one instance there was not appropriate documentation of the reference check being performed. Without such documentation, there is no evidence that the policy was adhered to.

Recommendation — TDHCA should ensure that all reference check policies and procedures are properly adhered to and documented in employee files.

Management's Response — In this one instance it should be noted that reference checks were not conducted in line with the policy due to a communication breakdown among staff. The Human Resources staff did go back and conduct employment verification and this information has been noted in the employee's file as requested by the audit team. TDHCA will continue to conduct reference checks for employees hired based on the in-house policy.

Status — This issue has been resolved as of fiscal year-end 2007.

GENERAL COMPUTER CONTROLS OBSERVATIONS

Password Parameters (PeopleSoft)

Observation — It was noted that password parameters (i.e., length, expiration) in the PeopleSoft application are not configured or enforced. It was noted the current, default password length is one, alpha character. It was also noted that the current version of PeopleSoft (7.02) does not support this functionality.

Recommendation — As the current version of the PeopleSoft application does not support password parameters to be configured systemically, management should consider implementing a mitigating, manual control to communicate to users specified password standards that should be used (i.e., expected password expiration, password length). The lack of password criteria or standards increase the risk a password may be guessed or obtained by an unauthorized individual and used to gain access to the system.

Management's Response — Management is restricted by password configuration limitations in the current version of CSAS (PeopleSoft Financials version 7.02). The department plans to implement PeopleSoft Financials 8.8 in March 2007 and will be able to enforce stronger password controls, such as password length and periodic expiration. Version 7.02 will remain available for historical lookup; however, it will no longer be used for transaction processing or interfacing financial data with Comptroller's Office systems.

Status — TDHCA deployed PeopleSoft Financials 8.8 on April 6, 2007. On April 20, 2007, stronger password controls such as password length and periodic expiration were implemented in the new system, and through a system setting all PeopleSoft users were required to change their password on next login.

Change Management — PeopleSoft and Segregation of Duties

Observation — It was noted that for the two application changes made to PeopleSoft, documentation was provided to evidence communication between the PeopleSoft administrator and the end users involved with the change. However, TDHCA was unable to provide documentation to evidence management approval and successful testing within a testing environment prior to movement to production.

In addition, it was noted that TDHCA has one PeopleSoft administrator with access to both the development and production environments.

Recommendation — Management should develop formal policies and procedures that detail the testing procedures required to be performed for changes made to the PeopleSoft application. Additionally, management should indicate what types of supporting documentation should be maintained, and how long it should be maintained. Management should consider implementing formal internal auditing processes to verify that the testing policies and procedures are being complied with. Required approval procedures by a supervisor should be established to ensure that all changes moved into production are authorized and adequately tested.

Further, management should ensure that access to information resources is restricted based upon job responsibilities to help enforce proper segregation of duties and reduce the risk of unauthorized systems access. Programmers should generally be limited to accessing only the information specifically required to complete their assigned systems development projects, and expressly prohibited from directly accessing production software and data information.

Management's Response — Although Information Systems Division (ISD) did maintain a thorough e-mail trail documenting these two coding changes, the Software Change Acceptance form was not completed with appropriate signatures. TDHCA SOP 1264.08, "Requesting IS Services," states, "The Software Change Acceptance form will be completed for all software changes moved from development to production environments."

Management has discussed these two exceptions and the need to follow established software change management procedure with appropriate ISD employees and will continue to monitor compliance.

Because of the size of the Department's ISD and the number of systems supported, the two PeopleSoft Financials system administrators also perform development functions.

The department currently uses a third-party process to monitor the movement of changes to system code to production environments for all agency development platforms, including PeopleSoft Financials. SOP 1264.08, "Requesting IS Services," defines this process, and the Software Change Acceptance form is used to document approvals.

In addition to the existing control described above, in May 2007 management will implement a PeopleSoft object change report to be reviewed by the Director of Information Systems on a monthly basis. The report will list all instances where PeopleSoft code is changed in the production environment. The Director of Information Systems will reconcile the report to completed Software Change Acceptance forms to ensure that all changes are authorized.

Status —TDHCA implemented the PeopleSoft Object Change report in June 2007, and management is now reviewing it on a monthly basis.

SECTION III –DEFINITIONS

The definitions of a control deficiency, a significant deficiency, and a material weakness that are established in AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, are as follows:

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in *design* exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in *operation* exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

* * * * *

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, INTERNAL CONTROL OVER FINANCIAL REPORTING

The following comments concerning management's responsibility for internal control over financial reporting and the objectives and inherent limitations of internal control over financial reporting are adapted from auditing standards generally accepted in the United States of America.

Management's Responsibility

The Department's management is responsible for the overall accuracy of the financial statements and their conformity with generally accepted accounting principles. In this regard, management is also responsible for establishing and maintaining effective internal control over financial reporting.

Objectives of Internal Control Over Financial Reporting

Internal control over financial reporting is a process affected by those charged with governance, management, and other personnel and designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control over the safeguarding of assets against unauthorized acquisition, use, or disposition may include controls related to financial reporting and operations objectives. Generally, controls that are relevant to an audit of financial statements are those that pertain to the entity's objective of reliable financial reporting (i.e., the preparation of reliable financial statements that are fairly presented in conformity with generally accepted accounting principles).

Inherent Limitations of Internal Control Over Financial Reporting

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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FINANCIAL ADMINISTRATION DIVISION

BOARD ACTION REQUEST

January 31, 2008

Report Item

1st Quarter Investment Report

Required Action

Presentation of the Department's 1st Quarter Investment Report

Background

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and fair value at the beginning and end of the quarter.
- Overall, the portfolio carrying value increased by \$98,035,229 (See Page 1) for a total of \$1,756,214,923. There was one new Single Family bond issuance in the amount of \$157 million during the 1st quarter. The Single Family Mortgage Revenue Bond indenture paid \$23.1 million in principal and \$22 million in interest and the multi-family issues paid \$13.2 million in principal during the first quarter. The remaining difference is accounted for by construction draws made by multi-family projects currently under construction.

The portfolio consists of (See Page 4):

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
Mortgage Backed Securities (MBS)	67%	69%
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	23%	25%
Repurchase Agreements	7%	4%
Other (Cd's, MM's, T-Bonds)	3%	2%

The 2% increase in MBS is a result of purchases which represent newly originated loans being pooled and converted into securitized investments. The 2% increase in GIC/IA is a result of a new Single Family issue and the reinvestment of repayments on the MBS. The 3% decrease in Repurchase Agreements is a result of the debt service payments paid by the single family indenture in September 2007. The 1% decrease in Other Investments is primarily a result of multi-family construction draws.

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

- \$95,998,230 of MBS purchases during the quarter represent portfolio activity for new loans originated.
- The maturities in MBS this quarter were \$20,582,531 which represents loan payoffs. The table below shows a strong trend in new loans and loan payoffs.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
	FY 07	FY 07	FY 07	FY 07	FY 08	Total
Purchases	104,944,001	67,807,964	69,683,755	68,725,501	95,998,230	407,159,451
Sales						
Maturities	19,396,370	19,795,687	32,196,447	21,031,442	20,582,531	113,002,477

- The fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) increased \$27,360,932 (See Pages 1 and 5) decreasing the difference between fair value and carrying value (the Department's acquisition cost of its financial instruments net of amortization) with fair value being less. The national average for a 30-year fixed mortgage as reported by HSH Associates Financial Publishers (a national clearinghouse of mortgage data) was 6.56% for the end of November down from 6.96% at the end of August. The spread between the market rate and our below-market rates is decreasing.
- This change in market value is to be expected. It is reflective of the overall change in the bond market as a whole.
- Since we typically hold our investments to maturity, this quarter's results are referred to as an unrealized gain.
- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.
- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are not part of a public funds investment report. The next page is an additional analysis prepared by the Bond Finance group (it is not part of the PFIA report). This report shows parity (ratio of assets to liabilities) by indentures with assets greater than liabilities in a range from 102.80% to 113.19% which would indicate the Department has sufficient assets to meet its obligations. This is considered strong by rating agencies. The interest comparison shows interest income greater than interest expense by indenture and indicates a current positive cash flow.

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of November 30, 2007

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:					
PARITY ASSETS					
Cash	\$ 190,862	\$ -	\$ -	\$ 661,416	\$ 852,278
Investments	\$ 310,053,616	\$ 31,386,427	\$ 1,817,067	\$ 160,549,108	\$ 503,806,218
Mortgage Backed Securities	\$ 859,469,563	\$ 292,917,978	\$ 12,128,508		\$ 1,164,516,050
Loans Receivable	\$ 40,898,328	\$ 1,115,298	\$ -	\$ 1,199,338,164	\$ 1,241,351,790
Accrued Interest Receivable	\$ 7,156,039	\$ 2,207,782	\$ 83,074	\$ 14,197,161	\$ 23,644,056
TOTAL PARITY ASSETS	\$ 1,217,768,408	\$ 327,627,485	\$ 14,028,649	\$ 1,374,745,849	\$ 2,934,170,392
PARITY LIABILITIES					
Bonds Payable	\$ 1,171,030,000	\$ 310,690,000	\$ 12,400,000	\$ 1,200,105,066	\$ 2,694,225,066
Accrued Interest Payable	\$ 13,523,094	\$ 7,006,182	\$ 70,315	\$ 14,409,944	\$ 35,009,535
TOTAL PARITY LIABILITIES	\$ 1,184,553,094	\$ 317,696,182	\$ 12,470,315	\$ 1,214,515,010	\$ 2,729,234,601
PARITY DIFFERENCE	\$ 33,215,314	\$ 9,931,303	\$ 1,558,334	\$ 160,230,839	\$ 204,935,791
PARITY	102.80%	103.13%	112.50%	113.19%	107.51%
INTEREST COMPARISON (For the Third Fiscal Month) :					
INTEREST INCOME					
Interest & Investment Income	\$5,155,208	\$1,473,469	\$79,000	\$5,737,300	\$12,444,977
TOTAL INTEREST INCOME	\$5,155,208	\$1,473,469	\$79,000	\$5,737,300	\$12,444,977
INTEREST EXPENSE					
Interest on Bonds	\$4,643,383	\$1,397,140	\$69,622	\$5,733,982	\$11,844,127
TOTAL INTEREST EXPENSE	\$4,643,383	\$1,397,140	\$69,622	\$5,733,982	\$11,844,127
NET INTEREST	\$511,825	\$76,329	\$9,378	\$3,318	\$600,850
INTEREST RATIO	111.02%	105.46%	113.47%	100.06%	105.07%

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

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING November 30, 2007**

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING November 30, 2007

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


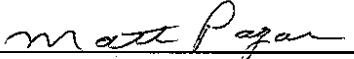
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending November 30, 2007

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

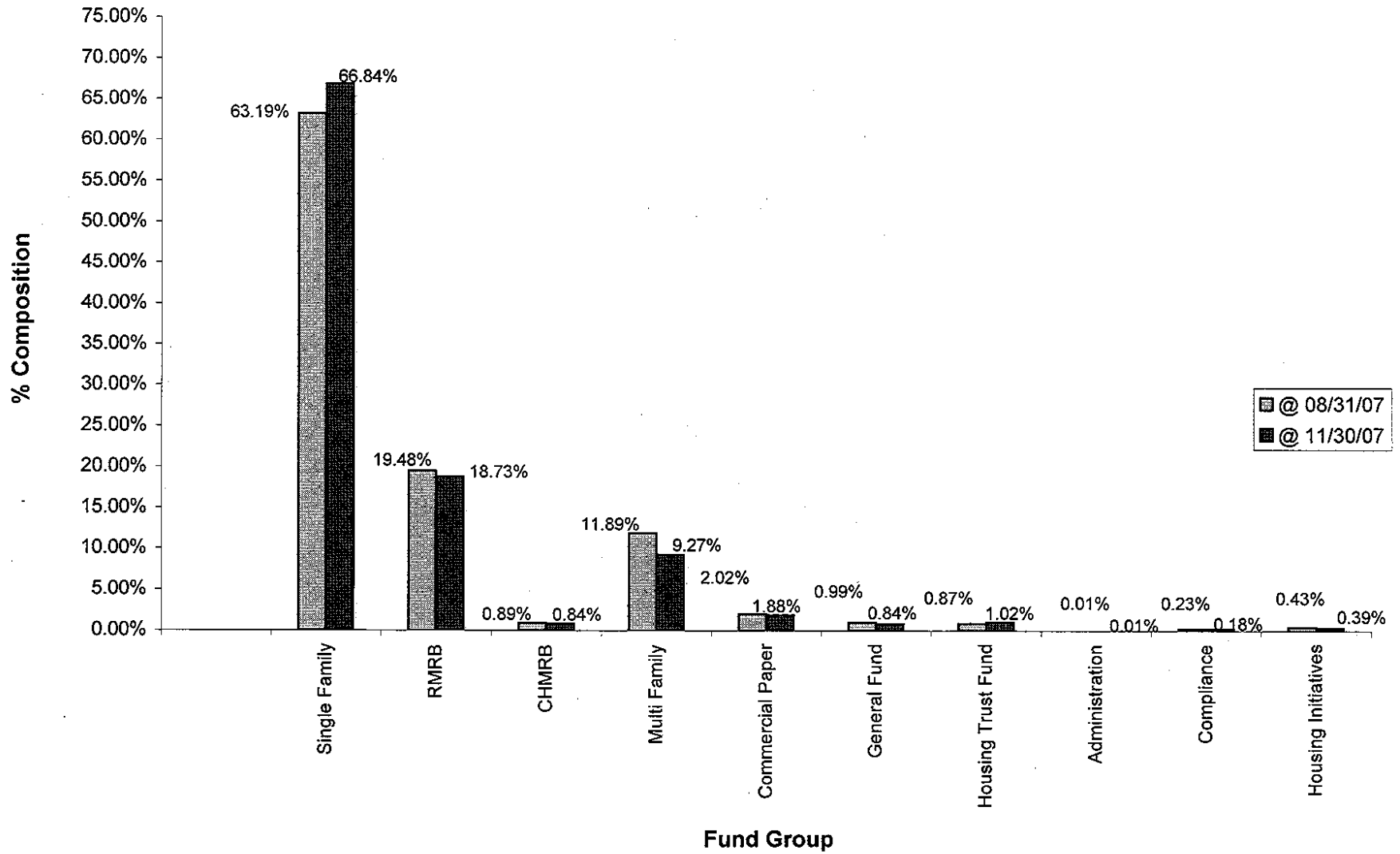
INDENTURE	FAIR VALUE (MARKET) @ 08/31/07	CARRYING VALUE @ 08/31/07	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 11/30/07	FAIR VALUE (MARKET) @ 11/30/07	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT REC'VBL @ 11/30/07	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS					
Single Family	1,028,731,704.69	1,055,209,888.78	280,367,710.43	(144,014,022.79)	(13,357,588.99)	0.00	1,178,205,987.43	1,172,052,772.47	20,324,969.13	7,036,116.00	0.00
RMRB	317,216,377.15	321,411,394.76	15,570,311.37	(4,661,666.23)	(6,628,001.18)	0.00	325,692,038.72	328,361,913.67	6,864,892.56	2,186,433.00	0.00
CHMRB	14,472,845.33	13,926,504.77	875,767.40	(293,863.38)	(511,867.28)	0.00	13,996,541.51	14,713,952.55	171,070.48	83,074.00	0.00
Multi Family	193,500,462.79	193,500,462.79	15,308,782.07	(46,176,732.52)	(85,073.13)	0.00	162,545,439.21	162,545,439.21	-	4,227.00	0.00
Commercial Paper	32,894,634.49	32,894,634.49	32,942,487.78	(32,869,000.00)	0.00	0.00	32,968,322.27	32,968,322.27	-	37,654.00	0.00
General Fund	16,124,979.85	16,124,979.85	840,952.37	(2,182,379.54)	0.00	0.00	14,783,552.68	14,783,552.68	-	1,860.00	0.00
Housing Trust Fund	14,106,695.83	14,106,695.83	4,614,547.05	(825,378.79)	0.00	0.00	17,895,864.09	17,895,864.09	-	2,252.00	0.00
Administration	153,374.27	153,374.27	2,571.64	0.00	0.00	0.00	155,945.91	155,945.91	-	20.00	0.00
Compliance	3,772,066.99	3,772,066.99	7,210.76	(590,211.97)	0.00	0.00	3,189,065.78	3,189,065.78	-	401.00	0.00
Housing Initiatives	7,079,492.11	7,079,492.11	6,777.80	(304,104.33)	0.00	0.00	6,782,165.58	6,782,165.58	-	854.00	0.00
TOTAL	1,628,052,833.50	1,658,179,694.64	350,535,118.67	(231,917,359.55)	(20,582,530.58)	0.00	1,756,214,923.18	1,753,448,994.21	27,360,932.17	9,352,691.00	0.00

* No relationship can be drawn between the "ACCRUED INT REC'VBL @ 11/30/07" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc.). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$163,206,855 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

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

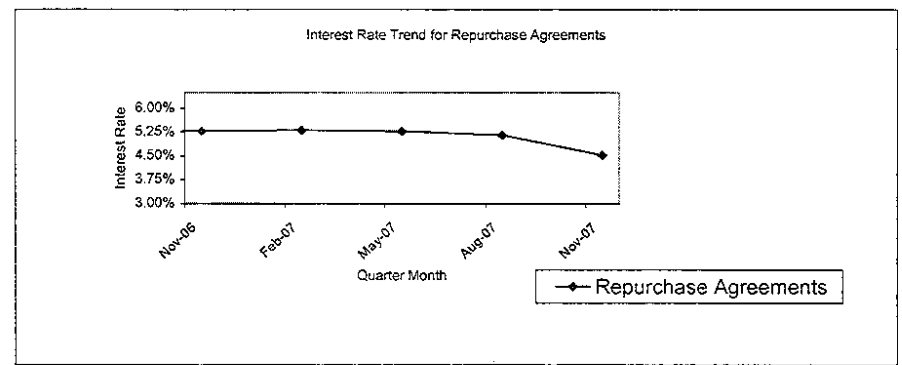
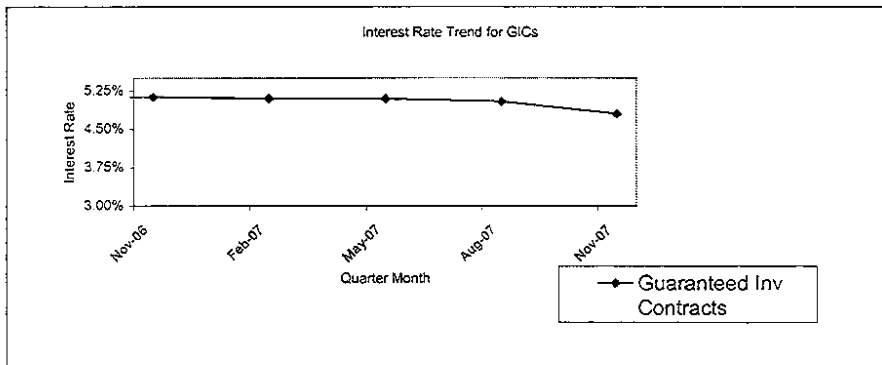
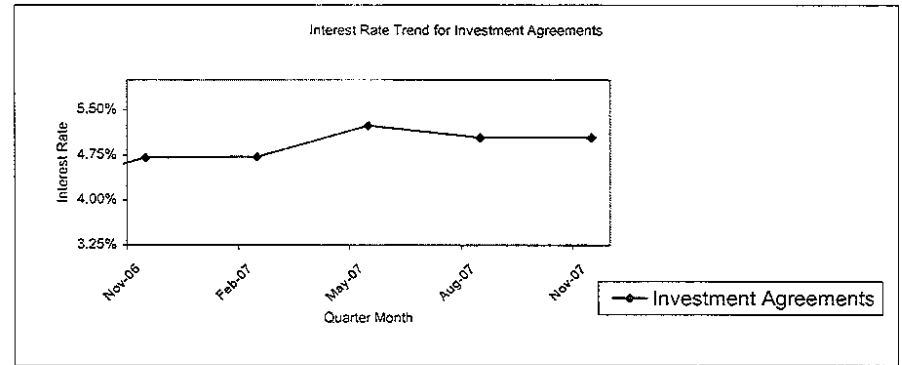
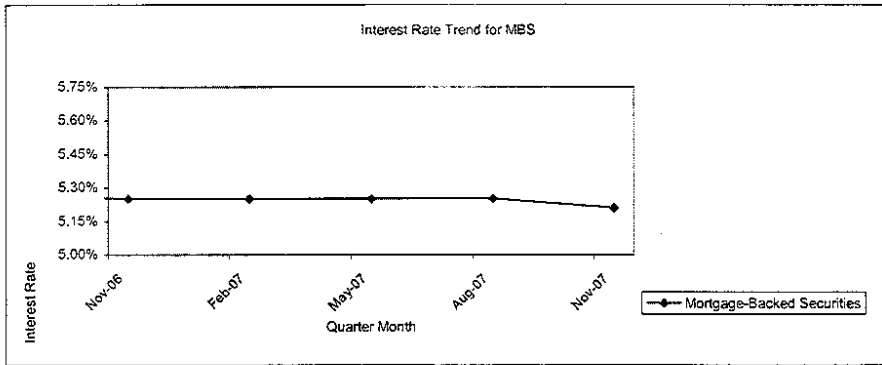
 _____ David Cervantes, Director of Financial Administration	Date <u>1/15/08</u>
 _____ Matt Pogor, Director of Bond Finance	Date <u>1/11/08</u>

Market Valuation Comparison By Fund Group

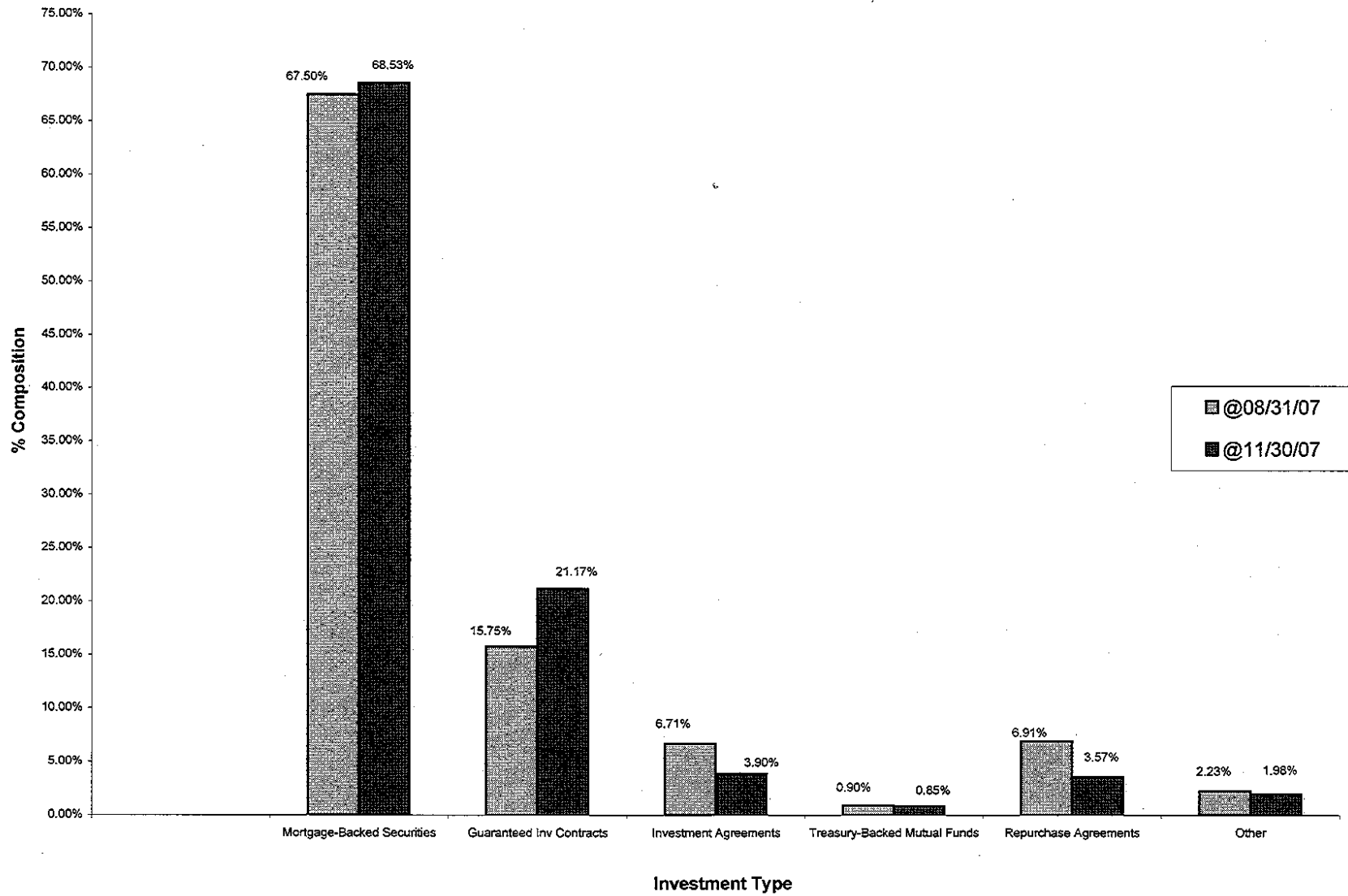


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
 HOUSING FINANCE DIVISION
 PUBLIC FUNDS INVESTMENT ACT
 Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
 Quarter November 30, 2007

INVESTMENT TYPE	Range of Interest for Current Quarter		Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 08/31/07	Weighted Avg Rate Beg Market Value @ 08/31/07	Weighted Avg Rate End Carrying Value @ 11/30/07	Weighted Avg Rate End Market Value @ 11/30/07	Weighted Avg Maturity Beg Carrying Value @ 08/31/07		Weighted Avg Maturity Beg Market Value @ 08/31/07		Weighted Avg Maturity End Carrying Value @ 11/30/07		Weighted Avg Maturity End Market Value @ 11/30/07	
	HI	LOW		Months	Days	Months	Days	Months	Days	Months	Days	Months	Days		
Mortgage-Backed Securities	8.75%	3.54%	68.53%	5.23%	5.25%	5.19%	5.21%	323	21	322	30	324	2	323	15
Guaranteed Inv Contracts	6.51%	3.37%	21.17%	5.04%	5.04%	4.80%	4.80%	32	9	32	9	58	9	58	9
Investment Agreements	6.22%	2.51%	3.90%	5.04%	5.04%	5.04%	5.04%	40	12	40	12	70	29	70	29
Repurchase Agreements	5.15%	5.15%	3.57%	5.15%	5.15%	4.53%	4.53%	0	4	0	4	0	3	0	3
Money Markets	4.61%	3.29%	1.92%	4.26%	4.26%	3.62%	3.62%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	4.61%	3.29%	0.85%	4.26%	4.26%	3.63%	3.63%	0	1	0	1	0	1	0	1
Treasury Bonds/Notes	13.25%	13.25%	0.06%	13.25%	13.25%	13.25%	13.25%	81	19	81	19	78	18	78	18



Market Valuation Comparison by Investment Type


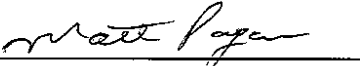


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Public Funds Investment Act Report by Investment Type Schedule
Quarter Ending November 30, 2007

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

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 08/31/07	CARRYING VALUE @ 08/31/07	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 11/30/07	FAIR VALUE (MARKET) @ 11/30/07	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Mortgage-Backed Securities	1,098,900,085.95	1,129,168,859.38	95,998,230.48	0.00	(20,582,530.58)	0.00	1,204,584,559.28	1,201,680,929.60	27,365,143.75	0.00
Guaranteed Inv Contracts	256,394,614.18	256,394,614.18	227,804,121.29	(112,997,521.76)	0.00	0.00	371,201,213.71	371,201,213.71	-	0.00
Investment Agreements	109,301,828.09	109,301,828.09	6,164,956.69	(47,043,156.63)	0.00	0.00	68,423,628.15	68,423,628.15	-	0.00
Treasury-Backed Mutual Funds	14,632,767.49	14,632,767.49	3,932,311.87	(3,692,789.13)	0.00	0.00	14,872,290.23	14,872,290.23	-	0.00
Repurchase Agreements	112,436,746.14	112,436,746.14	8,063,476.15	(57,940,118.03)	0.00	0.00	62,560,104.26	62,560,104.26	-	0.00
Money Markets	35,306,094.79	35,306,094.79	8,571,865.50	(10,243,774.00)	0.00	0.00	33,634,186.29	33,634,186.29	-	0.00
Treasury Bonds/Notes	1,080,696.86	938,784.57	156.69		0.00	0.00	938,941.26	1,076,641.97	(4,211.58)	0.00
TOTAL	1,628,052,833.50	1,658,179,694.64	350,535,118.67	(231,917,359.55)	(20,582,530.58)	0.00	1,756,214,923.18	1,753,448,994.21	27,360,932.17	0.00

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

 David Cervantes, Director of Financial Administration	Date <u>1/15/08</u>
 Matt Pogor, Director of Bond Finance	Date <u>1/16/08</u>

Detail of Investments including maturity dates by Fund Group

Texas Department of Housing and Community Affairs
Single Family Investment Summary
For Period Ending November 30, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	4.53	11/30/07	12/03/07	20,843.67	20,843.67		(16,401.79)			4,441.88	4,441.88	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.53	11/30/07	12/03/07	1,217,172.78	1,217,172.78	1,453,799.19				2,670,971.97	2,670,971.97	-	0.00
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	1,023,719.68	1,023,719.68	543,183.98				1,566,903.66	1,566,903.66	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.53	11/30/07	12/03/07	1,532.30	1,532.30	46,409.97				47,942.27	47,942.27	-	0.00
Repo Agmt	1980 Single Family Surplus Rev				47,372.51	47,372.51		(47,372.51)					-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.53	11/30/07	12/03/07	971,372.21	971,372.21	88,721.53				1,060,093.74	1,060,093.74	-	0.00
	1980 Single Family Surplus Rev Total				3,282,013.15	3,282,013.15	2,132,114.67	(63,774.30)	0.00	0.00	5,350,353.52	5,350,353.52	0.00	0.00
Repo Agmt	1982 A Single Family	4.53	11/30/07	12/03/07	423.75	423.75		(423.53)			0.22	0.22	-	0.00
GIC's	1982 A Single Family	6.08	11/14/96	09/30/29	6,574.50	6,574.50		(6,117.95)			456.55	456.55	-	0.00
	1982 A Single Family Total				6,998.25	6,998.25	0.00	(6,541.48)	0.00	0.00	456.77	456.77	0.00	0.00
Repo Agmt	1983 A&B Single Family	4.53	11/30/07	12/03/07	70,691.91	70,691.91		(70,670.38)			21.53	21.53	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	227,003.10	227,003.10	25,677.38				252,680.48	252,680.48	-	0.00
Treasury Note	1983 A&B Single Family	13.25	08/05/85	05/15/14	716.61	825.13	0.12				716.73	822.04	(3.21)	0.00
	1983 A&B Single Family Total				298,411.62	298,520.14	25,677.50	(70,670.38)	0.00	0.00	253,418.74	253,524.05	(3.21)	0.00
Repo Agmt	1984 A&B Single Family	4.53	11/30/07	12/03/07	28,235.57	28,235.57	50,669.82				78,905.39	78,905.39	-	0.00
Treasury Bond	1984 A&B Single Family	13.25	08/05/85	05/15/14	408.02	469.87	0.07				408.09	468.11	(1.83)	0.00
GIC's	1984 A&B Single Family	6.08	11/14/96	09/30/29			78,878.69				78,878.69	78,878.69	-	0.00
	1984 A&B Single Family Total				28,643.59	28,705.44	129,548.58	0.00	0.00	0.00	158,192.17	158,252.19	(1.83)	0.00
Repo Agmt	1985 A Single Family	4.53	11/30/07	12/03/07			151,075.86				151,075.86	151,075.86	-	0.00
GIC's	1985 A Single Family	6.08	11/14/96	09/30/29			55,412.47				55,412.47	55,412.47	-	0.00
	1985 A Single Family Total				0.00	0.00	206,488.33	0.00	0.00	0.00	206,488.33	206,488.33	0.00	0.00
Repo Agmt	1985 B&C Single Family	4.53	11/30/07	12/03/07	2,605.42	2,605.42	25,488.72				28,094.14	28,094.14	-	0.00
GIC's	1985 B&C Single Family	6.08	11/14/96	09/30/29	95,789.85	95,789.85		(54,547.04)			41,242.81	41,242.81	-	0.00
	1985 B&C Single Family Total				98,395.27	98,395.27	25,488.72	(54,547.04)	0.00	0.00	69,336.95	69,336.95	0.00	0.00
Repo Agmt	1987 B Single Family	4.53	11/30/07	12/03/07	2,575.26	2,575.26	16,623.40				19,198.66	19,198.66	-	0.00
GIC's	1987 B Single Family	6.08	11/14/96	09/30/29	10,187.34	10,187.34	36,258.32				46,445.66	46,445.66	-	0.00
Repo Agmt	1987 B Single Family	4.53	11/30/07	12/03/07	496,958.91	496,958.91	0.00				496,958.91	496,958.91	-	0.00
	1987 B Single Family Total				509,721.51	509,721.51	52,881.72	0.00	0.00	0.00	562,603.23	562,603.23	0.00	0.00
Repo Agmt	1995 A&B Single Family	4.53	11/30/07	12/03/07	18,595.50	18,595.50	9,712.96				28,308.46	28,308.46	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	124,939.42	124,939.42		(110,312.21)			14,627.21	14,627.21	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	0.02	0.02	0.00				0.02	0.02	-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	220,813.93	225,688.12			(1,516.86)		219,297.07	227,660.52	3,489.26	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	562,741.94	570,124.67			(5,348.56)		557,393.38	574,898.78	10,122.67	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	291,740.34	294,494.36			(3,976.02)		287,764.32	295,718.11	5,199.77	0.00
	1995 A&B Single Family Total				1,218,831.15	1,233,842.09	9,712.96	(110,312.21)	(10,841.44)	0.00	1,107,390.46	1,141,213.10	18,811.70	0.00
Repo Agmt	1996 A-C Single Family	4.53	11/30/07	12/03/07	472,120.31	472,120.31	5,678.18				477,798.49	477,798.49	-	0.00
Repo Agmt	1996 A-C Single Family	4.53	11/30/07	12/03/07	60,877.61	60,877.61		(60,875.61)			2.00	2.00	-	0.00
Inv Agmt	1996 A-C Single Family	6.13	02/26/97	09/01/28	277,378.58	277,378.58		(144,950.49)			132,428.09	132,428.09	-	0.00
	1996 A-C Single Family Total				810,376.50	810,376.50	5,678.18	(205,826.10)	0.00	0.00	610,228.58	610,228.58	0.00	0.00
Treasury Bond	1996 D&E Single Family	13.25	08/05/85	05/15/14	937,659.94	1,079,401.86	156.50				937,816.44	1,075,351.82	(4,206.54)	0.00
Repo Agmt	1996 D&E Single Family	4.53	11/30/07	12/03/07	601,761.28	601,761.28	7,237.40				608,998.68	608,998.68	-	0.00
Repo Agmt	1996 D&E Single Family				120,607.72	120,607.72		(120,607.72)					-	0.00
GIC's	1996 D&E Single Family	6.08	04/06/98	09/30/29	399,159.39	399,159.39		(127,392.28)			271,767.11	271,767.11	-	0.00
	1996 D&E Single Family Total				2,059,188.33	2,200,930.25	7,393.90	(248,000.00)	0.00	0.00	1,818,582.23	1,956,117.61	(4,206.54)	0.00
Repo Agmt	1997 A-C Single Family	4.53	11/30/07	12/03/07	27.41	27.41	0.13				27.54	27.54	-	0.00
FNMA	1997 A-C Single Family				204,147.63	207,510.02				(204,147.63)			(3,362.39)	0.00
FNMA	1997 A-C Single Family				231,947.99	235,531.62				(231,947.99)			(3,583.63)	0.00
FNMA	1997 A-C Single Family				175,487.76	178,199.06				(175,487.76)			(2,711.30)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Value	Recognized Gain
GNMA	1997 A-C Single Family				1,503,779.89	1,523,268.82				(1,503,779.89)			(19,488.93)	0.00
FNMA	1997 A-C Single Family				338,602.78	343,834.20				(338,602.78)			(5,231.42)	0.00
GNMA	1997 A-C Single Family				2,799,032.71	2,835,308.16				(2,799,032.71)			(36,275.45)	0.00
GNMA	1997 A-C Single Family				1,780,654.62	1,803,731.86				(1,780,654.62)			(23,077.24)	0.00
GNMA	1997 A-C Single Family				1,186,941.98	1,163,476.10				(1,186,941.98)			23,465.88	0.00
GNMA	1997 A-C Single Family				995,144.56	1,008,041.63				(995,144.56)			(12,897.07)	0.00
GNMA	1997 A-C Single Family				532,664.30	539,567.67				(532,664.30)			(6,903.37)	0.00
GNMA	1997 A-C Single Family				692,341.10	701,313.83				(692,341.10)			(8,972.73)	0.00
FNMA	1997 A-C Single Family				128,897.51	130,888.91				(128,897.51)			(1,991.40)	0.00
GNMA	1997 A-C Single Family				651,817.91	660,265.45				(651,817.91)			(8,447.54)	0.00
GNMA	1997 A-C Single Family				477,980.15	484,174.74				(477,980.15)			(6,194.59)	0.00
GNMA	1997 A-C Single Family				160,940.88	163,026.70				(160,940.88)			(2,085.82)	0.00
FNMA	1997 A-C Single Family				130,316.60	132,462.89				(130,316.60)			(2,146.29)	0.00
GNMA	1997 A-C Single Family				959,239.03	971,008.87				(959,239.03)			(11,769.84)	0.00
GNMA	1997 A-C Single Family				63,894.20	64,678.19				(63,894.20)			(783.99)	0.00
GNMA	1997 A-C Single Family				348,864.73	353,145.29				(348,864.73)			(4,280.56)	0.00
GNMA	1997 A-C Single Family				745,091.41	730,845.24				(745,091.41)			14,246.17	0.00
GNMA	1997 A-C Single Family				765,012.89	750,385.80				(765,012.89)			14,627.09	0.00
FNMA	1997 A-C Single Family				104,837.93	102,682.03				(104,837.93)			2,155.90	0.00
GNMA	1997 A-C Single Family				370,139.00	363,061.96				(370,139.00)			7,077.04	0.00
FNMA	1997 A-C Single Family				433,196.89	424,286.03				(433,196.89)			8,910.86	0.00
FNMA	1997 A-C Single Family				297,951.15	291,822.28				(297,951.15)			6,128.87	0.00
GNMA	1997 A-C Single Family				1,407,259.06	1,380,352.20				(1,407,259.06)			26,906.86	0.00
GNMA	1997 A-C Single Family				182,053.82	178,572.94				(182,053.82)			3,480.88	0.00
GNMA	1997 A-C Single Family				2,623,587.93	2,573,424.88				(2,623,587.93)			50,163.05	0.00
GNMA	1997 A-C Single Family				746,169.82	731,418.05				(746,169.82)			14,751.77	0.00
GNMA	1997 A-C Single Family				315,199.37	308,967.83				(315,199.37)			6,231.54	0.00
GNMA	1997 A-C Single Family				476,412.36	466,993.72				(476,412.36)			9,418.64	0.00
FNMA	1997 A-C Single Family				299,137.53	292,589.39				(299,137.53)			6,548.14	0.00
GNMA	1997 A-C Single Family				518,195.65	507,950.92				(518,195.65)			10,244.73	0.00
GNMA	1997 A-C Single Family				96,431.08	94,524.66				(96,431.08)			1,906.42	0.00
GNMA	1997 A-C Single Family				589,746.37	578,087.04				(589,746.37)			11,659.33	0.00
GNMA	1997 A-C Single Family				1,136,816.43	1,114,341.54				(1,136,816.43)			22,474.89	0.00
FNMA	1997 A-C Single Family				149,220.31	145,953.84				(149,220.31)			3,266.47	0.00
1997 A-C Single Family Total					24,619,182.74	24,535,721.77	0.13	0.00	0.00	(24,619,155.33)	27.54	27.54	83,460.97	0.00
Repo Agmt	1997 D-F Single Family	4.53	11/30/07	12/03/07	18,334.12	18,334.12	220.48				18,554.60	18,554.60	-	0.00
Repo Agmt	1997 D-F Single Family	4.53	11/30/07	12/03/07	589,775.68	589,775.68	194,891.51				784,667.19	784,667.19	-	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	375,400.39	381,201.00			(4,064.48)		371,335.91	382,725.46	5,588.94	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	225,322.19	228,803.38			(1,413.22)		223,908.97	230,775.23	3,866.07	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	577,757.18	585,244.93			(6,420.40)		571,336.78	589,116.80	10,292.27	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,329,248.49	1,302,969.21			(8,600.50)		1,320,647.99	1,329,152.96	34,784.25	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	207,318.68	210,005.53			(1,654.06)		205,664.62	212,064.92	3,713.45	0.00
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	235,852.24	231,189.41			(1,239.17)		234,613.07	236,123.94	6,173.70	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	481,362.97	487,601.43			(4,283.21)		477,079.76	491,926.49	8,608.27	0.00
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	993,528.73	1,006,404.91			(7,057.54)		986,471.19	1,017,170.21	17,822.84	0.00
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	154,545.91	156,933.64			(858.46)		153,687.45	158,401.04	2,325.86	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	918,180.80	930,080.32			(6,314.51)		911,866.29	940,243.49	16,477.68	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	424,091.30	429,587.52			(2,761.82)		421,329.48	434,441.26	7,615.56	0.00
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	210,285.78	213,309.68			(1,204.64)		209,081.14	215,169.58	3,064.54	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1,545,519.07	1,564,482.64			(9,693.73)		1,535,825.34	1,582,729.50	27,940.59	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	654,692.81	662,725.90			(4,160.00)		650,532.81	670,400.11	11,834.21	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	429,804.85	435,078.54			(5,090.09)		424,714.76	437,685.51	7,697.06	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	775,350.88	760,526.15			(8,278.68)		767,072.20	772,564.41	20,316.94	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	984,725.11	965,897.09			(6,949.62)		977,775.49	984,776.28	25,828.81	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	667,422.36	654,661.23			(58,699.28)		608,723.08	613,081.54	17,119.59	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	508,843.43	499,114.31			(3,076.18)		505,767.25	509,388.53	13,350.40	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	302,228.17	296,011.32			(3,773.98)		298,454.19	300,027.02	7,789.68	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	1,086,868.60	1,066,087.69			(7,471.32)		1,079,397.28	1,087,125.77	28,509.40	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,410,041.34	1,383,081.35			(9,362.22)		1,400,679.12	1,410,707.99	36,988.86	0.00
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	1,233,941.34	1,210,348.36			(72,272.30)		1,161,669.04	1,169,986.55	31,910.49	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,388,206.30	1,360,761.45			(8,178.47)		1,380,027.83	1,388,915.18	36,332.20	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	701,044.58	687,184.93			(5,116.87)		695,927.71	700,409.47	18,341.41	0.00
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	388,768.41	381,082.45			(2,833.67)		385,934.74	388,420.16	10,171.38	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	149,368.12	146,295.60			(815.52)		148,583.08	149,335.46	3,855.38	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	498,998.79	489,133.56			(91,518.46)		407,480.33	410,104.50	12,489.40	0.00
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	597,418.32	585,607.36			(6,820.11)		590,598.21	594,401.66	15,614.41	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	1,128,479.64	1,106,169.59			(6,254.93)		1,122,224.71	1,129,451.82	29,537.16	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	272,766.81	266,795.91			(3,021.35)		269,745.46	270,856.77	7,082.21	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	42,463.68	41,624.17			(218.98)		42,244.70	42,516.75	1,111.56	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	324,826.92	318,405.10			(2,077.18)		322,749.74	324,828.25	8,500.33	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	478,948.57	468,464.33			(4,218.63)		474,729.94	476,685.78	12,440.08	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	67,568.52	66,232.67			(360.69)		67,207.83	67,640.62	1,768.64	0.00
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	315,022.26	308,126.39			(1,742.26)		313,280.00	314,570.68	8,186.55	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	340,017.33	332,574.36			(2,629.87)		337,387.46	338,777.50	8,833.01	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	79,468.62	77,833.94			(436.47)		79,032.15	79,448.63	2,051.16	0.00
Repo Agmt	1997 D-F Single Family	4.53	11/30/07	12/03/07	215,773.50	215,773.50		(38,824.50)			176,949.00	176,949.00	-	0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	80,957.95	75,890.51			(6,389.63)		74,568.32	72,133.15	2,632.27	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	46,308.46	43,408.85			(191.97)		46,116.49	44,574.13	1,357.25	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	69,265.11	65,104.06			(299.92)		68,965.19	66,836.83	2,032.69	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	63,122.70	59,333.35			(339.45)		62,783.25	60,849.07	1,855.17	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	76,565.37	71,773.97			(324.37)		76,242.00	73,694.01	2,244.41	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	62,227.62	58,549.29			(264.67)		61,962.95	60,111.93	1,827.31	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	135,133.49	126,763.74			(661.58)		134,471.91	130,069.12	3,966.96	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	54,110.28	50,877.67			(224.51)		53,885.77	52,242.49	1,589.33	0.00
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	12,464.35	11,715.22			(51.81)		12,412.54	12,029.12	365.71	0.00
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	30,208.28	28,477.43			(124.36)		30,083.92	29,241.16	888.09	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	23,311.39	21,851.81			(96.71)		23,214.68	22,438.34	683.24	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	5,101.66	4,873.46			(20.42)		5,081.24	5,004.40	151.36	0.00
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	29,851.86	27,735.98			(158.76)		29,693.10	28,368.20	790.98	0.00
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,366.15	5,914.78			(26.46)		6,339.69	6,056.64	168.32	0.00
1997 D-F Single Family Total					24,024,576.46	23,773,790.77	195,111.99	(38,824.50)	(380,117.49)	0.00	23,800,748.46	24,095,968.20	546,007.43	0.00
Repo Agmt	2002A Single Family (JR Lien)	4.53	11/30/07	12/03/07	125,924.86	125,924.86		(39,238.23)			86,686.63	86,686.63	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	4.53	11/30/07	12/03/07	27,569.86	27,569.86		(5,781.63)			21,788.23	21,788.23	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	4.53	11/30/07	12/03/07	417,752.55	417,752.55	0.00				417,752.55	417,752.55	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	4.53	11/30/07	12/03/07	299,999.95	299,999.95		(138,121.95)			161,878.00	161,878.00	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	4.53	11/30/07	12/03/07	204,953.89	204,953.89		(198,586.92)			6,366.97	6,366.97	-	0.00
2002A Single Family (JR Lien) Total					1,076,201.11	1,076,201.11	0.00	(381,728.73)	0.00	0.00	694,472.38	694,472.38	0.00	0.00
Repo Agmt	2004 A/B Single Family	4.53	11/30/07	12/03/07	1,103,477.59	1,103,477.59		(1,102,347.66)			1,129.93	1,129.93	-	0.00
Repo Agmt	2004 A/B Single Family	4.53	11/30/07	12/03/07	9,852,967.63	9,852,967.63		(9,852,335.27)			632.36	632.36	-	0.00
GiC's	2004 A/B Single Family	3.96	04/25/05	03/01/36			5,395,837.13				5,395,837.13	5,395,837.13	-	0.00
Repo Agmt	2004 A/B Single Family				176,712.55	176,712.55		(176,712.55)					-	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,330,671.29	1,246,297.02			(6,844.67)		1,323,826.62	1,278,564.21	39,111.86	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	1,093,920.72	1,024,561.25			(145,560.58)		948,360.14	915,937.92	36,937.25	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	519,263.38	486,334.88			(2,360.84)		516,902.54	499,225.85	15,251.81	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	1,275,361.56	1,194,554.58			(6,308.24)		1,269,053.32	1,225,725.48	37,478.14	0.00
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	1,654,770.89	1,549,938.59			(117,143.98)		1,537,626.91	1,485,142.94	52,348.33	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	2,402,898.03	2,250,675.23			(12,843.09)		2,390,054.94	2,308,479.60	70,647.46	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	936,894.26	877,550.32			(4,225.40)		932,668.86	900,844.00	27,519.08	0.00
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,326,889.08	1,242,848.63			(6,838.86)		1,320,050.22	1,275,013.35	39,003.58	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	2,127,369.31	1,992,647.40			(10,378.66)		2,116,990.65	2,044,782.76	62,514.02	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	2,190,647.46	2,051,761.02			(10,575.13)		2,180,072.33	2,105,551.41	64,365.52	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	1,921,240.21	1,799,444.98			(9,842.98)		1,911,397.23	1,846,071.54	56,469.54	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,445,425.02	2,290,411.13			(12,726.60)		2,432,698.42	2,349,568.08	71,883.55	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	2,763,855.16	2,588,679.71			(14,080.24)		2,749,774.92	2,655,833.52	81,234.05	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	3,502,390.44	3,280,422.54			(18,772.65)		3,483,617.79	3,364,626.24	102,976.35	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,595,520.38	3,367,670.65			(145,273.09)		3,450,247.29	3,332,412.44	110,014.88	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	267,389.68	258,648.30			(1,070.41)		266,319.27	264,482.76	6,904.87	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,812,548.62	1,697,696.89			(8,243.83)		1,804,304.79	1,742,693.65	53,240.59	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	83,866.44	81,125.21			(334.17)		83,532.27	82,956.74	2,165.70	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	1,053,511.94	986,845.00			(4,635.31)		1,048,876.63	1,013,151.88	30,942.19	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	288,930.97	278,795.31			(1,503.93)		287,427.04	284,756.10	7,464.72	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	365,793.00	342,647.10			(1,593.94)		364,199.06	351,796.56	10,743.40	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	208,494.08	201,698.02			(1,230.22)		207,263.86	205,854.94	5,387.14	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	333,010.39	321,331.68			(1,329.35)		331,681.04	328,602.52	8,600.19	0.00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	1,008,196.20	944,407.34			(118,407.99)		889,788.21	859,491.54	33,492.19	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,454,001.66	1,361,929.63			(116,148.45)		1,337,853.21	1,292,227.24	46,446.06	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	984,600.97	950,017.24			(4,010.32)		980,590.65	971,434.36	25,427.44	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	1,079,401.06	1,041,493.80			(96,322.29)		983,078.77	973,905.10	28,733.59	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,417,296.54	1,327,556.83			(6,360.03)		1,410,936.51	1,362,826.37	41,629.57	0.00
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	340,364.99	328,413.77			(1,385.13)		338,979.86	335,818.68	8,790.04	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	749,364.05	701,920.43			(3,298.78)		746,065.27	720,630.29	22,008.64	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,796,929.17	1,683,175.84			(8,016.24)		1,788,912.93	1,727,938.96	52,779.36	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	1,131,920.11	1,060,270.03			(5,671.82)		1,126,248.29	1,087,866.28	33,268.07	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	518,787.68	500,576.57			(2,116.62)		516,671.06	511,857.98	13,398.03	0.00
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	939,445.25	879,984.10			(4,614.55)		934,830.70	902,977.61	27,608.06	0.00
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	394,797.61	381,923.82			(1,546.14)		393,251.47	390,573.14	10,195.46	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,509,613.34	1,414,069.72			(146,082.15)		1,363,531.19	1,317,076.00	49,088.43	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	399,512.67	385,504.05			(1,776.36)		397,736.31	394,047.07	10,319.38	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	501,081.48	469,380.74			(2,138.84)		498,942.64	481,956.90	14,715.00	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	541,489.65	522,505.34			(2,244.25)		539,245.40	534,246.26	13,985.17	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	227,603.78	213,768.22			(964.49)		226,639.29	219,494.15	6,690.42	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	713,826.04	668,524.33			(3,748.78)		710,077.26	685,684.24	20,908.69	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	863,129.49	808,356.55			(221,006.76)		642,122.73	620,067.22	32,717.43	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	467,170.51	437,526.75			(2,075.71)		465,094.80	449,122.07	13,671.03	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	353,950.66	331,493.49			(1,515.21)		352,435.45	340,334.19	10,355.91	0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	1,878,140.07	1,758,991.57			(8,263.77)		1,869,876.30	1,805,686.64	54,958.84	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,397,939.87	1,312,759.79			(5,998.13)		1,391,941.74	1,347,705.89	40,944.23	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,800,804.46	1,736,992.75			(137,111.07)		1,663,893.39	1,647,732.23	47,850.55	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	549,427.69	514,577.91			(2,509.56)		546,918.13	528,149.22	16,080.87	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	344,488.53	332,282.87			(1,354.43)		343,134.10	339,843.16	8,914.72	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	364,176.02	341,078.68			(1,586.54)		362,589.48	350,148.41	10,656.27	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	410,057.92	395,534.64			(1,712.19)		408,345.73	404,434.66	10,612.21	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	365,023.62	342,788.71			(105,296.15)		259,727.47	251,478.16	13,985.60	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	185,208.76	179,111.97			(709.35)		184,499.41	183,193.57	4,790.95	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	573,917.85	537,528.25			(2,749.12)		571,168.73	551,581.51	16,802.36	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	303,106.05	292,376.36			(1,175.82)		301,930.23	299,044.43	7,843.89	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	103,069.26	96,792.60			(1,091.45)		101,977.81	98,740.54	3,039.39	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	181,697.38	175,719.19			(736.79)		180,960.59	179,682.88	4,700.48	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	130,085.91	125,806.85			(496.46)		129,589.45	128,675.62	3,365.23	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	782,059.62	732,486.69			(3,622.80)		778,436.82	751,756.86	22,892.97	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	522,602.68	504,115.73			(2,312.85)		520,289.83	515,329.98	13,527.10	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	320,616.15	300,296.68			(1,348.24)		319,267.91	308,328.83	9,380.39	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	384,346.18	371,710.21			(109,594.62)		274,751.56	272,818.77	10,703.18	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	133,226.31	128,847.20			(530.85)		132,695.46	131,763.05	3,446.70	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	1,047,432.16	981,060.64			(5,108.72)		1,042,323.44	1,006,621.45	30,669.53	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	217,678.35	210,524.17			(844.97)		216,833.38	215,310.42	5,631.22	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	642,814.52	603,694.30			(2,685.32)		640,129.20	619,834.70	18,825.72	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	127,219.57	123,040.88			(493.75)		126,725.82	125,838.28	3,291.15	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	329,575.69	318,760.00			(1,282.82)		328,292.87	326,003.50	8,526.32	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	334,433.90	314,096.86			(1,387.13)		333,046.77	322,504.21	9,794.48	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	127,347.07	123,163.44			(482.54)		126,864.53	125,975.26	3,294.36	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	278,320.22	261,385.97			(1,201.11)		277,119.11	268,337.18	8,152.32	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	259,927.04	251,389.15			(1,022.94)		258,904.10	257,090.58	6,724.37	0.00
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	222,405.58	208,874.49			(4,215.00)		218,190.58	211,277.17	6,617.68	0.00
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	221,179.06	207,170.12			(924.99)		220,254.07	212,716.30	6,471.17	0.00
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	300,872.13	290,993.12			(1,149.62)		299,722.51	297,626.97	7,783.47	0.00
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	263,617.04	247,583.65			(1,085.36)		262,531.68	254,218.44	7,720.15	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	155,223.55	145,792.89			(625.70)		154,597.85	149,712.83	4,545.64	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	655,841.07	632,724.48			(2,525.05)		653,316.02	647,173.60	16,974.17	0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	194,631.73	188,257.80			(716.79)		193,914.94	192,576.27	5,035.26	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	347,776.59	326,632.80			(1,474.20)		346,302.39	335,344.95	10,186.35	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	106,330.41	102,842.42			(420.01)		105,910.40	105,173.31	2,750.90	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	3,733,902.89	3,497,568.95			(145,450.32)		3,588,452.57	3,465,805.62	113,686.99	0.00

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GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	193,542.52	187,196.13			(722.95)		192,819.57	191,480.34	5,007.16	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	138,948.71	130,503.27			(566.73)		138,381.98	134,005.70	4,069.16	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	959,834.82	925,974.32			(3,643.89)		956,190.93	947,171.26	24,840.83	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	430,470.63	403,236.18			(2,188.87)		428,281.76	413,655.95	12,608.64	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	121,259.88	117,295.96			(470.68)		120,799.20	119,962.73	3,137.45	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	206,887.21	200,107.69			(1,620.23)		205,268.98	203,845.62	5,358.16	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	645,490.54	624,371.11			(2,465.50)		643,025.04	638,605.94	16,700.33	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	212,264.48	199,376.52			(887.97)		211,376.51	204,705.35	6,217.30	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	148,092.70	143,243.73			(893.23)		147,199.47	146,184.18	3,833.68	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	168,767.27	163,241.36			(626.92)		168,140.35	166,980.62	4,366.18	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	204,653.89	192,223.56			(825.29)		203,828.60	197,391.56	5,993.29	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	618,410.78	596,658.66			(2,296.74)		616,114.04	610,367.57	16,005.65	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,588,411.11	1,532,549.27			(6,017.63)		1,582,393.48	1,567,644.07	41,112.43	0.00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	548,159.82	530,228.64			(2,211.02)		545,948.80	542,200.69	14,183.07	0.00
GNMA	2004 A/B Single Family	5.00	11/10/05	11/20/35	236,311.70	228,582.95			(864.38)		235,447.32	233,832.32	6,113.75	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	243,352.37	228,581.24			(976.02)		242,376.35	234,731.90	7,126.68	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	936,701.80	906,071.78			(3,880.78)		932,821.02	926,428.12	24,237.12	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	277,010.63	267,953.50			(1,010.07)		276,000.56	274,110.16	7,166.73	0.00
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	225,813.71	212,109.30			(915.87)		224,897.84	217,806.85	6,613.42	0.00
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,482,856.86	1,434,382.12			(5,596.11)		1,477,260.75	1,467,151.44	38,365.43	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,556,246.48	1,501,524.90			(5,695.72)		1,550,550.76	1,536,107.45	40,278.27	0.00
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	1,585,138.48	1,529,410.25			(123,958.55)		1,461,179.93	1,447,577.87	42,126.17	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	212,831.92	199,388.08			(1,070.63)		211,761.29	204,551.53	6,234.08	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,390,320.51	1,343,654.02			(5,199.50)		1,385,121.01	1,375,339.99	36,885.47	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	338,423.61	320,939.89			(1,279.10)		337,144.51	328,549.66	8,888.87	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	847,205.82	818,774.08			(3,120.53)		844,085.29	838,129.87	22,476.32	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	91,329.44	85,790.30			(400.66)		90,928.78	86,065.36	2,675.72	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	3,874,333.96	3,734,882.48			(84,322.04)		3,790,011.92	3,754,013.32	103,452.88	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	1,116,398.40	1,076,208.62			(224,491.54)		891,906.86	883,429.93	31,712.85	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	196,308.34	186,158.69			(743.29)		195,565.05	190,571.38	5,155.98	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	1,556,313.00	1,504,093.13			(6,136.16)		1,550,176.84	1,539,248.91	41,291.94	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,468,590.52	1,415,676.29			(5,543.09)		1,463,047.43	1,449,095.43	38,962.23	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	207,814.92	197,076.39			(828.92)		206,986.00	201,706.89	5,459.42	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,597,933.28	3,396,031.74			(137,575.93)		3,460,357.35	3,356,565.10	98,109.29	0.00
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	177,642.47	166,786.57			(967.14)		176,675.33	171,062.69	5,243.26	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	1,472,462.38	1,423,083.30			(5,483.52)		1,466,978.86	1,456,665.37	39,065.59	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	117,576.84	111,499.80			(453.72)		117,123.12	114,134.58	3,088.50	0.00
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	3,748,458.57	3,613,468.48			(131,690.15)		3,616,768.42	3,582,346.59	100,568.26	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	2,620,221.06	2,532,382.52			(10,183.67)		2,610,037.39	2,591,719.10	69,520.25	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,649,751.09	1,594,445.94			(6,074.99)		1,643,676.10	1,632,140.11	43,769.16	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	470,278.67	453,377.24			(1,720.45)		468,558.22	464,133.96	12,477.17	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	652,598.60	630,765.26			(2,374.22)		650,224.38	645,705.83	17,314.79	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	959,394.02	934,560.45			(3,443.18)		965,950.84	956,835.84	25,718.57	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	1,546,791.76	1,491,126.08			(5,510.28)		1,541,281.48	1,526,651.19	41,035.39	0.00
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36	294,077.08	276,116.07			(1,197.52)		292,879.56	283,585.64	8,667.09	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	1,597,003.55	1,543,505.62			(7,260.60)		1,589,742.95	1,578,625.32	42,380.30	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	171,379.54	162,514.26			(844.60)		170,534.94	166,175.79	4,506.13	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	1,300,996.43	1,257,422.04			(5,879.80)		1,295,116.63	1,286,067.19	34,524.95	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	1,470,519.09	1,417,625.50			(5,329.57)		1,465,189.52	1,451,309.37	39,013.44	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	804,201.64	777,276.64			(3,197.96)		801,003.68	795,417.23	21,338.55	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	231,818.77	219,822.68			(866.69)		230,952.08	225,044.12	6,088.13	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	1,791,993.74	1,732,007.54			(139,462.31)		1,652,531.43	1,641,016.09	48,470.86	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,499,209.52	1,445,310.19			(5,438.46)		1,493,771.06	1,479,647.00	39,775.27	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	1,458,715.10	1,409,905.19			(122,810.59)		1,335,904.51	1,326,614.27	39,519.67	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	185,854.68	176,234.51			(779.03)		185,075.65	180,338.57	4,863.09	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	61,943.32	58,163.37			(239.83)		61,703.49	59,748.84	1,825.30	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	878,733.86	847,163.15			(3,260.97)		875,472.89	867,216.92	23,314.74	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	142,356.65	134,985.61			(980.57)		141,376.08	137,755.05	3,750.01	0.00
GNMA	2004 A/B Single Family	5.00	06/01/06	05/20/36	1,071,162.22	1,035,344.21			(3,820.12)		1,067,342.10	1,059,944.12	28,420.03	0.00
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	604,240.43	584,039.69			(2,166.17)		602,074.26	597,905.39	16,031.87	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	226,953.24	214,738.75			(985.71)		225,967.53	219,710.10	5,957.06	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	1,089,532.28	1,050,408.26			(4,003.09)		1,085,529.19	1,075,312.95	28,907.78	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	1,054,988.80	1,019,735.27			(6,058.46)		1,048,930.34	1,041,684.15	28,007.34	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	269,200.12	255,253.46			(1,008.46)		268,191.66	261,314.77	7,069.77	0.00
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	1,634,316.99	1,579,719.00			(6,398.00)		1,627,918.99	1,616,687.77	43,366.77	0.00
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	298,183.59	279,998.34			(1,164.27)		297,019.32	287,621.61	8,787.54	0.00
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	505,847.07	488,950.59			(1,784.93)		504,062.14	500,587.08	13,421.42	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	1,137,599.06	1,099,607.25			(4,054.10)		1,133,544.96	1,125,736.99	30,183.84	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	66,177.89	64,644.53			(284.20)		67,893.69	66,151.47	1,791.14	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	501,661.27	483,665.17			(1,996.43)		499,664.84	494,980.83	13,312.09	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	593,712.74	573,895.82			(61,435.06)		532,277.68	528,621.43	16,160.67	0.00
GNMA	2004 A/B Single Family	5.00	08/16/06	06/20/36	61,894.45	58,685.22			(250.93)		61,643.52	60,060.20	1,625.91	0.00
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/36	996,593.98	963,341.35			(3,916.80)		992,677.18	985,870.35	26,445.80	0.00
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	936,256.28	902,702.77			(4,099.16)		932,157.12	923,452.34	24,848.73	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	602,901.90	582,795.34			(2,214.60)		600,687.30	596,578.61	15,997.87	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	124,685.57	117,089.32			(475.62)		124,209.95	120,288.07	3,674.37	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	65,412.10	61,153.46			(278.35)		65,133.75	62,581.07	1,705.96	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	09/20/36	572,931.51	552,405.51			(1,984.93)		570,946.58	565,621.75	15,201.17	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	230,213.75	222,539.12			(1,006.07)		229,207.68	227,642.89	6,109.84	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	918,284.30	897,688.52			(5,174.52)		913,109.78	906,893.43	24,379.43	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	946,398.10	914,887.78			(3,576.92)		942,821.18	936,425.25	25,114.39	0.00
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	192,254.32	180,550.49			(748.19)		191,506.13	185,468.58	5,666.28	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	66,602.98	63,144.30			(240.66)		66,362.32	64,652.29	1,748.65	0.00
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	559,763.62	541,133.39			(1,969.66)		557,793.96	554,017.25	14,853.52	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	306,759.42	296,553.34			(1,060.68)		305,699.74	303,632.59	8,139.93	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	12/20/36	109,077.52	105,451.11			(367.68)		108,709.84	107,977.82	2,894.39	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/36	73,829.80	69,992.36			(267.08)		73,562.72	71,663.67	1,938.39	0.00
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37	426,526.93	412,290.94			(1,442.97)		425,083.96	422,131.79	11,283.82	0.00
GNMA	2004 A/B Single Family	5.00	03/20/07	03/20/36	82,874.40	80,123.84			(294.31)		82,580.09	82,028.57	2,199.04	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	202,828.47	196,068.46			(691.67)		202,136.80	200,743.11	5,366.32	0.00
GNMA	2004 A/B Single Family	5.00	05/08/07	04/20/37	73,115.87	69,296.83			(254.11)		72,861.76	70,956.11	1,913.39	0.00
GNMA	2004 A/B Single Family	4.49	07/03/07	05/20/37	314,048.18	294,988.12			(1,140.80)		312,907.38	303,077.05	9,229.73	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37	403,072.77	403,049.57			(1,540.34)		401,532.43	388,916.27	(12,592.96)	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	443,778.52	412,412.59			(2,813.36)		440,965.16	421,282.46	11,683.23	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	346,680.38	322,178.89			(2,424.62)		344,255.76	328,891.05	9,136.78	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	332,390.76	308,900.74			(1,647.26)		330,743.50	315,983.77	8,730.29	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	240,224.89	223,248.90			(1,051.39)		239,173.50	228,500.62	6,303.11	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	290,319.63	269,810.08			(1,262.31)		289,057.32	276,165.37	7,617.60	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	248,801.61	238,121.66			(993.67)		247,807.94	244,348.67	7,220.68	0.00
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	361,738.63	336,185.40			(1,658.02)		360,080.61	344,022.75	9,495.37	0.00
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	271,870.33	260,203.28			(1,083.09)		270,787.24	267,010.15	7,889.96	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	152,816.02	141,920.89			(729.93)		152,086.09	145,231.72	4,040.76	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	384,091.69	367,621.70			(1,621.67)		382,470.02	377,148.36	11,148.33	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	224,875.68	215,029.46			(1,388.92)		223,486.76	220,204.50	6,563.96	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	342,904.82	318,467.41			(1,722.15)		341,182.67	325,816.05	9,070.79	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	277,357.51	257,596.82			(1,173.52)		276,183.99	263,750.42	7,327.12	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	289,407.05	276,746.15			(1,139.70)		288,267.35	284,044.82	8,438.37	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	159,853.11	148,465.96			(668.98)		159,184.13	152,019.78	4,222.80	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	73,911.39	70,678.44			(278.59)		73,632.80	72,554.74	2,154.89	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	271,176.30	259,322.59			(1,017.09)		270,159.21	266,211.83	7,906.33	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	390,753.53	362,932.38			(1,692.45)		389,061.08	371,565.28	10,325.35	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	322,589.98	308,492.59			(1,201.40)		321,388.58	316,696.16	9,404.97	0.00
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	314,192.15	300,465.37			(1,223.69)		312,968.46	308,403.01	9,161.33	0.00
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	299,365.92	286,290.63			(1,165.10)		298,200.82	293,854.63	8,729.10	0.00
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	405,897.74	377,012.36			(1,677.16)		404,220.58	386,057.04	10,721.84	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	978,308.32	935,584.73			(42,517.25)		935,791.07	922,156.80	29,089.32	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	270,392.76	258,586.04			(2,036.38)		268,356.38	264,448.35	7,898.69	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	125,360.50	117,652.02			(480.73)		124,879.77	120,787.24	3,615.95	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	481,844.01	480,807.02			(1,900.44)		479,943.57	472,957.07	14,050.49	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	393,868.22	376,187.82			(1,765.89)		392,102.33	386,164.10	11,742.17	0.00
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	536,759.96	512,666.81			(2,147.67)		534,612.29	526,517.91	15,998.77	0.00
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	1,103,590.36	1,054,057.49			(82,925.00)		1,020,665.36	1,005,214.87	34,082.38	0.00
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36	592,520.25	566,661.46			(2,182.61)		590,337.64	581,754.69	17,275.84	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	979,150.09	935,211.90			(147,170.69)		831,979.40	819,392.57	31,351.36	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	491,632.51	469,572.52			(1,968.41)		489,664.10	482,257.54	14,653.43	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	633,578.21	605,150.20			(2,356.30)		631,221.91	621,676.06	18,882.16	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	217,102.96	207,363.02			(782.80)		216,320.16	213,050.07	6,469.65	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	307,861.07	294,050.60			(1,129.08)		306,731.99	302,096.06	9,174.54	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	308,221.40	288,853.42			(1,829.03)		306,392.37	296,130.52	9,106.13	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	283,648.50	270,925.83			(1,020.20)		282,628.30	278,358.35	8,452.72	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	253,925.62	242,536.86			(1,685.47)		252,240.15	248,430.30	7,578.91	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	526,284.40	502,690.24			(1,921.30)		524,363.10	516,453.48	15,684.54	0.00
FNMA	2004 A/B Single Family	5.00	07/06/06	05/01/36	64,834.72	60,754.78			(241.13)		64,593.59	62,424.22	1,910.57	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	263,521.05	251,711.79			(931.41)		262,589.64	258,633.35	7,852.97	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	77,661.63	72,110.31			(301.67)		77,359.96	73,858.74	2,050.10	0.00
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	194,025.03	185,333.29			(1,046.09)		192,978.94	190,074.87	5,787.67	0.00
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/36	524,198.90	500,722.89			(5,535.05)		518,663.85	510,864.83	15,676.99	0.00
FNMA	2004 A/B Single Family	5.00	11/14/06	08/01/36	62,330.60	58,397.76			(228.60)		62,102.00	60,005.55	1,836.39	0.00
FNMA	2004 A/B Single Family	5.00	11/28/06	10/01/36	201,710.25	192,680.23			(704.20)		201,006.05	197,987.15	6,011.12	0.00
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36	366,232.61	349,841.59			(1,332.95)		364,899.66	359,423.95	10,915.31	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	484,049.79	462,396.00			(1,655.45)		482,394.34	475,165.52	14,424.97	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	152,985.10	143,248.50			(1,010.34)		151,974.76	146,766.19	4,528.03	0.00
FNMA	2004 A/B Single Family	5.00	04/10/07	03/01/37	59,289.87	56,615.70			(198.84)		59,091.03	58,186.16	1,769.30	0.00
FNMA	2004 A/B Single Family	5.00	05/08/07	02/01/37	72,876.28	69,586.65			(245.78)		72,630.50	71,515.64	2,174.77	0.00
FNMA	2004 A/B Single Family	4.49	05/22/07	04/01/37	236,561.23	219,650.21			(867.24)		235,693.99	224,981.02	6,198.05	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	07/01/36	85,008.92	79,614.17			(313.10)		84,695.82	81,805.04	2,503.97	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	08/01/37	196,480.77	187,620.51			(650.23)		195,830.54	192,833.49	5,863.21	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37	755,397.15	701,425.09			(4,558.72)		750,838.43	716,739.48	19,873.11	0.00
Repo Agmt	2004 A/B Single Family				19,403.25	19,403.25		(19,403.25)						0.00
	2004 A/B Single Family Total				171,330,760.28	163,594,647.21	5,995,837.13	(11,150,798.73)	(3,432,389.14)	0.00	162,143,409.54	158,891,469.31	4,484,172.84	0.00
Repo Agmt	2004 CDEF Single Family	4.53	11/30/07	12/03/07	467.74	467.74	5.61				473.35	473.35	-	0.00
Repo Agmt	2004 CDEF Single Family	4.53	11/30/07	12/03/07	713,750.67	713,750.67	8,584.29				722,334.96	722,334.96	-	0.00
Repo Agmt	2004 CDEF Single Family	4.53	11/30/07	12/03/07	5,287,480.27	5,287,480.27		(5,287,248.46)			231.81	231.81	-	0.00
Repo Agmt	2004 CDEF Single Family	4.53	11/30/07	12/03/07	0.34	0.34	0.00				0.34	0.34	-	0.00
Repo Agmt	2004 CDEF Single Family	3.80	12/16/04	03/01/36	0.01	0.01	2,076,006.89				2,078,006.90	2,076,006.90	-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	26,519.26	24,881.95			(110.98)		26,408.28	25,547.63	776.66	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	17,328.79	16,259.24			(2,452.53)		14,876.26	14,391.73	585.02	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	40,315.86	37,829.89			(3,585.79)		36,730.07	35,536.00	1,291.90	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	24,896.97	23,324.22			(3,061.10)		21,795.87	21,087.29	824.17	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	145,501.90	136,525.89			(594.32)		144,907.58	140,192.42	4,260.85	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	45,288.17	42,475.88			(191.63)		45,076.54	43,610.09	1,325.84	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	32,482.00	30,478.88			(139.27)		32,342.73	31,291.07	951.46	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	24,720.34	23,197.08			(98.12)		24,622.22	23,822.85	723.89	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	36,872.25	34,692.88			(157.69)		36,714.56	35,616.37	1,081.18	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,517.87	8,014.07			(41.25)		8,476.62	8,222.72	249.90	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	45,962.79	43,244.55			(3,655.44)		42,307.35	41,040.40	1,451.29	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	30,290.77	28,423.62			(145.71)		30,145.06	29,165.70	887.79	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	21,153.38	19,849.57			(92.60)		21,060.78	20,376.65	619.68	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	23,837.88	22,428.55			(122.58)		23,715.30	23,005.53	699.56	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	35,646.49	33,539.81			(149.35)		35,497.14	34,435.61	1,045.15	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	59,357.43	55,701.01			(3,033.23)		56,324.20	54,496.74	1,828.96	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	35,497.71	33,294.84			(149.81)		35,347.90	34,191.33	1,046.30	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	40,715.78	38,290.64			(161.59)		40,554.19	39,330.00	1,200.95	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	32,751.72	30,721.25			(233.75)		32,517.97	31,456.04	968.54	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	40,147.73	37,658.46			(166.99)		39,980.74	38,674.81	1,183.34	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	21,325.13	20,002.05			(89.12)		21,236.01	20,541.44	628.51	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	29,147.83	27,339.59			(124.12)		29,023.71	28,074.63	859.16	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	60,928.99	57,149.61			(249.78)		60,679.21	58,695.53	1,795.70	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	28,276.15	26,522.42			(2,527.79)		25,748.36	24,906.81	912.18	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	36,451.38	34,190.83			(180.44)		36,270.94	35,085.70	1,075.31	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	39,890.21	37,416.66			(172.92)		39,717.29	38,419.72	1,175.98	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36	19,250.34	18,058.10			(87.60)		19,162.74	18,538.18	567.68	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	8,729.66	8,210.73			(52.13)		8,677.53	8,416.64	258.04	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	26,362.01	24,729.54			(3,244.35)		23,117.66	22,364.37	879.18	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	9,447.07	8,885.58			(46.92)		9,400.15	9,117.62	278.96	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	18,854.90	17,733.04			(2,613.07)		16,241.83	15,752.59	632.62	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	48,586.73	45,575.27			(2,440.22)		46,146.51	44,840.15	1,505.10	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	26,615.98	24,966.49			(1,556.06)		25,059.92	24,242.09	831.66	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	39,859.27	37,389.29			(181.61)		39,677.66	38,383.02	1,175.34	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	23,837.75	22,360.75			(100.98)		23,736.77	22,962.44	702.67	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	45,372.34	42,561.37			(199.99)		45,172.35	43,699.15	1,337.77	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	19,027.80	17,849.10			(91.48)		18,936.32	18,318.89	561.27	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	35,668.51	33,547.96			(148.37)		35,520.14	34,452.02	1,052.43	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	24,878.95	23,338.49			(2,849.34)		22,029.61	21,311.94	822.79	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	28,976.76	27,254.89			(129.79)		28,846.97	27,980.38	855.28	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	36,337.06	34,087.68			(164.57)		36,172.49	34,994.67	1,071.56	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	25,107.38	23,615.75			(104.10)		25,003.28	24,252.49	740.84	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	43,046.88	40,489.97			(199.71)		42,847.17	41,561.08	1,270.82	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	18,225.86	17,143.46			(86.03)		18,139.83	17,595.52	538.09	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	31,888.09	29,994.50			(137.70)		31,750.39	30,797.88	941.08	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	41,303.39	38,752.88			(169.63)		41,138.76	39,800.82	1,217.57	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	26,396.64	24,829.53			(102.56)		26,294.08	25,505.64	778.67	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	16,430.15	15,454.85			(66.88)		16,363.27	15,872.75	484.78	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	41,417.27	38,958.96			(221.29)		41,195.98	39,961.31	1,223.64	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	23,743.48	22,275.27			(96.55)		23,646.93	22,878.55	699.83	0.00
GNMA	2004 CDEF Single Family	4.49	08/23/06	07/20/36	16,994.92	15,986.40			(85.99)		16,908.93	16,402.37	501.96	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	21,493.78	20,218.61			(83.28)		21,410.50	20,769.39	634.06	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	11,352.87	10,579.39			(43.15)		11,309.72	10,971.13	334.89	0.00
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	13,279.32	12,491.77			(55.24)		13,224.08	12,828.38	391.85	0.00
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	26,206.65	24,652.96			(2,923.29)		23,283.36	22,587.19	857.52	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	22,483.34	21,151.02			(105.95)		22,377.39	21,708.93	663.86	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,821.20	4,535.56			(18.05)		4,803.15	4,659.72	142.21	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	5,520.64	5,193.64			(22.41)		5,498.23	5,334.14	162.91	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	5,458.26	5,135.16			(20.18)		5,438.08	5,275.98	161.00	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,860.50	2,691.46			(10.82)		2,849.68	2,765.15	84.51	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,921.74	6,512.14			(25.53)		6,896.21	6,690.23	203.62	0.00
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37	5,049.32	4,750.56			(21.91)		5,027.41	4,877.30	148.65	0.00
GNMA	2004 CDEF Single Family	4.49	03/20/07	01/20/37	4,929.43	4,637.88			(18.16)		4,911.27	4,764.74	145.02	0.00
GNMA	2004 CDEF Single Family	4.49	04/24/07	03/20/37	11,608.78	10,922.61			(45.51)		11,563.27	11,218.71	341.61	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,964.00	5,611.40			(21.99)		5,942.01	5,764.87	175.46	0.00
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	8,537.06	8,011.21			(32.53)		8,504.53	8,229.61	250.93	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37	7,175.83	6,751.99			(26.43)		7,149.40	6,936.66	211.10	0.00
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37	5,807.61	5,464.75			(20.79)		5,786.82	5,614.81	170.85	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/07	09/20/37			5,241.49				5,241.49	5,089.02	(152.47)	0.00
GNMA	2004 CDEF Single Family	4.49	09/25/07	04/20/37			2,601.39				2,601.39	2,525.57	(75.82)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	5,583.46	5,187.19			(23.71)		5,559.75	5,311.02	147.54	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	2,625.81	2,439.49			(14.63)		2,611.18	2,494.39	69.53	0.00
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	6,550.53	6,085.77			(29.11)		6,521.42	6,229.80	173.14	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	7,643.85	7,101.60			(40.02)		7,603.83	7,263.89	202.31	0.00
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/36	4,602.54	4,274.22			(22.14)		4,580.40	4,373.77	121.69	0.00
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	5,387.12	5,002.83			(21.42)		5,365.70	5,123.64	142.23	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	8,476.19	7,871.64			(54.02)		8,422.17	8,042.34	224.72	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,834.98	5,418.87			(22.99)		5,811.99	5,549.94	154.06	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	8,231.31	7,644.35			(33.36)		8,197.95	7,828.37	217.38	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	6,459.40	5,998.83			(27.22)		6,432.18	6,142.24	170.63	0.00
FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	6,058.25	5,626.37			(24.22)		6,034.03	5,762.14	159.99	0.00
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	6,247.41	5,802.10			(25.25)		6,222.16	5,941.84	164.99	0.00
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,704.08	7,154.98			(32.39)		7,671.69	7,326.11	203.52	0.00
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	11,725.10	10,889.46			(45.75)		11,679.35	11,153.28	309.57	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	10,574.12	9,820.58			(41.66)		10,532.46	10,058.12	279.20	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	7,939.07	7,373.33			(30.77)		7,908.30	7,552.17	209.61	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	6,133.52	5,696.53			(28.11)		6,105.41	5,830.56	162.14	0.00
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	5,755.23	5,345.27			(33.34)		5,721.89	5,464.37	152.44	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	8,693.24	8,074.10			(33.06)		8,660.18	8,270.54	229.50	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	6,186.35	5,745.78			(24.06)		6,162.29	5,885.07	163.35	0.00
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36	8,180.16	7,597.67			(39.17)		8,140.99	7,774.81	216.31	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36	1,220.89	1,133.99			(4.61)		1,216.28	1,161.61	32.23	0.00

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FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,278.06	1,186.99			(4.76)		1,273.30	1,215.72	33.49	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,596.96	3,340.70			(16.06)		3,580.90	3,419.02	94.38	0.00
FNMA	2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,840.42	4,495.64			(18.14)		4,822.28	4,604.36	126.86	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	8,207.09	7,622.59			(30.17)		8,176.92	7,807.48	215.06	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,974.35	4,620.13			(18.22)		4,956.13	4,732.26	130.35	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	5,849.31	5,432.81			(22.12)		5,827.19	5,584.01	153.32	0.00
FNMA	2004 CDEF Single Family	4.49	07/03/07	06/01/37	15,255.04	14,169.02			(55.84)		15,199.20	14,512.93	399.75	0.00
FNMA	2004 CDEF Single Family	4.49	09/25/07	09/01/37			7,942.66				7,942.66	7,623.17	(319.49)	0.00
FNMA	2004 CDEF Single Family	4.49	11/08/07	09/01/37			7,807.25				7,807.25	7,532.35	(274.90)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/07	09/01/37			3,194.48				3,194.48	3,082.04	(112.44)	0.00
Repo Agmt	2004 CDEF Single Family	4.53	11/30/07	12/03/07	250,679.93	250,679.93		(250,677.40)			2.53	2.53	-	0.00
Inv Agmt	2004 CDEF Single Family	3.80	10/28/04	03/01/36	1,311,752.49	1,311,752.49	9,595.49				1,321,347.98	1,321,347.98	-	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	158,302.94	161,346.45			(1,867.41)		156,435.53	162,056.63	2,577.59	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	259,599.35	269,802.30			(29,874.66)		229,724.69	242,219.48	2,291.84	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	373,052.02	388,440.85			(3,592.30)		369,459.72	390,159.42	5,310.87	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	142,088.73	147,535.08			(1,110.12)		140,978.61	149,424.72	2,999.76	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	68,103.35	71,050.70			(512.09)		67,591.26	71,537.72	999.11	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	51,523.68	53,900.78			(1,962.44)		49,561.24	52,922.86	84.52	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,716,904.11	1,737,315.13			(52,585.10)		1,664,319.01	1,714,050.52	29,320.49	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	1,098,885.19	1,145,992.35			(66,907.96)		1,031,977.23	1,093,175.92	14,091.53	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	896,710.35	874,538.04			(13,267.56)		823,442.79	874,145.28	12,874.80	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	267,395.47	277,108.57			(6,098.38)		261,297.09	275,495.32	4,485.13	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	294,853.32	298,569.46			(47,087.91)		247,765.41	255,346.89	3,865.34	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	509,136.89	532,534.50			(4,406.83)		504,730.06	536,185.95	8,058.28	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	127,022.46	132,578.57			(967.73)		126,054.73	133,637.93	2,027.09	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	79,472.80	82,371.79			(1,374.22)		78,098.38	82,354.42	1,356.85	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	75,896.59	78,808.71			(584.75)		75,311.84	79,563.69	1,339.73	0.00
GNMA	2004 CDEF Single Family	7.06	09/15/95	06/20/25	33,076.68	34,306.06			(221.37)		32,855.31	34,670.08	585.39	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	48,151.37	50,031.73			(354.92)		47,796.45	50,527.60	850.79	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	2,222,534.35	2,084,945.58			(9,979.57)		2,212,554.78	2,140,069.15	65,103.14	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	5,861,957.58	5,499,193.60			(351,361.46)		5,510,596.12	5,330,181.60	182,349.46	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	1,892,128.02	1,775,047.27			(9,294.50)		1,882,833.52	1,821,203.25	55,450.48	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	410,027.58	385,684.48			(1,728.16)		408,299.42	395,975.28	12,018.96	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,570,915.70	2,411,872.09			(11,424.82)		2,559,490.88	2,475,751.83	75,304.56	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	1,078,606.18	1,011,886.89			(4,551.99)		1,074,054.19	1,038,921.64	31,586.74	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	737,114.06	693,370.95			(124,058.64)		613,055.42	594,567.73	25,255.42	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,659,016.67	1,556,416.99			(7,332.64)		1,651,684.03	1,597,678.04	48,593.69	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	970,197.28	910,204.99			(4,448.68)		965,748.60	934,180.44	28,424.13	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	224,204.94	210,904.68			(926.39)		223,278.55	216,550.25	6,571.96	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	305,898.72	287,754.26			(1,310.00)		304,588.72	295,412.01	8,967.75	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	2,096,301.07	1,972,076.10			(119,013.33)		1,977,287.74	1,917,829.92	64,767.15	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	825,551.08	774,519.47			(3,629.09)		821,921.99	795,071.30	24,180.92	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,072,190.35	1,005,921.82			(4,486.27)		1,067,704.08	1,032,833.51	31,397.96	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	421,375.76	396,429.03			(1,714.85)		419,660.91	407,066.23	12,352.05	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	327,119.83	307,755.53			(1,340.81)		325,779.02	316,003.79	9,589.07	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	408,975.21	383,742.80			(1,646.69)		407,328.52	394,071.62	11,975.51	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	529,483.46	496,782.96			(2,159.14)		527,324.32	510,128.01	15,504.19	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	978,000.88	920,058.42			(4,613.90)		973,386.98	944,130.21	28,685.69	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	493,006.49	463,800.73			(2,090.57)		490,915.92	476,163.99	14,453.83	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	3,716,825.24	3,487,333.19			(15,327.78)		3,701,497.46	3,580,847.62	108,842.21	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	1,121,328.68	1,052,099.64			(6,036.39)		1,115,292.29	1,078,947.12	32,883.87	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	319,064.50	299,365.97			(1,300.15)		317,764.35	307,409.04	9,343.22	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	587,505.96	551,244.86			(2,421.54)		585,084.42	566,027.97	17,204.65	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	932,720.21	875,206.32			(3,746.40)		928,973.81	898,773.06	27,313.14	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	339,336.51	318,412.16			(1,454.56)		337,881.95	326,897.47	9,939.87	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	392,832.88	369,583.83			(2,025.58)		390,807.30	379,086.22	11,527.97	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	404,115.06	380,201.76			(1,928.87)		402,186.19	390,127.39	11,854.50	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	1,089,514.48	1,025,056.49			(4,419.09)		1,085,095.39	1,052,575.73	31,938.33	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	1,118,091.18	1,049,193.53			(4,911.42)		1,113,179.76	1,077,037.34	32,755.23	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	632,380.80	593,417.81			(2,606.86)		629,773.94	609,332.15	18,521.20	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	1,035,705.01	971,849.67			(4,482.35)		1,031,222.66	997,706.89	30,339.57	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	1,178,304.92	1,105,663.31			(4,784.30)		1,173,520.62	1,135,384.62	34,505.61	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	743,366.08	697,543.52			(3,192.29)		740,172.79	716,125.84	21,774.61	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	943,946.82	885,765.74			(3,865.24)		940,081.58	909,544.55	27,644.05	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	664,081.51	623,154.60			(2,715.95)		661,365.56	639,886.67	19,448.02	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	907,330.74	851,433.17			(92,851.41)		814,479.33	788,047.72	29,465.96	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	728,517.59	683,640.97			(3,138.32)		725,379.27	701,844.17	21,341.52	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	577,440.03	541,606.17			(2,380.95)		575,059.08	556,243.44	17,018.22	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	527,446.44	494,718.50			(2,130.51)		525,315.93	508,130.94	15,542.95	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	734,461.58	690,754.84			(2,683.16)		731,578.42	709,536.31	21,664.63	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	439,724.62	413,554.31			(1,738.22)		437,986.40	424,787.07	12,970.98	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	553,188.52	518,866.95			(76,903.39)		476,285.13	460,707.37	18,743.81	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	709,330.38	665,326.00			(3,152.36)		706,178.02	683,086.04	20,912.40	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	1,132,243.12	1,062,010.21			(4,700.12)		1,127,543.00	1,090,680.14	33,370.05	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,219,168.35	1,143,552.72			(5,980.34)		1,213,188.01	1,173,535.82	35,963.44	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	424,290.42	397,977.77			(1,671.73)		422,618.69	406,808.59	12,502.55	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	383,635.84	360,801.12			(2,623.27)		381,012.57	369,527.61	11,349.76	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	846,860.98	794,413.85			(3,315.23)		843,545.75	816,053.45	24,954.83	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	152,482.75	143,419.31			(610.75)		151,872.00	147,307.05	4,498.49	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	250,096.04	235,230.55			(984.57)		249,111.47	241,623.69	7,377.71	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	489,821.85	460,680.71			(1,929.17)		487,892.68	473,199.88	14,448.34	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	204,561.85	192,394.51			(793.46)		197,634.75	197,634.75	6,033.70	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	199,189.31	187,344.36			(789.80)		198,399.51	192,430.58	5,876.02	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	581,196.55	546,639.13			(2,244.81)		578,951.74	561,537.72	17,143.40	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	592,163.64	558,958.63			(2,304.61)		589,859.03	572,121.56	17,467.54	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	120,102.60	112,964.84			(2,513.42)		117,589.18	114,055.62	3,604.20	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	642,713.35	602,922.10			(2,528.83)		640,184.52	619,333.15	18,939.88	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	195,470.84	183,856.50			(1,019.72)		194,451.12	188,610.51	5,773.73	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	230,338.32	216,654.00			(881.17)		229,457.15	222,567.12	6,794.29	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	111,178.06	104,575.34			(426.59)		110,751.47	107,428.16	3,279.41	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	366,809.33	345,027.43			(1,464.76)		365,344.57	354,384.21	10,821.54	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	385,082.10	362,217.33			(1,645.84)		383,436.26	371,935.40	11,363.91	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	435,982.96	410,089.61			(2,594.88)		433,388.08	420,392.78	12,888.05	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	07/20/36	820,705.91	771,992.56			(3,187.31)		817,518.60	793,015.44	24,210.19	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	06/20/36	203,299.62	191,233.84			(776.60)		202,523.02	196,454.07	5,996.83	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	695,507.39	654,245.10			(2,711.10)		692,796.29	672,051.76	20,517.76	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	217,606.90	204,698.41			(828.04)		216,778.86	210,289.30	6,418.93	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	1,002,770.57	940,813.27			(3,969.95)		998,800.62	966,398.78	29,555.46	0.00
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	1,048,751.11	986,591.81			(3,968.11)		1,044,783.00	1,013,560.35	30,936.65	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	418,914.14	394,089.96			(1,572.75)		417,341.39	404,874.34	12,357.13	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	543,530.29	511,325.69			(2,185.91)		541,344.38	525,177.28	16,037.50	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	519,562.75	488,781.70			(2,061.09)		517,481.66	502,031.28	15,330.67	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	556,741.39	523,765.14			(2,067.19)		554,674.20	538,120.99	16,423.04	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	540,424.10	508,423.09			(1,998.67)		538,425.43	522,365.58	15,941.16	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	401,412.98	377,648.42			(1,497.74)		399,915.24	387,991.90	11,841.22	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	234,733.39	220,841.56			(1,177.61)		233,555.78	226,597.43	6,933.48	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	182,007.86	169,074.61			(1,647.58)		180,360.28	172,275.05	4,848.02	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	263,540.52	244,819.32			(1,701.60)		261,838.92	250,106.92	6,989.20	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	78,252.89	72,843.61			(1,762.86)		76,490.03	73,154.32	2,073.57	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	354,629.81	329,467.66			(1,633.99)		352,995.82	337,209.91	9,376.24	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	303,283.18	281,767.92			(1,908.04)		301,375.14	287,901.46	8,041.58	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	111,377.66	103,476.61			(449.32)		110,928.34	105,969.24	2,941.95	0.00
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	159,652.17	148,328.21			(1,292.80)		158,359.37	151,281.52	4,246.11	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	254,182.46	236,057.14			(1,017.35)		253,165.11	241,751.84	6,712.05	0.00
FNMA	2004 CDEF Single Family	4.49	05/25/06	04/01/36	209,093.19	194,186.23			(821.04)		208,272.15	198,885.76	5,520.57	0.00
FNMA	2004 CDEF Single Family	4.49	07/06/06	05/01/36	129,215.20	120,005.30			(512.24)		128,702.96	122,904.93	3,411.87	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	251,153.26	233,255.20			(2,940.82)		248,212.44	237,033.65	6,719.27	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	304,532.33	282,835.41			(2,284.78)		302,247.55	288,640.68	8,090.05	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	384,521.83	357,135.25			(1,472.30)		383,049.53	365,813.86	10,150.91	0.00
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36	77,452.48	71,938.15			(294.75)		77,157.73	73,688.09	2,044.69	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	156,396.70	145,252.44			(583.72)		155,812.98	148,767.30	4,098.58	0.00
Repo Agmt	2004 CDEF Single Family	4.53	11/30/07	12/03/07	1,497,382.44	1,497,382.44		(440,290.32)			1,057,092.12	1,057,092.12	-	0.00
GNMA	2004 CDEF Single Family	5.63	11/21/07	10/20/37			1,480.37				1,480.37	1,509.59	29.22	0.00
GNMA	2004 CDEF Single Family	5.38	11/21/07	10/20/37			13,621.05				13,621.05	13,784.14	163.09	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	5.38	09/25/07	09/20/37			39,974.95				39,974.95	40,451.06	476.11	0.00
GNMA	2004 CDEF Single Family	5.13	09/25/07	09/20/37			23,471.71				23,471.71	23,451.24	(20.47)	0.00
GNMA	2004 CDEF Single Family	5.38	10/09/07	09/20/37			25,664.40				25,664.40	25,970.46	306.06	0.00
GNMA	2004 CDEF Single Family	5.63	10/09/07	06/20/37			2,112.98				2,112.98	2,154.58	41.60	0.00
GNMA	2004 CDEF Single Family	5.13	10/09/07	09/20/37			8,769.45				8,769.45	8,761.93	(7.52)	0.00
GNMA	2004 CDEF Single Family	5.38	11/28/07	11/20/37			15,738.39				15,738.39	15,926.97	188.58	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37			12,913.84				12,913.84	13,068.09	154.25	0.00
GNMA	2004 CDEF Single Family	5.13	10/25/07	10/20/37			26,357.20				26,357.20	26,286.80	(70.40)	0.00
GNMA	2004 CDEF Single Family	5.63	10/25/07	09/20/36			3,709.13				3,709.13	3,782.40	73.27	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37			23,868.05				23,868.05	24,153.13	285.08	0.00
GNMA	2004 CDEF Single Family	5.38	11/08/07	10/20/37			21,027.90				21,027.90	21,279.38	251.48	0.00
GNMA	2004 CDEF Single Family	5.13	11/08/07	10/20/37			8,388.23				8,388.23	8,381.32	(6.91)	0.00
FNMA	2004 CDEF Single Family	5.38	09/25/07	09/01/37			42,095.81				42,095.81	42,329.24	233.43	0.00
FNMA	2004 CDEF Single Family	5.13	09/25/07	09/01/37			20,284.87				20,284.87	20,157.44	(127.43)	0.00
FNMA	2004 CDEF Single Family	5.38	10/09/07	08/01/37			6,984.40				6,984.40	7,058.41	74.01	0.00
FNMA	2004 CDEF Single Family	5.13	10/09/07	09/01/37			10,015.71				10,015.71	10,002.78	(12.93)	0.00
FNMA	2004 CDEF Single Family	5.63	10/09/07	09/01/37			5,810.65				5,810.65	5,912.37	101.72	0.00
FNMA	2004 CDEF Single Family	5.38	10/25/07	10/01/37			41,746.84				41,746.84	42,189.89	443.05	0.00
FNMA	2004 CDEF Single Family	5.13	10/25/07	10/01/37			20,593.08				20,593.08	20,566.80	(26.28)	0.00
FNMA	2004 CDEF Single Family	5.38	11/08/07	09/01/37			14,386.30				14,386.30	14,539.17	152.87	0.00
FNMA	2004 CDEF Single Family	5.13	11/08/07	10/01/37			6,532.30				6,532.30	6,524.05	(8.25)	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	10/01/37			9,147.21				9,147.21	9,244.52	97.31	0.00
FNMA	2004 CDEF Single Family	5.13	11/21/07	09/01/37			8,184.12				8,184.12	8,173.89	(10.23)	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	11/01/37			13,026.22				13,026.22	13,164.80	138.58	0.00
2004 CDEF Single Family Total					82,110,906.42	78,190,808.77	2,546,884.71	(5,978,216.18)	(1,280,829.03)	0.00	77,398,745.92	75,553,414.49	2,074,766.22	0.00
Repo Agmt	2005 BCD Single Family	4.53	11/30/07	12/03/07	6,055.14	6,055.14	72.85				6,127.99	6,127.99	-	0.00
Repo Agmt	2005 BCD Single Family	4.53	11/30/07	12/03/07	612,380.31	612,380.31		(567,414.15)			44,966.16	44,966.16	-	0.00
Repo Agmt	2005 BCD Single Family	4.53	11/30/07	12/03/07	2,477,519.62	2,477,519.62		(1,390,865.05)			1,086,654.57	1,086,654.57	-	0.00
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	16,205.39	15,762.85		(69.83)			16,135.56	16,129.67	436.65	0.00
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	8,027.95	7,906.76		(26.44)			8,001.51	8,090.55	210.23	0.00
GNMA	2005 BCD Single Family	5.63	08/16/06	08/20/36	5,241.25	5,229.97		(16.23)			5,225.02	5,323.11	109.37	0.00
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	13,936.17	13,725.89		(46.72)			13,889.45	14,044.12	364.95	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	20,919.01	20,309.74		(70.64)			20,848.37	20,802.89	563.79	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	56,046.95	55,202.06		(2,096.23)			53,950.72	54,552.27	1,446.44	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	21,006.40	20,930.42		(64.46)			20,941.94	21,304.41	438.45	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	50,044.17	48,679.13		(3,335.44)			46,708.73	46,693.18	1,349.49	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	27,091.07	26,682.87		(1,833.07)			25,258.00	25,539.81	690.01	0.00
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	34,561.81	33,582.85		(127.03)			34,434.78	34,386.53	930.71	0.00
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	7,541.92	7,525.90		(31.41)			7,510.51	7,651.71	157.22	0.00
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	47,402.54	46,688.67		(153.91)			47,248.63	47,776.18	1,241.42	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	89,130.12	86,443.05		(3,729.99)			85,400.13	85,124.84	2,411.78	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	7,680.36	7,664.11		(26.27)			7,654.09	7,798.07	160.23	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	37,020.35	35,972.26		(139.75)			36,880.60	36,829.45	996.94	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	43,717.41	43,059.31		(158.07)			43,559.34	44,045.96	1,144.72	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	76,430.48	75,280.69		(272.28)			76,158.20	77,009.86	2,001.45	0.00
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	43,799.04	43,642.49		(151.25)			43,647.79	44,405.20	913.96	0.00
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	71,287.34	69,139.29		(283.60)			71,003.74	70,776.06	1,920.37	0.00
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	48,904.57	48,169.44		(213.85)			48,690.72	49,235.81	1,280.22	0.00
GNMA	2005 BCD Single Family	5.13	10/17/06	10/20/36	75,492.33	73,356.68		(277.62)			75,214.71	75,112.13	2,033.07	0.00
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	42,881.52	42,792.31		(154.42)			42,727.10	43,532.37	894.48	0.00
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	61,253.22	60,332.90		(3,279.96)			57,973.26	58,622.69	1,569.75	0.00
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	77,100.60	74,919.97		(313.70)			76,786.90	76,682.71	2,076.44	0.00
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	45,187.79	44,509.35		(180.19)			45,027.60	45,532.47	1,183.31	0.00
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	46,956.26	45,628.65		(193.72)			46,762.54	46,699.49	1,264.56	0.00
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	37,510.24	37,433.08		(116.41)			37,393.83	38,099.45	782.78	0.00
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	32,023.16	31,542.71		(103.84)			31,919.32	32,277.55	838.68	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	43,564.89	42,333.73		(169.35)			43,395.54	43,337.62	1,173.24	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	59,137.69	58,250.92		(221.44)			58,916.25	59,578.00	1,548.52	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	16,811.81	16,752.35		(54.63)			16,757.18	17,048.59	350.87	0.00
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	27,960.93	27,170.95		(105.08)			27,855.85	27,818.86	752.99	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	46,404.17	45,708.68		(149.97)			46,254.20	46,774.11	1,215.40	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	5,906.43	5,894.39			(17.79)		5,888.64	5,999.86	123.26	0.00
GNMA	2005 BCD Single Family	5.13	11/28/06	11/20/36	8,601.25	8,358.29			(28.43)		8,572.82	8,561.50	231.64	0.00
GNMA	2005 BCD Single Family	5.38	12/12/06	12/20/36	40,749.99	40,143.82			(185.80)		40,564.19	41,024.78	1,066.76	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	27,692.48	27,636.33			(114.05)		27,578.43	28,099.67	577.39	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	50,557.82	49,130.43			(196.69)		50,361.13	50,295.37	1,361.63	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	83,837.84	82,583.86			(280.42)		83,557.42	84,499.15	2,195.71	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	21,940.61	21,863.86			(67.98)		21,872.63	22,253.85	457.97	0.00
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36	50,248.49	48,830.67			(178.56)		50,071.93	50,007.37	1,353.26	0.00
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36	47,191.51	46,486.30			(160.23)		47,031.26	47,562.00	1,235.93	0.00
GNMA	2005 BCD Single Family	5.63	01/09/07	12/20/36	23,157.77	23,077.06			(87.06)		23,070.71	23,473.13	483.13	0.00
GNMA	2005 BCD Single Family	5.13	01/09/07	01/20/37	33,801.28	32,829.21			(113.04)		33,688.24	33,632.68	916.51	0.00
GNMA	2005 BCD Single Family	5.38	01/16/07	12/20/36	29,026.32	28,592.75			(117.26)		28,909.06	29,235.47	759.98	0.00
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37	22,278.78	22,229.26			(77.35)		22,201.43	22,620.75	468.84	0.00
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37	51,240.18	49,767.65			(187.23)		51,052.95	50,969.89	1,389.47	0.00
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37	39,167.11	38,566.40			(143.81)		39,023.30	39,458.24	1,035.65	0.00
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37	11,939.16	11,912.79			(36.27)		11,902.89	12,127.89	251.37	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	48,432.51	47,690.43			(168.08)		48,264.43	48,803.07	1,280.72	0.00
GNMA	2005 BCD Single Family	5.13	02/13/07	01/20/37	48,877.26	47,473.35			(173.83)		48,703.43	48,624.87	1,325.35	0.00
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37	5,685.84	5,673.36			(16.95)		5,668.89	5,776.11	119.70	0.00
FNMA	2005 BCD Single Family	5.38	08/09/06	08/01/36	12,684.92	12,369.11			(50.97)		12,633.95	12,641.47	323.33	0.00
FNMA	2005 BCD Single Family	5.13	08/10/06	07/01/36	7,861.92	7,574.96			(59.60)		7,802.32	7,724.43	209.07	0.00
FNMA	2005 BCD Single Family	5.38	08/23/06	08/01/36	12,303.10	11,996.89			(40.18)		12,262.92	12,270.31	313.60	0.00
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	15,879.26	15,675.65			(54.81)		15,824.45	15,941.15	320.31	0.00
FNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	17,441.75	16,805.21			(117.05)		17,324.70	17,151.81	463.65	0.00
FNMA	2005 BCD Single Family	5.38	09/06/06	09/01/36	20,995.69	20,473.21			(71.24)		20,924.45	20,937.15	535.18	0.00
FNMA	2005 BCD Single Family	5.63	09/06/06	08/01/36	7,906.81	7,805.47			(25.94)		7,880.87	7,939.03	159.50	0.00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	25,016.37	24,077.44			(91.41)		24,924.96	24,649.89	663.86	0.00
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	19,870.82	19,376.41			(101.41)		19,769.41	19,781.46	506.46	0.00
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	8,166.54	8,061.94			(26.07)		8,140.47	8,200.62	164.75	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	18,398.05	17,940.33			(70.82)		18,327.23	18,338.48	468.97	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	15,049.13	14,484.36			(51.52)		14,997.61	14,832.17	399.33	0.00
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	20,052.83	19,554.00			(95.97)		19,956.86	19,969.15	511.12	0.00
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	33,044.60	32,222.73			(2,217.70)		30,826.90	30,846.02	840.99	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	15,880.63	15,677.41			(53.60)		15,827.03	15,944.14	320.33	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	33,843.32	32,573.62			(168.67)		33,674.65	33,303.55	898.60	0.00
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	33,287.94	32,460.23			(2,143.11)		31,144.83	31,164.33	847.21	0.00
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	43,089.57	42,018.25			(174.48)		42,915.09	42,942.12	1,098.35	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	42,006.61	40,962.38			(154.60)		41,855.01	41,878.55	1,070.77	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	12,799.70	12,635.99			(44.43)		12,755.27	12,849.72	258.16	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	21,739.78	20,924.30			(2,148.62)		19,591.16	19,375.38	599.70	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	27,609.86	26,923.67			(97.87)		27,511.99	27,529.56	703.76	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	11,569.63	11,421.73			(49.30)		11,520.33	11,605.72	233.29	0.00
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	10,919.63	10,510.11			(42.83)		10,876.80	10,757.10	289.82	0.00
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	13,473.52	13,138.69			(51.42)		13,422.10	13,430.72	343.45	0.00
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	8,488.84	8,380.34			(26.77)		8,462.07	8,524.81	171.24	0.00
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	5,150.25	4,957.11			(26.74)		5,123.51	5,067.14	136.77	0.00
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	9,800.33	9,556.82			(35.38)		9,764.95	9,771.23	249.79	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	6,515.28	6,270.96			(27.11)		6,488.17	6,416.79	172.94	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,668.53	8,557.77			(43.90)		8,624.63	8,688.61	174.74	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	9,107.01	8,880.79			(29.50)		9,077.51	9,083.44	232.15	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	10,361.12	10,228.78			(32.38)		10,328.74	10,405.41	209.01	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	12,786.86	12,307.45			(59.31)		12,727.55	12,587.62	339.48	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	31,304.63	30,527.21			(112.58)		31,192.05	31,212.60	797.97	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	10,669.92	10,533.72			(36.47)		10,633.45	10,712.46	215.21	0.00
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36	8,494.29	8,175.86			(29.89)		8,464.40	8,371.38	225.41	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	40,082.08	39,086.90			(185.47)		39,896.61	39,923.11	1,021.68	0.00
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36	8,229.32	8,124.31			(31.94)		8,197.38	8,258.32	165.95	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	10,571.39	10,175.17			(36.22)		10,535.17	10,419.47	280.52	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	33,326.93	32,459.78			(116.00)		33,210.93	33,233.33	849.55	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	23,380.85	23,082.73			(73.65)		23,307.20	23,480.77	471.69	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	7,923.36	7,626.46			(38.46)		7,884.90	7,798.38	210.38	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	22,665.31	22,102.93			(80.51)		22,584.80	22,600.16	577.74	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37	7,127.07	7,036.25			(23.90)		7,103.17	7,156.12	143.77	0.00
FNMA	2005 BCD Single Family	5.13	02/13/07	01/01/37	7,731.97	7,442.37			(26.24)		7,705.73	7,621.31	205.18	0.00
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37	9,289.79	9,082.66			(30.21)		9,259.58	9,290.77	238.32	0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37	11,742.39	11,592.79			(38.13)		11,704.26	11,791.52	236.86	0.00
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	208,689.56	212,975.70			(1,515.92)		207,173.64	214,755.98	3,296.20	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	196,682.84	200,468.57			(2,079.20)		194,603.64	201,474.31	3,084.94	0.00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	219,649.45	224,377.36			(1,743.55)		217,905.90	226,096.39	3,462.58	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	238,498.92	243,684.28			(3,710.98)		234,787.94	243,664.21	3,690.91	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	168,959.58	171,037.12			(1,449.34)		167,510.24	172,252.50	2,664.72	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	203,270.50	205,540.58			(33,807.83)		169,462.67	174,068.42	2,335.67	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	451,023.43	455,975.52			(5,263.71)		445,759.72	457,791.01	7,079.20	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	240,634.47	243,376.36			(2,387.89)		238,246.58	244,776.14	3,787.67	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	236,747.27	239,287.59			(2,984.20)		233,763.07	240,013.92	3,710.53	0.00
FNMA	2005 BCD Single Family	6.15	07/01/97	03/01/27	30,720.59	31,065.49			(1,752.66)		28,967.93	29,756.95	444.12	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	157,166.01	159,941.54			(988.09)		156,177.92	161,445.78	2,492.33	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	1,219,030.83	1,236,798.69			(83,556.72)		1,135,474.11	1,172,675.25	19,433.28	0.00
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	386,370.69	392,033.74			(64,453.64)		321,917.05	332,490.00	4,909.90	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	07/20/26	813,328.61	825,152.46			(12,604.19)		800,724.42	826,927.48	14,379.21	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	353,557.42	358,677.84			(3,912.42)		349,645.00	361,067.27	6,301.85	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	983,567.87	997,825.46			(11,050.64)		972,517.23	1,004,300.69	17,525.87	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	388,735.57	394,454.70			(2,693.90)		386,041.67	398,741.97	6,981.17	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	1,215,749.16	1,233,506.36			(74,155.04)		1,141,594.12	1,179,030.15	19,678.83	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	317,681.04	322,257.55			(2,152.73)		315,528.31	325,812.11	5,707.29	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,350,786.91	1,370,098.92			(82,968.67)		1,267,819.24	1,308,999.85	21,869.60	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	942,314.96	952,188.40			(10,848.79)		931,466.17	958,149.51	16,809.90	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	462,253.79	466,780.61			(5,000.66)		457,253.13	470,037.32	8,257.37	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	345,085.20	348,600.02			(3,418.60)		341,665.60	351,352.85	6,172.43	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	993,606.04	1,003,421.75			(31,552.78)		962,053.26	989,034.16	17,165.19	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	322,408.57	325,496.78			(2,929.41)		319,479.16	328,342.64	5,775.27	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	880,474.98	886,927.41			(7,335.57)		873,139.41	897,382.28	15,790.44	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	543,876.97	550,361.19			(61,638.54)		462,238.43	476,167.96	7,445.31	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	491,384.24	497,227.18			(4,586.65)		486,797.59	501,451.63	8,811.10	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	147,472.31	149,071.36			(1,361.55)		146,110.76	150,355.24	2,645.43	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	545,680.83	551,205.19			(53,556.63)		492,124.20	506,064.53	8,415.97	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	222,807.71	224,911.01			(1,517.03)		221,290.68	227,407.14	4,013.16	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	177,259.58	179,007.37			(1,756.75)		175,502.83	180,427.87	3,177.25	0.00
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	306,142.52	311,028.06			(15,521.82)		290,620.70	300,557.78	5,051.54	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	636,513.93	642,867.20			(4,361.68)		632,152.25	649,968.76	11,463.24	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	186,985.14	188,671.76			(1,108.10)		185,877.04	190,964.51	3,400.85	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	198,054.07	199,840.50			(3,371.59)		194,682.48	200,010.92	3,542.01	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	259,763.44	262,106.48			(5,721.45)		254,041.99	260,995.08	4,610.05	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	181,782.56	183,422.24			(1,386.18)		180,396.38	185,333.82	3,297.76	0.00
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	161,991.13	163,452.27			(1,913.48)		160,077.65	164,458.95	2,920.16	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	367,822.65	371,140.40			(3,155.46)		364,667.19	374,648.13	6,663.19	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	695,561.41	701,835.36			(55,381.04)		640,180.37	657,702.09	11,247.77	0.00
Repo Agmt	2005 BCD Single Family	4.53	11/30/07	12/03/07	2,938.66	2,938.66	0.00				2,938.66	2,938.66	-	0.00
	2005 BCD Single Family Total				24,341,907.52	24,513,955.59	72.85	(1,958,279.20)	(722,496.09)	0.00	21,661,205.08	22,213,721.08	380,467.93	0.00
GIC's	2006 ABCDE Single Family	5.25	06/28/06	12/31/07	1,711,168.46	1,711,168.46					866,469.21	866,469.21	-	0.00
Repo Agmt	2006 ABCDE Single Family	4.53	11/30/07	12/03/07	11,841,628.20	11,841,628.20					637.98	637.98	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	622,851.63	622,851.63	6,765,165.37		(844,699.25)		7,388,017.00	7,388,017.00	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	1,651,538.02	1,651,538.02	0.00		(11,840,990.22)		1,651,538.02	1,651,538.02	-	0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	299,416.86	304,348.25			(2,342.88)		297,073.98	306,571.42	4,566.05	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	236,013.47	239,900.60			(2,342.33)		233,671.14	241,141.59	3,583.32	0.00
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	265,492.96	269,865.59			(2,111.19)		263,381.77	271,802.04	4,047.64	0.00
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	131,537.08	134,354.61			(1,185.87)		130,351.21	135,166.39	1,997.65	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	205,694.57	210,100.50			(3,276.32)		202,418.25	209,895.55	3,071.37	0.00
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	252,688.60	258,101.20			(4,428.46)		248,260.14	257,430.86	3,758.12	0.00
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	2,233,918.14	2,264,031.33			(20,193.43)		2,213,724.71	2,283,434.87	39,596.97	0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	835,361.37	846,622.01			(56,030.37)		779,331.00	803,872.07	13,280.43	0.00
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	219,232.50	223,965.68			(1,359.12)		217,873.38	226,413.96	3,807.40	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	726,917.00	736,715.77			(9,998.39)		716,918.61	739,494.31	12,776.93	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	734,857.02	744,762.80			(6,494.86)		728,362.16	751,298.21	13,030.27	0.00
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	63,049.32	64,410.56			(436.02)		62,613.30	65,067.75	1,093.21	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	1,430,512.48	1,449,795.70			(70,810.86)		1,359,701.62	1,402,518.52	23,533.68	0.00
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	354,647.54	359,428.25			(2,866.33)		351,779.21	362,856.80	6,296.88	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	332,850.42	340,036.70			(5,072.00)		329,778.42	342,705.78	5,741.08	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	577,753.09	585,541.18			(5,978.64)		571,774.45	589,779.63	10,217.09	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	587,922.45	595,847.61			(3,888.51)		584,033.94	602,425.12	10,466.02	0.00
GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	1,346,773.12	1,364,927.58			(75,591.94)		1,271,181.18	1,311,210.66	21,875.02	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	1,234,991.49	1,251,639.11			(60,132.82)		1,174,858.67	1,211,854.88	20,348.59	0.00
GNMA	2006 ABCDE Single Family	6.45	08/28/97	08/20/27	292,867.91	299,190.91			(2,035.85)		290,832.06	302,232.66	5,077.60	0.00
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	260,508.26	264,019.89			(1,633.56)		258,874.70	267,026.62	4,640.29	0.00
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	484,117.37	490,643.28			(5,136.38)		478,980.99	494,064.09	8,557.19	0.00
GNMA	2006 ABCDE Single Family	6.25	10/15/97	09/20/27	470,293.75	476,633.33			(13,387.10)		456,906.65	471,294.66	8,048.43	0.00
GNMA	2006 ABCDE Single Family	6.45	10/15/97	08/20/27	64,981.52	66,384.46			(441.06)		64,540.46	67,070.42	1,127.02	0.00
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	422,447.43	428,142.01			(5,828.17)		416,619.26	429,738.58	7,424.74	0.00
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	410,469.08	416,002.20			(2,589.44)		407,879.64	420,723.76	7,311.00	0.00
GNMA	2006 ABCDE Single Family	6.45	11/25/97	10/20/27	358,220.35	365,954.28			(2,126.47)		356,093.88	370,052.72	6,224.91	0.00
GNMA	2006 ABCDE Single Family	6.25	11/25/97	11/20/27	483,535.42	490,053.42			(75,107.74)		408,427.68	421,289.01	6,343.33	0.00
GNMA	2006 ABCDE Single Family	6.25	12/17/97	11/20/27	706,778.04	716,305.39			(11,897.47)		694,880.57	716,762.34	12,354.42	0.00
GNMA	2006 ABCDE Single Family	6.25	01/29/98	01/20/28	983,077.72	995,818.37			(7,069.50)		978,008.22	1,006,381.56	17,632.69	0.00
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	303,477.75	310,029.85			(1,852.44)		301,625.31	313,449.05	5,271.64	0.00
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	428,422.59	437,368.31			(71,609.84)		356,812.75	370,600.25	4,841.78	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	723,574.94	732,952.49			(60,755.87)		662,819.07	683,446.04	11,249.42	0.00
GNMA	2006 ABCDE Single Family	6.25	07/06/98	05/20/28	149,329.61	151,264.71			(889.20)		148,440.41	153,059.66	2,684.15	0.00
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	169,855.46	173,402.03			(1,019.79)		168,835.67	175,359.46	2,977.22	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	281,275.14	284,920.47			(2,702.57)		278,572.57	287,241.75	5,023.85	0.00
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	128,559.16	130,225.24			(726.61)		127,832.55	131,810.65	2,312.02	0.00
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	157,221.29	159,258.85			(1,191.51)		156,029.78	160,885.41	2,818.07	0.00
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	114,588.76	116,073.83			(1,041.46)		113,547.30	117,080.88	2,048.51	0.00
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	225,534.22	230,243.37			(6,357.47)		219,176.75	227,645.74	3,759.84	0.00
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	1,039,506.30	1,052,978.31			(65,027.65)		974,478.65	1,004,804.44	16,853.78	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	38,467.98	39,271.18			(200.62)		38,267.36	39,746.00	675.44	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	512,004.80	502,215.24			(67,727.93)		444,276.87	447,457.86	12,970.55	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	548,338.87	537,854.61			(4,149.76)		544,189.11	548,085.49	14,380.64	0.00
GNMA	2006 ABCDE Single Family	5.45	07/29/99	06/20/29	565,529.50	554,716.60			(4,071.70)		561,457.80	565,477.86	14,832.96	0.00
GNMA	2006 ABCDE Single Family	5.45	10/14/99	08/20/29	213,105.44	209,030.90			(2,335.02)		210,770.42	212,279.59	5,583.71	0.00
GNMA	2006 ABCDE Single Family	5.45	08/26/99	07/20/29	372,424.42	365,303.67			(4,639.58)		367,784.84	370,418.19	9,754.10	0.00
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	188,935.81	191,254.06			(1,329.24)		187,606.57	193,336.08	3,411.26	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	45,959.34	46,523.25			(229.32)		45,730.02	47,126.61	832.68	0.00
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	184,988.55	181,451.84			(1,591.86)		183,396.99	184,710.09	4,850.11	0.00
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	1,134,956.77	1,113,256.40			(57,860.74)		1,077,096.03	1,084,808.03	29,412.37	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	213,728.15	216,350.62			(1,279.08)		212,449.07	218,937.29	3,865.75	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	172,832.01	170,135.80			(1,034.23)		171,797.78	173,563.82	4,462.25	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	196,398.87	200,403.44			(1,728.63)		194,670.24	201,610.23	2,935.42	0.00
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	782,054.49	759,860.32			(3,376.93)		778,677.56	777,543.02	21,059.63	0.00
GNMA	2006 ABCDE Single Family	5.38	08/16/06	08/20/36	367,110.29	361,568.16			(1,209.25)		365,901.04	369,972.97	9,614.06	0.00
GNMA	2006 ABCDE Single Family	5.63	08/16/06	08/20/36	239,677.37	239,161.36			(742.37)		238,935.00	243,420.43	5,001.44	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/06	08/20/36	637,287.38	627,670.95			(2,136.85)		635,150.53	642,223.33	16,689.23	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	1,009,530.96	979,046.32			(3,419.17)		1,006,111.79	1,002,818.79	27,191.64	0.00
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	2,562,969.58	2,524,333.65			(95,858.53)		2,467,111.05	2,494,619.23	66,144.11	0.00
GNMA	2006 ABCDE Single Family	5.63	09/06/06	09/20/36	960,600.50	957,126.73			(2,947.39)		957,653.11	974,228.98	20,049.64	0.00
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	2,415,086.01	2,346,613.98			(160,988.07)		2,254,097.94	2,250,879.72	65,253.81	0.00
GNMA	2006 ABCDE Single Family	5.38	09/12/06	09/20/36	1,238,847.38	1,220,180.79			(83,824.54)		1,155,022.84	1,167,909.55	31,553.30	0.00
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	1,667,991.02	1,620,744.72			(6,130.46)		1,661,860.56	1,659,531.49	44,917.23	0.00
GNMA	2006 ABCDE Single Family	5.63	09/12/06	09/20/36	344,884.25	344,151.85			(1,436.51)		343,447.74	349,905.07	7,189.73	0.00
GNMA	2006 ABCDE Single Family	5.38	09/20/06	09/20/36	2,167,669.98	2,135,025.45			(7,037.91)		2,160,632.07	2,184,756.17	56,768.63	0.00
GNMA	2006 ABCDE Single Family	5.13	09/20/06	09/20/36	4,301,516.57	4,171,835.33			(180,013.25)		4,121,503.32	4,108,217.26	116,395.18	0.00
GNMA	2006 ABCDE Single Family	5.63	09/20/06	09/20/36	351,215.48	350,472.46			(1,200.98)		350,014.50	356,598.17	7,326.69	0.00
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	1,796,642.98	1,736,060.45			(6,744.62)		1,779,896.36	1,777,429.07	48,113.24	0.00
GNMA	2006 ABCDE Single Family	5.38	09/26/06	09/20/36	1,999,152.90	1,969,058.13			(7,228.75)		1,991,924.15	2,014,176.77	52,347.39	0.00
GNMA	2006 ABCDE Single Family	5.38	10/05/06	10/20/36	3,495,088.15	3,442,508.74			(12,451.31)		3,482,636.84	3,521,582.02	91,524.59	0.00
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	2,002,884.89	1,995,726.76			(6,916.55)		1,995,968.34	2,030,604.60	41,794.39	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	3,440,403.82	3,336,737.22			(13,686.48)		3,426,717.34	3,415,729.69	92,678.95	0.00
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	2,236,356.07	2,202,739.50			(9,779.06)		2,226,577.01	2,251,503.41	58,542.97	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	3,643,342.72	3,540,272.97			(13,398.35)		3,629,944.37	3,624,992.73	98,118.11	0.00
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	1,960,928.01	1,956,848.80			(7,061.44)		1,953,866.57	1,990,690.68	40,903.32	0.00
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	2,801,046.77	2,758,961.38			(149,988.92)		2,651,057.85	2,680,755.25	71,782.79	0.00
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	3,720,959.06	3,615,719.12			(15,139.50)		3,705,819.56	3,700,790.61	100,210.99	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	2,066,391.60	2,035,366.96			(7,325.18)		2,059,066.42	2,082,153.33	54,111.55	0.00
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	2,266,160.11	2,202,088.56			(9,349.54)		2,256,810.57	2,253,768.53	61,029.51	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	1,715,304.93	1,711,776.50			(5,322.76)		1,709,982.17	1,742,248.60	35,794.86	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,464,385.88	1,442,415.74			(4,748.82)		1,459,637.06	1,476,019.39	38,352.47	0.00
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	2,102,489.20	2,043,071.99			(8,172.91)		2,094,316.29	2,091,520.75	56,621.67	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	2,704,306.03	2,663,754.99			(10,125.75)		2,694,180.28	2,724,440.66	70,811.42	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	768,786.97	766,068.04			(2,497.74)		766,289.23	779,615.08	16,044.78	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,349,425.66	1,311,299.62			(5,071.84)		1,344,353.82	1,342,568.85	36,341.07	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	2,122,015.63	2,090,210.82			(6,857.79)		2,115,157.84	2,138,932.07	55,579.04	0.00
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	270,096.44	269,544.63			(814.18)		269,282.26	274,367.61	5,637.16	0.00
GNMA	2006 ABCDE Single Family	5.13	11/28/06	11/20/36	415,105.40	403,380.07			(1,372.03)		413,733.37	413,187.38	11,179.34	0.00
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/36	1,863,640.01	1,835,735.57			(8,498.89)		1,855,141.12	1,876,021.23	48,784.55	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	1,266,348.89	1,263,781.03			(5,215.59)		1,261,133.30	1,284,969.16	28,403.72	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	2,439,975.31	2,371,087.74			(9,493.04)		2,430,482.27	2,427,309.19	65,714.49	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	3,833,818.22	3,776,475.28			(12,823.33)		3,820,994.89	3,864,059.82	100,407.87	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	1,003,321.99	999,812.03			(3,109.01)		1,000,212.96	1,017,645.93	20,942.91	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	2,425,046.62	2,356,621.08			(8,520.78)		2,416,525.84	2,413,410.05	65,309.75	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	2,158,018.74	2,125,771.05			(7,327.19)		2,150,691.55	2,174,961.95	56,518.09	0.00
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36	1,058,981.59	1,055,290.78			(3,980.91)		1,055,000.68	1,073,402.64	22,092.77	0.00
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,641,783.21	1,584,373.16			(5,580.60)		1,636,202.61	1,623,149.48	44,356.92	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36	1,327,344.04	1,307,517.21			(5,362.47)		1,321,981.57	1,336,908.14	34,753.40	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/07	01/20/37	1,018,786.47	1,016,521.68			(3,537.26)		1,015,249.21	1,034,424.12	21,439.70	0.00
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	2,472,907.39	2,401,840.84			(9,036.06)		2,463,871.33	2,459,862.11	67,057.33	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37	1,791,071.97	1,763,602.40			(6,576.13)		1,784,495.84	1,804,385.15	47,358.88	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37	545,966.17	544,760.19			(1,658.40)		544,307.77	554,596.47	11,494.68	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37	2,214,769.28	2,180,834.58			(7,685.88)		2,207,083.40	2,231,714.30	58,565.60	0.00
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37	2,358,870.13	2,291,115.55			(8,389.25)		2,350,480.88	2,346,689.39	63,963.09	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37	260,007.83	259,437.43			(775.86)		259,231.97	264,136.07	5,474.50	0.00
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37	777,071.85	765,171.74			(2,425.44)		774,646.41	783,297.74	20,551.44	0.00
GNMA	2006 ABCDE Single Family	5.13	02/20/07	02/20/37	1,173,499.06	1,139,801.48			(4,315.42)		1,169,183.64	1,167,307.11	31,821.05	0.00
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37	559,716.93	558,493.56			(1,689.48)		558,027.45	568,588.13	11,784.05	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/07	02/20/37	1,060,875.50	1,044,644.01			(3,479.55)		1,057,395.95	1,069,220.21	28,055.75	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/07	02/20/37	229,093.97	228,596.48			(676.52)		228,417.45	232,743.54	4,823.58	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	02/20/37	275,576.27	274,981.73			(812.02)		274,764.25	279,972.38	5,802.67	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	1,302,873.07	1,285,497.59			(173,132.61)		1,129,740.46	1,127,960.32	35,595.34	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	1,076,528.97	1,060,074.05			(3,853.13)		1,072,675.84	1,084,687.41	28,466.49	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	655,371.13	636,560.84			(2,529.13)		652,842.00	651,803.41	17,771.70	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	1,170,843.91	1,137,298.51			(3,792.11)		1,167,051.80	1,165,256.49	31,750.09	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	1,016,010.13	1,013,857.11			(3,040.22)		1,012,969.91	1,032,209.27	21,392.38	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	674,288.45	664,006.70			(2,447.98)		671,840.47	679,389.01	17,830.29	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	919,556.57	893,183.60			(4,775.34)		914,781.23	913,347.20	24,938.94	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	211,524.74	211,070.10			(640.34)		210,884.40	214,663.22	4,453.46	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	467,254.63	460,129.33			(1,558.96)		465,695.67	470,927.57	12,357.20	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	631,330.97	621,694.81			(1,956.23)		629,374.74	636,436.50	16,697.92	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	1,196,947.48	1,162,636.56			(3,878.45)		1,193,069.03	1,191,215.62	32,457.51	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	355,278.32	354,520.08			(1,083.58)		354,194.74	360,916.50	7,480.00	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	640,352.43	622,014.74			(3,043.77)		637,308.66	636,337.27	17,366.30	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	285,212.55	284,612.18			(836.79)		284,375.76	289,781.02	6,005.63	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	644,752.45	634,930.05			(2,016.15)		642,736.30	649,967.68	17,053.78	0.00
GNMA	2006 ABCDE Single Family	5.63	05/22/07	04/20/37	224,829.09	224,359.24			(911.14)		223,917.95	228,177.53	4,729.43	0.00
GNMA	2006 ABCDE Single Family	5.38	05/22/07	05/20/37	937,645.12	923,374.71			(3,046.16)		934,598.96	945,127.47	24,798.92	0.00
GNMA	2006 ABCDE Single Family	5.13	05/22/07	05/20/37	1,387,207.95	1,347,503.10			(4,945.10)		1,382,262.85	1,380,176.94	37,618.94	0.00
GNMA	2006 ABCDE Single Family	5.38	06/05/07	05/20/37	1,135,276.16	1,118,014.88			(3,712.04)		1,131,564.12	1,144,328.85	30,026.01	0.00
GNMA	2006 ABCDE Single Family	5.63	06/05/07	05/20/37	358,025.28	357,282.50			(1,093.23)		356,932.05	363,727.45	7,538.18	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	05/20/37	2,139,575.27	2,078,367.62			(7,914.61)		2,131,660.66	2,128,476.14	58,023.13	0.00
GNMA	2006 ABCDE Single Family	5.38	06/19/07	05/20/37	530,520.24	522,461.36			(1,612.88)		528,907.36	534,881.34	14,032.86	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	06/19/07	06/20/37	979,753.10	951,738.41		(3,498.87)	976,254.23	974,810.59	26,571.05	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37	452,683.49	451,750.72		(1,321.70)	451,361.79	459,961.98	9,532.96	0.00
GNMA	2006 ABCDE Single Family	5.38	08/07/07	07/20/37	439,092.17	432,663.28		(1,325.94)	437,766.23	442,955.84	11,618.50	0.00
GNMA	2006 ABCDE Single Family	5.63	08/07/07	08/20/37	1,112,380.62	1,110,707.59		(6,329.63)	1,106,050.99	1,127,748.31	23,370.35	0.00
GNMA	2006 ABCDE Single Family	5.13	08/07/07	07/20/37	2,138,659.90	2,078,666.44		(8,972.89)	2,129,687.01	2,127,712.78	58,019.23	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37	917,368.11	903,446.52		(3,215.98)	914,152.13	924,491.45	24,260.91	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37	993,223.29	963,009.50		(3,201.79)	990,021.50	986,759.00	26,951.29	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37	840,265.76	827,526.79		(2,537.72)	837,728.04	847,215.84	22,226.77	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37	806,778.90	782,248.60		(2,619.84)	804,159.06	801,521.21	21,892.45	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/07	10/20/37			67,696.13		67,696.13	69,032.22	1,336.09	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/07	10/20/37					622,876.72	630,334.78	7,458.06	0.00
GNMA	2006 ABCDE Single Family	5.38	09/25/07	09/20/37			1,828,014.02		1,828,014.02	1,849,785.79	21,771.77	0.00
GNMA	2006 ABCDE Single Family	5.13	09/25/07	09/20/37			1,132,770.84		1,132,770.84	1,131,782.60	(988.24)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	08/20/37			290,073.32		290,073.32	295,779.53	5,706.21	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	09/20/37			130,381.40		130,381.40	132,946.35	2,564.95	0.00
GNMA	2006 ABCDE Single Family	5.38	10/09/07	09/20/37			1,173,606.85		1,173,606.85	1,187,602.60	13,995.75	0.00
GNMA	2006 ABCDE Single Family	5.63	10/09/07	06/20/37			96,624.58		96,624.58	96,526.84	(97.74)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/09/07	09/20/37			423,223.28		423,223.28	422,860.47	(362.81)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37	887,906.52	887,898.44		(2,862.17)	885,044.35	895,552.66	10,516.39	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37	1,172,713.07	1,139,835.86		(6,657.97)	1,168,055.10	1,164,994.19	31,816.30	0.00
GNMA	2006 ABCDE Single Family	5.38	09/11/07	09/20/37			599,435.73		599,435.73	606,565.23	7,129.50	0.00
GNMA	2006 ABCDE Single Family	5.63	09/11/07	08/20/37			655,190.54		655,190.54	668,069.04	12,878.50	0.00
GNMA	2006 ABCDE Single Family	5.13	09/11/07	08/20/37			466,346.20		466,346.20	465,077.54	(1,268.66)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/07	11/20/37			719,700.65		719,700.65	728,323.92	8,623.27	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37			590,537.19		590,537.19	597,590.48	7,053.29	0.00
GNMA	2006 ABCDE Single Family	5.13	10/25/07	10/20/37			1,272,027.58		1,272,027.58	1,268,630.06	(3,397.52)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/25/07	09/20/36			169,614.97		169,614.97	172,965.76	3,350.79	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37			1,091,461.88		1,091,461.88	1,104,498.14	13,036.26	0.00
GNMA	2006 ABCDE Single Family	5.38	11/08/07	10/20/37			961,584.68		961,584.68	973,084.49	11,499.81	0.00
GNMA	2006 ABCDE Single Family	5.13	11/08/07	10/20/37			404,825.13		404,825.13	404,491.61	(333.52)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	580,068.94	565,626.93		(2,330.75)	577,738.19	578,081.85	14,785.67	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	379,410.15	365,157.05		(2,879.58)	376,530.57	372,362.11	(4,168.46)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	562,609.41	548,605.37		(1,837.59)	560,771.82	561,108.77	14,340.99	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	726,142.79	716,831.51		(2,505.89)	723,636.90	728,972.49	14,646.87	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	841,723.98	810,108.26		(5,657.70)	836,066.28	826,816.23	(9,250.05)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/06/06	09/01/36	960,111.07	936,219.33		(3,257.81)	956,853.26	957,434.94	24,473.42	0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	361,570.17	356,936.29		(1,185.94)	360,384.23	363,043.64	7,293.29	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	1,207,317.53	1,162,003.73		(4,411.73)	1,202,905.80	1,189,630.59	(13,275.21)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	908,672.54	886,063.48		(4,637.64)	904,034.90	904,586.28	23,160.44	0.00
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	373,448.40	368,664.51		(1,191.91)	372,256.49	375,006.14	7,533.54	0.00
FNMA	2006 ABCDE Single Family	5.38	09/20/06	09/01/36	841,323.97	820,393.11		(3,238.37)	838,085.60	838,600.13	21,445.39	0.00
FNMA	2006 ABCDE Single Family	5.13	09/20/06	09/01/36	726,288.28	699,030.89		(2,486.58)	723,801.70	715,816.75	(7,984.95)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	916,995.26	894,184.52		(4,388.40)	912,606.86	913,168.99	23,372.87	0.00
FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	1,511,096.32	1,473,512.92		(101,412.95)	1,409,683.37	1,410,557.34	38,457.37	0.00
FNMA	2006 ABCDE Single Family	5.63	10/17/06	09/01/36	726,205.86	716,911.77		(2,451.65)	723,754.21	729,108.96	14,648.84	0.00
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	1,633,315.77	1,572,098.42		(8,140.48)	1,625,175.29	1,607,265.79	(17,909.50)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/17/06	10/01/36	1,522,224.03	1,484,372.82		(98,002.62)	1,424,221.41	1,425,112.96	38,742.76	0.00
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	1,970,442.27	1,921,451.57		(7,979.18)	1,962,463.09	1,963,699.48	50,227.09	0.00
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	1,920,919.60	1,873,167.72		(7,069.75)	1,913,849.85	1,915,063.33	48,965.36	0.00
FNMA	2006 ABCDE Single Family	5.63	11/02/06	10/01/36	585,317.60	577,831.29		(2,032.20)	583,285.40	587,605.06	11,805.97	0.00
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	1,049,185.02	1,009,829.68		(103,695.01)	945,490.01	935,077.25	(10,412.76)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,262,570.69	1,231,192.03		(4,475.60)	1,258,095.09	1,258,899.10	32,182.67	0.00
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	529,067.87	522,304.13		(2,254.54)	526,813.33	530,717.93	10,668.34	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	526,994.10	507,229.41		(2,066.71)	524,927.39	519,149.44	(13,986.74)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	616,130.88	600,819.39		(2,351.74)	613,779.14	614,173.25	15,705.60	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	388,186.33	383,224.82		(1,224.38)	386,961.95	389,831.19	7,830.75	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	248,556.74	239,235.44		(1,290.09)	247,266.65	244,545.69	(6,600.34)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	448,158.96	437,023.51		(1,618.50)	446,540.46	446,828.54	11,423.53	0.00
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	314,434.74	302,643.83		(1,308.33)	313,126.41	309,681.66	(3,444.75)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	396,403.19	391,337.83		(2,007.57)	394,395.62	397,321.18	7,990.92	0.00
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	416,455.20	406,109.94		(1,348.60)	415,106.60	415,376.88	10,615.54	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	473,803.43	467,751.87		(1,481.08)	472,322.35	475,828.85	9,558.06	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	619,226.44	593,970.84			(2,889.94)		616,336.50	607,492.16	16,411.26	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	1,431,529.11	1,395,977.98			(5,147.60)		1,426,381.51	1,427,320.33	36,489.95	0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	487,924.95	481,696.39			(1,668.18)		486,256.77	489,870.14	9,841.93	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	409,943.43	394,575.81			(1,442.96)		408,500.47	404,011.78	10,878.93	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,832,912.18	1,787,403.72			(8,481.05)		1,824,431.13	1,825,642.93	46,720.26	0.00
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36	376,318.45	371,516.84			(1,461.21)		374,857.24	377,645.08	7,589.45	0.00
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36	510,186.72	491,064.71			(1,747.85)		508,438.87	502,855.05	13,538.19	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/07	12/01/36	1,514,246.63	1,486,181.62			(5,186.41)		1,509,060.22	1,519,726.26	38,731.05	0.00
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36	1,069,182.76	1,055,550.13			(3,368.18)		1,065,814.58	1,073,751.90	21,569.95	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37	382,389.76	368,061.33			(1,855.77)		380,533.99	376,358.63	10,153.07	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/07	01/01/37	1,036,461.62	1,010,744.10			(3,682.12)		1,032,779.50	1,033,482.12	26,420.14	0.00
FNMA	2006 ABCDE Single Family	5.63	02/13/07	01/01/37	325,913.82	321,760.52			(1,092.59)		324,821.23	327,242.21	6,574.28	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	373,157.37	359,177.05			(1,266.36)		371,891.01	367,812.71	9,902.02	0.00
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	426,073.97	415,340.82			(1,396.07)		424,677.90	424,857.54	10,912.79	0.00
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	536,967.94	530,126.65			(1,744.40)		535,223.54	539,214.33	10,832.08	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	461,013.06	443,742.58			(1,777.12)		459,235.94	454,201.15	12,235.69	0.00
FNMA	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	595,978.24	580,312.26			(1,994.95)		593,983.29	593,564.56	15,247.25	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	313,724.70	309,647.88			(970.87)		312,753.83	315,050.33	6,373.32	0.00
FNMA	2006 ABCDE Single Family	5.13	03/20/07	09/01/36	87,217.05	83,950.74			(1,896.50)		85,320.55	84,386.08	2,331.84	0.00
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	357,228.40	353,252.90			(1,080.08)		356,148.32	359,443.87	7,271.05	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/07	09/01/36	239,060.92	233,132.67			(1,394.98)		237,665.94	237,830.98	6,093.29	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	444,917.97	428,029.30			(1,841.15)		443,076.82	438,057.49	11,869.34	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	986,026.41	961,208.90			(3,107.31)		982,919.10	983,356.67	25,255.08	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	533,685.82	526,759.09			(2,414.51)		531,271.31	535,180.95	10,836.37	0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	893,125.56	859,229.38			(3,603.77)		889,521.79	879,450.27	23,824.66	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	1,657,085.57	1,621,084.52			(5,316.73)		1,651,768.84	1,658,142.23	42,374.44	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	490,711.72	472,090.94			(3,043.90)		487,667.82	482,149.15	13,102.11	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37	242,619.75	239,472.22			(793.62)		241,826.13	243,607.21	4,928.61	0.00
FNMA	2006 ABCDE Single Family	5.13	05/08/07	04/01/37	254,299.60	244,651.31			(830.24)		253,469.36	250,602.76	6,781.69	0.00
FNMA	2006 ABCDE Single Family	5.38	05/22/07	04/01/37	232,740.85	226,887.28			(729.51)		232,011.34	232,119.06	5,961.29	0.00
FNMA	2006 ABCDE Single Family	5.13	05/22/07	04/01/37	205,356.18	197,566.20			(857.48)		204,498.70	202,187.13	5,478.41	0.00
FNMA	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	339,524.38	331,214.32			(1,079.76)		338,544.62	338,792.64	8,658.06	0.00
FNMA	2006 ABCDE Single Family	5.63	06/05/07	05/01/37	393,775.70	386,674.63			(1,169.45)		392,606.25	395,505.77	8,000.59	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37	433,608.78	417,162.81			(1,433.95)		432,174.83	427,292.31	11,563.45	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37	646,703.99	630,447.23			(3,342.33)		643,361.66	643,668.76	16,563.86	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37	637,130.79	628,885.44			(2,028.37)		635,102.42	639,801.22	12,944.15	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37	590,798.27	568,397.83			(2,638.05)		588,160.22	581,523.04	15,763.26	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37	2,127,308.01	2,084,328.75			(40,282.65)		2,087,025.36	2,096,502.80	54,456.70	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37	477,734.73	473,936.10			(6,368.84)		471,365.89	477,233.52	9,666.26	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37	1,783,734.90	1,724,779.27			(5,406.31)		1,777,328.59	1,786,082.33	47,709.37	0.00
FNMA	2006 ABCDE Single Family	5.13	08/29/07	08/01/37	819,568.72	792,496.51			(2,706.74)		816,861.98	811,709.59	21,919.82	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/07	07/01/37	732,545.78	717,756.60			(6,321.87)		726,223.91	730,228.04	18,793.31	0.00
FNMA	2006 ABCDE Single Family	5.38	09/11/07	08/01/37			683,627.39				683,627.39	687,409.17	3,781.78	0.00
FNMA	2006 ABCDE Single Family	5.13	09/11/07	09/01/37			335,488.92				335,488.92	333,376.86	(2,112.06)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/11/07	08/01/37			274,578.19				274,578.19	278,005.17	3,426.98	0.00
FNMA	2006 ABCDE Single Family	5.38	09/25/07	09/01/37			1,924,998.66				1,924,998.66	1,935,673.00	10,674.34	0.00
FNMA	2006 ABCDE Single Family	5.63	09/25/07	07/01/37			171,399.70				171,399.70	173,541.02	2,141.32	0.00
FNMA	2006 ABCDE Single Family	5.13	09/25/07	09/01/37			978,970.08				978,970.08	972,819.73	(6,150.35)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/09/07	08/01/37			319,389.58				319,389.58	322,774.30	3,384.72	0.00
FNMA	2006 ABCDE Single Family	5.13	10/09/07	09/01/37			483,369.24				483,369.24	482,745.29	(623.95)	0.00
FNMA	2006 ABCDE Single Family	5.63	10/09/07	09/01/37			265,715.19				265,715.19	270,366.85	4,651.66	0.00
FNMA	2006 ABCDE Single Family	5.38	10/25/07	10/01/37			1,909,040.03				1,909,040.03	1,929,300.23	20,260.20	0.00
FNMA	2006 ABCDE Single Family	5.13	10/25/07	10/01/37			993,844.19				993,844.19	992,576.33	(1,267.86)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/08/07	09/01/37			657,870.93				657,870.93	664,861.50	6,990.57	0.00
FNMA	2006 ABCDE Single Family	5.13	11/08/07	10/01/37			315,255.88				315,255.88	314,857.83	(398.05)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	10/01/37			418,292.69				418,292.69	422,742.61	4,449.92	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/07	09/01/37			394,974.84				394,974.84	394,480.93	(493.91)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	11/01/37			595,676.23				595,676.23	602,013.21	6,336.98	0.00
GIC's	2006 ABCDE Single Family	5.25	06/28/06	12/31/07	50,506,009.39	50,506,009.39		(23,562,603.51)			26,943,405.88	26,943,405.88	-	0.00
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	8,437.62	8,565.88			(32.20)		8,405.42	8,690.61	156.93	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	13,430.31	13,234.05			(4,234.65)		9,195.66	9,300.83	301.43	0.00
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	8,910.15	9,045.61			(42.64)		8,867.51	9,168.39	165.42	0.00

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GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	11,635.17	11,464.69			(50.36)		11,584.81	11,716.85	302.52	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	5,684.84	5,771.10			(22.84)		5,662.00	5,853.96	105.70	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,473.52	3,422.65			(15.00)		3,458.52	3,497.96	90.31	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	10,836.49	11,001.43			(46.80)		10,789.69	11,156.01	201.38	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	6,343.19	6,439.55			(25.93)		6,317.26	6,531.54	117.92	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,778.03	2,737.39			(18.64)		2,759.39	2,790.90	72.15	0.00
GNMA	2006 ABCDE Single Family	6.15	11/05/02	10/20/32	3,068.58	3,115.24			(11.66)		3,056.92	3,160.66	57.08	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	6,878.83	6,778.23			(34.51)		6,844.32	6,922.53	178.81	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	4,042.23	4,103.72			(15.27)		4,026.96	4,163.65	75.20	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,935.98	4,863.89			(21.02)		4,914.96	4,971.22	126.35	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	17,863.92	18,135.75			(83.55)		17,780.37	18,383.95	331.75	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	13,367.58	13,172.44			(79.59)		13,287.99	13,440.18	347.33	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	5,067.41	5,144.50			(20.68)		5,046.73	5,218.03	94.21	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	7,146.54	7,042.23			(32.36)		7,114.18	7,195.67	185.80	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	5,374.86	5,296.51			(23.34)		5,351.52	5,412.92	139.75	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	5,852.19	5,941.42			(25.64)		5,826.55	6,024.53	108.75	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	10,186.49	10,038.10			(43.22)		10,143.27	10,259.77	264.89	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	8,665.13	8,797.27			(34.61)		8,630.52	8,923.78	161.12	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	5,032.60	4,959.29			(21.27)		5,011.33	5,068.89	130.87	0.00
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	5,742.24	5,829.82			(22.39)		5,719.85	5,914.22	106.79	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	24,213.41	24,563.17			(110.52)		24,102.89	24,913.45	460.80	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,907.91	4,834.77			(20.75)		4,887.16	4,942.30	128.28	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,410.33	5,488.47			(21.04)		5,389.29	5,570.50	103.07	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	5,089.68	5,013.87			(21.38)		5,068.30	5,125.53	133.04	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	14,351.97	14,559.32			(59.56)		14,292.41	14,773.08	273.32	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	16,884.30	16,632.80			(106.96)		16,777.34	16,966.74	440.90	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	20,922.27	21,224.87			(143.06)		20,779.21	21,478.38	396.57	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	8,533.40	8,656.84			(32.81)		8,500.59	8,786.64	162.61	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,827.82	5,741.19			(24.16)		5,803.66	5,869.35	152.32	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	21,702.79	22,016.96			(85.09)		21,617.70	22,345.36	413.49	0.00
GNMA	2006 ABCDE Single Family	5.40	02/27/03	01/20/33	5,286.60	5,207.93			(22.24)		5,264.36	5,323.87	138.18	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	15,681.11	15,908.25			(59.88)		15,621.23	16,147.20	298.83	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,797.62	7,910.70			(29.61)		7,768.01	8,029.70	148.61	0.00
GNMA	2006 ABCDE Single Family	5.40	03/24/03	02/20/33	5,411.24	5,330.88			(24.79)		5,386.45	5,447.51	141.42	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	6,619.33	6,715.37			(4,400.36)		2,218.97	2,293.73	(21.28)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	7,944.75	8,059.99			(29.27)		7,915.48	8,182.15	151.43	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	15,710.55	15,938.51			(78.36)		15,632.19	16,158.94	298.79	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,508.89	3,559.80			(13.01)		3,495.88	3,613.67	66.88	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	8,124.31	8,242.29			(29.95)		8,094.36	8,367.20	154.86	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	5,590.28	5,671.47			(20.52)		5,569.76	5,757.51	106.56	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,363.74	4,427.14			(16.51)		4,347.23	4,493.80	83.17	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	2,552.47	2,589.55			(9.94)		2,542.53	2,628.24	48.63	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	4,171.56	4,232.21			(15.81)		4,155.75	4,295.90	79.50	0.00
GNMA	2006 ABCDE Single Family	6.15	05/15/03	04/20/33	4,295.34	4,357.89			(15.89)		4,279.45	4,423.88	81.88	0.00
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	3,149.56	3,195.47			(11.61)		3,137.95	3,243.89	60.03	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	4,064.71	4,123.97			(2,043.28)		2,021.43	2,089.69	9.00	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,573.39	2,610.96			(9.55)		2,563.84	2,650.46	49.05	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	4,608.98	4,676.27			(28.74)		4,580.24	4,734.99	87.46	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,337.33	4,400.68			(18.04)		4,319.29	4,465.25	82.61	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,405.02	2,440.15			(8.72)		2,396.30	2,477.29	45.86	0.00
GNMA	2006 ABCDE Single Family	6.15	09/04/03	08/20/33	2,746.29	2,786.48			(9.78)		2,736.51	2,829.08	52.38	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	8,241.28	8,362.19			(29.59)		8,211.69	8,489.74	157.14	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,852.30	2,924.59			(10.33)		2,871.97	2,969.23	54.97	0.00
GNMA	2006 ABCDE Single Family	6.15	01/15/04	12/20/33	3,254.47	3,302.51			(13.29)		3,241.18	3,351.23	62.01	0.00
GNMA	2006 ABCDE Single Family	5.40	03/11/04	03/20/34	5,161.80	5,233.53			(2,086.77)		3,125.03	3,229.57	32.81	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	17,725.14	17,459.91			(71.92)		17,653.22	17,850.99	460.95	0.00
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	1,982.81	2,010.41			(6.75)		1,976.06	2,042.22	38.56	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	29,921.25	29,473.00			(115.52)		29,805.73	30,139.11	781.63	0.00
GNMA	2006 ABCDE Single Family	5.40	09/02/04	09/20/34	36,604.37	36,058.53			(145.79)		36,458.58	36,888.96	956.22	0.00
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	52,008.61	51,136.31			(197.92)		51,810.69	52,298.01	1,359.62	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	47,061.07	46,359.80			(179.52)		46,881.55	47,409.76	1,229.48	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	17,657.12	17,393.02			(96.09)		17,561.03	17,757.88	460.95	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	07/22/04	07/20/34	17,840.26	17,573.57			(76.77)		17,763.49	17,962.76	465.96	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	14,974.82	14,750.98			(56.66)		14,918.16	15,085.53	391.21	0.00
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	19,175.21	18,888.82			(73.28)		19,101.93	19,316.49	500.95	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	29,631.42	29,188.96			(115.09)		29,516.33	29,847.98	774.11	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	10,301.82	10,148.08			(41.54)		10,260.28	10,375.65	269.11	0.00
GNMA	2006 ABCDE Single Family	5.40	08/26/04	08/20/34	6,537.74	6,440.20			(52.98)		6,484.76	6,557.69	170.47	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	20,595.61	20,290.13			(77.57)		20,518.04	20,760.68	538.12	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	39,154.05	38,498.50			(149.89)		39,004.16	39,372.20	1,023.59	0.00
GNMA	2006 ABCDE Single Family	4.49	10/14/04	09/20/34	7,706.55	7,237.58			(33.92)		7,672.63	7,430.22	226.56	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	73,912.57	72,813.48			(308.39)		73,604.18	74,435.82	1,930.73	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	16,053.37	15,076.56			(89.45)		15,963.92	15,459.66	472.55	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	19,139.05	18,818.82			(73.95)		19,065.10	19,245.22	500.35	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	28,741.16	26,921.51			(146.35)		28,594.81	27,619.96	844.80	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	125,752.42	117,791.39			(660.28)		125,092.14	120,828.08	3,696.97	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	22,711.71	22,374.32			(85.05)		22,626.66	22,882.65	593.38	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	26,819.29	25,121.62			(133.08)		26,686.21	25,776.75	788.21	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,372.83	3,322.69			(12.36)		3,360.47	3,398.46	88.13	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	23,597.36	22,103.80			(117.07)		23,480.29	22,680.23	693.50	0.00
GNMA	2006 ABCDE Single Family	5.40	12/23/04	12/20/34	5,306.76	5,228.15			(20.28)		5,286.48	5,346.52	138.65	0.00
GNMA	2006 ABCDE Single Family	5.40	09/03/05	08/20/35	2,939.65	2,895.45			(10.81)		2,928.84	2,960.94	76.30	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,844.58	2,784.35			(12.97)		2,831.61	2,843.06	71.68	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	3,072.00	3,114.48			(49.59)		3,022.41	3,108.31	43.42	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	5,120.78	5,174.08			(17.64)		5,103.14	5,232.25	75.81	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	15,068.03	14,730.84			(61.84)		15,006.19	15,047.78	378.78	0.00
FNMA	2006 ABCDE Single Family	4.49	11/04/04	10/01/34	15,248.13	14,170.98			(67.08)		15,181.05	14,504.02	400.12	0.00
GNMA	2006 ABCDE Single Family	5.40	06/29/02	08/20/32	10,887.28	10,727.28			(47.73)		10,839.55	10,962.61	283.06	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	3,100.90	3,147.93			(12.40)		3,088.50	3,193.18	57.65	0.00
GNMA	2006 ABCDE Single Family	6.15	09/19/02	09/20/32	4,657.79	4,657.35			(17.84)		4,569.95	4,724.81	85.30	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	11,978.98	11,803.38			(56.63)		11,922.35	12,058.15	311.40	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	96,400.83	90,300.98			(443.45)		95,957.38	92,689.64	2,832.11	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	73,761.78	69,094.86			(328.12)		73,433.66	70,933.31	2,166.57	0.00
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	99,816.53	93,499.11			(434.19)		99,382.34	95,996.39	2,931.47	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	143,152.82	134,094.04			(638.36)		142,514.46	137,660.44	4,204.76	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	95,303.79	89,274.44			(414.75)		94,889.04	91,658.72	2,799.03	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	86,355.48	80,892.61			(7,123.87)		79,231.61	76,534.64	2,765.90	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	187,659.21	175,749.75			(8,601.31)		179,057.90	172,906.80	5,758.36	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	22,046.57	21,710.24			(79.98)		21,966.59	22,202.38	572.12	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	92,295.48	86,438.53			(459.75)		91,835.73	88,681.36	2,702.58	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	9,393.42	9,250.15			(33.87)		9,359.55	9,460.04	243.76	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	122,430.38	114,661.69			(555.29)		121,875.09	117,689.54	3,583.14	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	12,980.62	12,782.74			(46.80)		12,933.82	13,072.80	336.86	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	147,330.59	137,962.86			(902.13)		146,428.46	141,400.67	4,319.94	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	189,572.36	177,545.94			(911.68)		188,660.68	182,184.26	5,550.00	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	64,240.51	60,165.41			(7,737.90)		58,502.61	54,563.30	2,135.79	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	148,652.76	139,222.98			(658.55)		147,994.21	142,914.68	4,350.25	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	5,126.01	5,050.29			(18.76)		5,107.25	5,165.46	133.93	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	88,463.14	82,852.02			(6,439.76)		82,023.38	79,208.57	2,796.31	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	90,850.16	85,088.12			(511.45)		90,338.71	87,239.05	2,662.38	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	87,251.98	81,718.79			(400.37)		86,851.61	83,872.24	2,553.82	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	31,579.84	29,577.36			(132.60)		31,447.24	30,368.67	923.91	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	6,216.44	6,121.97			(23.58)		6,192.86	6,259.72	161.33	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	52,874.42	49,521.89			(229.67)		52,644.75	50,839.41	1,547.19	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	58,348.13	54,648.87			(250.14)		58,097.99	56,105.98	1,707.25	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	66,596.93	62,375.49			(307.60)		66,289.33	64,017.33	1,949.44	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	57,459.24	53,961.14			(251.57)		57,207.67	55,392.67	1,683.10	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	11,395.15	11,201.22			(41.28)		11,353.87	11,455.75	295.81	0.00
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	74,709.82	69,975.02			(311.47)		74,398.35	71,849.27	2,185.72	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	72,414.50	67,825.57			(301.91)		72,112.59	69,642.24	2,118.58	0.00
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	6,541.32	6,442.15			(23.61)		6,517.71	6,588.32	169.78	0.00
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	118,362.08	110,862.17			(505.05)		117,857.03	113,820.47	3,463.35	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	11,480.02	11,284.78			(41.96)		11,438.06	11,540.83	298.01	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	5,829.93	5,741.93			(21.51)		5,808.42	5,871.71	151.29	0.00

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GNMA	2006 ABCDE Single Family	5.40	05/26/05	05/20/35	7,951.37	7,831.05			(31.02)		7,920.35	8,006.38	206.35	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	34,941.19	32,727.77			(147.11)		34,794.08	33,602.98	1,022.32	0.00
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	8,391.83	8,264.93			(29.82)		8,362.01	8,452.90	217.79	0.00
GNMA	2006 ABCDE Single Family	5.40	08/11/05	07/20/35	3,174.13	3,126.30			(11.02)		3,163.11	3,197.67	82.39	0.00
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	15,877.52	14,756.23			(77.23)		15,800.29	15,095.96	416.96	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	15,745.34	14,633.56			(69.67)		15,675.67	14,977.07	413.18	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	21,698.88	20,151.70			(7,236.41)		14,462.47	13,810.54	895.25	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	17,210.44	15,995.52			(74.11)		17,136.33	16,372.96	451.55	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	11,850.50	11,586.05			(45.55)		11,804.95	11,838.42	297.92	0.00
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	14,943.15	13,878.08			(63.24)		14,879.91	14,209.61	394.77	0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	5,576.51	5,447.04			(19.97)		5,556.54	5,566.74	139.67	0.00
2006 ABCDE Single Family Total					275,346,752.20	271,590,735.75	30,183,648.80	(36,248,292.98)	(2,675,987.84)	0.00	266,606,120.18	268,158,240.95	5,308,137.22	0.00
Repo Agmt	2006 FGH Single Family				124,349.99	124,349.99		(124,349.99)					-	0.00
GIC's	2006 FGH Single Family	5.19	11/15/06	08/29/08	530,165.79	530,165.79	286,725.56				816,891.35	816,891.35	-	0.00
Repo Agmt	2006 FGH Single Family	4.53	11/30/07	12/03/07	3,831,131.62	3,831,131.62		(3,825,760.79)			5,370.83	5,370.83	-	0.00
GIC's	2006 FGH Single Family	4.33	05/25/07	02/26/36	600,000.00	600,000.00	949,320.12				1,549,320.12	1,549,320.12	-	0.00
GIC's	2006 FGH Single Family	4.33	11/15/06	02/26/38			600,000.00				600,000.00	600,000.00	-	0.00
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37	5,421,824.21	5,373,765.41			(20,340.34)		5,401,483.87	5,494,953.71	141,528.64	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37	43,781.09	42,593.96			(564.31)		43,216.78	43,213.50	1,183.85	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	2,407,674.46	2,386,369.16			(8,314.46)		2,399,360.00	2,440,916.70	62,862.00	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37	186,376.04	184,726.82			(566.46)		185,809.58	189,027.59	4,867.23	0.00
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37	581,162.88	582,038.12			(1,758.98)		579,403.90	592,232.50	11,953.36	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	423,396.76	411,919.20			(1,612.52)		421,784.24	421,755.23	11,448.55	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	1,313,057.60	1,301,447.68			(4,270.80)		1,308,786.80	1,331,462.96	34,286.08	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	769,136.45	748,298.60			(2,485.73)		766,650.72	766,610.40	20,797.53	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	1,453,974.75	1,441,162.59			(6,009.78)		1,447,964.97	1,473,097.22	37,944.41	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	273,696.66	266,285.03			(889.72)		272,806.94	272,796.45	7,401.14	0.00
GNMA	2006 FGH Single Family	5.49	03/06/07	02/20/37	2,444,454.31	2,407,308.99			(11,626.04)		2,432,828.27	2,459,248.67	63,565.72	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	02/20/37	290,265.12	287,707.07			(905.03)		289,360.09	294,382.50	7,580.46	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	517,403.71	518,217.52			(1,609.40)		515,794.31	527,249.73	10,641.61	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	1,582,205.12	1,536,505.87			(5,591.11)		1,578,614.01	1,573,710.27	42,795.51	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,808,392.70	1,792,524.53			(5,764.46)		1,802,628.24	1,833,984.98	47,224.91	0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	1,308,590.88	1,270,755.95			(4,792.35)		1,303,798.53	1,301,359.09	35,395.49	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	533,661.19	528,962.41			(1,625.04)		532,036.15	541,274.51	13,937.14	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	1,798,750.72	1,746,770.41			(6,117.17)		1,792,633.55	1,789,306.60	48,653.36	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	1,494,133.09	1,481,000.00			(4,896.79)		1,489,236.30	1,515,118.60	39,015.39	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	02/20/37	189,958.27	188,288.39			(891.93)		189,066.34	192,352.04	4,955.58	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	04/20/37	643,179.40	625,795.18			(2,048.70)		641,130.70	641,139.13	17,392.65	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	74,915.26	72,890.41			(240.05)		74,675.21	74,676.19	2,025.83	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	747,808.37	741,257.05			(2,455.64)		745,352.73	758,328.88	19,527.47	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	195,495.17	193,782.50			(595.41)		194,899.76	198,292.85	5,105.76	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	182,299.16	181,408.23			(532.52)		181,766.64	184,615.45	3,739.74	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07	05/20/37	983,193.73	956,633.93			(3,633.21)		979,560.52	979,588.24	26,587.52	0.00
GNMA	2006 FGH Single Family	5.49	05/22/07	04/20/37	561,288.17	556,379.34			(2,397.63)		558,890.54	568,629.13	14,647.42	0.00
GNMA	2006 FGH Single Family	5.70	05/22/07	04/20/37	323,545.83	324,064.23			(943.31)		322,602.52	329,776.96	6,656.04	0.00
GNMA	2006 FGH Single Family	5.15	06/05/07	05/20/37	1,572,774.88	1,530,311.47			(5,178.93)		1,567,595.95	1,567,664.11	42,531.57	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37	443,000.55	443,717.08			(1,271.21)		441,729.34	451,559.92	9,114.05	0.00
GNMA	2006 FGH Single Family	5.49	06/05/07	05/20/37	1,310,336.51	1,298,896.47			(3,913.15)		1,306,423.36	1,329,207.77	34,224.45	0.00
GNMA	2006 FGH Single Family	5.15	06/19/07	06/20/37	1,327,765.35	1,291,935.25			(4,959.62)		1,322,805.73	1,322,883.31	35,907.68	0.00
GNMA	2006 FGH Single Family	5.70	06/19/07	06/20/37	437,981.11	438,695.73			(1,252.22)		436,728.89	446,454.96	9,011.45	0.00
GNMA	2006 FGH Single Family	5.15	07/03/07	06/20/37	1,436,122.25	1,397,389.33			(4,877.21)		1,431,245.04	1,431,349.27	38,837.15	0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37	426,210.08	426,911.97			(1,208.64)		425,001.44	434,472.49	8,769.16	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37	441,216.36	437,379.08			(1,305.52)		439,912.84	447,598.64	11,525.08	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37	456,808.93	452,833.99			(1,353.36)		455,455.57	463,412.44	11,931.81	0.00
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37	1,087,618.59	1,058,301.05			(3,453.76)		1,084,164.83	1,084,260.22	29,412.93	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37	563,829.31	564,766.42			(1,611.03)		562,218.28	574,755.90	11,600.51	0.00
GNMA	2006 FGH Single Family	5.15	08/07/07	07/20/37	1,338,444.24	1,303,052.26			(5,702.80)		1,332,741.44	1,333,556.08	36,206.62	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37	604,630.41	605,954.69			(1,989.49)		602,640.92	616,402.31	12,437.11	0.00
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37	924,587.81	917,039.70			(18,032.09)		906,555.72	922,889.98	23,882.37	0.00
GNMA	2006 FGH Single Family	5.15	11/21/07	10/20/37			930,775.56				930,775.56	929,739.29	(1,036.27)	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37			565,173.33				565,173.33	578,147.02	12,973.69	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.49	11/21/07	06/20/37			113,196.30				113,196.30	115,249.40	2,053.10	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37			66,590.88				66,590.88	67,798.67	1,207.79	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37			100,374.89				100,374.89	102,195.44	1,820.55	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	09/20/37			472,035.77				472,035.77	480,567.14	8,531.37	0.00
GNMA	2006 FGH Single Family	5.15	09/25/07	09/20/37			3,843,971.98				3,843,971.98	3,846,531.82	2,559.84	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	08/20/37			786,139.78				786,139.78	800,347.33	14,207.55	0.00
GNMA	2006 FGH Single Family	5.70	09/25/07	09/20/37			262,970.00				262,970.00	268,989.66	6,019.66	0.00
GNMA	2006 FGH Single Family	5.15	10/09/07	09/20/37			1,238,752.94				1,238,752.94	1,239,596.70	843.76	0.00
GNMA	2006 FGH Single Family	5.49	10/09/07	08/20/37			81,267.58				81,267.58	82,737.64	1,470.06	0.00
GNMA	2006 FGH Single Family	5.15	08/23/07	08/20/37	1,259,722.34	1,226,433.08			(4,489.48)		1,255,232.86	1,256,023.01	34,079.41	0.00
GNMA	2006 FGH Single Family	5.49	08/23/07	07/20/37	875,695.10	868,561.08			(2,825.04)		872,870.05	888,612.69	22,876.65	0.00
GNMA	2006 FGH Single Family	5.70	08/23/07	08/20/37	794,864.10	796,618.74			(2,257.95)		792,606.15	810,720.19	16,359.40	0.00
GNMA	2006 FGH Single Family	5.15	09/11/07	08/20/37			980,558.95				980,558.95	981,196.06	637.11	0.00
GNMA	2006 FGH Single Family	5.70	09/11/07	08/20/37			294,167.55				294,167.55	300,458.84	6,291.29	0.00
GNMA	2006 FGH Single Family	5.49	09/11/07	08/20/37			557,747.40				557,747.40	567,818.70	10,071.30	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37			365,522.20				365,522.20	373,912.85	8,390.65	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37			765,565.20				765,565.20	764,719.05	(846.15)	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37			172,869.72				172,869.72	172,997.09	127.37	0.00
GNMA	2006 FGH Single Family	5.49	11/28/07	11/20/37			144,100.09				144,100.09	146,714.89	2,614.80	0.00
GNMA	2006 FGH Single Family	5.70	10/25/07	10/20/37			964,358.61				964,358.61	986,466.74	22,108.13	0.00
GNMA	2006 FGH Single Family	5.15	10/25/07	10/20/37			2,332,044.75				2,332,044.75	2,333,675.69	1,630.94	0.00
GNMA	2006 FGH Single Family	5.15	11/08/07	10/20/37			604,011.67				604,011.67	604,443.27	431.60	0.00
GNMA	2006 FGH Single Family	5.70	11/08/07	10/20/37			476,556.57				476,556.57	487,489.13	10,932.56	0.00
GNMA	2006 FGH Single Family	5.49	11/08/07	09/20/37			421,436.69				421,436.69	429,074.41	7,637.72	0.00
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37	1,195,148.06	1,172,392.03			(5,134.07)		1,190,014.01	1,197,261.91	30,003.95	0.00
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37	200,598.01	198,700.87			(685.82)		199,912.19	201,970.71	3,955.66	0.00
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37	173,945.54	167,692.64			(923.62)		173,021.92	171,366.17	(4,597.15)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	1,396,057.14	1,369,946.93			(4,565.51)		1,391,491.63	1,400,256.15	34,874.73	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	201,222.68	197,392.52			(108,302.74)		92,919.94	93,486.53	4,896.75	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	1,247,093.62	1,223,359.59			(4,747.37)		1,242,346.25	1,249,925.46	31,313.24	0.00
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37	213,651.20	205,864.46			(702.99)		212,948.21	210,832.05	(5,670.58)	0.00
FNMA	2006 FGH Single Family	5.49	03/07/07	02/01/37	2,471,844.40	2,424,818.55			(9,136.91)		2,462,707.49	2,477,746.68	62,065.04	0.00
FNMA	2006 FGH Single Family	5.49	03/06/07	01/01/37	236,964.60	232,534.80			(737.71)		236,226.89	237,716.95	5,919.86	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	345,176.52	332,600.20			(1,169.48)		344,007.04	340,592.60	(9,161.88)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	1,703,562.97	1,671,163.47			(5,448.98)		1,698,113.99	1,708,494.29	42,779.80	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	84,068.85	82,469.97			(258.53)		83,810.32	84,322.64	2,111.20	0.00
FNMA	2006 FGH Single Family	5.15	03/27/07	12/01/36	112,650.23	108,602.81			(389.23)		112,261.00	111,188.84	(2,975.26)	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	472,713.20	468,254.78			(1,407.16)		471,306.04	476,171.57	9,323.95	0.00
FNMA	2006 FGH Single Family	5.15	04/10/07	03/01/37	427,808.78	412,225.95			(1,397.17)		426,411.61	422,183.52	(11,354.74)	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	2,730,485.43	2,678,582.13			(9,312.97)		2,721,172.46	2,737,834.08	68,564.92	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	372,870.26	368,155.87			(1,391.68)		371,478.58	376,158.01	9,393.82	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	64,330.33	63,723.98			(259.02)		64,071.31	64,733.15	1,268.19	0.00
FNMA	2006 FGH Single Family	5.15	04/24/07	03/01/37	569,078.99	548,353.74			(2,677.13)		566,401.86	560,789.08	(15,112.47)	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	1,148,898.53	1,127,086.13			(4,242.68)		1,144,655.85	1,151,671.49	28,848.04	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	333,431.59	327,095.42			(1,025.60)		332,405.99	334,443.31	8,373.49	0.00
FNMA	2006 FGH Single Family	5.15	05/08/07	04/01/37	435,316.23	419,465.00			(1,583.24)		433,732.99	429,437.91	(11,556.15)	0.00
FNMA	2006 FGH Single Family	5.49	05/08/07	05/01/37	241,835.84	237,241.68			(732.63)		241,103.21	242,582.64	6,073.59	0.00
FNMA	2006 FGH Single Family	5.49	05/22/07	04/01/37	290,666.24	285,146.46			(892.60)		289,773.64	291,553.48	7,299.62	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	235,826.72	233,606.97			(757.55)		235,069.17	237,500.44	4,651.02	0.00
FNMA	2006 FGH Single Family	5.15	06/05/07	05/01/37	621,293.49	598,990.25			(2,275.61)		619,017.88	613,126.18	(16,411.54)	0.00
FNMA	2006 FGH Single Family	5.70	06/19/07	06/01/37	566,282.43	560,959.55			(1,739.55)		564,542.88	570,389.29	11,169.29	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37	890,117.93	873,225.92			(2,955.21)		887,162.72	892,623.48	22,352.77	0.00
FNMA	2006 FGH Single Family	5.70	07/03/07	06/01/37	634,626.80	628,665.29			(2,241.72)		632,385.08	638,937.92	12,514.35	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	05/01/37	647,587.42	635,301.81			(2,038.35)		645,549.07	649,526.54	16,263.08	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	06/01/37	294,518.38	288,930.97			(1,068.68)		293,449.70	295,257.76	7,395.47	0.00
FNMA	2006 FGH Single Family	5.15	07/17/07	06/01/37	514,601.99	495,879.67			(1,665.45)		512,936.54	507,873.48	(13,659.26)	0.00
FNMA	2006 FGH Single Family	5.70	08/07/07	07/01/37	1,067,623.88	1,062,941.54			(3,227.49)		1,064,396.39	1,080,817.53	21,103.48	0.00
FNMA	2006 FGH Single Family	5.15	08/07/07	06/01/37	216,100.02	209,289.31			(682.41)		215,417.61	214,358.92	(5,752.02)	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	979,163.43	965,443.58			(3,414.12)		975,749.31	986,683.44	24,653.98	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	160,380.59	158,133.37			(473.69)		159,906.90	161,698.80	4,039.12	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37	482,558.12	475,803.81			(1,460.29)		481,097.83	486,495.83	12,152.31	0.00
FNMA	2006 FGH Single Family	5.70	08/23/07	06/01/37	271,120.34	269,935.36			(795.10)		270,325.24	274,499.61	5,359.35	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	2006 FGH Single Family	5.15	09/11/07	08/01/37			615,123.10				615,123.10	612,120.40	(3,002.70)	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37			652,437.74				652,437.74	659,770.20	7,332.46	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37			154,733.61				154,733.61	156,472.60	1,738.99	0.00
FNMA	2006 FGH Single Family	5.70	09/25/07	09/01/37			523,195.89				523,195.89	531,291.72	8,095.83	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37			547,110.44				547,110.44	553,265.88	6,155.44	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37			537,180.01				537,180.01	543,223.72	6,043.71	0.00
FNMA	2006 FGH Single Family	5.15	09/25/07	08/01/37			242,270.09				242,270.09	241,090.38	(1,179.71)	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	05/01/37			212,404.99				212,404.99	215,874.53	3,469.54	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	09/01/37			321,227.27				321,227.27	326,474.37	5,247.10	0.00
FNMA	2006 FGH Single Family	5.15	10/25/07	10/01/37			1,006,942.12				1,006,942.12	1,007,091.62	149.50	0.00
FNMA	2006 FGH Single Family	5.49	10/25/07	10/01/37			1,017,987.18				1,017,987.18	1,034,631.22	16,644.04	0.00
FNMA	2006 FGH Single Family	5.70	10/25/07	10/01/37			592,662.77				592,662.77	604,819.13	12,156.36	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37			261,723.66				261,723.66	266,006.33	4,282.67	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37			343,560.70				343,560.70	349,182.48	5,621.78	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	09/01/37			83,538.87				83,538.87	84,905.84	1,366.97	0.00
FNMA	2006 FGH Single Family	5.70	11/21/07	10/01/37			503,660.62				503,660.62	514,004.41	10,343.79	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	05/01/37			137,701.20				137,701.20	139,956.14	2,254.94	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	10/01/37			481,461.68				481,461.68	489,345.91	7,884.23	0.00
FNMA	2006 FGH Single Family	5.70	11/28/07	10/01/37			104,970.90				104,970.90	107,127.36	2,156.46	0.00
GIC's	2006 FGH Single Family	5.19	11/15/06	08/29/08	62,848,559.80	62,848,559.80		(25,222,686.00)			37,625,871.80	37,625,871.80	-	0.00
	2006 FGH Single Family Total				136,040,659.02	134,921,820.55	26,716,126.93	(29,172,798.78)	(361,080.45)	0.00	133,222,906.72	134,048,406.98	1,944,338.73	0.00
Inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09	2,104,155.35	2,104,155.35		(1,045,167.30)			1,058,988.05	1,058,988.05	-	0.00
Repo Agmt	2007A Single Family	4.53	11/30/07	12/03/07	1,768,175.47	1,768,175.47		(606,409.05)			1,161,766.42	1,161,766.42	-	0.00
Inv Agmt	2007A Single Family	4.32	11/01/07	09/01/38			1,336,042.65				1,336,042.65	1,336,042.65	-	0.00
FNMA	2007A Single Family	6.25	02/20/98	01/01/28					(2,102.71)	204,147.63	202,044.92	208,504.38	6,459.46	0.00
FNMA	2007A Single Family	6.25	03/27/98	03/01/28					(1,942.72)	231,947.99	230,005.27	237,059.57	7,054.30	0.00
FNMA	2007A Single Family	6.25	06/29/98	05/01/28					(2,560.29)	175,487.76	172,927.47	178,231.18	5,303.71	0.00
GNMA	2007A Single Family	6.25	02/20/98	01/20/28					(139,949.10)	1,503,779.89	1,363,830.79	1,406,273.17	42,442.38	0.00
FNMA	2007A Single Family	6.25	11/30/98	09/01/28					(50,419.25)	338,602.78	288,183.53	297,022.11	8,838.58	0.00
GNMA	2007A Single Family	6.25	03/27/98	03/20/28					(155,618.18)	2,799,032.71	2,643,414.53	2,725,677.52	82,262.99	0.00
GNMA	2007A Single Family	6.25	05/19/98	05/20/28					(14,007.94)	1,780,654.62	1,766,646.68	1,821,624.66	54,977.98	0.00
GNMA	2007A Single Family	5.45	07/23/00	06/20/30					(9,282.95)	1,186,941.98	1,177,659.03	1,185,243.12	7,584.09	0.00
GNMA	2007A Single Family	6.25	08/14/98	07/20/28					(10,403.75)	995,144.56	984,740.81	1,015,385.94	30,645.13	0.00
GNMA	2007A Single Family	6.25	06/29/98	06/20/28					(3,269.07)	532,664.30	529,395.23	545,870.04	16,474.81	0.00
GNMA	2007A Single Family	6.25	09/18/98	09/20/28					(4,076.13)	692,341.10	688,264.97	709,683.76	21,418.79	0.00
FNMA	2007A Single Family	6.25	03/31/99	11/01/28					(2,177.11)	128,897.51	126,720.40	130,606.84	3,886.44	0.00
GNMA	2007A Single Family	6.25	11/30/98	11/20/28					(4,544.02)	651,817.91	647,273.89	667,417.05	20,143.16	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28					(3,084.19)	477,960.15	474,895.96	489,674.67	14,778.71	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28					(919.37)	160,940.88	160,021.51	165,001.41	4,979.90	0.00
FNMA	2007A Single Family	6.25	05/27/99	11/01/28					(1,956.68)	130,316.60	128,359.92	132,463.56	4,103.64	0.00
GNMA	2007A Single Family	6.25	02/16/99	02/20/29					(8,030.01)	959,239.03	951,209.02	980,258.96	29,049.94	0.00
GNMA	2007A Single Family	6.25	03/31/99	02/20/29					(824.26)	63,894.20	63,069.94	64,996.11	1,926.17	0.00
GNMA	2007A Single Family	6.25	05/27/99	05/20/29					(2,026.48)	348,864.73	346,838.25	357,430.68	10,592.43	0.00
GNMA	2007A Single Family	5.45	07/30/99	07/20/29					(5,308.71)	745,091.41	739,782.70	745,079.53	5,296.83	0.00
GNMA	2007A Single Family	5.45	08/26/99	08/20/29					(79,448.42)	765,012.89	685,564.47	690,473.08	4,908.61	0.00
FNMA	2007A Single Family	5.45	09/20/99	08/01/29					(588.30)	104,837.93	104,249.63	104,799.65	550.02	0.00
GNMA	2007A Single Family	5.45	09/20/99	09/20/29					(2,150.20)	370,139.00	367,988.80	370,623.61	2,634.81	0.00
FNMA	2007A Single Family	5.45	12/20/99	12/01/29					(54,930.95)	433,196.89	378,265.94	380,259.41	1,993.47	0.00
FNMA	2007A Single Family	5.45	01/19/00	12/01/29					(2,761.80)	297,951.15	295,189.35	296,744.99	1,555.64	0.00
GNMA	2007A Single Family	5.45	10/28/99	10/20/29					(65,176.97)	1,407,259.06	1,342,082.09	1,351,691.32	9,609.23	0.00
GNMA	2007A Single Family	5.45	11/18/99	11/20/29					(1,779.22)	182,053.82	180,274.60	181,565.36	1,290.76	0.00
GNMA	2007A Single Family	5.45	12/30/99	12/20/29					(286,537.32)	2,623,587.93	2,337,050.61	2,353,783.83	16,733.22	0.00
GNMA	2007A Single Family	5.45	01/28/00	01/20/30					(4,134.89)	746,169.82	742,034.93	746,813.66	4,778.73	0.00
GNMA	2007A Single Family	5.45	02/22/00	01/20/30					(1,770.73)	315,199.37	313,428.64	315,447.07	2,018.43	0.00
GNMA	2007A Single Family	5.45	03/27/00	02/20/30					(4,942.86)	476,412.36	471,469.50	474,505.78	3,036.28	0.00
FNMA	2007A Single Family	5.45	04/27/00	03/01/30					(18,209.32)	299,137.53	280,828.21	282,085.63	1,157.42	0.00
GNMA	2007A Single Family	5.45	04/27/00	04/20/30					(3,942.05)	518,195.65	514,253.60	517,565.39	3,311.79	0.00
GNMA	2007A Single Family	5.45	05/30/00	04/20/30					(518.63)	95,431.08	95,912.45	96,530.16	617.71	0.00
GNMA	2007A Single Family	5.45	06/21/00	05/20/30					(4,298.21)	589,746.37	585,448.16	589,218.41	3,770.25	0.00
GNMA	2007A Single Family	5.45	09/18/00	09/20/30					(6,810.97)	1,136,816.43	1,130,005.46	1,137,282.64	7,277.18	0.00
FNMA	2007A Single Family	5.45	07/24/00	06/01/30					(1,556.45)	149,220.31	147,663.86	148,272.20	608.34	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2007A Single Family	5.49	11/21/07	10/20/37			721,631.63				721,631.63	733,368.98	11,737.35	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37			319,905.78				319,905.78	313,896.27	(6,009.51)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37			644,713.08				644,713.08	656,406.54	11,693.46	0.00
GNMA	2007A Single Family	4.75	09/25/07	08/20/37			352,280.24				352,280.24	345,571.28	(6,708.96)	0.00
GNMA	2007A Single Family	5.49	09/25/07	09/20/37			2,404,280.60				2,404,280.60	2,447,241.66	42,961.06	0.00
GNMA	2007A Single Family	4.75	09/25/07	09/20/37			6,566,931.74				6,566,931.74	6,441,868.61	(125,063.13)	0.00
GNMA	2007A Single Family	5.49	09/25/07	08/20/37			135,774.20				135,774.20	138,200.29	2,426.09	0.00
GNMA	2007A Single Family	5.49	10/09/07	09/20/37			975,003.24				975,003.24	992,640.11	17,636.87	0.00
GNMA	2007A Single Family	4.75	10/09/07	09/20/37			2,199,709.74				2,199,709.74	2,158,285.00	(41,424.74)	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	481,026.01	481,026.01			(1,415.79)		479,610.22	488,260.70	8,650.48	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	1,814,557.56	1,814,557.56			(5,867.26)		1,808,690.30	1,841,312.71	32,622.41	0.00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37	4,710,106.65	4,710,106.65			(18,576.12)		4,691,530.53	4,602,942.45	(88,588.08)	0.00
GNMA	2007A Single Family	5.49	09/11/07	09/20/37			468,621.28				468,621.28	479,879.67	11,258.39	0.00
GNMA	2007A Single Family	5.49	09/11/07	08/20/37			1,119,999.47				1,119,999.47	1,146,906.90	26,907.43	0.00
GNMA	2007A Single Family	4.75	09/11/07	08/20/37			5,056,342.82				5,056,342.82	4,977,537.69	(78,805.13)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37			487,366.56				487,366.56	478,211.26	(9,155.30)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37			407,638.10				407,638.10	414,268.94	6,630.84	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37			1,339,210.99				1,339,210.99	1,363,500.89	24,289.90	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37			136,027.24				136,027.24	133,471.93	(2,555.31)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37			819,863.65				819,863.65	834,709.39	14,845.74	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37			1,660,641.67				1,660,641.67	1,687,602.50	26,960.83	0.00
GNMA	2007A Single Family	4.75	10/25/07	09/20/37			1,363,603.61				1,363,603.61	1,337,947.36	(25,656.25)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37			1,575,910.56				1,575,910.56	1,604,445.49	28,535.93	0.00
GNMA	2007A Single Family	4.75	10/25/07	10/20/37			1,214,485.81				1,214,485.81	1,191,636.43	(22,849.38)	0.00
GNMA	2007A Single Family	4.75	11/08/07	10/20/37			381,660.82				381,660.82	374,485.93	(7,174.89)	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	310,266.21	310,266.21			(964.31)		309,301.90	312,772.32	3,470.42	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	493,133.37	493,133.37			(1,447.85)		491,685.52	497,202.32	5,516.80	0.00
FNMA	2007A Single Family	4.75	09/23/07	08/01/37	1,706,558.22	1,706,558.22			(6,050.90)		1,700,507.32	1,660,332.64	(40,174.68)	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37			871,093.46				871,093.46	890,706.43	19,612.97	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37			455,349.77				455,349.77	465,602.12	10,252.35	0.00
FNMA	2007A Single Family	4.75	09/11/07	08/01/37			1,586,825.20				1,586,825.20	1,566,642.14	(20,183.06)	0.00
FNMA	2007A Single Family	5.49	09/25/07	09/01/37			1,614,490.63				1,614,490.63	1,632,656.62	18,165.99	0.00
FNMA	2007A Single Family	5.49	09/25/07	08/01/37			269,298.00				269,298.00	275,368.93	6,070.93	0.00
FNMA	2007A Single Family	4.75	09/25/07	09/01/37			1,981,819.68				1,981,819.68	1,956,666.57	(25,153.11)	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37			1,152,982.75				1,152,982.75	1,171,816.22	18,833.47	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37			172,130.13				172,130.13	174,941.80	2,811.67	0.00
FNMA	2007A Single Family	4.75	10/09/07	09/01/37			737,771.35				737,771.35	724,061.39	(13,709.96)	0.00
FNMA	2007A Single Family	4.75	10/09/07	08/01/37			272,155.23				272,155.23	267,097.78	(5,057.45)	0.00
FNMA	2007A Single Family	5.49	10/25/07	09/01/37			1,023,903.06				1,023,903.06	1,040,643.83	16,740.77	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37			513,811.36				513,811.36	522,212.15	8,400.79	0.00
FNMA	2007A Single Family	4.75	10/25/07	10/01/37			1,114,247.30				1,114,247.30	1,093,557.88	(20,689.42)	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37			674,796.65				674,796.65	685,829.54	11,032.89	0.00
FNMA	2007A Single Family	5.49	11/08/07	10/01/37			564,407.43				564,407.43	573,643.00	9,235.57	0.00
FNMA	2007A Single Family	4.75	11/08/07	09/01/37			107,663.68				107,663.68	105,665.96	(1,997.72)	0.00
FNMA	2007A Single Family	4.75	11/21/07	10/01/37			236,750.51				236,750.51	232,360.38	(4,390.13)	0.00
FNMA	2007A Single Family	5.49	11/21/07	10/01/37			606,559.09				606,559.09	616,491.87	9,932.78	0.00
FNMA	2007A Single Family	5.49	11/21/07	09/01/37			415,201.43				415,201.43	422,000.61	6,799.18	0.00
FNMA	2007A Single Family	4.75	11/28/07	09/01/37			120,005.07				120,005.07	117,780.49	(2,224.58)	0.00
Repo Agmt	2007A Single Family	4.53	11/30/07	12/03/07	1,675,000.00	1,675,000.00			(1,674,910.00)		90.00	90.00	-	0.00
Inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09	85,158,214.68	85,158,214.68			(43,440,729.78)		41,717,484.90	41,717,484.90	-	0.00
Repo Agmt	2007A Single Family				16,221.83	16,221.83			(16,221.83)		-	-	-	0.00
Inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09	9,373,215.00	9,373,215.00	105,273.00				9,478,488.00	9,478,488.00	-	0.00
Repo Agmt	2007A Single Family	4.53	11/30/07	12/03/07	78,197.35	78,197.35	940.47				79,137.82	79,137.82	-	0.00
	2007A Single Family Total				109,688,827.70	109,688,827.70	46,285,120.73	(46,783,437.96)	(996,382.44)	24,619,155.33	132,813,283.36	133,123,816.66	310,533.30	0.00
GIC's	2007B Single Family	4.79	09/20/07	08/31/09			2,366,492.05				2,366,492.05	2,366,492.05	-	0.00
GIC's	2007B Single Family	4.79	09/20/07	08/31/09			2,000,000.00				2,000,000.00	2,000,000.00	-	0.00
GIC's	2007B Single Family	4.79	09/20/07	08/31/09			155,240,870.45				155,240,870.45	155,240,870.45	-	0.00
Repo Agmt	2007B Single Family	4.53	11/30/07	12/03/07			40,581.01				40,581.01	40,581.01	-	0.00
	2007B Single Family Total				0.00	0.00	159,647,943.51	0.00	0.00	0.00	159,647,943.51	159,647,943.51	0.00	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	74,213.36	69,517.43			(341.39)		73,871.97	71,356.32	2,180.28	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	56,784.85	53,192.07			(252.60)		56,532.25	54,607.38	1,667.91	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	5,932.81	5,571.79			(26.11)		5,906.70	5,720.09	174.41	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	12,358.75	11,606.57			(68.86)		12,289.89	11,901.49	363.78	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	22,126.62	20,725.29			(112.67)		22,013.95	21,262.99	650.37	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	96,809.40	90,680.67			(508.32)		96,301.08	93,018.45	2,846.10	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	20,646.56	19,339.66			(102.44)		20,544.12	19,844.00	606.78	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	18,166.23	17,016.41			(90.13)		18,076.10	17,460.18	533.90	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	76,842.86	71,979.47			(334.25)		76,508.61	73,901.98	2,256.76	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	110,204.99	103,231.12			(491.43)		109,713.56	105,976.68	3,236.99	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	73,368.78	68,727.15			(319.28)		73,049.50	70,562.66	2,154.79	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	66,479.96	62,274.47			(5,484.26)		60,995.70	58,919.52	2,129.31	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	144,467.81	135,299.41			(6,621.64)		137,846.17	133,110.79	4,433.02	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	71,052.86	66,543.95			(353.95)		70,698.91	68,270.57	2,080.57	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	7,231.42	7,121.14			(26.08)		7,205.34	7,282.73	187.67	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	94,251.96	88,271.30			(427.47)		93,824.49	90,602.26	2,758.43	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	9,993.04	9,840.68			(36.03)		9,957.01	10,063.98	259.33	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	113,421.15	106,224.90			(694.49)		112,726.66	108,856.07	3,325.66	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	145,940.62	138,682.20			(701.85)		145,238.77	140,252.97	4,272.62	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	49,454.97	46,317.81			(5,956.95)		43,498.02	42,005.07	1,644.21	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	114,439.03	107,179.60			(506.98)		113,932.05	110,021.63	3,349.01	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	68,102.62	63,782.91			(4,957.60)		63,145.02	60,978.02	2,152.71	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	69,940.19	65,504.34			(393.73)		69,546.46	67,160.22	2,049.61	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	67,170.16	62,910.49			(308.23)		66,861.93	64,568.31	1,966.05	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	24,311.48	22,769.87			(102.10)		24,209.38	23,379.05	711.28	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	40,704.89	38,124.00			(176.80)		40,528.09	39,138.27	1,191.07	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	44,918.80	42,070.95			(192.57)		44,726.23	43,192.69	1,314.31	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	51,269.06	48,019.22			(236.80)		51,032.26	49,283.18	1,500.76	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	44,234.48	41,541.51			(193.68)		44,040.80	42,643.56	1,295.73	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	57,514.75	53,869.67			(239.79)		57,274.96	55,312.54	1,682.66	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	55,747.68	52,214.92			(232.41)		55,515.27	53,613.47	1,630.96	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	91,120.02	85,346.26			(388.82)		90,731.20	87,623.69	2,666.25	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	62,375.66	58,423.65			(4,875.52)		57,500.14	55,531.08	1,982.95	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	194,051.45	181,765.83			(5,462.82)		188,588.63	182,139.68	5,836.67	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	35,676.43	33,417.92			(146.65)		35,529.78	34,315.01	1,043.74	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	53,366.85	50,119.79			(229.19)		53,137.66	51,453.74	1,563.14	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	26,899.18	25,195.18			(113.25)		26,785.93	25,868.96	787.03	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	48,636.12	45,677.26			(259.30)		48,376.82	46,844.12	1,426.16	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	58,990.71	55,254.57			(247.85)		58,742.86	56,732.69	1,725.97	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	47,992.94	45,073.66			(202.66)		47,790.28	46,276.65	1,405.65	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	104,185.30	97,587.95			(506.03)		103,679.27	100,132.57	3,050.65	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	41,815.40	39,167.73			(172.66)		41,642.74	40,218.42	1,223.35	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,602.23	9,018.86			(39.57)		9,562.66	9,260.52	281.23	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	16,568.85	15,520.83			(68.03)		16,500.82	15,937.57	484.77	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	21,687.91	20,316.23			(105.06)		21,582.85	20,846.25	635.08	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	23,342.22	21,923.09			(95.63)		23,246.59	22,511.04	683.58	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	17,959.12	16,822.42			(73.88)		17,885.24	17,273.96	525.42	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	3,994.59	3,751.79			(16.17)		3,978.42	3,852.59	116.97	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	28,952.12	27,192.36			(118.51)		28,833.61	27,921.72	847.87	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	80,125.69	75,055.64			(6,324.70)		73,800.99	71,279.95	2,549.01	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	142,233.74	133,235.08			(655.23)		141,578.51	136,743.61	4,163.76	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	11,775.02	11,059.80			(48.38)		11,726.64	11,386.27	344.85	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	14,964.48	14,018.26			(66.32)		14,898.16	14,389.93	437.99	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	92,805.69	86,938.73			(401.35)		92,404.34	89,253.41	2,716.03	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	24,556.41	23,065.63			(121.59)		24,434.82	23,663.91	719.87	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	11,738.67	10,909.42			(51.65)		11,687.02	11,165.80	308.03	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	12,223.17	11,359.95			(59.46)		12,163.71	11,621.48	320.99	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	12,121.41	11,265.51			(53.63)		12,067.78	11,529.96	318.08	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	16,704.69	15,513.62			(5,570.90)		11,133.79	10,631.92	689.20	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	13,249.29	12,314.00			(57.06)		13,192.23	12,604.58	347.64	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	11,503.83	10,683.93			(48.68)		11,455.15	10,939.16	303.91	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	22,989.79	21,352.30			(121.74)		22,868.05	21,839.01	608.45	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	17,702.28	16,441.71			(75.16)		17,627.12	16,834.24	467.69	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,902.46	4,553.44			(20.29)		4,882.17	4,682.65	129.50	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	10,020.17	9,306.87			(43.14)		9,977.03	9,528.47	264.74	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,725.87	7,610.20			(31.34)		7,694.53	7,780.65	201.79	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	13,041.86	12,846.30			(50.37)		12,991.49	13,136.64	340.71	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	15,954.62	15,716.72			(63.54)		15,891.08	16,069.96	416.78	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	22,668.99	22,288.62			(86.27)		22,582.72	22,794.97	592.62	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	20,512.61	20,206.70			(78.25)		20,434.36	20,664.34	535.89	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,696.21	7,581.04			(41.89)		7,654.32	7,740.07	200.92	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,776.11	7,659.73			(33.46)		7,742.65	7,829.37	203.10	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	6,527.15	6,429.46			(24.69)		6,502.46	6,575.29	170.52	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	8,357.86	8,233.01			(31.94)		8,325.92	8,419.42	218.35	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	12,915.42	12,722.50			(50.15)		12,865.27	13,009.74	337.39	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,490.29	4,423.21			(18.10)		4,472.19	4,522.41	117.30	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,849.64	2,807.06			(23.10)		2,826.54	2,858.27	74.31	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	17,065.97	16,780.22			(65.34)		17,000.63	17,161.04	446.16	0.00
Repo Agmt	2002 A-D SF MRB	4.53	11/30/07	12/03/07	11,144.19	11,144.19	133.97				11,278.16	11,278.16	-	0.00
Repo Agmt	2002 A-D SF MRB	4.53	11/30/07	12/03/07	643.19	643.19	7.72				650.91	650.91	-	0.00
Repo Agmt	2002 A-D SF MRB	4.53	11/30/07	12/03/07	6,520,428.71	6,520,428.71		(6,520,210.08)			218.63	218.63	-	0.00
Repo Agmt	2002 A-D SF MRB	4.53	11/30/07	12/03/07	272,672.29	272,672.29		(267,940.18)			4,732.11	4,732.11	-	0.00
GIC's	2002 A-D SF MRB	5.01	06/26/02	03/01/34	182,833.79	182,833.79	2,597,713.04				2,780,546.83	2,780,546.83	-	0.00
GIC's	2002 A-D SF MRB	4.51	06/26/02	03/01/34			131,707.77				131,707.77	131,707.77	-	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	217,129.78	213,942.94			(951.88)		216,177.90	218,636.38	5,645.32	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	168,080.93	170,636.71			(641.53)		167,439.40	173,121.50	3,126.32	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	267,538.35	263,628.93			(84,356.49)		183,181.86	185,277.24	6,004.80	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	62,411.56	63,356.85			(249.47)		62,162.09	64,267.73	1,160.35	0.00
GNMA	2002 A-D SF MRB	6.15	09/19/02	09/20/32	92,336.72	93,736.09			(359.30)		91,977.42	95,093.97	1,171.18	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	241,094.44	237,560.64			(1,140.01)		239,954.43	242,688.20	6,267.57	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	179,340.48	182,059.57			(858.62)		178,481.86	184,530.70	3,329.75	0.00
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	234,174.81	230,743.84			(1,013.54)		233,161.27	235,819.07	6,088.77	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	113,245.22	114,963.34			(454.99)		112,790.23	116,613.89	2,105.54	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	69,194.10	68,181.00			(298.91)		68,895.19	69,681.23	1,799.14	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	215,870.95	219,148.95			(932.20)		214,938.75	222,228.25	4,011.50	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	126,359.63	128,279.21			(516.63)		125,843.00	130,111.57	2,348.99	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	55,339.63	54,530.13			(371.27)		54,968.36	55,596.26	1,437.40	0.00
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	61,128.39	62,057.28			(232.34)		60,896.05	62,961.97	1,137.03	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	137,029.45	135,025.74			(687.46)		136,341.99	137,900.19	3,561.91	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	80,523.30	81,748.18			(303.89)		80,219.41	82,942.15	1,497.86	0.00
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	98,327.16	96,891.30			(418.76)		97,908.40	99,029.32	2,556.78	0.00
GNMA	2002 A-D SF MRB	6.15	11/28/02	11/20/32	355,858.33	361,273.33			(1,664.34)		354,193.99	366,217.68	6,608.69	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	286,288.91	282,401.71			(1,585.48)		284,703.43	287,735.36	6,919.13	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	100,944.97	102,481.02			(411.80)		100,533.17	103,945.92	1,876.70	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	142,363.00	140,284.82			(644.84)		141,718.16	143,341.40	3,701.42	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	107,070.51	105,509.20			(465.06)		106,605.45	107,828.23	2,784.09	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	116,578.67	118,356.19			(510.56)		116,068.11	120,011.84	2,166.21	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	202,920.33	199,964.18			(861.07)		202,059.26	204,379.82	5,276.71	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	172,614.22	175,246.13			(689.53)		171,924.69	177,766.31	3,209.71	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	100,252.04	98,791.57			(423.63)		99,828.41	100,974.88	2,606.94	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32	114,388.12	116,132.95			(445.99)		113,942.13	117,814.24	2,127.28	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	482,344.21	489,310.79			(2,201.89)		480,142.32	496,288.45	9,179.55	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	97,767.85	96,311.22			(413.25)		97,354.60	98,453.29	2,555.32	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	107,776.43	109,333.08			(419.37)		107,357.06	110,967.26	2,053.55	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	101,389.53	99,878.91			(425.68)		100,963.85	102,103.22	2,649.99	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	285,898.28	290,029.02			(1,186.59)		284,711.69	294,287.40	5,444.97	0.00
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	336,343.23	331,333.76			(2,130.58)		334,212.65	337,986.05	8,782.87	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	416,782.27	422,810.05			(2,849.97)		413,932.30	427,860.14	7,900.06	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	169,989.16	172,448.69			(653.54)		169,335.62	175,034.41	3,239.26	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	116,092.92	114,367.55			(481.53)		115,611.39	116,920.48	3,034.46	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	432,331.05	438,589.01			(1,694.99)		430,636.06	445,130.90	8,236.88	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	105,310.98	103,744.69			(443.01)		104,867.97	106,054.23	2,752.55	0.00
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	312,375.93	316,900.40			(1,192.81)		311,183.12	321,660.48	5,952.89	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	155,333.38	157,585.29			(589.92)		154,743.46	159,955.67	2,960.30	0.00
GNMA	2002 A-D SF MRB	5.40	03/24/03	02/20/33	107,794.61	106,193.86			(493.76)		107,300.85	108,517.16	2,817.06	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	131,860.54	133,773.62			(87,657.53)		44,203.01	45,692.37	(423.72)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	158,263.57	160,559.11			(583.20)		157,680.37	162,992.67	3,016.76	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	312,961.94	317,503.25			(1,560.91)		311,401.03	321,894.22	5,951.88	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	69,898.79	70,913.09			(259.14)		69,639.65	71,986.29	1,332.34	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	161,840.64	164,190.53			(596.64)		161,244.00	166,678.87	3,084.96	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	111,360.99	112,978.64			(408.79)		110,952.20	114,692.67	2,122.82	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	86,928.17	88,190.89			(328.76)		86,599.41	89,518.77	1,656.64	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	50,846.03	51,585.17			(198.18)		50,647.85	52,355.87	968.88	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	83,099.91	84,307.85			(315.01)		82,784.90	85,576.60	1,583.76	0.00
GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	85,567.14	86,811.44			(316.42)		85,250.72	88,126.08	1,631.06	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	62,741.35	63,655.48			(231.52)		62,509.83	64,619.97	1,196.01	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	80,971.70	82,151.68			(40,703.38)		40,268.32	41,627.77	179.47	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	51,263.13	52,011.72			(190.24)		51,072.89	52,798.67	977.19	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	91,813.05	93,153.79			(572.70)		91,240.35	94,323.42	1,742.33	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	86,401.68	87,663.94			(959.55)		86,042.13	88,950.10	1,645.71	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	47,909.00	48,609.11			(173.64)		47,735.36	49,348.87	913.40	0.00
GNMA	2002 A-D SF MRB	6.15	09/04/03	08/20/33	54,706.94	55,808.19			(194.51)		54,512.43	56,356.83	1,043.15	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	164,170.66	166,579.12			(589.51)		163,581.15	169,119.90	3,130.29	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	57,416.83	58,259.33			(205.54)		57,211.29	59,148.58	1,094.79	0.00
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	64,830.63	65,787.66			(264.73)		64,565.90	66,758.31	1,235.16	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	102,825.17	104,254.75			(40,573.19)		62,251.98	64,334.79	653.23	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	185,061.68	182,292.33			(750.88)		184,310.80	186,375.44	4,833.99	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	39,498.63	40,048.56			(134.36)		39,364.27	40,682.11	767.91	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	312,396.55	307,716.38			(1,206.14)		311,190.41	314,670.91	8,160.67	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	382,172.22	376,473.31			(1,522.10)		380,650.12	384,934.70	9,963.49	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	543,002.11	533,894.67			(2,066.47)		540,935.64	546,023.58	14,195.38	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	491,346.55	484,025.01			(1,874.28)		489,472.27	494,987.23	12,836.50	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	184,351.11	181,593.86			(1,003.22)		183,347.89	185,403.25	4,812.61	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	186,263.71	183,478.96			(801.53)		185,462.18	187,542.38	4,864.93	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	156,346.08	154,009.38			(591.51)		155,754.57	157,502.33	4,084.46	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	200,201.40	197,211.05			(765.05)		199,436.35	201,676.11	5,230.11	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	309,370.24	304,750.80			(1,201.66)		308,168.58	311,631.34	8,082.20	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	107,557.55	105,952.27			(433.56)		107,123.99	108,328.33	2,809.62	0.00
GNMA	2002 A-D SF MRB	5.40	08/26/04	08/20/34	68,258.04	67,239.65			(553.25)		67,704.79	68,466.33	1,779.93	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	410,274.62	404,189.68			(1,545.11)		408,729.51	413,363.91	10,719.34	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,359,557.89	1,273,530.60			(6,254.01)		1,353,303.88	1,307,218.26	39,941.67	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	1,040,275.52	974,457.00			(4,627.51)		1,035,648.01	1,000,384.91	30,555.42	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	408,792.41	401,948.16			(1,565.01)		407,227.40	411,070.15	10,687.00	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	108,686.83	102,072.89			(478.38)		108,208.45	104,789.73	3,195.22	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,472,375.71	1,450,481.20			(6,143.28)		1,466,232.43	1,482,799.00	38,461.08	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	226,403.20	212,627.55			(1,261.43)		225,141.77	218,030.45	6,664.33	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	381,259.15	374,880.42			(1,473.10)		379,786.05	383,374.50	9,967.18	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	405,341.80	379,678.88			(2,064.00)		403,277.80	389,529.22	11,914.34	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,773,508.33	1,661,292.60			(9,312.00)		1,764,196.33	1,704,059.64	52,139.04	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	452,429.01	445,707.60			(1,694.24)		450,734.77	455,833.93	11,820.57	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	378,236.91	354,294.65			(1,876.70)		376,360.21	363,534.02	11,116.07	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	67,187.55	66,189.78			(246.06)		66,941.49	67,699.19	1,755.47	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	332,797.82	311,733.75			(1,651.13)		331,146.69	319,863.30	9,780.68	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,407,729.71	1,318,634.31			(6,123.46)		1,401,606.25	1,353,853.86	41,343.01	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	2,018,909.65	1,891,151.71			(9,003.01)		2,009,906.64	1,941,449.20	59,300.50	0.00
GNMA	2002 A-D SF MRB	5.40	12/23/04	12/20/34	105,713.61	104,147.51			(403.98)		105,309.63	106,505.52	2,761.99	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,344,086.21	1,259,053.13			(5,849.09)		1,338,237.12	1,292,678.93	39,474.89	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	1,217,885.99	1,140,842.69			(100,469.33)		1,117,416.66	1,079,381.41	39,008.05	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	2,646,590.82	2,478,629.55			(121,305.74)		2,525,285.08	2,438,534.85	81,211.04	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	439,178.60	432,479.11			(1,593.24)		437,585.36	442,282.66	11,396.79	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,301,659.18	1,219,057.79			(6,484.04)		1,295,175.14	1,250,688.75	38,115.00	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	132,476.78	130,456.57			(477.67)		131,999.11	133,416.76	3,437.86	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,726,656.93	1,617,093.97			(7,831.28)		1,718,825.65	1,659,796.19	50,533.50	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	183,068.04	180,277.25			(659.97)		182,408.07	184,368.02	4,750.74	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	2,077,828.82	1,945,996.40			(12,722.76)		2,065,106.05	1,994,198.39	60,924.75	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	2,673,571.93	2,503,961.49			(12,857.61)		2,660,714.32	2,569,376.52	78,272.64	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	905,994.96	846,523.24			(109,128.83)		796,866.13	769,515.73	30,121.32	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	2,096,475.94	1,963,486.18			(9,287.66)		2,087,188.28	2,015,550.85	61,352.33	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	102,112.80	100,604.41			(373.88)		101,738.92	102,898.71	2,668.18	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	1,247,611.66	1,168,476.58			(90,821.08)		1,156,790.58	1,117,092.29	39,496.79	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,281,275.67	1,200,012.61			(7,212.80)		1,274,062.87	1,230,347.56	37,547.75	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,230,529.73	1,152,494.46			(5,646.49)		1,224,883.24	1,182,864.93	36,016.96	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	445,376.22	417,134.76			(1,870.11)		443,506.11	428,294.69	13,030.04	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	123,834.42	121,952.63			(469.41)		123,365.01	124,696.70	3,213.48	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	745,697.42	698,416.01			(3,239.01)		742,458.41	716,997.10	21,820.10	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	822,893.97	770,722.55			(3,527.67)		819,366.30	791,272.39	24,077.51	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	939,227.89	879,692.43			(4,338.11)		934,889.78	902,847.61	27,493.29	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	810,357.57	761,023.38			(3,547.99)		806,809.58	781,212.54	23,737.15	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	226,997.54	223,134.06			(822.36)		226,175.18	229,204.37	5,892.67	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,053,646.37	986,870.12			(4,392.78)		1,049,253.59	1,013,302.99	30,825.65	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	1,021,274.78	956,555.92			(4,257.87)		1,017,016.91	982,176.77	29,878.72	0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	130,306.04	128,330.96			(470.10)		129,835.94	131,242.64	3,381.78	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,669,280.91	1,563,508.56			(7,122.98)		1,662,157.93	1,605,230.08	48,844.50	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	228,688.38	224,798.60			(835.80)		227,852.58	229,899.37	5,936.57	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	1,142,696.61	1,070,297.20			(89,317.61)		1,053,379.00	1,017,306.53	36,326.94	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	3,554,942.35	3,329,875.04			(100,076.58)		3,454,865.77	3,336,723.96	106,925.50	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	116,135.12	114,382.09			(428.63)		115,706.49	116,967.54	3,014.08	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	653,577.64	612,202.66			(2,686.87)		650,890.77	628,636.89	19,121.10	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	977,659.18	918,174.05			(4,198.60)		973,460.58	942,611.53	28,636.08	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	158,395.54	155,998.62			(617.72)		157,777.82	159,491.28	4,110.38	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	492,794.62	461,565.45			(2,073.28)		490,721.34	473,908.71	14,416.54	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	890,993.90	836,788.63			(4,750.55)		886,243.35	858,165.14	26,127.06	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	167,169.47	164,641.62			(594.25)		166,575.22	168,386.11	4,336.74	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,080,685.88	1,012,240.93			(4,540.42)		1,076,145.46	1,039,319.61	31,619.10	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	879,211.00	825,730.90			(3,712.60)		875,498.40	847,769.18	25,750.88	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	1,908,632.15	1,787,771.11			(9,270.40)		1,899,361.75	1,834,387.56	55,886.85	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	766,041.47	717,536.74			(3,163.30)		762,878.17	736,785.00	22,411.56	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	175,909.34	165,221.88			(724.95)		175,184.39	169,648.85	5,151.92	0.00
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35	58,559.73	57,678.92			(215.28)		58,344.45	58,983.53	1,519.89	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	303,534.67	284,335.37			(1,246.09)		302,288.58	291,969.87	8,880.59	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	397,313.87	372,185.03			(1,924.63)		395,389.24	381,894.80	11,634.40	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	427,620.18	401,622.14			(1,751.96)		425,868.22	412,393.24	12,523.06	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	329,004.06	308,180.04			(1,353.58)		327,650.48	316,451.95	9,625.49	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	73,179.51	68,731.32			(296.45)		72,883.06	70,577.95	2,143.08	0.00
GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	63,230.15	62,277.54			(219.57)		63,010.58	63,699.18	1,641.21	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	530,390.61	498,152.94			(2,171.35)		528,219.26	511,514.50	15,532.91	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,467,869.57	1,374,988.48			(115,866.02)		1,352,003.55	1,305,819.50	46,697.04	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,605,663.40	2,440,811.78			(12,003.39)		2,593,660.01	2,505,086.62	76,278.23	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	215,714.07	202,611.13			(886.59)		214,827.48	208,042.24	6,317.70	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	274,142.99	256,808.72			(1,214.97)		272,928.02	263,617.63	8,023.88	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	1,700,161.66	1,592,681.70			(7,352.54)		1,692,809.12	1,635,085.58	49,756.42	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	449,863.65	422,552.92			(2,227.30)		447,636.35	433,513.25	13,187.63	0.00
FNMA	2002 A-D SF MRB	5.40	07/24/03	11/01/32	75,771.28	77,134.40			(316.36)		75,454.92	77,783.45	965.41	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	56,665.25	55,465.74			(258.21)		56,407.04	56,635.17	1,427.64	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	61,195.92	62,042.09			(987.99)		60,207.93	61,919.25	865.15	0.00
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	47,863.54	48,724.60			(162.43)		47,701.11	49,173.16	610.99	0.00
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	102,009.58	103,070.44			(351.48)		101,658.10	104,229.27	1,510.31	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	300,162.66	293,445.84			(1,231.83)		298,930.83	299,759.38	7,545.37	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	215,047.36	199,856.02			(946.12)		214,101.24	204,582.95	5,643.05	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	223,923.54	208,109.75			(1,089.36)		222,834.18	212,900.89	5,880.50	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	222,059.29	206,379.63			(982.60)		221,076.69	211,224.29	5,827.26	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	306,022.67	284,203.14			(102,056.44)		203,966.23	194,772.50	12,625.80	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	242,721.70	225,587.60			(1,045.13)		241,676.57	230,910.76	6,368.29	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	236,067.87	230,799.95			(907.33)		235,160.54	235,827.30	5,934.68	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	210,745.80	195,725.23			(891.65)		209,854.15	200,400.84	5,567.26	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	421,163.51	391,165.42			(2,230.14)		418,933.37	400,081.78	11,146.50	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	111,087.83	108,507.96			(397.78)		110,690.05	110,892.35	2,782.17	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	324,298.72	301,205.44			(1,376.80)		322,921.92	308,396.32	8,567.68	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	89,811.10	83,417.16			(371.63)		89,439.47	85,417.86	2,372.33	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	183,565.59	170,496.01			(790.57)		182,775.02	174,557.68	4,850.24	0.00
Repo Agmt	2002 A-D SF MRB	4.53	11/30/07	12/03/07	245,360.01	245,360.01		(76,028.45)			169,331.56	169,331.56	-	0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	16,992.98	16,732.75			(53.05)		16,939.93	17,129.13	449.43	0.00
GNMA	2002 A-D SF MRB	5.13	02/20/07	02/20/37	24,315.62	23,617.40			(89.42)		24,226.20	24,187.33	859.35	0.00
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	12,239.88	12,213.12			(36.95)		12,202.93	12,433.87	257.70	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	23,199.21	22,844.24			(76.10)		23,123.11	23,381.68	613.54	0.00
GNMA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	5,009.82	4,998.94			(14.80)		4,995.02	5,089.63	105.49	0.00
GNMA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	6,026.29	6,013.29			(17.75)		6,008.54	6,122.43	126.89	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	26,996.35	26,221.90			(3,587.42)		23,408.93	23,372.04	737.56	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	23,541.52	23,181.67			(84.26)		23,457.26	23,719.91	622.50	0.00
GNMA	2002 A-D SF MRB	5.13	03/06/07	02/20/37	13,579.69	13,189.94			(52.40)		13,527.29	13,505.77	368.23	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/07	04/20/37	24,260.62	23,565.54			(78.57)		24,182.05	24,144.84	657.87	0.00
GNMA	2002 A-D SF MRB	5.63	04/24/07	04/20/37	22,218.07	22,170.99			(66.48)		22,151.59	22,572.32	467.81	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	04/20/37	14,745.31	14,520.48			(53.53)		14,691.78	14,856.66	389.91	0.00
GNMA	2002 A-D SF MRB	5.13	03/27/07	03/20/37	19,053.78	18,507.32			(98.94)		18,954.84	18,925.13	516.75	0.00
GNMA	2002 A-D SF MRB	5.62	03/27/07	02/20/37	4,625.61	4,615.67			(14.00)		4,611.61	4,699.05	97.38	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	03/20/37	10,217.90	10,062.09			(34.08)		10,183.82	10,298.22	270.21	0.00
GNMA	2002 A-D SF MRB	5.38	04/10/07	03/20/37	13,805.92	13,595.20			(42.78)		13,763.14	13,917.57	365.15	0.00
GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	24,801.51	24,090.56			(80.36)		24,721.15	24,682.73	672.53	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	7,769.22	7,752.63			(23.70)		7,745.52	7,892.51	163.58	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	13,268.49	12,888.53			(63.07)		13,205.42	13,185.30	359.84	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	6,237.02	6,223.89			(18.30)		6,218.72	6,336.92	131.33	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	14,099.42	13,884.63			(44.10)		14,055.32	14,213.47	372.94	0.00
GNMA	2002 A-D SF MRB	5.63	05/22/07	04/20/37	4,916.54	4,906.28			(19.92)		4,896.62	4,989.77	103.41	0.00
GNMA	2002 A-D SF MRB	5.38	05/22/07	05/20/37	20,504.40	20,192.33			(66.61)		20,437.79	20,668.02	542.30	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	28,743.82	27,921.11			(102.46)		28,641.36	28,598.13	779.48	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	24,826.18	24,448.72			(81.16)		24,745.02	25,024.15	656.59	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	7,829.28	7,813.04			(23.91)		7,805.37	7,953.98	164.85	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37	44,333.34	43,065.08			(163.99)		44,169.35	44,103.36	1,202.27	0.00
GNMA	2002 A-D SF MRB	5.38	06/19/07	05/20/37	11,601.40	11,425.17			(35.27)		11,566.13	11,696.77	306.87	0.00
GNMA	2002 A-D SF MRB	5.13	06/19/07	06/20/37	20,301.10	19,720.61			(72.50)		20,228.60	20,198.68	550.57	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07	06/20/37	9,899.27	9,878.87			(28.90)		9,870.37	10,058.43	208.46	0.00
GNMA	2002 A-D SF MRB	5.38	08/07/07	07/20/37	9,602.05	9,461.46			(28.99)		9,573.06	9,686.54	254.07	0.00
GNMA	2002 A-D SF MRB	5.63	08/07/07	08/20/37	24,325.50	24,288.92			(138.41)		24,187.09	24,661.56	511.05	0.00
GNMA	2002 A-D SF MRB	5.13	08/07/07	07/20/37	44,314.39	43,071.27			(185.92)		44,128.47	44,087.54	1,202.19	0.00
GNMA	2002 A-D SF MRB	5.38	07/03/07	05/20/37	20,060.98	19,756.55			(70.33)		19,990.65	20,216.76	530.54	0.00
GNMA	2002 A-D SF MRB	5.13	07/03/07	06/20/37	20,580.21	19,954.16			(66.34)		20,513.87	20,446.27	558.45	0.00
GNMA	2002 A-D SF MRB	5.38	07/17/07	06/20/37	18,374.91	18,096.33			(55.50)		18,319.41	18,526.89	486.06	0.00
GNMA	2002 A-D SF MRB	5.13	07/17/07	06/20/37	16,716.96	16,208.68			(54.29)		16,662.67	16,608.02	453.63	0.00
GNMA	2002 A-D SF MRB	5.63	09/25/07	08/20/37			6,343.31				6,343.31	6,468.09	124.78	0.00
GNMA	2002 A-D SF MRB	5.63	09/25/07	09/20/37			2,851.18				2,851.18	2,907.27	56.09	0.00
GNMA	2002 A-D SF MRB	5.38	08/23/07	08/20/37	19,416.71	19,652.37			(62.58)		19,354.13	19,583.92	(5.87)	0.00
GNMA	2002 A-D SF MRB	5.13	08/23/07	07/20/37	24,299.35	23,618.11			(137.97)		24,161.38	24,139.41	659.27	0.00
GNMA	2002 A-D SF MRB	5.63	09/11/07	08/20/37			13,108.43				13,108.43	13,264.35	155.92	0.00
GNMA	2002 A-D SF MRB	5.13	09/11/07	08/20/37			14,327.69				14,327.69	14,609.31	281.62	0.00
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37	9,552.47	9,194.62			(36.82)		9,515.65	9,411.33	253.53	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	13,018.10	12,690.25			(43.62)		12,974.48	12,980.05	333.42	0.00
FNMA	2002 A-D SF MRB	5.63	03/06/07	02/01/37	6,860.51	6,771.36			(21.22)		6,839.29	6,889.50	139.36	0.00
FNMA	2002 A-D SF MRB	5.13	03/20/07	09/01/36	1,807.18	1,739.50			(39.30)		1,767.88	1,748.52	48.32	0.00
FNMA	2002 A-D SF MRB	5.63	03/20/07	02/01/37	7,826.60	7,724.92			(23.62)		7,802.98	7,860.30	159.00	0.00
FNMA	2002 A-D SF MRB	5.38	03/20/07	09/01/36	5,227.82	5,098.14			(30.51)		5,197.31	5,200.88	133.25	0.00
FNMA	2002 A-D SF MRB	5.13	03/27/07	03/01/37	9,218.99	8,869.03			(38.15)		9,180.84	9,076.82	245.94	0.00
FNMA	2002 A-D SF MRB	5.38	04/10/07	03/01/37	21,562.40	21,019.69			(67.95)		21,494.45	21,504.02	552.28	0.00
FNMA	2002 A-D SF MRB	5.63	04/10/07	03/01/37	11,670.63	11,519.15			(52.79)		11,617.84	11,703.32	236.96	0.00
FNMA	2002 A-D SF MRB	5.13	04/10/07	03/01/37	18,506.12	17,803.77			(74.67)		18,431.45	18,222.76	493.66	0.00
FNMA	2002 A-D SF MRB	5.38	04/24/07	04/01/37	36,350.66	35,449.83			(116.25)		36,234.41	36,260.21	926.63	0.00
FNMA	2002 A-D SF MRB	5.13	04/24/07	04/01/37	10,167.85	9,782.01			(63.07)		10,104.78	9,990.43	271.49	0.00
FNMA	2002 A-D SF MRB	5.63	04/24/07	04/01/37	5,305.60	5,236.76			(17.35)		5,288.25	5,327.19	107.78	0.00
FNMA	2002 A-D SF MRB	5.13	05/08/07	04/01/37	5,269.25	5,069.32			(17.21)		5,252.04	5,192.64	140.53	0.00
FNMA	2002 A-D SF MRB	5.38	05/22/07	04/01/37	5,089.60	4,961.56			(15.96)		5,073.64	5,075.97	130.37	0.00
FNMA	2002 A-D SF MRB	5.13	05/22/07	04/01/37	4,255.11	4,093.69			(17.77)		4,237.34	4,189.44	113.52	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	5.38	06/05/07	05/01/37	7,426.89	7,242.98			(23.60)		7,403.29	7,408.70	189.32	0.00
FNMA	2002 A-D SF MRB	5.63	06/05/07	05/01/37	8,611.07	8,499.52			(25.57)		8,585.50	8,648.90	174.95	0.00
FNMA	2002 A-D SF MRB	5.13	06/05/07	04/01/37	8,984.63	8,643.87			(29.71)		8,954.92	8,853.76	239.60	0.00
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37	14,142.10	13,786.60			(73.09)		14,069.01	14,075.73	362.22	0.00
FNMA	2002 A-D SF MRB	5.63	07/03/07	07/01/37	13,932.75	13,752.45			(44.35)		13,888.40	13,991.15	283.05	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37	12,241.70	11,777.55			(54.66)		12,187.04	12,049.51	326.62	0.00
FNMA	2002 A-D SF MRB	5.38	08/07/07	07/01/37	46,519.91	45,580.04			(880.90)		45,639.01	45,890.00	1,190.86	0.00
FNMA	2002 A-D SF MRB	5.63	08/07/07	07/01/37	10,447.08	10,364.02			(139.27)		10,307.81	10,436.12	211.37	0.00
FNMA	2002 A-D SF MRB	5.13	08/07/07	08/01/37	36,960.10	35,738.50			(132.73)		36,827.37	36,594.33	988.56	0.00
FNMA	2002 A-D SF MRB	5.13	08/29/07	08/01/37	16,981.97	16,421.02			(56.08)		16,925.89	16,819.13	454.19	0.00
FNMA	2002 A-D SF MRB	5.38	08/23/07	07/01/37	16,019.29	15,695.88			(138.26)		15,881.03	15,968.60	410.98	0.00
FNMA	2002 A-D SF MRB	5.38	09/11/07	08/01/37			14,949.53				14,949.53	15,032.24	82.71	0.00
FNMA	2002 A-D SF MRB	5.13	09/11/07	09/01/37			6,951.55				6,951.55	6,907.78	(43.77)	0.00
FNMA	2002 A-D SF MRB	5.63	09/11/07	08/01/37			6,004.46				6,004.46	6,079.40	74.94	0.00
FNMA	2002 A-D SF MRB	5.63	09/25/07	07/01/37			3,748.16				3,748.16	3,794.99	46.83	0.00
	2002 A-D SF MRB Total				90,811,986.26	86,678,913.06	2,807,509.79	(6,864,178.71)	(1,446,700.78)	0.00	85,308,616.56	83,522,845.81	2,347,302.45	0.00
Repo Agmt	2004A Single Family Jr Lien	4.53	11/30/07	12/03/07	5,328.69	5,328.69		(4,832.95)			495.74	495.74	-	0.00
Repo Agmt	2004A Single Family Jr Lien	4.53	11/30/07	12/03/07	124,205.19	124,205.19	0.00				124,205.19	124,205.19	-	0.00
Repo Agmt	2004A Single Family Jr Lien				291,430.69	291,430.69		(291,430.69)					-	0.00
	2004A Single Family Jr Lien Total				420,964.57	420,964.57	0.00	(296,263.64)	0.00	0.00	124,700.93	124,700.93	0.00	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	4.53	11/30/07	12/03/07	24,416.74	24,416.74	34,703.76				59,120.50	59,120.50	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	352,257.72	352,257.72	38,941.51				391,199.23	391,199.23	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	4.53	11/30/07	12/03/07	209.94	209.94		(209.90)			0.04	0.04	-	0.00
GIC's	1991 A S/F (1980 A Refunding)				6,610.49	6,610.49		(6,610.49)					-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	4.53	11/30/07	12/03/07	13,268.14	13,268.14		(13,264.62)			3.52	3.52	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	03/01/34	579,297.12	579,297.12	13,315.87				592,612.99	592,612.99	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				0.01	0.01		(0.01)					-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	0.11	0.11	0.01				0.12	0.12	-	0.00
	1991 A S/F (1980 A Refunding) Total				976,060.27	976,060.27	86,961.15	(20,085.02)	0.00	0.00	1,042,936.40	1,042,936.40	0.00	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	4.53	11/30/07	12/03/07	1,296.61	1,296.61	8,541.25				9,837.86	9,837.86	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	4.53	11/30/07	12/03/07	0.14	0.14	0.00				0.14	0.14	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	35,544.48	35,544.48		(22,031.34)			13,513.14	13,513.14	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	10,291.97	10,503.52			(74.75)		10,217.22	10,591.32	162.55	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	9,699.92	9,886.69			(102.54)		9,597.38	9,936.30	152.15	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	10,832.60	11,065.83			(86.00)		10,746.60	11,150.60	170.77	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	10,890.09	11,130.47			(74.82)		10,815.27	11,227.74	172.09	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	11,762.17	12,018.00			(183.01)		11,579.16	12,017.01	182.02	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	8,332.72	8,435.19			(71.47)		8,261.25	8,495.13	131.41	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	10,024.86	10,136.83			(1,667.34)		8,357.52	8,584.69	115.20	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	22,243.62	22,487.72			(259.57)		21,984.05	22,577.26	349.11	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	11,867.11	12,002.82			(117.76)		11,749.35	12,071.85	186.79	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	11,675.94	11,801.17			(147.17)		11,528.77	11,836.99	182.99	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/97	03/01/27	1,515.15	1,532.08			(86.44)		1,428.71	1,467.54	21.90	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	7,750.97	7,888.03			(48.72)		7,702.25	7,962.21	122.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	60,107.69	60,996.37			(4,119.82)		55,987.87	57,833.93	957.38	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	19,054.41	19,334.41			(3,178.67)		15,875.74	16,397.82	242.08	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	40,111.40	40,694.82			(621.60)		39,489.80	40,782.36	709.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	17,435.49	17,689.25			(192.94)		17,242.55	17,807.09	310.78	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	48,507.18	49,210.72			(545.00)		47,962.18	49,530.06	864.34	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	19,171.36	19,453.69			(132.86)		19,038.50	19,655.13	344.30	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	59,957.66	60,833.99			(3,657.09)		56,300.57	58,147.34	970.44	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	15,667.08	15,893.07			(106.15)		15,560.93	16,068.38	281.46	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	66,617.56	67,570.46			(4,091.82)		62,525.74	64,557.18	1,078.54	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	46,472.84	46,959.97			(535.04)		45,937.80	47,253.96	829.03	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	22,797.39	23,020.66			(246.62)		22,550.77	23,181.27	407.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	17,018.81	17,192.23			(168.64)		16,850.17	17,328.00	304.41	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	48,007.90	48,482.18			(1,524.53)		46,483.37	47,787.02	829.37	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	27,820.45	28,117.37			(262.49)		27,557.96	28,352.82	497.94	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	15,900.51	16,052.83			(144.46)		15,756.05	16,193.18	284.81	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	43,423.22	43,840.07			(361.78)		43,061.44	44,257.04	778.75	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	26,822.70	27,142.68			(4,026.21)		22,796.49	23,483.62	367.15	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	24,234.02	24,522.22			(226.20)		24,007.82	24,730.56	434.54	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	7,273.06	7,351.89			(67.16)		7,205.90	7,415.21	130.48	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	26,911.81	27,184.30			(2,641.33)		24,270.48	24,958.06	415.09	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	10,988.45	11,092.14			(74.82)		10,913.63	11,215.25	197.93	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	14,388.09	14,523.85			(196.09)		14,192.00	14,584.20	256.44	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	8,742.05	8,828.27			(86.65)		8,655.40	8,898.33	156.71	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	15,098.13	15,339.26			(765.48)		14,332.65	14,822.89	249.11	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	31,392.25	31,703.48			(215.14)		31,177.11	32,053.70	565.36	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	9,221.74	9,304.90			(54.66)		9,167.08	9,417.97	167.73	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	9,767.60	9,855.72			(166.28)		9,601.32	9,864.12	174.68	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	12,811.06	12,926.55			(282.16)		12,528.90	12,871.73	227.34	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	8,965.14	9,046.00			(68.36)		8,896.78	9,140.28	162.64	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	7,989.03	8,061.13			(94.37)		7,894.66	8,110.77	144.01	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	18,140.27	18,303.88			(155.63)		17,984.64	18,476.87	328.62	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	34,303.65	34,613.07			(2,731.28)		31,572.37	32,436.51	554.72	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)				11,379.03	11,379.03		(11,379.03)						0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	4.53	11/30/07	12/03/07	293,203.88	293,203.88		(175,018.08)			118,185.80	118,185.80		0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	3,361.66	3,417.01			(34.63)		3,327.03	3,433.39	51.01	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	3,819.38	3,878.44			(31.99)		3,787.39	3,903.60	57.15	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	2,889.74	2,934.36			(42.16)		2,847.58	2,934.88	42.68	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	24,762.37	25,083.30			(2,304.50)		22,457.87	23,156.76	377.96	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	5,575.62	5,661.83			(830.24)		4,745.38	4,890.99	59.40	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	46,090.99	46,688.34			(2,562.53)		43,528.46	44,883.08	757.27	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	29,321.62	29,701.62			(230.67)		29,090.95	29,996.25	525.30	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	19,545.16	19,158.71			(152.86)		19,392.30	19,517.14	511.29	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	16,386.81	16,599.18			(171.31)		16,215.50	16,720.11	292.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	8,771.24	8,884.93			(53.82)		8,717.42	8,988.71	157.60	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	11,400.64	11,548.36			(67.11)		11,333.53	11,686.19	204.94	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	2,122.49	2,155.31			(35.85)		2,086.64	2,150.67	31.21	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	10,733.35	10,872.43			(74.82)		10,658.53	10,990.19	192.58	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	7,870.78	7,972.78			(50.79)		7,819.99	8,063.35	141.36	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,650.19	2,684.52			(15.14)		2,635.05	2,717.03	47.65	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	2,145.88	2,181.23			(32.22)		2,113.66	2,181.24	32.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	15,795.57	15,989.37			(132.23)		15,663.34	16,141.69	284.55	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	1,052.15	1,065.04			(13.57)		1,038.58	1,070.27	18.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,744.66	5,815.15			(33.37)		5,711.29	5,885.72	103.94	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	12,269.25	12,034.67			(87.42)		12,181.83	12,269.06	321.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	12,597.33	12,366.44			(1,308.26)		11,289.07	11,369.87	321.69	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,726.55	1,690.69			(9.68)		1,716.87	1,725.56	44.55	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	6,094.98	5,978.46			(35.40)		6,059.58	6,102.98	159.92	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	7,133.39	6,986.62			(904.54)		6,228.85	6,261.65	179.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	4,906.29	4,805.37			(45.48)		4,860.81	4,886.43	126.54	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	23,173.05	22,729.96			(1,073.26)		22,099.79	22,258.01	601.31	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	2,997.83	2,940.52			(29.30)		2,968.53	2,989.79	78.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	43,202.12	42,376.04			(4,718.35)		38,483.77	38,759.26	1,101.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	12,286.95	12,044.10			(68.09)		12,218.86	12,297.62	321.61	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	5,190.32	5,087.70			(29.16)		5,161.16	5,194.39	135.85	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	7,845.01	7,689.88			(81.40)		7,763.61	7,813.58	205.10	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	4,925.79	4,818.00			(298.84)		4,625.95	4,645.04	126.88	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	8,533.04	8,364.32			(64.91)		8,458.13	8,522.64	223.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	1,587.95	1,556.51			(8.54)		1,579.41	1,589.54	41.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	9,711.23	9,519.23			(70.78)		9,640.45	9,702.53	254.08	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	18,719.72	18,349.62			(112.15)		18,607.57	18,727.39	489.92	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	2,457.24	2,403.39			(25.63)		2,431.61	2,441.56	63.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	101,831.46	99,884.42			(725.53)		101,105.93	101,829.82	2,670.93	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	104,554.05	102,555.03			(10,858.19)		93,695.86	94,366.77	2,669.93	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	14,328.34	14,033.39			(80.40)		14,247.94	14,322.80	369.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	50,586.83	49,619.56			(293.86)		50,292.97	50,653.03	1,327.31	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	59,204.92	57,987.06			(7,507.41)		51,697.51	51,989.95	1,490.30	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	40,720.94	39,883.28			(377.46)		40,343.48	40,556.06	1,050.24	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	192,329.73	188,652.38			(8,907.72)		183,422.01	184,735.30	4,990.64	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	24,881.24	24,405.51			(243.16)		24,638.08	24,814.49	652.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	358,565.13	351,709.31			(39,160.98)		319,404.15	321,691.03	9,142.70	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	101,978.82	99,962.71			(565.12)		101,413.70	102,066.83	2,669.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	43,078.23	42,226.55			(242.01)		42,836.22	43,112.07	1,127.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	17,645.14	17,296.27			(183.06)		17,462.08	17,574.50	461.29	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	104,250.30	102,257.06			(1,113.11)		103,137.19	103,875.67	2,731.72	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	132,401.89	129,870.35			(934.42)		131,467.47	132,408.77	3,472.84	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	89,738.73	88,022.92			(7,892.45)		81,846.28	82,432.30	2,301.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	68,416.91	67,108.76			(413.61)		68,003.30	68,490.18	1,795.03	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	40,636.32	39,800.40			(507.44)		40,128.88	40,340.33	1,047.37	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	146,135.67	143,341.55			(1,004.56)		145,131.11	146,170.24	3,833.25	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	189,588.05	185,963.15			(1,258.81)		188,329.24	189,677.71	4,973.37	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	165,910.41	162,738.22			(9,717.43)		156,192.98	157,311.34	4,290.55	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	186,652.25	182,962.12			(1,099.64)		185,552.61	186,747.54	4,885.06	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	94,259.44	92,395.92			(688.00)		93,571.44	94,174.04	2,466.12	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	45,431.55	44,533.12			(331.14)		45,100.41	45,390.60	1,188.62	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	20,083.39	19,670.27			(109.65)		19,973.74	20,079.00	518.38	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	162,219.05	159,011.97			(1,268.70)		160,950.35	161,986.87	4,243.60	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	47,486.03	46,527.63			(492.46)		46,973.57	47,276.07	1,240.90	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	40,883.06	39,988.11			(2,488.66)		38,394.40	38,552.57	1,053.12	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	70,821.67	69,421.52			(538.76)		70,282.91	70,735.52	1,852.76	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	13,179.23	12,918.66			(70.88)		13,108.35	13,192.75	344.97	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	80,600.53	79,007.00			(587.43)		80,013.10	80,528.32	2,108.75	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	155,368.41	152,296.77			(930.85)		154,437.56	155,432.12	4,066.20	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	20,393.90	19,947.47			(212.73)		20,181.17	20,264.32	529.58	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	178,725.00	175,191.62			(1,156.38)		177,568.62	178,712.17	4,676.93	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	31,711.64	31,084.72			(166.61)		31,545.03	31,748.20	830.09	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,840.60	6,705.57			(49.86)		6,790.74	6,834.68	178.97	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	67,093.24	65,766.79			(12,305.18)		54,788.06	55,140.88	1,679.27	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	80,326.26	78,738.24			(917.00)		79,409.26	79,920.68	2,099.44	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	151,730.51	148,730.79			(841.01)		150,889.50	151,861.22	3,971.44	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	36,675.03	35,872.23			(406.24)		36,268.79	36,418.23	952.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	5,709.48	5,596.60			(29.44)		5,680.04	5,716.61	149.45	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	43,674.88	42,811.37			(279.29)		43,395.59	43,675.00	1,142.92	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	64,397.39	62,987.69			(567.22)		63,830.17	64,093.11	1,672.64	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	9,084.96	8,905.35			(48.50)		9,036.46	9,094.66	237.81	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	42,356.50	41,429.34			(234.25)		42,122.25	42,295.81	1,100.72	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	45,717.28	44,716.51			(353.60)		45,363.68	45,550.56	1,187.65	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	10,684.99	10,465.21			(58.69)		10,626.30	10,682.32	275.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	252,066.81	236,108.18			(7,096.02)		244,970.79	236,593.81	7,581.65	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	21,522.42	20,161.09			(88.36)		21,434.06	20,702.42	629.69	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	28,171.93	26,390.16			(136.47)		28,035.46	27,078.64	824.95	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	37,607.90	35,322.04			(153.96)		37,453.94	36,269.46	1,101.38	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	103,973.86	97,494.95			(8,298.85)		95,675.01	92,590.46	3,394.36	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	184,757.21	173,068.24			(851.11)		183,906.10	177,625.72	5,408.59	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	15,295.43	14,366.35			(62.88)		15,232.55	14,751.45	447.98	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	19,438.38	18,209.27			(86.15)		19,352.23	18,692.07	568.95	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	120,551.72	112,930.71			(521.35)		120,030.37	115,937.40	3,528.04	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	31,898.06	29,961.55			(157.94)		31,740.12	30,738.70	935.09	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	22,994.74	21,357.27			(97.63)		22,897.11	21,867.14	607.50	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	13,015.89	12,089.33			(56.05)		12,959.84	12,377.18	343.90	0.00
1994 A&B SF (1983 Refunding) Total					6,318,983.33	6,201,936.98	8,541.25	(208,428.45)	(186,328.59)	0.00	5,932,777.54	5,963,673.88	147,952.69	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)				0.66	0.66		(0.66)					-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	21.51	21.51	0.66				22.17	22.17	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)				0.01	0.01		(0.01)					-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	0.30	0.30	0.01				0.31	0.31	-	0.00
1995 C SF (1985 A&B Refunding) Total					22.48	22.48	0.67	(0.67)	0.00	0.00	22.48	22.48	0.00	0.00
Repo Agmt	2005 A Single Family	4.53	11/30/07	12/03/07	1,121,402.97	1,121,402.97	26,843.01				1,148,245.98	1,148,245.98	-	0.00
Repo Agmt	2005 A Single Family	4.53	11/30/07	12/03/07	2,924,713.13	2,924,713.13		(2,924,114.80)			598.33	598.33	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GIc's	2005 A Single Family	3.37	09/22/05	09/01/36	568,434.98	568,434.98	2,657,443.74				3,225,878.72	3,225,878.72	-	0.00
Repo Agmt	2005 A Single Family	4.53	11/30/07	12/03/07	1,070.41	1,070.41	12.87				1,083.28	1,083.28	-	0.00
Inv Agmt	2005 A Single Family	3.50	05/13/05	09/01/36	395,878.80	395,878.80	0.02				395,878.82	395,878.82	-	0.00
GNMA	2005 A Single Family	4.49	08/11/05	07/20/35	1,202,475.99	1,128,234.77			(5,032.39)		1,197,443.60	1,158,418.96	35,216.58	0.00
GNMA	2005 A Single Family	4.49	08/30/05	08/20/35	785,748.06	737,251.37			(111,206.16)		674,541.90	652,571.78	26,526.57	0.00
GNMA	2005 A Single Family	4.49	10/27/05	10/20/35	1,828,062.98	1,715,339.98			(162,592.11)		1,665,470.87	1,611,326.73	58,578.86	0.00
GNMA	2005 A Single Family	4.49	10/27/05	10/20/35	1,127,101.70	1,057,601.76			(138,800.52)		988,301.18	956,171.72	37,370.48	0.00
GNMA	2005 A Single Family	4.49	09/29/05	09/20/35	6,597,565.79	6,190,561.74			(26,948.57)		6,570,617.22	6,356,815.03	193,201.86	0.00
GNMA	2005 A Single Family	4.49	10/06/05	09/20/35	2,052,617.54	1,928,005.12			(8,689.58)		2,043,927.96	1,977,434.32	60,118.78	0.00
GNMA	2005 A Single Family	4.49	10/20/05	10/20/35	1,472,848.71	1,382,019.38			(6,315.04)		1,466,533.67	1,418,846.95	43,142.61	0.00
GNMA	2005 A Single Family	4.49	12/08/05	12/20/35	1,120,907.16	1,051,837.05			(4,449.22)		1,116,457.94	1,080,211.27	32,823.44	0.00
GNMA	2005 A Single Family	4.49	12/15/05	12/20/35	1,090,122.20	1,025,689.41			(4,662.00)		1,085,460.20	1,052,992.38	31,964.97	0.00
GNMA	2005 A Single Family	4.49	11/03/05	11/20/35	386,230.56	363,386.23			(1,870.34)		384,360.22	372,847.21	11,331.32	0.00
GNMA	2005 A Single Family	4.49	11/10/05	11/20/35	2,084,114.54	1,960,859.47			(165,750.26)		1,918,364.28	1,860,915.27	65,806.06	0.00
GNMA	2005 A Single Family	4.49	11/17/05	11/20/35	1,373,489.78	1,288,826.90			(6,806.94)		1,366,882.84	1,322,475.18	40,255.22	0.00
GNMA	2005 A Single Family	4.49	11/22/05	11/20/35	959,168.44	900,049.17			(4,198.83)		954,969.61	923,948.94	28,098.60	0.00
GNMA	2005 A Single Family	4.49	11/29/05	11/20/35	1,080,893.84	1,016,989.04			(5,558.56)		1,075,335.28	1,043,151.35	31,720.87	0.00
GNMA	2005 A Single Family	4.49	12/22/05	12/20/35	1,616,336.77	1,520,812.32			(6,772.13)		1,609,564.64	1,561,431.11	47,390.92	0.00
GNMA	2005 A Single Family	4.49	12/29/05	12/20/35	2,691,473.38	2,525,678.86			(137,537.37)		2,553,936.01	2,471,072.95	82,931.46	0.00
GNMA	2005 A Single Family	4.49	01/05/06	01/20/36	1,609,589.95	1,509,704.53			(6,792.87)		1,602,797.08	1,550,354.36	47,442.70	0.00
GNMA	2005 A Single Family	4.49	01/12/06	01/20/36	1,846,196.13	1,736,231.60			(7,327.45)		1,838,868.68	1,783,359.87	54,442.72	0.00
GNMA	2005 A Single Family	4.49	03/09/06	02/20/36	1,485,078.02	1,393,009.48			(10,598.74)		1,474,479.28	1,426,327.33	43,916.59	0.00
GNMA	2005 A Single Family	4.49	03/02/06	02/20/36	1,820,438.09	1,707,566.58			(7,571.57)		1,812,866.52	1,753,651.48	53,656.47	0.00
GNMA	2005 A Single Family	4.49	01/19/06	01/20/36	966,956.24	906,963.24			(4,041.21)		962,915.03	931,421.19	28,499.16	0.00
GNMA	2005 A Single Family	4.49	01/26/06	01/20/36	1,321,684.09	1,239,672.67			(5,627.83)		1,316,036.26	1,273,001.97	38,957.13	0.00
GNMA	2005 A Single Family	4.49	02/02/06	02/20/36	2,762,733.11	2,591,363.73			(11,325.54)		2,751,407.57	2,661,460.95	81,422.76	0.00
GNMA	2005 A Single Family	4.49	02/09/06	02/20/36	1,282,140.41	1,202,619.12			(114,618.89)		1,167,521.52	1,129,361.91	41,381.68	0.00
GNMA	2005 A Single Family	4.49	02/16/06	02/20/36	1,652,833.64	1,550,332.08			(8,181.99)		1,644,651.65	1,590,908.63	48,758.54	0.00
GNMA	2005 A Single Family	4.49	02/23/06	02/20/36	1,808,761.94	1,696,602.39			(7,840.24)		1,800,921.70	1,742,084.49	53,322.34	0.00
GNMA	2005 A Single Family	4.49	05/11/06	04/20/36	872,877.68	818,817.61			(3,971.89)		868,905.79	840,586.09	25,740.37	0.00
GNMA	2005 A Single Family	4.49	05/11/06	05/20/36	395,833.12	372,303.25			(2,363.86)		393,469.26	381,640.06	11,700.67	0.00
GNMA	2005 A Single Family	4.49	05/18/06	05/20/36	1,195,345.63	1,121,324.30			(147,110.33)		1,048,235.30	1,014,079.03	39,865.06	0.00
GNMA	2005 A Single Family	4.49	05/18/06	05/20/36	428,364.37	402,903.57			(2,127.75)		426,236.62	413,425.24	12,649.42	0.00
GNMA	2005 A Single Family	4.49	03/16/06	03/20/36	854,947.53	804,078.16			(118,486.34)		736,461.19	714,277.75	28,685.93	0.00
GNMA	2005 A Single Family	4.49	03/23/06	03/20/36	2,203,090.93	2,066,542.10			(110,648.20)		2,092,442.73	2,024,140.71	68,246.81	0.00
GNMA	2005 A Single Family	4.49	03/30/06	03/20/36	1,206,862.29	1,132,066.29			(70,557.10)		1,136,305.19	1,099,221.42	37,710.23	0.00
GNMA	2005 A Single Family	4.49	04/06/06	03/20/36	1,807,358.46	1,695,361.34			(8,235.03)		1,799,123.43	1,740,420.64	53,294.33	0.00
GNMA	2005 A Single Family	4.49	04/13/06	03/20/36	1,080,887.23	1,013,914.78			(4,578.85)		1,076,308.38	1,041,197.39	31,861.46	0.00
GNMA	2005 A Single Family	4.49	04/20/06	04/20/36	2,057,340.48	1,929,881.95			(9,067.86)		2,048,272.62	1,981,472.53	60,658.44	0.00
GNMA	2005 A Single Family	4.49	04/27/06	04/20/36	862,787.46	809,340.86			(4,147.86)		858,639.60	830,642.75	25,449.75	0.00
GNMA	2005 A Single Family	4.49	05/05/06	04/20/36	1,617,335.08	1,521,182.09			(6,727.77)		1,610,607.31	1,562,175.24	47,720.92	0.00
GNMA	2005 A Single Family	4.49	05/25/06	05/20/36	1,128,098.69	1,058,249.11			(129,198.75)		998,899.94	966,358.08	37,307.72	0.00
GNMA	2005 A Single Family	4.49	06/01/06	06/20/36	1,313,908.87	1,235,832.49			(5,885.21)		1,308,023.66	1,268,726.95	38,781.67	0.00
GNMA	2005 A Single Family	4.49	06/03/06	06/20/36	1,647,650.54	1,545,654.82			(7,461.95)		1,640,188.59	1,586,780.70	48,587.83	0.00
GNMA	2005 A Single Family	4.49	06/15/06	06/20/36	1,138,456.09	1,070,820.80			(4,720.16)		1,133,735.93	1,099,692.63	33,591.99	0.00
GNMA	2005 A Single Family	4.49	06/27/06	06/20/36	1,951,896.36	1,835,957.17			(9,055.49)		1,942,840.87	1,884,525.01	57,623.33	0.00
GNMA	2005 A Single Family	4.49	07/06/06	07/20/36	826,423.94	777,344.47			(3,900.76)		822,523.18	797,842.59	24,398.88	0.00
GNMA	2005 A Single Family	4.49	07/13/06	06/20/36	1,445,917.21	1,360,055.67			(6,243.31)		1,439,673.90	1,396,483.59	42,671.23	0.00
GNMA	2005 A Single Family	4.49	07/19/06	06/20/36	1,873,066.43	1,757,191.24			(7,692.09)		1,865,374.34	1,804,708.76	55,209.61	0.00
GNMA	2005 A Single Family	4.49	07/27/06	07/20/36	1,196,916.29	1,125,858.01			(4,650.54)		1,192,265.75	1,156,515.22	35,307.75	0.00
GNMA	2005 A Single Family	4.49	08/02/06	08/20/36	745,001.39	700,777.26			(3,032.64)		741,968.75	719,726.38	21,981.76	0.00
GNMA	2005 A Single Family	4.49	08/09/06	08/20/36	1,878,003.76	1,766,535.82			(10,033.32)		1,867,970.44	1,811,986.15	55,483.65	0.00
GNMA	2005 A Single Family	4.49	08/16/06	07/20/36	1,078,612.46	1,010,038.62			(4,378.17)		1,072,234.29	1,037,393.56	31,733.11	0.00
GNMA	2005 A Single Family	4.49	08/23/06	07/20/36	770,609.38	724,879.78			(3,899.08)		766,710.30	743,741.27	22,760.57	0.00
GNMA	2005 A Single Family	4.49	09/06/06	08/20/36	974,602.75	916,782.59			(3,776.23)		970,826.52	941,758.86	28,750.50	0.00
GNMA	2005 A Single Family	4.49	09/12/06	08/20/36	514,778.69	484,241.40			(1,956.51)		512,822.18	497,469.67	15,184.78	0.00
GNMA	2005 A Single Family	4.49	09/26/06	09/20/36	602,131.32	566,420.76			(2,505.10)		599,626.22	581,683.85	17,768.19	0.00
GNMA	2005 A Single Family	4.49	10/17/06	10/20/36	1,188,301.39	1,117,851.77			(132,551.87)		1,055,749.52	1,024,182.59	38,882.69	0.00
GNMA	2005 A Single Family	4.49	11/14/06	10/20/36	1,019,473.88	959,061.49			(4,804.16)		1,014,669.72	984,358.94	30,101.61	0.00
GNMA	2005 A Single Family	4.49	11/28/06	10/20/36	218,609.78	205,658.23			(818.63)		217,791.15	211,288.17	6,448.57	0.00
GNMA	2005 A Single Family	4.49	12/12/06	10/20/36	250,325.27	235,498.30			(1,015.88)		249,309.39	241,868.97	7,386.55	0.00
GNMA	2005 A Single Family	4.49	01/16/07	12/20/36	247,496.99	232,846.25			(915.36)		246,581.63	239,231.58	7,300.69	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2005 A Single Family	4.49	01/30/07	12/20/36	131,003.61	122,040.38			(500.68)		130,502.93	125,382.10	3,842.40	0.00
GNMA	2005 A Single Family	4.49	02/13/07	01/20/37	313,760.73	295,283.45			(1,201.84)		312,558.89	303,358.57	9,276.96	0.00
GNMA	2005 A Single Family	4.49	02/20/07	02/20/37	228,887.01	215,407.35			(1,026.70)		227,860.31	221,154.23	6,773.58	0.00
GNMA	2005 A Single Family	4.49	03/20/07	01/20/37	223,517.35	210,297.88			(823.21)		222,694.14	216,050.26	6,575.59	0.00
GNMA	2005 A Single Family	4.49	04/24/07	03/20/37	526,382.86	495,269.58			(2,063.56)		524,319.30	508,695.76	15,489.74	0.00
GNMA	2005 A Single Family	4.49	04/10/07	02/20/37	270,428.90	254,440.61			(996.90)		269,432.00	261,399.57	7,955.86	0.00
GNMA	2005 A Single Family	4.49	05/22/07	04/20/37	387,101.08	363,256.48			(1,475.20)		385,625.88	373,159.66	11,378.38	0.00
GNMA	2005 A Single Family	4.49	06/05/07	05/20/37	325,377.13	306,158.77			(1,199.13)		324,178.00	314,532.55	9,572.91	0.00
GNMA	2005 A Single Family	4.49	07/03/07	06/20/37	263,337.56	247,790.82			(942.59)		262,394.97	254,595.23	7,747.00	0.00
GNMA	2005 A Single Family	4.49	11/21/07	09/20/37			237,667.68				237,667.68	230,754.22	(6,913.46)	0.00
GNMA	2005 A Single Family	4.49	09/25/07	04/20/37			117,956.99				117,956.99	114,518.46	(3,438.53)	0.00
FNMA	2005 A Single Family	4.49	10/20/05	10/01/35	253,174.23	235,205.49			(1,075.11)		252,099.12	240,820.21	6,689.83	0.00
FNMA	2005 A Single Family	4.49	11/10/05	11/01/35	119,064.41	110,615.06			(663.55)		118,400.86	113,104.63	3,153.12	0.00
FNMA	2005 A Single Family	4.49	12/15/05	12/01/35	241,376.52	224,250.98			(1,073.01)		240,303.51	229,558.12	6,380.15	0.00
FNMA	2005 A Single Family	4.49	01/05/06	12/01/35	346,599.91	322,011.72			(1,814.88)		344,785.03	329,370.61	9,173.77	0.00
FNMA	2005 A Single Family	4.49	02/09/06	02/01/36	208,696.29	193,808.47			(1,004.20)		207,692.09	198,322.48	5,518.21	0.00
FNMA	2005 A Single Family	4.49	02/23/06	01/01/36	244,270.32	226,845.90			(971.52)		243,298.80	232,324.05	6,449.67	0.00
FNMA	2005 A Single Family	4.49	03/16/06	03/01/36	384,340.12	356,927.75			(2,449.52)		381,890.60	364,668.24	10,190.01	0.00
FNMA	2005 A Single Family	4.49	04/06/06	03/01/36	264,578.94	245,710.79			(1,042.57)		263,536.37	251,653.77	6,985.55	0.00
FNMA	2005 A Single Family	4.49	04/20/06	04/01/36	373,236.62	346,621.77			(1,512.55)		371,724.07	354,965.91	9,856.69	0.00
FNMA	2005 A Single Family	4.49	05/11/06	04/01/36	292,891.01	272,008.20			(1,234.17)		291,656.84	278,510.80	7,736.77	0.00
FNMA	2005 A Single Family	4.49	06/08/06	04/01/36	274,702.79	255,119.83			(1,097.75)		273,605.04	261,275.80	7,253.72	0.00
FNMA	2005 A Single Family	4.49	06/27/06	06/01/36	283,279.96	263,087.96			(1,144.97)		282,134.99	269,424.10	7,481.11	0.00
FNMA	2005 A Single Family	4.49	07/13/06	06/01/36	349,329.73	324,432.01			(1,468.19)		347,861.54	332,191.83	9,228.01	0.00
FNMA	2005 A Single Family	4.49	07/19/06	07/01/36	531,657.30	493,766.56			(2,074.30)		529,583.00	505,729.02	14,036.76	0.00
FNMA	2005 A Single Family	4.49	08/02/06	07/01/36	479,468.16	445,299.56			(1,888.96)		477,579.20	456,070.35	12,659.75	0.00
FNMA	2005 A Single Family	4.49	08/09/06	07/01/36	359,985.55	334,332.73			(1,394.86)		358,590.69	342,441.81	9,503.94	0.00
FNMA	2005 A Single Family	4.49	09/12/06	08/01/36	278,115.91	258,301.07			(1,274.54)		276,841.37	264,378.25	7,351.72	0.00
FNMA	2005 A Single Family	4.49	10/17/06	09/01/36	260,962.01	242,373.22			(1,512.13)		259,449.88	247,773.70	6,912.61	0.00
FNMA	2005 A Single Family	4.49	11/14/06	10/01/36	394,181.65	366,108.17			(1,498.70)		392,682.95	375,015.31	10,405.84	0.00
FNMA	2005 A Single Family	4.49	11/21/06	10/01/36	280,511.33	260,534.20			(1,090.87)		279,420.46	266,849.81	7,406.48	0.00
FNMA	2005 A Single Family	4.49	12/12/06	11/01/36	370,917.28	344,505.19			(1,776.42)		369,140.86	352,537.05	9,808.28	0.00
FNMA	2005 A Single Family	4.49	01/30/07	11/01/36	55,360.45	51,419.50			(209.05)		55,151.40	52,671.88	1,461.41	0.00
FNMA	2005 A Single Family	4.49	02/13/07	01/01/37	57,943.89	53,822.28			(219.38)		57,724.51	55,125.09	1,522.19	0.00
FNMA	2005 A Single Family	4.49	03/20/07	02/01/37	163,097.66	151,479.26			(728.34)		162,369.32	155,030.60	4,279.68	0.00
FNMA	2005 A Single Family	4.49	04/10/07	01/01/37	219,481.47	203,848.37			(822.59)		218,658.88	208,777.89	5,752.11	0.00
FNMA	2005 A Single Family	4.49	04/24/07	04/01/37	372,138.91	345,634.83			(1,358.24)		370,770.67	354,018.38	9,751.79	0.00
FNMA	2005 A Single Family	4.49	05/22/07	04/01/37	225,554.89	209,493.41			(826.21)		224,728.68	214,577.72	5,910.52	0.00
FNMA	2005 A Single Family	4.49	06/05/07	05/01/37	265,227.96	246,342.88			(1,002.66)		264,225.30	252,292.04	6,951.82	0.00
FNMA	2005 A Single Family	4.49	07/03/07	06/01/37	691,717.20	642,473.14			(2,532.25)		689,184.95	658,067.12	18,128.23	0.00
FNMA	2005 A Single Family	4.49	09/25/07	09/01/37			360,184.18				360,184.18	345,661.27	(14,522.91)	0.00
FNMA	2005 A Single Family	4.49	11/08/07	09/01/37			354,008.42				354,008.42	341,543.28	(12,465.14)	0.00
FNMA	2005 A Single Family	4.49	11/21/07	09/01/37			144,849.32				144,849.32	139,750.67	(5,098.65)	0.00
Repo Agmt	2005 A Single Family	4.53	11/30/07	12/03/07	2,849,487.26	2,849,487.26					1,620,584.33	1,620,584.33	-	0.00
2005 A Single Family Total					99,769,507.05	94,097,795.51	3,898,966.23	(4,153,017.73)	(1,864,435.70)	0.00	97,671,019.65	94,662,537.54	2,683,229.23	0.00
Total Single Family Investment Summary					1,055,209,888.78	1,028,731,704.69	280,367,710.43	(144,014,022.79)	(13,357,588.99)	(0.00)	1,178,205,987.43	1,172,052,772.47	20,324,969.13	0.00

**Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	4.53	11/30/07	12/03/07	97,162.82	97,162.82		(96,443.65)			719.17	719.17	-	0.00
Repo Agmt	1989 A&B RMRB	4.53	11/30/07	12/03/07	491,277.75	491,277.75	28,258.94				519,536.69	519,536.69	-	0.00
	1989 A&B RMRB Total				588,440.57	588,440.57	28,258.94	(96,443.65)	0.00	0.00	520,255.86	520,255.86	0.00	0.00
Repo Agmt	1998 A/B RMRB	4.53	11/30/07	12/03/07	748,986.29	748,986.29		(748,986.76)			589.53	589.53	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,757,030.01	1,757,030.01	3,038,316.38				4,795,346.39	4,795,346.39	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,662,346.43	1,662,346.43	0.00				1,662,346.43	1,662,346.43	-	0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	1,144,748.22	1,116,472.91			(7,343.64)		1,137,404.58	1,139,406.38	30,277.11	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	2,495,305.04	2,433,671.01			(110,109.52)		2,385,195.52	2,389,393.48	65,831.99	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	189,627.93	184,815.17			(1,297.65)		188,330.28	188,456.46	4,938.94	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	860,800.77	840,132.91			(5,823.61)		854,977.16	857,123.12	22,813.82	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	104,201.40	101,556.71			(656.10)		103,545.30	103,614.62	2,714.01	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	2,788,493.00	2,721,541.18			(66,806.96)		2,721,686.04	2,728,517.42	73,783.20	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	4,183,250.23	4,082,810.26			(240,995.53)		3,942,254.70	3,952,149.64	110,334.91	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	72,538.84	70,697.78			(462.52)		72,076.32	72,124.58	1,889.32	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	137,362.07	133,875.81			(907.41)		136,454.66	136,546.08	3,577.68	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	3,251,384.35	3,173,299.04			(72,317.65)		3,179,046.70	3,187,026.03	86,044.64	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	2,644,710.74	2,581,211.27			(17,488.19)		2,627,222.55	2,633,816.86	70,093.78	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	178,175.29	173,653.19			(1,030.99)		177,144.30	177,262.98	4,640.78	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	1,951,076.09	1,904,230.76			(35,655.21)		1,915,420.88	1,920,228.57	51,653.02	0.00
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	435,557.63	424,503.20			(4,866.81)		430,690.82	430,979.41	11,343.02	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	338,831.01	330,231.47			(4,330.09)		334,500.92	334,725.03	8,823.65	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	533,051.76	519,522.88			(4,821.93)		528,229.83	528,583.71	13,882.76	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	2,766,633.84	2,700,206.74			(164,826.06)		2,601,807.56	2,608,338.04	72,957.38	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	3,060,640.73	2,987,154.70			(20,698.89)		3,039,941.84	3,047,572.07	81,116.26	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	4,752,764.28	4,638,650.32			(32,221.04)		4,720,549.24	4,732,391.69	125,962.41	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	2,401,594.70	2,342,275.25			(17,460.19)		2,384,134.51	2,388,330.56	63,515.60	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	2,819,974.20	2,750,320.78			(20,848.80)		2,799,125.40	2,804,051.77	74,579.79	0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,605,202.66	1,565,554.10			(75,270.87)		1,529,931.79	1,532,624.44	42,341.21	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	482,539.50	470,292.62			(7,706.70)		474,832.80	475,150.90	12,564.98	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	273,890.83	266,572.46			(4,060.03)		269,830.80	269,693.18	7,180.75	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	303,421.22	295,313.80			(1,783.63)		301,637.59	301,483.75	7,953.58	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	1,988,744.52	1,939,622.53			(12,545.33)		1,976,199.19	1,979,677.32	52,600.12	0.00
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,587,995.37	1,548,771.84			(17,634.74)		1,570,360.63	1,573,124.40	41,987.30	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,230,450.37	1,200,058.27			(14,901.04)		1,215,549.33	1,217,688.72	32,531.49	0.00
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	405,256.01	394,427.58			(7,397.50)		397,858.51	397,655.60	10,625.52	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	197,806.79	192,521.39			(2,084.60)		195,722.19	195,622.36	5,185.57	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,765,813.66	1,722,198.03			(93,212.13)		1,672,601.53	1,675,545.28	46,559.38	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	452,854.67	441,669.15			(5,492.45)		447,362.22	448,149.57	11,972.87	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	396,401.94	385,810.07			(3,693.03)		392,708.91	392,508.62	10,391.58	0.00
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	200,432.36	195,076.80			(1,853.18)		198,579.18	198,477.90	5,254.28	0.00
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	321,029.83	313,100.38			(4,755.25)		316,274.58	316,831.21	8,486.08	0.00
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	202,110.83	197,118.69			(1,650.65)		200,460.18	200,812.98	5,344.94	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	111,750.72	108,990.41			(603.73)		111,146.99	111,342.55	2,955.87	0.00
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	316,692.93	308,870.60			(4,048.53)		312,644.40	313,194.65	8,372.58	0.00
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	743,784.62	725,413.10			(4,074.38)		739,710.24	741,012.10	19,673.38	0.00
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	139,891.97	136,436.63			(4,715.42)		135,176.55	135,414.46	3,693.25	0.00
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	290,951.24	283,764.74			(1,630.46)		289,320.78	289,829.98	7,695.70	0.00
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	422,101.93	410,823.34			(4,699.72)		417,402.21	417,189.31	11,065.69	0.00
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	390,041.33	379,619.40			(2,747.05)		387,294.28	387,096.72	10,224.37	0.00
Repo Agmt	1998 A/B RMRB	4.53	11/30/07	12/03/07	1,148,182.99	1,148,182.99	140,886.92				1,289,069.91	1,289,069.91	-	0.00
GNMA	1998 A/B RMRB	5.49	01/12/06	01/20/36	26,919.16	26,634.16			(88.82)		26,830.34	27,240.02	694.68	0.00
GNMA	1998 A/B RMRB	5.49	03/09/06	03/20/36	33,235.07	32,884.85			(167.68)		33,067.39	33,573.96	856.79	0.00
GNMA	1998 A/B RMRB	5.49	03/02/06	03/20/36	18,877.78	18,678.72			(62.08)		18,815.70	19,103.82	487.18	0.00
GNMA	1998 A/B RMRB	5.49	02/23/06	02/20/36	37,325.53	36,931.73			(162.72)		37,162.81	37,731.65	962.64	0.00
GNMA	1998 A/B RMRB	5.49	03/16/06	03/20/36	29,535.43	29,224.36			(110.34)		29,425.09	29,876.04	762.02	0.00
GNMA	1998 A/B RMRB	5.49	03/30/06	03/20/36	41,365.64	40,852.81			(11,219.44)		30,146.20	30,552.29	918.92	0.00
GNMA	1998 A/B RMRB	5.49	04/06/06	04/20/36	36,666.21	36,280.74			(119.24)		36,546.97	37,107.80	946.30	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	1998 A/B RMRB	5.49	04/27/06	03/01/36	25,877.84	25,384.33			(86.65)		25,791.19	25,943.94	646.26	0.00
FNMA	1998 A/B RMRB	5.49	04/27/06	10/01/35	8,625.21	8,465.89			(29.34)		8,595.87	8,650.29	213.74	0.00
	1998 A/B RMRB Total				56,514,840.81	55,264,742.58	3,179,203.30	(748,396.76)	(1,119,575.54)	0.00	57,826,071.81	57,927,896.57	1,351,922.99	0.00
Repo Agmt	2000 BCDE RMRB	4.53	11/30/07	12/03/07	230,250.90	230,250.90	2,769.20				233,020.10	233,020.10	-	0.00
Repo Agmt	2000 BCDE RMRB	4.53	11/30/07	12/03/07	619,174.66	619,174.66	7,446.78				626,621.44	626,621.44	-	0.00
Repo Agmt	2000 BCDE RMRB	4.53	11/30/07	12/03/07	693,978.06	693,978.06		(693,758.97)			219.09	219.09	-	0.00
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	1,314,542.37	1,314,542.37	3,321,789.31				4,636,331.68	4,636,331.68	-	0.00
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	371,228.19	371,228.19		(370,000.00)			1,228.19	1,228.19	-	0.00
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	1,383,363.11	1,383,363.11	1,193.38				1,384,556.49	1,384,556.49	-	0.00
GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	719,855.17	726,450.53			(3,549.09)		716,306.08	736,255.51	13,354.07	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	181,445.08	183,106.91			(997.72)		180,447.36	185,472.31	3,363.12	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	116,247.57	117,311.93			(558.82)		115,688.75	118,910.02	2,156.91	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	200,215.19	202,050.39			(895.27)		199,319.92	204,872.10	3,716.98	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,267,298.95	1,278,915.19			(13,421.60)		1,253,877.35	1,288,804.87	23,311.28	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	94,633.14	95,500.56			(505.49)		94,127.65	96,749.63	1,754.56	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	232,114.64	234,243.39			(1,068.48)		231,046.16	237,483.26	4,308.35	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	782,394.69	789,570.14			(3,967.07)		778,427.62	800,115.18	14,512.11	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	26,762.67	27,008.25			(121.91)		26,640.86	27,383.23	496.79	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	254,028.01	256,359.06			(1,620.77)		252,407.24	259,440.83	4,702.54	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	03/20/31	180,052.99	181,706.32			(824.99)		179,228.00	184,223.49	3,342.16	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	04/20/31	679,363.51	685,603.72			(3,228.09)		676,135.42	694,982.85	12,607.22	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	426,341.56	430,259.77			(2,434.30)		423,907.26	435,725.45	7,899.98	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	929,686.71	938,232.97			(171,139.76)		758,548.95	779,696.79	12,603.58	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	95,330.39	96,206.53			(421.81)		94,908.58	97,584.57	1,769.85	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	169,218.91	170,775.12			(863.85)		168,355.06	173,049.89	3,138.62	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	445,529.57	449,626.92			(51,412.45)		394,117.12	405,107.72	6,893.25	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	111,148.78	112,171.07			(609.24)		110,539.54	113,622.22	2,060.39	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,106,009.93	1,116,182.47			(5,632.73)		1,100,377.20	1,131,064.03	20,514.29	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	113,998.99	115,047.84			(512.36)		113,486.63	116,651.85	2,116.37	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	46,798.95	47,229.68			(215.67)		46,583.28	47,882.62	868.61	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	284,145.71	286,780.85			(2,097.98)		282,047.73	289,914.78	5,251.91	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	47,530.50	47,967.95			(287.20)		47,243.30	48,561.05	880.30	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	196,733.31	198,545.12			(925.76)		195,807.55	201,270.53	3,651.17	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,173,010.26	1,183,813.30			(7,341.58)		1,165,668.68	1,198,190.78	21,719.06	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	42,789.64	43,183.72			(202.05)		42,587.59	43,775.78	794.11	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	245,094.60	247,353.59			(1,253.88)		243,840.72	250,645.64	4,545.93	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	977,840.83	986,853.35			(4,909.34)		972,931.49	1,000,083.26	18,139.25	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	259,935.32	262,331.08			(1,724.38)		258,210.94	265,416.88	4,810.18	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	260,410.56	262,813.11			(1,443.32)		258,967.24	266,196.45	4,826.66	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	613,786.73	619,453.31			(2,825.87)		610,962.86	628,020.03	11,392.59	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	138,063.37	139,337.12			(1,376.56)		136,686.81	140,502.48	2,541.92	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	223,578.11	225,642.62			(80,852.30)		142,725.81	146,711.24	1,920.92	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	08/20/31	1,009,556.63	1,018,880.92			(5,056.65)		1,004,499.98	1,032,552.44	18,728.17	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	176,292.02	177,919.90			(1,792.87)		174,499.15	179,371.80	3,244.77	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	324,459.71	327,459.06			(1,467.31)		322,992.40	332,015.21	6,023.46	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	780,928.19	788,147.16			(5,194.09)		775,734.10	797,404.24	14,451.17	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	115,667.69	116,736.93			(760.62)		114,907.07	118,117.01	2,140.70	0.00
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	284,418.30	287,722.16			(2,358.29)		282,060.01	289,571.79	4,207.92	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	228,089.28	230,206.31			(1,071.71)		227,017.57	233,367.75	4,233.15	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	265,754.52	268,221.14			(1,666.62)		264,087.90	271,475.01	4,920.49	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	199,951.60	201,807.88			(880.26)		199,071.34	204,640.42	3,712.60	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	319,876.88	322,836.77			(1,408.68)		318,468.20	327,367.24	5,939.15	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	594,149.12	599,648.69			(2,862.92)		591,286.20	607,810.49	11,024.72	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	185,563.74	187,280.80			(1,319.18)		184,244.56	189,392.95	3,431.33	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	168,669.12	170,231.55			(98,605.80)		70,063.32	72,021.90	396.15	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	773,130.53	780,292.29			(4,625.91)		768,504.62	789,987.86	14,321.48	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	197,146.58	198,972.82			(1,241.78)		195,904.80	201,381.25	3,650.21	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	93,618.53	94,486.51			(399.43)		93,219.10	95,825.67	1,738.59	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	204,427.33	206,323.71			(896.79)		203,530.54	209,222.69	3,795.77	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	191,309.99	193,534.21			(1,034.01)		190,275.98	195,345.14	2,844.94	0.00
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	200,939.51	202,809.43			(974.92)		199,964.59	205,562.99	3,728.48	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	318,390.71	322,100.49			(2,065.95)		316,324.76	324,760.15	4,725.61	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	322,154.78	324,973.91			(2,504.95)		319,649.83	328,450.62	5,981.66	0.00
FNMA	2000 BCDE RMRB	6.10	05/30/01	04/01/31	221,176.01	223,754.43			(15,378.16)		205,797.85	211,287.31	2,911.04	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	303,482.36	307,025.83			(18,253.78)		285,228.58	292,841.79	4,069.74	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	474,155.05	478,321.12			(2,150.04)		472,005.01	485,018.04	8,846.96	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	110,140.27	111,108.34			(464.58)		109,675.69	112,699.76	2,056.00	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	224,665.37	226,633.27			(2,932.10)		221,733.27	227,840.24	4,139.13	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	259,572.25	261,849.77			(1,391.03)		258,181.22	265,295.74	4,837.00	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	345,014.61	348,043.21			(1,486.92)		343,527.69	352,995.80	6,439.51	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	75,459.03	76,122.01			(306.35)		75,152.68	77,224.60	1,408.94	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	44,113.81	44,501.09			(183.11)		43,930.70	45,141.50	823.52	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	1,038,056.52	1,047,224.56			(4,903.22)		1,033,153.30	1,061,683.99	19,362.65	0.00
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	437,113.90	440,957.64			(2,415.61)		434,698.29	446,685.52	8,143.49	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	531,763.73	536,442.46			(94,967.43)		436,796.30	448,843.64	7,368.61	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/02	06/20/32	540,585.13	545,343.14			(3,357.17)		537,227.96	552,046.99	10,061.02	0.00
GNMA	2000 BCDE RMRB	6.10	06/25/02	06/20/32	439,639.64	443,510.05			(2,289.48)		437,350.16	449,415.48	8,194.91	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	825,822.83	833,096.37			(164,362.27)		661,460.56	679,710.52	10,976.42	0.00
GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	602,096.72	607,404.64			(2,659.72)		599,437.00	615,981.26	11,236.34	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	87,501.66	88,273.32			(394.14)		87,107.52	89,511.84	1,632.66	0.00
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	193,200.87	194,904.84			(822.67)		192,378.20	197,688.36	3,606.19	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,359,834.81	1,371,836.51			(6,973.58)		1,352,861.23	1,390,212.32	25,349.39	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	1,087,245.99	1,096,846.27			(5,303.61)		1,081,942.38	1,111,818.15	20,275.49	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	456,680.91	460,729.12			(2,323.22)		454,357.69	466,919.88	8,513.98	0.00
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	779,641.87	786,531.57			(3,602.39)		776,039.48	797,473.96	14,544.78	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	289,389.99	291,948.83			(1,311.74)		288,078.25	296,036.58	5,399.49	0.00
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,346,890.74	1,358,802.84			(7,621.89)		1,339,268.85	1,376,271.01	25,090.06	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	914,186.95	922,279.50			(4,211.35)		909,975.60	935,123.48	17,055.33	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	619,743.56	625,232.17			(2,853.83)		616,889.73	633,940.52	11,562.18	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	466,933.85	471,071.50			(2,043.56)		464,890.29	477,742.22	8,714.28	0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	584,561.17	591,396.47			(3,302.39)		581,258.78	596,785.56	8,689.48	0.00
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	340,582.59	343,600.57			(2,225.63)		338,356.96	347,710.83	6,335.89	0.00
GNMA	2000 BCDE RMRB	6.10	11/19/02	11/20/32	30,459.05	30,729.18			(158.51)		30,300.54	31,138.45	567.78	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	120,830.46	121,902.41			(1,035.79)		119,794.67	123,107.64	2,241.02	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	154,927.36	156,301.79			(697.57)		154,229.79	158,495.08	2,890.86	0.00
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	26,576.62	26,812.55			(677.06)		25,899.56	26,615.99	480.50	0.00
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	63,530.12	64,093.59			(267.78)		63,262.34	65,011.69	1,185.88	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	82,087.44	82,816.33			(1,091.21)		80,996.23	83,236.88	1,511.76	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	11/20/32	34,209.20	34,513.10			(143.94)		34,065.26	35,007.81	638.65	0.00
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	120,516.55	121,587.78			(1,023.00)		119,493.55	122,800.41	2,235.63	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	18,602.87	18,753.06			(702.33)		17,900.54	18,389.42	338.69	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	326,762.61	331,416.86			(1,374.72)		327,387.89	336,329.10	6,286.96	0.00
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	173,080.43	174,479.54			(1,355.11)		171,725.32	176,416.86	3,292.43	0.00
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	324,036.56	327,950.70			(3,158.62)		320,879.94	329,896.47	5,044.39	0.00
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	255,100.97	257,163.61			(1,276.51)		253,824.46	260,759.74	4,872.64	0.00
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	102,007.57	102,832.68			(402.50)		101,605.07	104,381.55	1,951.37	0.00
GNMA	2000 BCDE RMRB	6.10	03/24/03	03/20/33	188,294.50	189,819.64			(739.89)		187,554.61	192,681.90	3,602.15	0.00
GNMA	2000 BCDE RMRB	6.10	04/02/03	03/20/33	147,805.92	149,003.56			(560.34)		147,245.58	151,271.38	2,828.16	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	144,464.82	145,636.56			(622.86)		143,841.96	147,775.73	2,762.03	0.00
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	26,939.97	27,158.55			(102.54)		26,837.43	27,571.46	515.45	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/03	04/20/33	331,763.89	334,476.31			(1,303.65)		330,480.24	339,519.88	6,347.22	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	81,761.44	82,425.26			(330.07)		81,431.37	83,659.01	1,563.82	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	71,293.30	71,872.27			(265.08)		71,028.22	72,971.50	1,364.31	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	145,403.87	146,585.44			(561.88)		144,841.99	148,805.35	2,781.79	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	60,826.65	61,321.00			(226.97)		60,599.68	62,257.95	1,163.92	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	133,117.99	134,200.66			(513.98)		132,604.01	136,233.46	2,546.78	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	192,660.47	194,228.39			(1,152.93)		191,507.54	196,750.39	3,674.93	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	59,864.38	60,351.57			(228.04)		59,636.34	61,268.99	1,145.46	0.00
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	97,859.23	98,655.93			(359.48)		97,499.75	100,169.18	1,872.73	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	71,753.74	72,338.20			(263.49)		71,490.25	73,447.93	1,373.22	0.00
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	476,238.08	480,118.65			(1,798.72)		474,439.36	487,432.39	9,112.46	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	235,834.49	237,756.63			(901.64)		234,932.85	241,367.45	4,512.47	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	48,499.08	48,894.51			(176.90)		48,322.18	49,645.83	928.22	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	169,796.30	171,181.07			(758.79)		169,037.51	173,668.17	3,245.89	0.00
GNMA	2000 BCDE RMRB	6.10	08/07/03	08/20/33	168,809.46	170,187.03			(650.02)		168,159.44	172,766.91	3,229.90	0.00
GNMA	2000 BCDE RMRB	6.10	08/14/03	08/20/33	167,788.73	169,158.48			(611.60)		167,177.13	171,758.04	3,211.16	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	223,176.04	225,798.16			(1,143.59)		222,032.45	227,975.33	3,320.76	0.00
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	203,043.14	204,701.11			(874.14)		202,169.00	207,709.36	3,882.39	0.00
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	337,589.54	340,347.18			(1,525.98)		336,063.56	345,273.95	6,452.75	0.00
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	155,939.16	157,213.44			(766.93)		155,172.23	159,425.47	2,978.96	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	382,513.52	385,642.00			(1,438.37)		381,075.15	391,523.08	7,319.45	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	80,638.25	81,297.60			(294.45)		80,343.80	82,546.42	1,543.27	0.00
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	358,726.87	361,662.26			(1,345.68)		357,381.19	367,180.99	6,864.41	0.00
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	188,389.30	189,931.61			(759.90)		187,629.40	192,775.19	3,603.48	0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	87,699.56	88,417.72			(316.53)		87,383.03	89,779.80	1,678.61	0.00
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	232,743.28	228,328.47			(1,015.65)		231,727.63	233,384.31	6,071.49	0.00
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	240,914.48	242,888.52			(879.78)		240,034.70	246,619.45	4,610.71	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	105,616.00	103,612.88			(423.96)		105,192.04	105,944.47	2,755.55	0.00
GNMA	2000 BCDE RMRB	6.10	10/30/03	08/20/33	57,665.91	58,138.37			(227.85)		57,438.06	59,013.67	1,103.15	0.00
GNMA	2000 BCDE RMRB	5.40	11/13/03	11/20/33	477,630.88	468,575.14			(2,329.85)		475,301.03	478,703.89	12,458.60	0.00
GNMA	2000 BCDE RMRB	6.10	11/13/03	11/20/33	135,720.96	136,834.29			(696.95)		135,024.01	138,729.44	2,592.10	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	492,682.29	483,342.65			(2,048.24)		490,634.05	494,147.69	12,853.28	0.00
GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	46,989.74	47,375.25			(168.99)		46,820.75	48,105.69	899.43	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	281,180.11	275,850.41			(1,915.01)		279,265.10	281,265.89	7,330.49	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	360,840.00	354,001.47			(1,524.43)		359,315.67	361,890.99	9,413.95	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	349,467.42	342,845.78			(24,323.40)		325,144.02	327,475.83	8,953.45	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	945,243.58	927,336.04			(7,811.76)		937,431.82	944,157.50	24,633.22	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	806,255.99	790,983.17			(3,542.52)		802,713.47	808,473.44	21,032.79	0.00
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	128,879.54	126,370.58			(560.29)		128,319.25	129,166.88	3,358.59	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	1,118,245.99	1,096,479.03			(9,179.45)		1,109,066.54	1,116,413.46	29,113.88	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	286,583.06	280,473.12			(1,257.31)		285,325.75	286,689.59	7,473.78	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	49,113.36	48,157.64			(229.53)		48,883.83	49,207.90	1,279.79	0.00
GNMA	2000 BCDE RMRB	6.10	02/02/04	12/20/33	43,936.91	44,298.79			(184.52)		43,752.39	44,954.52	840.25	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	160,418.55	160,115.35			(597.76)		159,820.79	162,625.96	3,108.37	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	728,059.75	726,715.85			(2,960.34)		725,099.41	737,859.07	14,103.56	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	244,098.81	243,648.25			(2,241.13)		241,857.68	246,113.69	4,706.57	0.00
GNMA	2000 BCDE RMRB	5.75	04/08/04	04/20/34	161,600.16	161,295.56			(665.12)		160,935.04	163,760.62	3,130.18	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	206,163.11	205,775.12			(796.65)		205,366.46	208,972.56	3,994.09	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	65,248.14	65,125.47			(237.39)		65,010.75	66,152.49	1,264.41	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	255,290.29	254,811.15			(1,003.73)		254,286.56	258,753.24	4,945.82	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	131,711.26	131,464.57			(544.95)		131,166.31	133,470.83	2,551.21	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	297,340.81	296,784.81			(1,133.81)		296,207.00	301,412.14	5,761.14	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	497,472.43	496,543.69			(1,829.13)		495,643.30	504,354.06	9,639.50	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	244,398.26	243,942.49			(923.70)		243,474.56	247,754.30	4,735.51	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	347,333.06	346,687.04			(1,281.06)		346,052.00	352,136.21	6,730.23	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	373,028.76	372,335.75			(1,364.98)		371,663.78	378,199.47	7,226.70	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	124,333.23	124,102.59			(27,992.70)		96,340.53	98,034.84	1,924.95	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	424,250.58	423,464.92			(1,583.49)		422,667.09	430,101.78	8,220.35	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	103,873.60	103,684.37			(381.87)		103,491.73	105,315.31	2,012.81	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	103,921.18	103,732.06			(371.23)		103,549.95	105,374.87	2,014.04	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	93,373.93	93,204.41			(335.58)		93,038.35	94,678.43	1,809.60	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	95,099.43	94,926.95			(347.15)		94,752.28	96,422.67	1,842.87	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	228,829.88	228,415.56			(827.85)		228,002.03	232,022.41	4,434.70	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	140,671.09	140,417.06			(535.05)		140,136.04	142,607.60	2,725.59	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	547,261.61	545,253.09			(78,448.66)		468,812.95	477,064.16	9,259.73	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	596,589.69	595,492.06			(3,851.77)		592,737.92	603,171.42	11,531.13	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	377,858.42	377,164.37			(1,542.62)		376,315.80	382,940.96	7,319.21	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	420,604.03	419,833.13			(3,643.43)		416,960.60	424,303.02	8,113.32	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	484,103.53	483,217.22			(98,834.37)		385,269.16	392,054.69	7,671.84	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	239,373.78	238,582.87			(1,067.02)		238,306.76	242,150.48	4,634.63	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	75,590.78	75,452.83			(272.99)		75,317.79	76,644.69	1,464.85	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	13,774.98	13,750.43			(58.60)		13,716.38	13,958.64	266.81	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	188,849.97	188,514.66			(932.28)		187,917.69	191,237.97	3,655.59	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	57,422.46	57,318.94			(202.27)		57,220.19	58,229.56	1,112.89	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	52,512.73	52,418.32			(188.29)		52,324.44	53,247.77	1,017.74	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	61,541.47	61,431.01			(222.41)		61,319.06	62,401.23	1,192.63	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	60,101.20	59,993.87			(208.94)		59,892.26	60,949.80	1,164.87	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	295,852.76	295,328.31			(1,064.69)		294,788.07	299,997.18	5,733.56	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	51,833.24	51,701.46			(177.44)		51,655.80	52,540.33	1,016.31	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	137,321.90	136,977.40			(468.22)		136,853.68	139,201.66	2,692.48	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	123,392.18	124,851.46			(873.54)		122,518.64	125,807.55	1,829.63	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	62,434.69	62,574.97			(206.27)		62,228.42	63,595.17	1,226.47	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	122,478.67	122,759.40			(404.51)		122,074.16	124,760.97	2,406.08	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	136,048.96	136,357.35			(443.56)		135,605.40	138,586.53	2,672.74	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	246,952.24	246,354.16			(60,236.58)		166,715.66	169,590.90	3,473.32	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	120,529.68	120,239.71			(440.43)		120,089.25	122,162.32	2,363.04	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	278,887.91	282,007.57			(1,980.98)		276,906.93	284,057.72	4,031.13	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	157,357.06	156,908.15			(542.55)		156,814.51	159,514.51	3,148.91	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	296,148.45	289,129.94			(1,230.22)		264,918.23	271,763.79	3,864.07	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	173,561.83	175,510.35			(1,739.73)		171,822.10	176,266.27	2,495.65	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	113,184.73	114,316.86			(529.78)		112,654.95	115,499.98	1,712.90	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	262,791.42	265,429.33			(981.57)		261,809.85	268,431.12	3,983.36	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	244,624.56	247,085.56			(928.67)		243,695.89	249,864.31	3,707.42	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	192,478.77	194,416.53			(2,732.04)		189,746.73	194,551.16	2,866.67	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	127,673.00	128,963.26			(10,305.36)		117,367.64	120,344.01	1,686.11	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	246,897.58	241,579.24			(1,130.40)		245,767.18	246,628.19	6,179.35	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	178,274.88	174,438.59			(1,070.05)		177,204.83	177,829.59	4,461.05	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	253,229.66	251,855.66			(1,040.49)		252,189.17	255,326.44	4,511.27	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	267,596.67	266,149.90			(1,932.20)		265,666.47	268,974.63	4,756.93	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	287,457.20	285,905.21			(1,470.32)		285,986.88	289,552.43	5,117.54	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	172,915.94	171,984.97			(660.62)		172,255.32	174,405.56	3,081.21	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	73,154.33	72,761.50			(271.40)		72,882.93	73,793.70	1,303.60	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	45,397.11	45,154.30			(260.83)		45,136.28	45,701.34	807.87	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	229,973.95	228,427.10			(876.03)		229,097.92	231,714.71	4,163.64	0.00
FNMA	2000 BCDE RMRB	5.75	06/26/05	04/01/35	62,913.79	62,494.33			(212.40)		62,701.39	63,421.34	1,139.41	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	217,244.17	215,807.87			(786.52)		216,457.65	218,955.35	3,934.00	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	148,732.27	147,753.82			(483.90)		148,248.37	149,963.96	2,694.06	0.00
Repo Agmt	2000 BCDE RMRB				1,191.73	1,191.73								0.00
Repo Agmt	2000 BCDE RMRB	4.53	11/30/07	12/03/07	1,617.69	1,617.69	19.47	(1,191.73)			1,637.16	1,637.16		0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	19,353.40	18,986.35			(84.48)		19,268.92	19,406.77	504.90	0.00
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	8,782.44	8,615.79			(35.25)		8,747.19	8,809.67	229.13	0.00
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	39,716.72	38,963.76			(193.70)		39,523.02	39,806.00	1,035.94	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	40,968.36	40,191.73			(170.32)		40,798.04	41,090.21	1,068.80	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	23,381.12	22,937.98			(159.23)		23,221.89	23,388.30	609.55	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	30,005.16	29,436.53			(126.76)		29,878.40	30,092.58	782.81	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	29,059.52	28,508.89			(2,022.57)		27,036.95	27,230.82	744.50	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	78,600.47	77,111.43			(649.57)		77,950.90	78,510.20	2,048.34	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	67,043.17	65,773.18			(294.57)		66,748.60	67,227.56	1,748.95	0.00
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	10,716.80	10,508.18			(46.61)		10,670.19	10,740.87	279.30	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	92,986.29	91,176.29			(763.32)		92,222.97	92,833.91	2,420.94	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	23,830.47	23,322.38			(104.55)		23,725.92	23,839.30	621.47	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,083.95	4,004.48			(19.07)		4,064.88	4,091.81	106.40	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,208.53	6,196.79			(23.14)		6,185.39	6,293.96	120.31	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	28,177.42	28,125.38			(114.57)		28,062.85	28,556.65	545.84	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	9,447.12	9,429.68			(66.73)		9,360.39	9,525.10	182.15	0.00
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	6,254.23	6,242.46			(25.74)		6,228.49	6,337.86	121.14	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	7,978.90	7,963.92			(30.83)		7,948.07	8,087.66	154.57	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	2,525.22	2,520.48			(9.18)		2,516.04	2,560.23	48.93	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	9,850.29	9,861.71			(38.84)		9,841.45	10,014.28	191.41	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	5,097.46	5,087.94			(21.09)		5,076.37	5,165.59	98.74	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,507.68	11,486.17			(43.87)		11,463.81	11,665.26	222.96	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	19,253.20	19,217.24			(70.79)		19,182.41	19,519.52	373.07	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	9,458.74	9,441.07			(35.75)		9,422.99	9,588.59	183.27	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	13,442.48	13,417.49			(49.58)		13,392.90	13,628.38	260.47	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	14,436.98	14,410.14			(52.83)		14,384.15	14,637.08	279.77	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	4,811.97	4,803.02			(1,083.38)		3,728.59	3,794.14	74.50	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	16,419.38	16,388.95			(61.29)		16,358.09	16,645.81	318.15	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	4,020.11	4,012.79			(14.77)		4,005.34	4,075.91	77.89	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	4,021.97	4,014.63			(14.38)		4,007.59	4,078.22	77.97	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,613.77	3,607.20			(12.99)		3,600.78	3,684.25	70.04	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,680.55	3,673.86			(13.43)		3,667.12	3,731.75	71.32	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	8,856.19	8,840.14			(32.04)		8,824.15	8,979.73	171.63	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,444.25	5,434.42			(20.71)		5,423.54	5,519.20	105.49	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	21,180.13	21,141.10			(3,036.12)		18,144.01	18,463.35	358.37	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	23,089.22	23,046.75			(149.08)		22,940.14	23,343.96	446.29	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	14,623.90	14,597.02			(59.71)		14,564.19	14,820.59	283.28	0.00
GNMA	2000 BCDE RMRB	5.75	06/05/04	08/20/34	16,278.23	16,248.39			(141.00)		16,137.23	16,421.38	313.99	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	18,735.81	18,701.49			(3,825.10)		14,910.71	15,173.31	296.92	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,264.26	9,233.64			(41.29)		9,222.97	9,371.71	179.36	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,925.50	2,920.17			(10.57)		2,914.93	2,966.30	56.70	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	533.14	532.16			(2.26)		530.88	540.22	10.32	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,308.90	7,295.90			(36.09)		7,272.81	7,401.30	141.49	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,222.36	2,218.35			(7.83)		2,214.53	2,253.60	43.08	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	2,032.38	2,028.69			(7.29)		2,025.09	2,060.79	39.39	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,381.76	2,377.50			(8.61)		2,373.15	2,415.05	46.16	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,326.03	2,321.88			(8.08)		2,317.95	2,358.88	45.08	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,450.11	11,429.80			(41.21)		11,406.90	11,610.50	221.91	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	2,006.03	2,000.95			(6.87)		1,999.16	2,033.41	39.33	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,314.66	5,301.30			(18.12)		5,296.54	5,387.38	104.20	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	2,416.36	2,421.77			(7.99)		2,408.37	2,461.26	47.48	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,762.63	4,751.03			(15.93)		4,746.70	4,828.50	93.40	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	5,265.38	5,277.30			(17.17)		5,248.21	5,363.58	103.45	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	9,557.55	9,534.41			(3,105.33)		6,452.22	6,563.51	134.43	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	4,664.74	4,653.52			(17.05)		4,647.69	4,727.93	91.46	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	6,090.04	6,072.66			(21.01)		6,069.03	6,173.53	121.88	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	20,530.42	20,088.21			(93.99)		20,436.43	20,508.05	513.83	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	14,824.19	14,505.21			(88.97)		14,735.22	14,787.18	370.94	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	9,800.51	9,747.33			(40.27)		9,760.24	9,881.65	174.59	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	10,356.61	10,300.54			(74.78)		10,281.83	10,409.86	184.10	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	11,125.17	11,065.11			(56.91)		11,068.26	11,206.27	198.07	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	6,692.19	6,656.16			(25.56)		6,666.63	6,749.84	119.24	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,831.24	2,816.02			(10.50)		2,820.74	2,855.97	50.45	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,756.97	1,747.56			(10.09)		1,746.88	1,768.73	31.26	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	8,900.45	8,840.59			(33.90)		8,866.55	8,967.83	161.14	0.00
FNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,434.92	2,418.65			(8.22)		2,426.70	2,454.53	44.10	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	8,407.80	8,352.20			(30.44)		8,377.36	8,474.01	152.25	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	5,756.24	5,718.37			(18.73)		5,737.51	5,803.91	104.27	0.00
	2000 BCDE RMRB Total				66,683,795.70	66,927,886.44	3,333,218.14	(1,064,950.70)	(1,330,711.50)	0.00	67,621,351.64	69,037,653.90	1,172,211.52	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	4,850.90	4,850.90	58.33				4,909.23	4,909.23	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	88,205.18	88,205.18	1,060.88				89,266.06	89,266.06	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	355.28	355.28	4.36				359.64	359.64	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	626,032.78	626,032.78		(625,719.78)			313.00	313.00	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	619.46	619.46	204.85				824.31	824.31	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	1,430,330.58	1,430,330.58	2,432,749.75				3,863,080.33	3,863,080.33	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	893.24	893.24	1,893.80				2,787.04	2,787.04	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07			146,234.95				146,234.95	146,234.95	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	2,656,162.42	2,656,162.42	545,271.13				3,201,433.55	3,201,433.55	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	191,204.38	191,204.38	0.00				191,204.38	191,204.38	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	202,850.64	213,825.15			(16,997.59)		185,853.05	198,047.27	1,219.71	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	54,556.14	56,216.30			(3,778.88)		50,777.26	53,161.92	724.50	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	46,415.45	48,926.51			(1,691.50)		44,723.95	47,658.29	423.28	0.00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	145,496.03	149,635.94			(4,676.98)		140,809.05	147,043.13	2,084.17	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	25,580.24	26,903.28			(810.97)		24,769.27	26,325.52	233.21	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	104,229.30	107,201.90			(3,353.26)		100,876.04	105,341.68	1,493.04	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14	41,708.96	43,866.00			(1,203.61)		40,505.35	43,050.09	387.70	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	122,914.17	126,421.68			(5,535.05)		117,379.12	122,577.30	1,690.67	0.00
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	158,644.18	166,853.72			(4,569.49)		154,074.69	163,759.31	1,475.08	0.00
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	211,629.19	218,041.90			(6,143.94)		205,485.25	215,108.65	3,210.69	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	8.19	01/01/90	01/20/15	245,607.25	258,861.75			(8,049.45)		237,557.80	253,111.95	2,289.65	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	88,266.48	90,941.92			(2,317.57)		85,948.91	89,974.94	1,350.59	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	90,549.86	95,235.57			(29,489.11)		61,060.75	64,898.78	(847.68)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	125,178.99	128,973.30			(3,653.53)		121,525.46	127,217.98	1,898.21	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	133,887.31	141,114.57			(19,428.71)		114,458.60	121,954.44	268.58	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	52,636.45	54,232.28			(2,757.19)		49,879.26	52,216.06	740.97	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	92,235.25	97,214.87			(2,839.19)		89,396.06	95,251.27	875.59	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	70,879.97	73,030.21			(16,672.60)		54,207.37	56,747.96	390.35	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	223,717.62	235,799.60			(5,819.85)		217,897.77	232,173.39	2,193.64	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	181,268.96	186,771.84			(4,988.76)		176,280.20	184,545.84	2,762.76	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	196,340.76	206,948.58			(7,294.97)		189,045.79	201,435.38	1,781.77	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	208,251.31	214,573.30			(6,063.62)		202,187.69	211,668.13	3,158.45	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	498,067.23	524,976.51			(15,197.49)		482,869.74	514,515.67	4,736.65	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	93,634.51	96,479.28			(22,114.74)		71,519.77	74,875.03	510.49	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	32,771.32	34,542.19			(806.26)		31,965.06	34,060.24	324.31	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	126,921.62	130,777.77			(4,717.58)		122,204.04	127,937.18	1,876.99	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	401,411.88	423,109.46			(9,925.12)		391,486.76	417,153.96	3,969.62	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	75,637.31	77,937.12			(1,991.96)		73,645.35	77,102.15	1,156.99	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	51,692.57	54,488.01			(1,270.31)		50,422.26	53,729.39	511.69	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	83,810.23	86,358.60			(2,204.52)		81,605.71	85,436.20	1,282.12	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	213,479.49	225,023.88			(5,188.27)		208,291.22	221,952.57	2,116.96	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	81,016.12	81,650.23			(2,177.00)		78,839.12	80,748.67	1,275.44	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	50,803.11	52,349.09			(1,327.50)		49,475.61	51,799.18	777.59	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	27,099.93	27,924.94			(671.28)		26,428.65	27,670.18	416.52	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	71,344.54	75,206.52			(1,825.38)		69,519.16	74,082.57	701.43	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	82,813.80	85,336.18			(2,006.79)		80,807.01	84,604.29	1,274.90	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	139,797.82	147,367.67			(35,405.52)		104,392.30	111,246.64	(715.51)	0.00
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	95,036.35	95,785.11			(2,548.98)		92,487.37	94,732.35	1,496.22	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	95,863.71	101,076.02			(3,948.01)		91,935.70	97,972.50	844.49	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	175,770.04	177,158.48			(5,233.36)		170,536.68	174,679.75	2,754.63	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	08/20/15	174,168.87	179,477.43			(5,357.57)		168,811.30	176,747.66	2,627.80	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	381,072.48	401,708.41			(39,889.23)		341,183.25	363,586.55	1,767.37	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	8,269.27	8,521.36			(191.22)		8,078.05	8,457.69	127.75	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	97,176.72	102,441.68			(2,459.47)		94,717.25	100,939.19	956.98	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	85,992.94	86,674.38			(2,546.41)		83,446.53	85,475.85	1,347.88	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	27,374.58	28,209.64			(1,342.19)		26,032.39	27,256.89	389.44	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	232,437.47	245,030.62			(5,433.69)		227,003.78	241,915.45	2,318.52	0.00
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	122,663.83	123,638.52			(3,333.17)		119,330.66	122,235.39	1,930.04	0.00
GNMA	2001 A-E RMRB	8.19	11/28/90	10/20/15	412,052.77	434,386.88			(9,390.34)		402,662.43	429,122.93	4,126.39	0.00
GNMA	2001 A-E RMRB	7.19	12/21/90	10/20/15	69,161.47	71,273.27			(1,572.28)		67,589.19	70,770.54	1,069.55	0.00
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	100,261.45	105,698.15			(2,390.01)		97,871.44	104,305.22	997.08	0.00
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	38,010.67	40,071.89			(840.96)		37,169.71	39,613.20	382.27	0.00
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	136,149.08	137,235.21			(3,346.57)		132,802.51	136,039.41	2,150.77	0.00
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	37,997.32	40,058.15			(1,051.38)		36,945.94	39,375.02	368.25	0.00
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	115,434.26	122,021.61			(29,018.40)		86,415.86	92,369.12	(634.09)	0.00
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	90,989.32	96,192.76			(3,431.82)		87,557.50	93,599.89	838.95	0.00
GNMA	2001 A-E RMRB	8.75	04/29/91	02/20/20	121,677.21	130,114.35			(1,361.75)		120,315.46	129,257.43	504.83	0.00
GNMA	2001 A-E RMRB	8.19	04/29/91	04/20/16	124,534.36	131,661.45			(8,308.58)		116,225.78	124,251.60	898.73	0.00
GNMA	2001 A-E RMRB	7.19	04/29/91	02/20/16	240,569.25	248,288.36			(5,474.29)		235,094.96	246,674.43	3,860.36	0.00
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/16	292,351.34	294,687.34			(7,715.05)		284,636.29	291,526.74	4,554.45	0.00
GNMA	2001 A-E RMRB				20,063.47	21,211.74			(20,063.47)				(1,148.27)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/91	04/20/16	42,554.70	43,921.52			(1,081.01)		41,473.69	43,517.81	677.30	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	304,093.74	306,684.60			(34,192.99)		269,900.75	276,682.04	4,190.43	0.00
GNMA	2001 A-E RMRB	8.19	11/23/92	01/20/17	16,192.10	17,189.67			(346.67)		15,845.43	17,009.01	166.01	0.00
GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	278,997.49	288,390.94			(6,547.06)		272,450.43	286,409.28	4,565.40	0.00
GNMA	2001 A-E RMRB	6.00	10/30/92	09/20/17	336,018.36	339,316.67			(6,453.52)		329,564.84	338,308.62	5,445.47	0.00
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	453,232.45	447,678.31			(2,600.32)		450,632.13	456,782.98	11,704.99	0.00
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	1,149,268.45	1,108,916.00			(6,827.80)		1,142,440.65	1,131,900.85	29,812.65	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	223,414.89	220,694.18			(1,019.10)		222,395.79	225,448.85	5,773.77	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	947,387.48	914,189.66			(5,013.19)		942,374.29	933,747.96	24,571.49	0.00
GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	736,422.45	710,622.24			(3,664.41)		732,758.04	726,055.70	19,097.87	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	329,359.56	325,350.98			(1,516.69)		327,842.87	332,345.88	8,511.59	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	812,354.70	802,417.55			(3,945.66)		808,409.04	819,461.57	20,989.68	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	100,813.58	99,580.37			(600.03)		100,213.55	101,583.67	2,603.33	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	693,252.85	668,923.19			(4,684.48)		688,568.37	682,227.52	17,988.81	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,553,164.79	1,534,211.96			(7,634.67)		1,545,530.12	1,566,707.79	40,130.50	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	152,549.20	150,686.93			(687.75)		151,861.45	153,941.57	3,942.39	0.00
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	1,373,499.63	1,325,336.89			(9,566.80)		1,363,932.83	1,351,413.64	35,643.55	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	61,330.22	60,582.38			(272.76)		61,057.46	61,894.67	1,585.05	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	1,716,308.96	1,656,140.40			(91,594.15)		1,624,714.81	1,609,816.59	45,270.34	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	627,938.13	620,281.22			(3,117.65)		624,820.48	633,387.87	16,224.30	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	78,943.26	76,175.75			(416.99)		78,526.27	77,806.21	2,047.45	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	395,431.56	390,616.07			(1,958.79)		393,472.77	398,874.41	10,217.13	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	318,433.13	307,273.24			(1,534.96)		316,898.17	313,995.77	8,257.49	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	125,713.85	124,182.31			(570.43)		125,143.42	126,860.77	3,248.89	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	278,255.04	274,891.99			(5,280.96)		272,974.08	276,747.14	7,136.11	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	436,108.88	420,866.05			(103,301.64)		332,807.24	329,791.38	12,226.97	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	292,654.39	289,094.59			(1,446.56)		291,207.83	295,209.74	7,561.71	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	819,796.52	791,080.82			(5,522.98)		814,273.54	806,831.20	21,273.36	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	397,595.25	383,670.31			(2,082.04)		395,513.21	391,900.27	10,312.00	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	97,022.73	95,844.10			(486.29)		96,536.44	97,864.76	2,506.95	0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	180,869.37	174,536.74			(891.05)		179,978.32	178,336.42	4,690.73	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	91,891.86	90,775.56			(409.83)		91,482.03	92,740.71	2,374.98	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	188,850.39	182,239.24			(927.82)		187,922.57	186,208.94	4,897.52	0.00
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	347,582.59	343,364.34			(1,575.40)		346,007.19	350,772.07	8,983.13	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	915,743.22	883,691.69			(107,085.59)		808,657.63	801,289.26	24,683.16	0.00
GNMA	2001 A-E RMRB	5.45	07/15/02	06/20/32	116,877.47	115,459.98			(537.46)		116,340.01	117,943.08	3,020.56	0.00
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	288,424.73	278,331.95			(1,608.39)		286,816.34	284,205.22	7,481.66	0.00
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	163,997.30	162,009.16			(877.16)		163,120.14	165,366.64	4,236.64	0.00
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	610,866.23	589,495.67			(98,310.55)		512,555.68	507,894.05	16,708.93	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	98,793.67	98,310.25			(929.22)		97,864.45	100,343.08	2,962.05	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	72,011.56	70,425.16	5.88				72,017.44	71,881.40	1,450.36	0.00
GNMA	2001 A-E RMRB	4.95	07/29/02	07/20/32	353,449.64	341,086.64			(1,680.68)		351,768.96	348,571.81	9,165.85	0.00
GNMA	2001 A-E RMRB	5.45	08/01/02	07/20/32	62,761.01	62,000.91			(275.79)		62,485.22	63,347.30	1,622.18	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	55,094.59	53,167.32			(266.79)		54,827.80	54,329.32	1,426.79	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	162,026.79	160,065.75			(758.92)		161,267.87	163,494.14	4,187.31	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	237,556.95	229,249.96			(1,481.64)		236,075.31	233,932.02	6,163.70	0.00
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	845,498.05	835,275.84			(3,806.86)		841,691.19	853,321.73	21,852.75	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	1,147,215.08	1,107,113.26			(5,554.10)		1,141,660.98	1,131,310.81	29,751.65	0.00
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	349,689.04	345,485.28			(2,145.02)		347,544.02	352,370.91	9,030.65	0.00
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	234,450.37	231,619.30			(1,063.42)		233,386.95	236,615.22	6,059.34	0.00
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	428,157.53	413,197.23			(2,047.89)		426,109.64	422,252.58	11,103.24	0.00
GNMA	2001 A-E RMRB	5.45	09/19/02	09/20/32	113,061.87	111,697.63			(483.33)		112,578.54	114,136.92	2,922.62	0.00
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	540,154.94	521,286.01			(3,042.81)		537,112.13	532,255.61	14,012.41	0.00
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	590,297.89	583,178.71			(2,685.58)		587,612.31	595,749.96	15,256.83	0.00
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	377,611.93	364,423.21			(1,818.15)		375,793.78	372,398.13	9,793.07	0.00
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	587,554.43	580,474.24			(2,798.29)		584,756.14	592,860.25	15,184.30	0.00
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	439,208.01	423,872.24			(113,926.26)		325,281.75	322,345.79	12,399.81	0.00
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	150,100.37	148,293.56			(689.28)		149,411.09	151,483.76	3,879.48	0.00
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	307,372.91	296,644.30			(1,733.78)		305,639.13	302,884.43	7,973.91	0.00
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	50,350.31	49,744.73			(216.25)		50,134.06	50,830.05	1,301.57	0.00
GNMA	2001 A-E RMRB	4.95	10/29/02	11/20/32	310,511.39	299,676.25			(1,462.92)		308,048.47	306,266.13	8,052.80	0.00
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	420,798.78	415,728.20			(1,901.04)		418,887.74	424,703.35	10,876.19	0.00
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	255,396.98	246,475.64			(1,184.04)		254,202.94	251,914.62	6,623.02	0.00
GNMA	2001 A-E RMRB	5.45	11/19/02	11/20/32	108,733.30	107,427.25			(465.79)		108,267.51	109,772.29	2,810.83	0.00
GNMA	2001 A-E RMRB	4.95	11/19/02	11/20/32	72,825.95	70,285.66			(334.60)		72,491.35	71,839.88	1,888.62	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	190,665.87	188,376.67			(813.80)		189,852.07	192,491.80	4,928.93	0.00
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	78,312.41	75,581.34			(367.22)		77,945.19	77,245.09	2,030.97	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	177,184.00	175,056.65			(2,458.24)		174,725.76	177,155.13	4,556.72	0.00
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	75,605.46	72,969.67			(370.20)		75,235.26	74,560.40	1,960.93	0.00
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	358,229.68	353,932.88			(1,662.43)		356,567.25	361,529.31	9,258.88	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	382,139.90	377,559.74			(4,880.86)		377,259.04	382,512.51	9,833.63	0.00
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	64,847.15	62,586.74			(295.90)		64,551.25	63,972.55	1,681.71	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	430,548.16	425,391.66			(2,240.05)		428,308.11	434,276.40	11,124.79	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	43,119.55	42,603.12			(202.09)		42,917.46	43,515.50	1,114.47	0.00
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	61,096.79	58,967.88			(294.60)		60,802.19	60,257.89	1,584.61	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	104,883.95	103,628.53			(1,068.97)		103,814.96	105,262.34	2,702.78	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	378,586.61	373,930.94			(1,812.42)		376,774.19	381,960.68	9,842.16	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	370,462.65	357,263.03			(2,056.69)		368,405.96	364,833.80	9,627.46	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	92,027.61	90,895.90			(387.82)		91,639.79	92,901.26	2,393.18	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	50,330.27	48,537.00			(827.09)		49,503.18	49,023.19	1,313.28	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	281,453.05	278,088.65			(1,528.16)		279,924.89	283,832.11	7,271.62	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	73,938.99	71,304.89			(609.32)		73,329.67	72,619.01	1,923.44	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	235,599.02	232,705.26			(1,595.14)		234,003.88	237,228.65	6,118.53	0.00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	159,969.96	154,273.17			(733.06)		159,236.90	157,695.92	4,155.81	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	178,367.95	176,178.91			(772.40)		177,595.55	180,044.78	4,638.27	0.00
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	138,726.53	133,787.88			(651.26)		138,075.27	136,740.59	3,603.97	0.00
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	160,175.60	154,474.76			(728.43)		159,447.17	157,907.50	4,161.17	0.00
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	266,594.88	263,328.64			(1,409.07)		265,185.81	268,848.70	6,929.13	0.00
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	102,837.78	99,178.26			(519.19)		102,318.59	101,331.18	2,672.11	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	113,004.56	111,621.64			(524.93)		112,479.63	114,034.87	2,938.16	0.00
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	123,251.18	121,743.60			(620.90)		122,630.28	124,326.62	3,203.92	0.00
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	52,545.89	51,903.42			(694.23)		51,951.66	52,670.57	1,361.38	0.00
GNMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	220,432.96	217,740.84			(933.98)		219,498.98	222,539.56	5,732.70	0.00
GNMA	2001 A-E RMRB	4.95	05/08/03	04/20/33	205,614.30	203,104.40			(872.55)		204,741.75	207,579.17	5,347.32	0.00
GNMA	2001 A-E RMRB	4.95	05/08/03	04/20/33	142,372.28	137,312.14			(680.83)		141,691.45	140,330.45	3,699.14	0.00
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	146,738.48	141,524.02			(658.44)		146,080.04	144,677.76	3,812.18	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	152,113.93	150,258.76			(651.87)		151,462.06	153,562.80	3,955.91	0.00
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	283,770.57	280,312.27			(1,202.26)		282,568.31	286,490.06	7,380.05	0.00
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	262,883.87	259,882.47			(1,085.74)		261,796.13	265,434.02	6,837.29	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	113,326.40	111,947.55			(501.00)		112,825.40	114,393.60	2,947.05	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	216,173.38	213,543.20			(1,860.27)		214,313.11	217,291.93	5,609.00	0.00
GNMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	103,353.51	102,096.62			(502.44)		102,851.07	104,281.27	2,687.09	0.00
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	49,528.52	48,926.70			(199.74)		49,328.78	50,015.22	1,288.26	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	53,003.90	52,360.32			(212.40)		52,791.50	53,526.62	1,378.70	0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	49,407.67	48,808.05			(201.36)		49,206.31	49,891.81	1,285.12	0.00
GNMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	52,132.65	51,500.17			(208.89)		51,923.76	52,647.33	1,355.05	0.00
GNMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	96,577.82	95,406.79			(502.93)		96,074.89	97,414.30	2,510.44	0.00
GNMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	54,721.57	54,059.10			(289.57)		54,432.00	55,191.97	1,422.44	0.00
GNMA	2001 A-E RMRB	5.45	09/29/03	09/20/33	53,837.17	53,186.95			(217.46)		53,619.71	54,369.93	1,400.44	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	49,640.38	49,041.94			(201.89)		49,438.49	50,131.32	1,291.27	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	53,056.80	52,418.34			(208.48)		52,848.32	53,590.07	1,380.21	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	63,567.15	62,801.58			(273.43)		63,293.72	64,181.42	1,653.27	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	246,103.08	243,145.03			(1,262.59)		244,840.49	248,260.69	6,398.25	0.00
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	60,255.52	59,531.81			(233.83)		60,021.69	60,865.59	1,567.61	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	122,415.40	118,042.20			(512.84)		121,902.56	120,699.16	3,189.80	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	377,489.70	363,073.52			(1,776.49)		375,713.21	371,073.93	9,776.90	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	51,961.81	51,339.42			(201.72)		51,760.09	52,489.53	1,351.83	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	51,265.83	50,651.89			(202.10)		51,063.73	51,783.46	1,333.67	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	51,654.54	51,036.51			(207.12)		51,447.42	52,173.14	1,343.75	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	52,408.22	51,755.35			(200.81)		52,207.41	52,915.59	1,361.05	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	127,868.51	123,306.46			(536.16)		127,332.35	126,081.32	3,311.00	0.00
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	100,852.38	97,007.13			(419.88)		100,432.50	99,198.77	2,611.52	0.00
FNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	95,869.55	94,681.73			(581.91)		95,087.64	96,569.73	2,469.91	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	285,254.63	279,884.03			(1,871.83)		283,382.80	285,162.51	7,150.31	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	195,638.36	187,084.49			(2,546.58)		193,091.78	190,242.11	5,704.20	0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	86,594.69	82,809.69			(510.63)		86,084.06	84,814.81	2,515.75	0.00
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	235,617.00	225,321.71			(1,712.75)		233,904.25	230,458.97	6,850.01	0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	237,514.22	233,058.13			(1,056.89)		236,457.33	237,958.58	5,957.34	0.00
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	86,429.67	82,655.69			(406.83)		86,022.84	84,758.33	2,509.47	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	302,758.33	297,093.99			(1,491.61)		301,266.72	303,195.26	7,592.88	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	221,739.74	212,081.26			(1,583.04)		220,156.70	216,944.85	6,446.63	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	63,872.22	62,656.14			(345.24)		63,526.98	63,900.70	1,589.80	0.00
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	92,616.88	90,857.82			(439.16)		92,177.72	92,724.46	2,305.80	0.00
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	64,104.03	61,233.94			(527.10)		63,576.93	62,549.40	1,842.56	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	25,525.57	25,051.86			(145.53)		25,380.04	25,546.36	640.03	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales (144,697.10) (456,181.50)	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	2001 A-E RMRB				144,697.10	144,697.10								0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	464,413.25	464,413.25					8,231.75	8,231.75	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	283.49	283.49	3.51				287.00	287.00	-	0.00
Repo Agmt	2001 A-E RMRB	4.53	11/30/07	12/03/07	177.22	177.22	2.03				179.25	179.25	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,839.91	4,790.72			(19.77)		4,820.14	4,896.25	125.30	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,718.21	11,599.11			(48.54)		11,669.67	11,853.93	303.36	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	31,979.62	31,655.01			(5,959.52)		26,020.10	26,431.31	735.82	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	11,119.20	10,631.07			(52.88)		11,068.32	10,869.07	290.88	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	56,402.20	53,926.64			(257.07)		56,145.13	56,145.13	2,475.56	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	67,305.27	66,623.08			(446.09)		66,859.18	67,916.78	1,739.79	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,458.27	9,043.13			(43.21)		9,415.06	9,247.34	247.42	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	23,285.29	22,263.51			(105.53)		23,179.76	22,767.09	609.11	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	6,980.00	6,909.34			(28.77)		6,951.23	7,061.28	180.71	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,596.02	9,174.93			(45.28)		9,550.74	9,380.69	251.04	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	27,833.97	27,552.44			(125.47)		27,708.50	28,147.40	720.43	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,017.02	14,865.20			(61.14)		14,955.88	15,192.86	388.80	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	14,104.65	13,485.94			(79.36)		14,025.29	13,775.81	369.23	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	37,184.00	37,184.00			(153.94)		37,030.06	37,617.03	962.66	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	26,000.95	24,860.53			(118.16)		25,882.79	25,882.79	1,140.42	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	20,847.64	20,637.09			(87.70)		20,759.94	21,089.11	539.72	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	19,819.10	18,950.03			(90.14)		19,728.96	19,378.33	518.44	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	11,207.82	11,094.71			(45.26)		11,162.56	11,339.64	290.19	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	9,073.37	8,675.55			(41.46)		9,031.91	8,871.44	237.35	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,391.11	11,276.30			(47.09)		11,344.02	11,524.11	294.90	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,423.80	9,966.93			(46.66)		10,377.14	10,192.94	272.67	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	13,081.82	12,949.92			(126.04)		12,955.78	13,161.43	337.55	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,647.10	6,355.72			(30.30)		6,616.80	6,499.31	173.89	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	5,041.26	4,990.50			(20.53)		5,020.73	5,100.50	130.53	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	15,038.96	14,887.52			(60.65)		14,978.31	15,216.25	389.38	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	32,163.29	31,839.63			(16,966.47)		15,196.82	15,438.34	565.18	0.00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	14,189.15	13,567.45			(63.92)		14,125.23	13,874.71	371.18	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	64,568.28	61,739.43			(360.20)		64,208.08	63,069.55	1,690.32	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	39,168.35	38,774.77			(232.03)		38,936.32	39,555.71	1,012.97	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	39,083.17	37,371.20			(178.37)		38,904.80	38,215.28	1,022.45	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	11,765.17	11,646.99			(49.25)		11,715.92	11,902.34	304.60	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	27,396.06	27,121.05			(144.16)		27,251.90	27,685.72	708.79	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	10,809.09	10,335.69			(48.39)		10,760.70	10,570.07	282.77	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	16,125.24	15,963.51			(64.76)		16,060.48	16,316.28	417.53	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	31,467.77	30,089.90			(141.25)		31,326.52	30,771.85	823.20	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	12,194.85	12,072.66			(49.39)		12,145.46	12,339.01	315.74	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	12,832.16	12,270.43			(66.25)		12,765.91	12,540.02	335.84	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,337.53	5,284.10			(23.93)		5,313.60	5,398.34	138.17	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	40,875.50	40,466.79			(171.68)		40,703.82	41,353.40	1,058.29	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	45,887.69	43,879.90			(204.46)		45,683.23	44,875.85	1,200.41	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	7,422.03	7,097.30			(32.63)		7,389.40	7,258.82	194.15	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	55,595.77	55,040.40			(252.68)		55,343.09	56,226.83	1,439.11	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	34,447.47	32,940.54			(157.43)		34,290.04	33,684.33	901.22	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	9,851.77	9,753.49			(39.01)		9,812.76	9,969.59	255.11	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	33,449.03	33,053.04			(132.69)		33,316.34	33,787.08	866.73	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	214,166.95	204,276.61			(16,064.51)		198,102.44	194,120.95	5,908.85	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	20,199.18	19,960.29			(120.02)		20,079.16	20,363.11	522.84	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	104,185.90	99,632.01			(498.96)		103,686.94	101,859.28	2,726.23	0.00
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	5,235.14	5,163.08			(38.42)		5,196.72	5,279.94	135.28	0.00
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	153,551.00	146,462.86			(711.80)		152,839.20	149,770.41	4,019.35	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	6,451.87	6,387.73			(35.74)		6,416.13	6,518.90	166.91	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	52,397.33	50,107.80			(239.04)		52,158.29	51,239.64	1,370.88	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	74,056.40	70,638.85			(470.44)		73,585.96	72,109.56	1,941.15	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	4,984.63	4,935.09			(19.73)		4,964.90	5,044.45	129.09	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	43,921.11	41,894.49			(247.75)		43,673.36	42,797.32	1,150.58	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	10,796.98	10,689.71			(42.43)		10,754.55	10,926.87	279.59	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,589.74	5,534.33			(22.41)		5,567.33	5,656.67	144.75	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	44,968.41	43,004.34			(3,149.08)		41,819.33	41,083.59	1,226.33	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	11,627.91	11,512.66			(45.20)		11,582.71	11,768.59	301.13	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	31,990.24	30,514.39			(10,608.80)		21,381.44	20,952.72	1,047.13	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	44,542.01	44,078.42			(12,458.38)		32,083.63	32,581.01	960.97	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	39,724.23	39,236.54			(170.21)		39,554.02	40,093.67	1,027.34	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	38,324.19	36,629.83			(172.02)		38,152.17	37,458.28	1,000.47	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	12,201.68	12,074.84			(49.35)		12,152.33	12,340.87	315.38	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,345.52	7,981.28			(37.33)	8,308.19	8,162.29	218.34	0.00	
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	20,470.59	19,515.70			(103.34)		20,367.25	19,947.01	534.65	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	43,131.73	42,683.96			(169.97)		42,961.76	43,628.92	1,114.93	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	26,940.67	25,684.36			(127.54)		26,813.13	26,260.30	703.48	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	21,717.45	21,451.49			(85.85)		21,631.60	21,631.60	265.96	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	25,380.53	24,197.37			(109.14)		25,271.39	24,750.75	662.52	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	71,834.38	71,090.44			(316.53)		71,517.85	72,630.29	1,856.38	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	28,623.25	28,273.43			(111.73)		28,511.52	28,902.14	740.44	0.00
GNMA	2001 A-E RMRB	4.80	03/30/04	03/20/34	11,007.55	10,521.50			(46.95)		10,960.60	10,781.86	287.31	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	15,296.86	15,140.05			(63.90)		15,232.96	15,471.56	395.41	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,740.86	9,287.69			(41.61)		9,699.25	9,500.38	254.30	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	28,090.93	36,117.65			(32.23)		28,058.70	36,916.59	831.17	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	30,994.70	29,626.83			(154.10)		30,840.60	30,282.18	809.45	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	18,931.97	18,736.60			(72.02)		18,859.95	19,154.03	489.45	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	22,452.58	21,406.76			(106.13)		22,346.45	21,886.95	586.32	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,580.12	10,470.96			(41.85)		10,538.27	10,702.61	273.50	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	17,488.61	16,717.00			(75.91)		17,412.70	17,097.62	456.53	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	6,965.96	6,894.13			(26.18)		6,939.78	7,048.04	180.09	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	10,965.60	10,481.82			(46.34)		10,919.26	10,721.73	286.25	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	18,721.90	18,529.25			(83.67)		18,638.23	18,929.40	483.82	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,584.94	6,517.21			(24.60)		6,560.34	6,662.88	170.27	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,687.33	13,546.83			(50.87)		13,636.46	13,849.86	353.90	0.00
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	16,125.65	15,930.86			(74.64)		16,051.01	16,273.24	417.02	0.00
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	28,757.25	28,464.07			(109.03)		28,648.22	29,098.58	743.54	0.00
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	16,965.77	16,792.85			(62.02)		16,903.75	17,169.53	438.70	0.00
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	13,835.55	13,226.82			(56.63)		13,778.92	13,531.34	361.15	0.00
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	16,632.10	16,462.79			(62.20)		16,569.90	16,830.66	430.07	0.00
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	19,439.79	19,242.03			(72.95)		19,366.84	19,671.74	502.66	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,667.96	13,066.69			(67.24)		13,600.72	13,356.43	356.98	0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,810.09	11,689.03			(44.86)		11,765.23	11,949.50	305.33	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,475.16	11,357.68			(42.50)		11,432.66	11,611.89	296.71	0.00
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,532.94	6,466.07			(24.09)		6,508.85	6,610.90	168.92	0.00
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	26,091.02	25,824.24			(99.94)		25,991.08	26,398.87	674.57	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	22,192.97	21,966.30			(133.19)		22,059.78	22,406.13	573.02	0.00
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,370.17	13,233.64			(49.32)		13,320.85	13,530.03	345.71	0.00
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	37,606.71	37,226.00			(143.03)		37,463.68	38,055.39	972.42	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	25,595.69	24,470.98			(106.06)		25,489.63	25,033.09	668.17	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,233.80	3,091.53			(15.75)		3,218.05	3,160.24	84.46	0.00
GNMA	2001 A-E RMRB	5.49	10/21/04	06/20/34	10,179.32	10,056.69			(153.20)		10,026.12	10,165.27	261.78	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	10,133.60	9,663.14			(78.12)		10,055.48	9,850.29	265.27	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,695.21	14,545.99			(54.11)		14,641.10	14,871.88	380.00	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	37,169.82	36,794.49			(133.89)		37,035.93	37,621.83	961.23	0.00
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	14,882.91	14,229.27			(59.86)		14,823.05	14,557.92	388.51	0.00
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	11,080.62	10,964.51			(39.32)		11,041.30	11,209.43	284.24	0.00
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	12,073.82	11,952.03			(44.32)		12,029.50	12,219.94	312.23	0.00
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	46,414.84	45,842.44			(165.16)		46,249.68	46,868.26	1,190.98	0.00
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,760.65	11,642.57			(42.12)		11,718.53	11,904.61	304.16	0.00
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,531.65	6,463.82			(23.98)		6,507.67	6,607.39	167.55	0.00
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	8,150.38	8,066.23			(28.02)		8,122.36	8,247.33	209.12	0.00
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,600.70	8,068.78			(34.83)		8,565.87	8,256.58	222.63	0.00
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	34,634.56	32,409.96			(144.83)		34,489.73	33,162.15	897.02	0.00
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35	14,050.85	13,880.37			(51.02)		13,999.83	14,189.93	360.58	0.00
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	26,198.64	25,880.95			(91.40)		26,107.24	26,461.93	672.38	0.00
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	34,736.34	34,378.67			(121.28)		34,615.06	35,148.67	891.28	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	13,228.99	12,409.70			(53.77)		13,175.22	12,698.32	342.39	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	27,252.25	26,973.34			(92.27)		27,159.98	27,580.37	699.30	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	26,277.68	26,010.28			(87.66)		26,190.02	26,596.96	674.34	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	26,595.43	26,324.07			(89.77)		26,505.66	26,916.77	682.47	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	25,115.29	23,239.62			(133.33)		24,981.96	23,753.24	646.95	0.00
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	22,336.34	20,951.62			(88.11)		22,248.23	21,441.48	577.97	0.00
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	19,373.89	19,176.88			(65.18)		19,308.71	19,608.87	497.17	0.00
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,368.01	8,279.43			(27.61)		8,340.40	8,467.76	215.94	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	28,478.04	27,993.13			(116.91)		28,361.13	28,581.90	705.68	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,524.05	8,073.31			(39.07)		8,484.98	8,281.36	247.12	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	15,805.72	15,537.95			(67.87)		15,737.85	15,861.76	391.68	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	32,770.06	31,038.85			(202.30)		32,567.76	31,787.84	951.29	0.00
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	11,490.32	10,870.23			(104.95)		11,385.37	11,103.22	337.94	0.00
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,562.45	7,434.58			(32.87)		7,529.58	7,589.09	187.38	0.00
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	27,205.76	26,842.49			(103.25)		27,102.51	27,418.38	679.14	0.00
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	6,699.95	6,338.97			(31.46)		6,668.49	6,503.83	196.32	0.00
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,807.54	6,440.90			(28.08)		6,779.46	6,612.21	199.39	0.00
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,287.82	4,208.10			(15.34)		4,272.48	4,299.00	106.24	0.00
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,447.82	7,838.77			(49.77)		8,398.05	8,036.31	247.31	0.00
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	27,055.54	26,553.84			(109.14)		26,946.40	27,115.03	670.33	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	7,961.50	7,395.91			(31.96)		7,929.54	7,586.35	232.40	0.00
	2001 A-E RMRB Total				53,935,868.82	53,327,329.70	3,127,489.47	(1,226,598.38)	(1,249,031.60)	0.00	54,587,728.31	55,102,527.08	1,123,337.89	0.00
Repo Agmt	2002 RMRB	4.53	11/30/07	12/03/07	423.70	423.70	5.14				428.84	428.84	-	0.00
Repo Agmt	2002 RMRB	4.53	11/30/07	12/03/07	343,708.77	343,708.77		(343,652.79)			55.98	55.98	-	0.00
Repo Agmt	2002 RMRB	4.53	11/30/07	12/03/07	0.55	0.55	0.00				0.55	0.55	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	230,002.90	230,002.90	1,523,184.68				1,753,187.58	1,753,187.58	-	0.00
Repo Agmt	2002 RMRB				0.12	0.12		(0.12)					-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	27,175.31	27,175.31	0.12				27,175.43	27,175.43	-	0.00
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	39,563.13	39,160.91			(161.63)		39,401.50	40,023.51	1,024.23	0.00
GNMA	2002 RMRB	5.49	03/20/03	02/20/33	95,788.48	94,814.84			(396.83)		95,391.65	96,897.75	2,479.74	0.00
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	261,411.39	258,757.97			(48,714.88)		212,696.51	216,057.78	6,014.69	0.00
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	90,892.06	86,901.77			(432.42)		90,459.64	88,847.28	2,377.93	0.00
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	461,049.33	440,813.25			(2,101.37)		458,947.96	450,772.33	12,060.45	0.00
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	550,174.19	544,597.89			(3,646.42)		546,527.77	555,172.96	14,221.49	0.00
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	77,314.75	73,921.36			(353.16)		76,961.59	75,590.67	2,022.47	0.00
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	190,341.26	181,988.94			(862.66)		189,478.60	186,105.32	4,979.04	0.00
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	57,056.87	56,479.13			(235.15)		56,821.72	57,721.12	1,477.14	0.00
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	78,440.88	74,998.76			(370.11)		78,070.77	76,680.71	2,052.06	0.00
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	227,523.80	225,222.30			(1,025.66)		226,498.14	230,085.64	5,889.00	0.00
GNMA	2002 RMRB	5.49	05/15/03	05/20/33	122,753.83	121,512.84			(499.74)		122,254.09	124,191.20	3,178.10	0.00
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	115,295.84	110,238.33			(648.80)		114,647.04	112,607.78	3,018.25	0.00
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	303,953.96	300,882.62			(1,258.30)		302,695.66	307,493.41	7,869.09	0.00
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	212,539.87	203,217.74			(965.93)		211,573.94	207,811.68	5,559.87	0.00
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	170,415.20	168,694.06			(716.77)		169,698.43	172,389.01	4,411.72	0.00
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	162,007.85	154,903.49			(736.94)		161,270.91	158,404.58	4,238.03	0.00
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	91,616.11	90,691.65			(369.91)		91,246.20	92,693.77	2,372.03	0.00
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	74,168.46	70,916.67			(338.93)		73,829.53	72,517.97	1,940.23	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	93,114.59	92,176.03			(385.03)		92,729.56	94,201.72	2,410.72	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	85,207.72	81,472.82			(381.39)		84,826.33	83,320.34	2,228.91	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	106,934.61	105,856.78			(1,030.23)		105,904.38	107,585.72	2,759.17	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	54,335.34	51,953.71			(247.68)		54,087.66	53,127.44	1,421.41	0.00
GNMA	2002 RMRB	5.49	06/26/03	06/20/33	41,209.12	40,793.97			(167.77)		41,041.35	41,693.14	1,066.94	0.00
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	122,933.06	121,695.29			(495.81)		122,437.25	124,382.41	3,182.93	0.00
GNMA	2002 RMRB	5.49	07/10/03	06/20/33	262,912.87	260,267.02			(138,689.21)		124,223.66	126,197.84	4,620.03	0.00
GNMA	2002 RMRB	4.80	07/10/03	06/20/33	115,986.80	110,904.58			(522.51)		115,464.29	113,416.22	3,034.15	0.00
GNMA	2002 RMRB	4.80	07/17/03	06/20/33	527,801.06	504,677.40			(2,944.28)		524,856.78	515,550.21	13,817.09	0.00
GNMA	2002 RMRB	5.49	07/24/03	07/20/33	320,174.41	316,957.08			(1,896.64)		318,277.77	323,340.77	8,280.33	0.00
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	319,477.78	305,483.81			(1,458.00)		318,019.78	312,383.60	8,357.79	0.00
GNMA	2002 RMRB	5.49	07/30/03	07/20/33	96,172.20	95,206.17			(402.58)		95,769.62	97,293.46	2,489.87	0.00
GNMA	2002 RMRB	5.49	08/07/03	07/20/33	223,944.13	221,696.28			(1,178.29)		222,765.84	226,311.79	5,793.80	0.00
GNMA	2002 RMRB	4.80	08/07/03	06/20/33	88,356.87	84,487.22			(395.49)		87,961.38	86,403.08	2,311.35	0.00
GNMA	2002 RMRB	5.49	08/14/03	08/20/33	131,812.67	130,490.78			(529.40)		131,283.27	133,374.38	3,413.00	0.00
GNMA	2002 RMRB	4.80	08/14/03	07/20/33	257,227.52	245,964.25			(1,154.61)		256,072.91	251,538.66	6,729.02	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	08/21/03	08/20/33	99,884.92	96,685.70			(403.78)		99,281.14	100,862.99	2,581.07	0.00
GNMA	2002 RMRB	4.80	08/28/03	08/20/33	104,893.95	100,302.37			(541.56)		104,352.39	102,506.09	2,745.28	0.00
GNMA	2002 RMRB	5.49	09/04/03	08/20/33	43,630.75	43,193.87			(195.51)		43,435.24	44,127.77	1,129.41	0.00
GNMA	2002 RMRB	5.49	09/18/03	09/20/33	334,129.05	330,788.24			(1,403.33)		332,725.72	338,035.66	8,650.75	0.00
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	375,100.35	358,688.03			(1,671.41)		373,428.94	366,829.24	9,812.62	0.00
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	60,670.20	58,015.60			(266.79)		60,403.41	59,335.87	1,587.06	0.00
GNMA	2002 RMRB	5.49	09/29/03	09/20/33	454,457.33	449,917.44			(2,065.46)		452,391.87	459,615.67	11,763.69	0.00
GNMA	2002 RMRB	4.80	09/29/03	09/20/33	281,584.36	269,266.27			(1,286.87)		280,297.49	275,346.26	7,366.86	0.00
GNMA	2002 RMRB	5.49	10/16/03	09/20/33	80,531.53	79,728.09			(318.88)		80,212.65	81,494.56	2,085.35	0.00
GNMA	2002 RMRB	5.49	10/30/03	10/20/33	273,422.85	270,185.85			(1,084.74)		272,338.11	276,186.19	7,085.08	0.00
GNMA	2002 RMRB	4.80	10/30/03	10/20/33	1,750,667.70	1,669,820.76			(131,316.34)		1,619,351.36	1,586,805.22	48,300.80	0.00
GNMA	2002 RMRB	5.49	11/13/03	10/20/33	165,114.60	163,161.64			(981.16)		164,133.44	166,454.46	4,273.98	0.00
GNMA	2002 RMRB	4.80	11/13/03	10/20/33	851,647.95	814,423.18			(4,078.61)		847,569.34	832,629.54	22,284.97	0.00
GNMA	2002 RMRB	5.49	11/20/03	11/20/33	42,793.63	42,368.17			(314.04)		42,479.59	43,159.97	1,105.84	0.00
GNMA	2002 RMRB	4.80	11/20/03	11/20/33	1,255,173.71	1,197,233.15			(5,818.48)		1,249,355.25	1,224,270.09	32,855.40	0.00
GNMA	2002 RMRB	5.49	11/26/03	10/20/33	52,739.70	52,215.38			(292.14)		52,447.56	53,287.63	1,864.39	0.00
GNMA	2002 RMRB	4.80	11/26/03	11/20/33	428,312.19	409,596.84			(1,954.00)		426,358.19	418,848.85	11,206.01	0.00
GNMA	2002 RMRB	4.80	12/04/03	12/20/33	605,360.08	577,424.01			(3,845.47)		601,514.61	589,446.06	15,867.52	0.00
GNMA	2002 RMRB	5.49	12/04/03	11/20/33	40,745.68	40,341.03			(161.18)		40,584.50	41,234.99	1,055.14	0.00
GNMA	2002 RMRB	4.80	12/11/03	12/20/33	359,024.80	342,458.61			(2,025.15)		356,999.65	349,838.68	9,405.22	0.00
GNMA	2002 RMRB	5.49	12/11/03	09/20/33	88,257.69	87,381.06			(346.80)		87,910.89	89,319.71	2,285.45	0.00
GNMA	2002 RMRB	5.49	12/18/03	12/20/33	45,692.54	45,239.34			(183.21)		45,509.33	46,239.35	1,183.22	0.00
GNMA	2002 RMRB	4.80	12/18/03	12/20/33	367,585.77	351,531.00			(25,741.61)		341,844.16	335,830.13	10,040.74	0.00
GNMA	2002 RMRB	5.49	12/23/03	12/20/33	95,050.42	94,108.07			(369.45)		94,680.97	96,200.17	2,461.55	0.00
GNMA	2002 RMRB	4.80	12/23/03	12/20/33	261,498.00	249,434.23			(86,719.63)		174,778.37	171,274.14	8,559.54	0.00
GNMA	2002 RMRB	5.49	01/15/04	01/20/34	364,100.08	360,310.81			(101,838.70)		262,261.38	266,327.40	7,855.29	0.00
GNMA	2002 RMRB	5.49	01/22/04	01/20/34	324,718.38	320,731.73			(1,391.35)		323,327.03	327,738.18	8,397.80	0.00
GNMA	2002 RMRB	4.80	01/22/04	01/20/34	313,273.95	299,423.72			(1,406.16)		311,867.79	306,195.70	8,178.14	0.00
GNMA	2002 RMRB	5.49	01/29/04	01/20/34	99,740.46	98,703.54			(403.42)		99,337.04	100,878.14	2,578.02	0.00
GNMA	2002 RMRB	4.80	01/29/04	11/20/33	68,219.18	65,241.57			(305.11)		67,914.07	66,721.20	1,784.74	0.00
GNMA	2002 RMRB	4.80	02/12/04	01/20/34	167,332.91	159,527.40			(844.75)		166,488.16	163,053.12	4,370.47	0.00
GNMA	2002 RMRB	5.49	02/12/04	02/20/34	352,572.18	348,912.04			(1,389.35)		351,182.83	356,636.43	9,113.74	0.00
GNMA	2002 RMRB	4.80	02/26/04	02/20/34	220,221.40	209,951.94			(1,042.49)		219,178.91	214,659.93	5,750.48	0.00
GNMA	2002 RMRB	5.49	02/26/04	02/20/34	177,525.23	175,351.16			(701.74)		176,823.49	179,241.48	4,592.06	0.00
GNMA	2002 RMRB	4.80	03/11/04	03/20/34	207,468.86	197,796.85			(892.17)		206,576.69	202,320.36	5,415.68	0.00
GNMA	2002 RMRB	5.49	03/11/04	03/20/34	587,196.65	581,115.46			(2,587.45)		584,609.20	593,702.71	15,174.70	0.00
GNMA	2002 RMRB	5.49	03/25/04	03/20/34	233,975.36	231,115.83			(913.21)		233,062.15	236,255.14	6,052.52	0.00
GNMA	2002 RMRB	4.80	03/30/04	03/20/34	89,978.92	86,006.08			(383.92)		89,595.00	87,970.85	2,348.69	0.00
GNMA	2002 RMRB	5.49	07/09/04	07/20/34	125,041.28	123,759.54			(522.40)		124,518.88	126,469.40	3,232.26	0.00
GNMA	2002 RMRB	4.80	07/08/04	06/20/34	79,624.61	75,920.50			(340.06)		79,284.55	77,659.06	2,078.62	0.00
GNMA	2002 RMRB	5.49	04/01/04	04/20/34	229,624.06	295,236.96			(263.45)		229,360.61	301,767.72	6,794.21	0.00
GNMA	2002 RMRB	4.80	04/22/04	04/20/34	253,360.61	242,179.00			(1,259.71)		252,100.90	247,536.02	6,616.73	0.00
GNMA	2002 RMRB	5.49	04/22/04	04/20/34	154,756.01	153,158.87			(588.69)		154,167.32	156,571.06	4,000.88	0.00
GNMA	2002 RMRB	4.80	04/29/04	04/20/34	183,534.48	174,985.53			(867.41)		182,667.07	179,910.80	4,792.68	0.00
GNMA	2002 RMRB	5.49	04/29/04	04/20/34	86,485.05	85,592.94			(342.14)		86,142.91	87,486.49	2,235.69	0.00
GNMA	2002 RMRB	4.80	05/06/04	04/20/34	142,957.70	136,650.03			(620.55)		142,337.15	139,761.35	3,731.87	0.00
GNMA	2002 RMRB	5.49	05/06/04	04/20/34	56,941.76	56,354.75			(214.04)		56,727.72	57,612.87	1,472.16	0.00
GNMA	2002 RMRB	4.80	05/13/04	04/20/34	89,636.30	85,681.73			(378.67)		89,257.63	87,642.80	2,339.74	0.00
GNMA	2002 RMRB	5.49	05/27/04	05/20/34	153,038.61	151,463.95			(683.86)		152,354.75	154,734.92	3,954.83	0.00
GNMA	2002 RMRB	5.49	06/03/04	05/20/34	53,827.34	53,273.76			(200.98)		53,626.36	54,464.47	1,391.69	0.00
GNMA	2002 RMRB	5.49	06/24/04	06/20/34	111,884.50	110,736.08			(415.77)		111,468.73	113,213.13	2,892.82	0.00
GNMA	2002 RMRB	5.49	09/02/04	08/20/34	131,816.15	130,223.83			(610.17)		131,205.98	133,022.60	3,408.94	0.00
GNMA	2002 RMRB	5.49	09/10/04	09/20/34	235,072.39	232,674.26			(891.32)		234,181.07	237,860.90	6,077.96	0.00
GNMA	2002 RMRB	5.49	09/16/04	09/20/34	138,683.15	137,270.04			(507.04)		138,176.11	140,349.08	3,586.08	0.00
GNMA	2002 RMRB	4.80	09/29/04	09/20/34	113,095.96	108,120.18			(462.91)		112,633.05	110,609.42	2,952.15	0.00
GNMA	2002 RMRB	5.49	09/29/04	09/20/34	135,955.89	134,572.07			(508.37)		135,447.52	137,579.11	3,515.41	0.00
GNMA	2002 RMRB	5.49	10/07/04	09/20/34	158,906.89	157,290.38			(596.32)		158,310.57	160,802.90	4,108.84	0.00
GNMA	2002 RMRB	4.80	10/07/04	09/20/34	111,726.10	106,811.23			(549.59)		111,176.51	109,179.70	2,918.06	0.00
GNMA	2002 RMRB	5.49	07/15/04	04/20/34	96,539.70	95,549.84			(366.74)		96,172.96	97,678.96	2,495.86	0.00
GNMA	2002 RMRB	5.49	07/22/04	07/20/34	93,801.77	92,841.28			(347.39)		93,454.38	94,919.24	2,425.35	0.00
GNMA	2002 RMRB	5.49	07/29/04	07/20/34	53,402.19	52,855.67			(196.85)		53,205.34	54,039.60	1,380.78	0.00
GNMA	2002 RMRB	5.49	08/05/04	08/20/34	213,276.22	211,095.35			(816.91)		212,459.31	215,792.59	5,514.15	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	08/19/04	08/20/34	181,412.42	179,559.39			(1,088.82)		180,323.60	183,154.75	4,684.18	0.00
GNMA	2002 RMRB	5.49	08/26/04	08/20/34	109,291.60	108,175.93			(403.18)		108,888.42	110,598.71	2,825.96	0.00
GNMA	2002 RMRB	5.49	12/02/04	11/20/34	307,408.72	304,296.93			(1,169.07)		306,239.65	311,076.59	7,948.73	0.00
GNMA	2002 RMRB	4.80	12/02/04	11/20/34	209,227.34	200,033.42			(867.03)		208,360.31	204,628.32	5,461.93	0.00
GNMA	2002 RMRB	4.80	10/14/04	09/20/34	26,433.84	25,271.18			(128.75)		26,305.09	25,832.80	690.37	0.00
GNMA	2002 RMRB	5.49	10/21/04	06/20/34	83,208.89	82,206.53			(1,252.36)		81,956.53	83,094.09	2,139.92	0.00
GNMA	2002 RMRB	4.80	10/28/04	09/20/34	82,835.22	78,989.55			(638.55)		82,196.67	80,519.43	2,168.43	0.00
GNMA	2002 RMRB	5.49	10/28/04	10/20/34	120,123.03	118,903.48			(442.30)		119,680.73	121,567.39	3,106.21	0.00
GNMA	2002 RMRB	5.49	12/29/04	12/20/34	303,837.71	300,769.65			(1,094.52)		302,743.19	307,532.66	7,857.53	0.00
GNMA	2002 RMRB	4.80	12/29/04	12/20/34	121,657.49	116,314.54			(489.22)		121,168.27	119,001.01	3,175.69	0.00
GNMA	2002 RMRB	5.49	01/06/05	01/20/35	90,576.85	89,627.40			(321.45)		90,255.40	91,629.44	2,323.49	0.00
GNMA	2002 RMRB	5.49	01/13/05	12/20/34	98,695.05	97,699.65			(362.28)		98,332.77	99,889.63	2,552.26	0.00
GNMA	2002 RMRB	5.49	01/27/05	01/20/35	379,409.23	374,730.42			(1,349.98)		378,059.25	383,115.82	9,735.38	0.00
GNMA	2002 RMRB	5.49	03/10/05	12/20/34	96,135.14	95,169.99			(344.19)		95,790.95	97,311.99	2,486.19	0.00
GNMA	2002 RMRB	5.49	05/05/05	03/20/35	53,391.55	52,837.30			(196.03)		53,195.52	54,010.91	1,369.64	0.00
GNMA	2002 RMRB	5.49	07/07/05	06/20/35	66,623.70	65,935.93			(229.08)		66,394.62	67,416.25	1,709.40	0.00
GNMA	2002 RMRB	4.80	07/07/05	06/20/35	70,304.85	65,956.74			(284.63)		70,020.22	67,491.88	1,819.77	0.00
GNMA	2002 RMRB	4.80	06/02/05	04/20/35	283,113.87	264,929.15			(1,183.85)		281,930.02	271,077.84	7,332.54	0.00
GNMA	2002 RMRB	5.49	09/08/05	08/20/35	114,856.23	113,462.50			(417.08)		114,439.15	115,992.94	2,947.52	0.00
GNMA	2002 RMRB	5.49	09/15/05	09/20/35	214,155.91	211,558.95			(747.14)		213,408.77	216,308.09	5,496.28	0.00
GNMA	2002 RMRB	5.49	08/04/05	08/20/35	283,945.72	281,022.07			(991.36)		282,954.36	287,316.29	7,285.58	0.00
GNMA	2002 RMRB	5.49	09/01/05	09/20/35	236,747.42	233,873.66			(799.15)		235,948.27	239,151.14	6,076.63	0.00
GNMA	2002 RMRB	4.80	10/13/05	09/20/35	108,241.12	101,440.82			(426.36)		107,814.76	103,800.10	2,785.64	0.00
GNMA	2002 RMRB	5.49	10/13/05	10/20/35	222,768.47	220,488.54			(754.23)		222,014.24	225,450.62	5,716.31	0.00
GNMA	2002 RMRB	5.49	12/19/05	12/20/35	214,801.95	212,616.21			(716.62)		214,085.33	217,411.94	5,512.35	0.00
GNMA	2002 RMRB	5.49	11/17/05	11/20/35	217,399.44	215,181.18			(733.83)		216,665.61	220,026.08	5,578.73	0.00
GNMA	2002 RMRB	4.80	11/22/05	10/20/35	202,516.97	189,967.91			(1,051.14)		201,465.83	194,166.38	5,249.61	0.00
GNMA	2002 RMRB	4.80	12/22/05	12/20/35	182,584.07	171,265.10			(720.27)		181,863.80	175,269.37	4,724.54	0.00
GNMA	2002 RMRB	5.49	12/29/05	11/20/35	158,368.17	156,757.79			(532.86)		157,835.31	160,288.99	4,064.06	0.00
GNMA	2002 RMRB	5.49	01/12/06	01/20/36	288,448.62	285,394.62			(951.70)		287,496.92	291,886.55	7,443.63	0.00
GNMA	2002 RMRB	5.49	03/09/06	03/20/36	271,673.78	268,811.00			(1,370.74)		270,303.04	274,444.06	7,003.80	0.00
GNMA	2002 RMRB	5.49	03/02/06	03/20/36	154,312.74	152,685.73			(507.46)		153,805.28	156,160.61	3,982.34	0.00
GNMA	2002 RMRB	5.49	02/23/06	02/20/36	305,110.71	301,891.57			(1,330.13)		303,780.58	308,430.37	7,868.93	0.00
GNMA	2002 RMRB	5.49	03/16/06	03/20/36	241,431.75	238,889.06			(901.96)		240,529.79	244,216.13	6,229.03	0.00
GNMA	2002 RMRB	5.49	03/30/06	03/20/36	338,135.58	333,943.67			(91,711.23)		246,424.35	249,743.94	7,511.50	0.00
GNMA	2002 RMRB	5.49	04/06/06	04/20/36	299,721.00	296,570.12			(974.63)		298,746.37	303,330.75	7,735.26	0.00
FNMA	2002 RMRB	5.49	05/29/03	04/01/33	232,788.29	228,824.54			(955.63)		231,832.66	233,637.35	5,768.44	0.00
FNMA	2002 RMRB	4.80	09/18/03	07/01/33	69,678.28	65,993.83			(319.31)		69,358.97	67,694.48	2,019.96	0.00
FNMA	2002 RMRB	5.49	12/04/03	11/01/33	129,201.37	127,012.10			(554.73)		128,646.64	129,658.97	3,201.60	0.00
FNMA	2002 RMRB	4.80	01/15/04	11/01/33	267,872.53	253,721.27			(1,653.71)		266,218.82	259,843.71	7,776.15	0.00
FNMA	2002 RMRB	4.80	02/26/04	01/01/34	93,925.37	88,856.67			(857.86)		90,067.51	90,761.21	2,762.40	0.00
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	61,817.57	60,772.65			(268.73)		61,548.84	62,035.66	1,531.74	0.00
FNMA	2002 RMRB	5.49	09/02/04	08/01/34	222,388.31	219,418.93			(843.78)		221,544.53	224,126.47	5,551.32	0.00
FNMA	2002 RMRB	4.80	09/01/04	08/01/34	54,767.99	51,816.74			(257.23)		54,510.76	53,164.36	1,604.85	0.00
FNMA	2002 RMRB	4.80	11/10/04	10/01/34	55,646.95	52,649.92			(229.55)		55,417.40	54,050.24	1,629.87	0.00
FNMA	2002 RMRB	5.49	07/14/05	05/01/35	35,050.03	34,398.38			(125.44)		34,924.59	35,141.41	868.47	0.00
FNMA	2002 RMRB	4.80	07/14/05	04/01/35	69,055.19	64,076.56			(406.78)		68,648.41	65,691.39	2,021.61	0.00
FNMA	2002 RMRB	5.49	11/03/05	10/01/35	221,160.36	217,059.46			(892.23)		220,268.13	221,646.73	5,479.50	0.00
FNMA	2002 RMRB	4.80	12/15/05	10/01/35	65,079.84	60,374.79			(261.18)		64,818.66	62,013.22	1,899.61	0.00
FNMA	2002 RMRB	5.49	04/27/06	03/01/36	211,533.46	207,499.41			(708.25)		210,825.21	212,073.86	5,282.70	0.00
FNMA	2002 RMRB	5.49	04/27/06	10/01/35	70,505.18	69,202.91			(239.80)		70,265.38	70,710.27	1,747.16	0.00
Repo Agmt	2002 RMRB	4.53	11/30/07	12/03/07	5,748.72	5,748.72	69.12				5,817.84	5,817.84	-	0.00
	2002 RMRB Total				30,363,426.98	29,618,757.45	1,523,259.06	(343,652.91)	(741,808.66)	0.00	30,801,224.47	30,829,988.78	773,433.84	0.00
Repo Agmt	1999 B-D RMRB	4.53	11/30/07	12/03/07	284,210.48	284,210.48		(284,149.69)			60.79	60.79	-	0.00
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	696,124.48	696,124.48	1,330,243.58				2,026,368.06	2,026,368.06	-	0.00
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	1,879,201.01	1,879,201.01	0.00				1,879,201.01	1,879,201.01	-	0.00
GNMA	1999 B-D RMRB	8.18	08/01/90	06/20/20	182,937.46	194,650.73			(4,965.36)		177,972.10	191,369.62	1,684.25	0.00
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20	69,826.99	72,277.73			(1,060.81)		68,766.18	72,389.60	1,172.68	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	237,499.15	252,709.78			(3,289.77)		234,209.38	251,843.93	2,423.92	0.00
GNMA	1999 B-D RMRB	8.18	07/02/90	05/20/20	17,396.85	18,510.51			(980.74)		16,416.11	17,651.66	1,211.89	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	184,909.23	196,757.01			(3,763.81)		181,145.42	194,790.02	1,796.82	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	152,942.88	162,739.41			(2,704.52)		150,238.36	161,551.72	1,516.83	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	108,941.33	115,918.50			(1,788.92)		107,152.41	115,220.37	1,090.79	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	114,906.75	122,268.23			(1,219.10)		113,687.65	122,250.07	1,200.94	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	73,105.18	77,789.32			(1,121.62)		71,983.56	77,405.67	737.97	0.00
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	99,448.21	102,942.85			(1,235.33)		98,212.88	103,392.19	1,684.67	0.00
GNMA	1999 B-D RMRB	8.18	12/03/90	10/20/20	47,619.95	50,671.94			(36,316.89)		11,303.06	12,154.66	(2,200.39)	0.00
GNMA	1999 B-D RMRB	8.75	12/28/89	09/20/18	916,039.37	976,039.84			(13,887.41)		902,151.96	966,118.43	3,966.00	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	95,402.79	101,652.11			(1,490.56)		93,912.23	100,571.46	409.91	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	96,722.79	103,057.66			(1,452.82)		95,269.97	102,024.55	419.71	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	221,653.08	236,175.90			(4,299.06)		217,354.02	232,789.81	892.97	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	12/20/18	108,940.27	116,078.93			(26,259.16)		82,681.11	88,545.92	(1,273.85)	0.00
GNMA	1999 B-D RMRB	8.75	02/27/90	01/20/19	107,253.35	114,428.90			(1,709.06)		105,544.29	113,151.59	431.75	0.00
GNMA	1999 B-D RMRB	8.75	05/29/90	04/20/19	137,157.54	146,340.10			(2,642.91)		134,514.63	144,216.28	519.09	0.00
GNMA	1999 B-D RMRB	8.75	06/28/90	05/20/19	48,154.80	51,379.47			(629.43)		47,525.37	50,953.79	203.75	0.00
GNMA	1999 B-D RMRB	7.18	02/01/91	11/20/20	114,019.52	118,030.42			(2,696.46)		111,323.06	117,197.81	1,863.85	0.00
GNMA	1999 B-D RMRB	8.18	02/25/91	11/20/20	97,989.69	104,272.40			(1,166.75)		96,822.94	104,120.09	1,014.44	0.00
GNMA	1999 B-D RMRB	7.18	05/02/91	02/20/21	108,273.18	112,147.32			(1,790.95)		106,482.23	112,183.09	1,826.72	0.00
GNMA	1999 B-D RMRB	8.75	09/28/90	08/20/19	90,526.45	96,592.62			(1,248.43)		89,278.02	95,722.51	738.32	0.00
GNMA	1999 B-D RMRB	8.75	10/23/90	09/20/19	48,477.97	51,727.18			(1,215.91)		47,262.06	50,674.35	163.08	0.00
GNMA	1999 B-D RMRB	8.75	11/28/90	09/20/19	95,368.72	101,761.47			(1,090.29)		94,278.43	101,085.96	414.78	0.00
GNMA	1999 B-D RMRB	8.75	12/21/90	09/20/19	50,913.20	54,326.31			(597.18)		50,316.02	53,949.43	220.30	0.00
GNMA	1999 B-D RMRB	8.75	01/25/91	12/20/19	114,176.33	121,834.39			(1,335.55)		112,840.78	120,993.20	494.36	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	02/20/20	48,412.22	51,723.87			(1,227.17)		47,185.05	50,648.44	151.74	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	12/20/19	55,329.17	59,040.90			(628.31)		54,700.86	58,653.52	240.93	0.00
GNMA	1999 B-D RMRB	8.18	05/02/91	03/20/21	190,035.22	202,462.81			(2,892.16)		187,143.06	201,483.17	1,912.52	0.00
GNMA	1999 B-D RMRB	6.10	07/28/00	07/20/30	1,457,991.25	1,466,301.81			(8,065.27)		1,449,925.98	1,485,594.16	27,357.62	0.00
FNMA	1999 B-D RMRB	6.10	04/28/00	04/01/30	155,705.33	156,983.66			(1,161.06)		154,544.27	158,257.96	2,435.36	0.00
GNMA	1999 B-D RMRB	6.10	04/20/00	04/20/30	887,614.78	892,674.16			(57,934.04)		829,680.74	850,090.88	15,350.76	0.00
GNMA	1999 B-D RMRB	6.10	04/27/00	04/20/30	1,005,549.62	1,011,281.18			(7,473.68)		998,075.94	1,022,628.52	18,821.02	0.00
GNMA	1999 B-D RMRB	6.10	06/26/00	06/20/30	1,257,487.47	1,264,655.08			(8,225.46)		1,249,262.01	1,279,993.81	23,564.19	0.00
GNMA	1999 B-D RMRB	6.10	05/30/00	03/20/30	1,765,679.84	1,775,744.19			(11,535.18)		1,754,144.66	1,797,296.59	33,087.58	0.00
FNMA	1999 B-D RMRB	6.10	05/30/00	05/01/30	218,860.05	220,656.88			(2,242.22)		216,617.83	221,823.15	3,408.49	0.00
GNMA	1999 B-D RMRB	6.10	06/26/00	06/01/30	94,995.49	95,775.40			(782.98)		94,212.51	96,476.43	1,484.01	0.00
GNMA	1999 B-D RMRB	6.10	09/14/00	08/20/30	2,615,630.47	2,630,539.54			(15,706.81)		2,599,923.66	2,663,881.77	49,049.04	0.00
GNMA	1999 B-D RMRB	6.10	10/19/00	09/20/30	932,202.45	937,516.02			(5,621.88)		926,580.57	949,374.46	17,480.32	0.00
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	369,157.22	371,261.41			(1,832.78)		367,324.44	376,360.62	6,931.99	0.00
GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	258,479.86	259,953.18			(1,552.69)		256,927.17	263,247.56	4,847.07	0.00
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	261,662.87	263,154.31			(1,285.91)		260,376.96	266,762.19	4,913.79	0.00
FNMA	1999 B-D RMRB	6.10	07/24/00	07/01/30	47,335.81	47,724.43			(304.53)		47,031.28	48,161.43	741.53	0.00
GNMA	1999 B-D RMRB	6.10	01/16/01	12/20/30	106,527.46	107,134.66			(949.71)		105,577.75	108,174.95	1,990.00	0.00
GNMA	1999 B-D RMRB	6.10	01/29/01	12/20/30	56,512.28	56,834.39			(381.42)		56,130.86	57,511.67	1,058.70	0.00
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	534,515.43	537,562.12			(3,459.99)		531,055.44	544,119.36	10,017.23	0.00
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	249,597.59	251,020.28			(2,913.70)		246,683.89	252,752.30	4,645.72	0.00
GNMA	1999 B-D RMRB	6.10	02/20/01	01/20/31	112,395.83	113,003.87			(525.78)		111,870.05	114,562.73	2,084.64	0.00
GNMA	1999 B-D RMRB	6.10	03/15/01	03/20/31	201,233.56	202,322.23			(1,026.57)		200,206.99	205,025.97	3,730.31	0.00
GNMA	1999 B-D RMRB	6.10	03/29/01	03/20/31	104,911.16	105,478.72			(517.71)		104,393.45	106,906.19	1,945.18	0.00
GNMA	1999 B-D RMRB	6.10	05/10/01	04/20/31	675,427.91	679,081.95			(3,606.13)		671,821.78	687,992.51	12,516.69	0.00
FNMA	1999 B-D RMRB	6.10	09/11/00	08/01/30	761,288.81	767,539.00			(4,920.35)		756,368.46	774,543.99	11,925.34	0.00
GNMA	1999 B-D RMRB	6.10	10/06/00	10/01/30	108,405.57	109,295.56			(1,250.08)		107,155.49	109,730.41	1,684.93	0.00
GNMA	1999 B-D RMRB	6.10	05/30/01	05/20/31	260,978.47	262,390.36			(1,361.15)		259,617.32	265,866.30	4,837.09	0.00
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	210,670.05	211,809.77			(1,735.55)		208,934.50	213,963.55	3,889.33	0.00
GNMA	1999 B-D RMRB	6.10	07/25/01	06/20/31	528,723.20	531,583.60			(86,859.63)		441,863.57	452,499.23	7,775.26	0.00
GNMA	1999 B-D RMRB	6.10	08/31/01	08/20/31	553,911.56	556,908.21			(73,766.29)		480,145.27	491,702.36	8,560.44	0.00
FNMA	1999 B-D RMRB	6.10	12/27/00	11/01/30	146,004.20	147,202.88			(1,281.38)		144,722.82	148,200.49	2,278.99	0.00
FNMA	1999 B-D RMRB	6.10	01/12/01	12/01/30	44,967.78	45,336.66			(570.90)		44,396.88	45,463.73	697.67	0.00
FNMA	1999 B-D RMRB	6.10	02/05/01	01/01/31	252,594.89	254,668.69			(2,079.23)		250,515.66	256,535.54	3,946.08	0.00
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	60,220.69	60,546.48			(1,417.73)		58,802.96	60,218.34	1,089.59	0.00
GNMA	1999 B-D RMRB	6.10	09/20/01	08/20/31	245,380.76	246,708.23			(2,009.30)		243,371.46	249,229.38	4,530.45	0.00
GNMA	1999 B-D RMRB	6.10	09/28/01	09/20/31	69,053.43	69,427.00			(994.45)		68,058.98	69,697.15	1,264.60	0.00
GNMA	1999 B-D RMRB	6.10	10/17/01	09/20/31	178,155.27	179,119.08			(951.31)		177,203.96	181,469.25	3,301.48	0.00
GNMA	1999 B-D RMRB	6.10	10/30/01	05/20/31	41,676.64	41,902.11			(236.66)		41,439.98	42,437.44	771.99	0.00
FNMA	1999 B-D RMRB	6.10	03/15/01	02/01/31	266,920.86	269,112.27			(1,732.47)		265,188.39	271,560.86	4,181.06	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	934,914.80	939,439.78			(83,079.36)		851,835.44	871,930.22	15,569.80	0.00
GNMA	1999 B-D RMRB	6.10	05/24/02	05/20/32	236,177.07	237,320.16			(1,088.21)		235,088.86	240,634.60	4,402.65	0.00
GNMA	1999 B-D RMRB	6.10	03/21/02	03/20/32	330,062.91	331,660.47			(1,699.27)		328,363.64	336,109.79	6,148.59	0.00
GNMA	1999 B-D RMRB	6.10	04/17/02	03/20/32	660,660.55	663,954.90			(106,719.97)		573,940.58	587,479.79	10,244.86	0.00
GNMA	1999 B-D RMRB	6.10	04/29/02	04/20/32	489,076.68	491,443.80			(2,521.47)		486,555.21	498,033.03	9,110.70	0.00
GNMA	1999 B-D RMRB	6.10	05/15/02	04/20/32	95,121.62	95,582.00			(409.50)		94,712.12	96,946.37	1,773.87	0.00
GNMA	1999 B-D RMRB	6.10	06/03/02	05/20/32	308,040.69	309,531.60			(1,254.71)		306,785.98	314,023.05	5,746.16	0.00
GNMA	1999 B-D RMRB	6.10	06/19/02	04/20/32	209,236.30	210,249.00			(849.97)		208,386.33	213,302.16	3,903.13	0.00
GNMA	1999 B-D RMRB	6.10	06/28/02	06/20/32	60,144.27	60,435.36			(243.85)		59,900.42	61,313.46	1,121.95	0.00
GNMA	1999 B-D RMRB	6.10	11/12/02	10/20/32	91,234.14	91,675.71			(359.52)		90,874.62	93,018.35	1,702.16	0.00
GNMA	1999 B-D RMRB	6.10	10/21/02	09/20/32	95,840.32	96,304.18			(378.30)		95,462.02	97,713.96	1,788.08	0.00
GNMA	1999 B-D RMRB	6.10	01/30/03	01/20/33	106,429.80	106,857.64			(408.01)		106,021.79	108,483.61	2,033.98	0.00
FNMA	1999 B-D RMRB	6.10	10/17/01	09/01/31	78,664.49	79,282.79			(428.08)		78,236.41	80,024.89	1,170.18	0.00
FNMA	1999 B-D RMRB	6.10	01/28/02	11/01/31	202,703.32	204,296.56			(904.81)		201,798.51	206,411.62	3,019.87	0.00
FNMA	1999 B-D RMRB	6.10	04/17/02	02/01/32	34,855.09	35,106.04			(144.17)		34,710.92	35,468.31	506.44	0.00
Repo Agmt	1999 B-D RMRB	4.53	11/30/07	12/03/07	310.37	310.37	0.00				310.37	310.37	-	0.00
	1999 B-D RMRB Total				27,945,813.94	28,319,504.61	1,330,243.58	(284,149.69)	(645,467.62)	0.00	28,346,440.21	29,122,049.58	401,918.70	0.00
Repo Agmt	2000 A RMRB	4.53	11/30/07	12/03/07	77,350.16	77,350.16	930.30				78,280.46	78,280.46	-	0.00
Repo Agmt	2000 A RMRB	4.53	11/30/07	12/03/07	164,262.81	164,262.81		(164,230.68)			32.13	32.13	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	406,230.63	406,230.63	749,184.58				1,155,415.21	1,155,415.21	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	284,946.43	284,946.43	0.00				284,946.43	284,946.43	-	0.00
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	406,628.76	414,740.97			(1,848.18)		404,780.58	420,251.25	7,358.46	0.00
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	1,892,767.46	1,930,528.16			(10,461.55)		1,882,305.91	1,954,247.58	34,180.97	0.00
GNMA	2000 A RMRB	6.45	10/16/00	09/20/30	387,924.44	395,663.48			(51,440.91)		336,483.53	349,343.89	5,121.32	0.00
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	586,605.80	598,308.56			(67,845.72)		518,760.08	538,587.05	8,124.21	0.00
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	425,548.10	434,037.76			(2,310.31)		423,237.79	439,413.91	7,686.46	0.00
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	149,018.73	152,113.84			(739.32)		148,279.41	153,396.53	2,022.01	0.00
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	162,245.46	165,482.24			(723.62)		161,521.84	167,695.19	2,936.57	0.00
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	117,229.48	119,562.31			(1,020.29)		116,209.19	120,573.98	2,031.96	0.00
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	802,598.01	818,609.84			(4,262.37)		798,335.64	828,848.02	14,600.55	0.00
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	319,031.28	325,395.94			(1,570.76)		317,460.52	329,593.85	5,768.67	0.00
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	307,713.18	313,852.03			(1,885.40)		305,827.78	317,516.49	5,549.86	0.00
GNMA	2000 A RMRB	6.45	12/27/00	11/20/30	137,669.50	140,416.04			(621.18)		137,048.32	142,286.34	2,491.48	0.00
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	220,432.18	224,818.80			(1,164.91)		219,267.27	227,502.95	3,849.06	0.00
GNMA	2000 A RMRB	6.45	02/28/01	02/20/31	359,832.87	366,993.53			(2,013.99)		357,818.88	371,258.53	6,278.99	0.00
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	325,076.19	331,545.20			(1,528.12)		323,548.07	335,700.52	5,683.44	0.00
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	99,428.69	101,407.32			(498.04)		98,930.65	102,646.48	1,737.20	0.00
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	226,693.78	231,204.99			(1,214.32)		225,479.46	233,948.47	3,957.80	0.00
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	345,618.47	352,796.95			(1,861.46)		343,757.01	355,620.05	4,684.56	0.00
FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	28,467.97	29,059.24			(128.67)		28,339.30	29,317.28	398.71	0.00
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	140,916.63	143,843.46			(652.36)		140,264.27	145,104.78	1,913.68	0.00
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	409,803.60	417,958.88			(1,967.75)		407,835.85	423,154.36	7,163.23	0.00
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	214,148.71	218,410.26			(1,407.62)		212,741.09	220,731.64	3,729.00	0.00
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	127,271.35	129,804.04			(661.24)		126,610.11	131,365.56	2,222.78	0.00
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	227,722.79	232,254.47			(1,684.41)		226,038.38	234,528.37	3,958.31	0.00
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	202,808.21	206,844.06			(40,842.67)		161,965.54	168,048.94	2,047.55	0.00
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	205,737.56	210,010.74			(1,031.44)		204,706.12	211,770.54	2,791.24	0.00
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	86,223.03	88,013.87			(1,001.16)		85,221.87	88,162.87	1,150.16	0.00
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	399,264.58	407,209.87			(1,935.41)		397,329.17	412,252.78	6,978.32	0.00
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	172,506.65	175,939.49			(1,743.37)		170,763.28	177,177.11	2,980.99	0.00
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	430,184.85	438,745.52			(1,957.58)		428,227.27	444,311.48	7,523.54	0.00
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	186,293.22	190,000.44			(1,249.80)		185,043.42	191,993.64	3,243.00	0.00
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	576,888.94	588,369.01			(3,888.35)		573,000.59	594,522.47	10,041.81	0.00
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	284,512.15	290,173.91			(2,730.11)		281,782.04	292,365.74	4,921.94	0.00
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	260,500.69	265,684.68			(1,063.34)		259,437.35	269,181.85	4,560.51	0.00
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	197,774.78	201,710.52			(1,396.31)		196,378.47	203,754.47	3,440.26	0.00
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	131,326.13	134,053.76			(2,806.92)		128,519.21	132,954.40	1,707.56	0.00
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	565,581.23	576,446.00			(2,877.73)		562,703.50	583,726.05	10,157.78	0.00
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	130,113.52	132,702.77			(608.93)		129,504.59	134,368.78	2,274.94	0.00
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,349,725.56	1,375,653.75			(90,318.87)		1,259,406.69	1,306,458.10	21,123.22	0.00
FNMA	2000 A RMRB	6.45	07/12/01	06/01/31	136,943.51	139,787.82			(580.86)		136,362.65	140,838.06	1,631.10	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	88,588.26	90,290.04			(344.94)		88,243.32	91,540.09	1,594.99	0.00
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	207,455.66	211,440.88			(915.59)		206,540.07	214,256.40	3,731.11	0.00
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	386,159.52	393,577.66			(1,594.49)		384,565.03	398,932.39	6,949.22	0.00
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	341,629.70	348,192.38			(1,885.49)		339,744.21	352,437.04	6,130.15	0.00
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	91,189.07	92,940.81			(396.26)		90,792.81	94,184.82	1,640.27	0.00
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	65,894.69	67,160.52			(268.37)		65,626.32	68,078.11	1,185.96	0.00
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	63,437.55	64,656.18			(238.95)		63,198.60	65,559.69	1,142.46	0.00
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	62,936.32	64,145.32			(701.07)		62,235.25	64,560.35	1,116.10	0.00
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32	39,247.48	40,001.42			(445.72)		38,801.76	40,251.39	695.69	0.00
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	60,583.94	61,747.75			(232.63)		60,351.31	62,606.03	1,090.91	0.00
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	130,701.64	133,212.41			(487.86)		130,213.78	135,078.56	2,354.01	0.00
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	72,907.34	74,307.88			(271.61)		72,635.73	75,349.40	1,313.13	0.00
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	39,260.41	40,014.60			(246.46)		39,013.95	40,471.51	703.37	0.00
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	66,021.14	67,289.40			(241.67)		65,779.47	68,236.99	1,189.26	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	77,298.72	78,726.42			(303.85)		76,994.87	79,844.44	1,421.87	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	51,477.17	52,427.95			(201.54)		51,275.63	53,173.33	946.92	0.00
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	156,395.65	159,643.98			(1,060.23)		155,335.42	160,433.52	1,849.77	0.00
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	158,820.22	162,118.91			(665.45)		158,154.77	163,345.40	1,891.94	0.00
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	82,853.37	84,574.23			(1,089.92)		81,763.45	84,446.92	962.61	0.00
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	118,386.58	120,729.44			(501.73)		117,884.85	121,701.95	1,474.24	0.00
Repo Agmt	2000 A RMRB	4.53	11/30/07	12/03/07	401.93	401.93	0.00				401.93	401.93	-	0.00
	2000 A RMRB Total				17,031,214.43	17,350,544.66	750,114.88	(164,230.68)	(327,639.18)	0.00	17,289,459.45	17,878,084.86	269,295.18	0.00
Repo Agmt	2003A RMRB	4.53	11/30/07	12/03/07	41,112.96	41,112.96	494.44				41,607.40	41,607.40	-	0.00
Repo Agmt	2003A RMRB	4.53	11/30/07	12/03/07	731,231.53	731,231.53				(731,090.49)	141.04	141.04	-	0.00
GIC's	2003A RMRB	4.13	08/20/03	06/28/34	1,555,106.49	1,555,106.49	2,295,806.10				3,850,912.59	3,850,912.59	-	0.00
Repo Agmt	2003A RMRB				2,152.97	2,152.97			(2,152.97)				-	0.00
Repo Agmt	2003A RMRB	4.53	11/30/07	12/03/07			2,178.88				2,178.88	2,178.88	-	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	10,113,096.05	9,470,973.00			(50,276.10)		10,062,819.96	9,717,864.47	297,167.57	0.00
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,677,249.27	1,570,759.97			(6,307.80)		1,668,941.47	1,611,736.33	49,284.16	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	1,297,836.97	1,215,548.29			(6,509.96)		1,291,327.01	1,247,179.55	38,141.22	0.00
GNMA	2003A RMRB	5.49	07/08/04	05/20/34	166,310.96	164,605.69			(699.95)		165,611.01	168,204.54	4,298.80	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	178,156.18	167,300.60			(839.17)		177,317.01	171,700.33	5,238.90	0.00
GNMA	2003A RMRB	5.49	07/08/04	07/20/34	169,831.05	167,771.53			(761.41)		169,069.64	171,402.34	4,392.22	0.00
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,745,431.48	1,638,943.36			(119,817.14)		1,625,614.34	1,573,992.85	54,866.63	0.00
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	975,100.82	915,614.89			(4,603.33)		970,497.49	939,684.02	28,672.46	0.00
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	62,289.62	61,646.39			(377.38)		61,912.24	62,877.18	1,608.17	0.00
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	1,323,841.84	1,243,088.55			(6,193.76)		1,317,648.08	1,275,820.25	38,925.46	0.00
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	1,055,628.20	988,631.82			(5,107.17)		1,050,521.03	1,014,539.63	31,014.98	0.00
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	59,419.47	58,806.53			(223.48)		59,195.99	60,119.26	1,536.21	0.00
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	656,365.01	614,713.79			(2,993.45)		653,371.56	630,998.66	19,278.32	0.00
GNMA	2003A RMRB	4.49	05/13/04	05/20/34	524,104.85	490,849.00			(2,723.67)		521,381.18	503,530.98	15,405.65	0.00
GNMA	2003A RMRB	5.49	05/01/04	04/20/34	95,518.27	94,533.15			(773.32)		94,744.95	96,222.86	2,463.03	0.00
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	1,355,954.22	1,269,923.03			(6,313.80)		1,349,640.42	1,303,440.23	39,831.00	0.00
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	641,729.02	601,016.93			(2,897.29)		638,831.73	616,966.72	18,847.08	0.00
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	933,688.00	874,460.66			(4,464.19)		929,223.81	897,427.75	27,431.28	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	544,485.24	509,949.59			(2,405.28)		542,079.96	523,534.32	15,990.01	0.00
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,167,259.67	1,093,228.15			(5,446.52)		1,161,813.15	1,122,070.84	34,289.21	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,255,111.04	1,175,514.75			(5,899.88)		1,249,211.16	1,206,486.49	36,871.62	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	1,145,572.95	1,133,814.27			(4,496.70)		1,141,076.25	1,158,933.07	29,615.50	0.00
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	132,193.66	123,817.86			(587.38)		131,606.28	127,113.00	3,882.52	0.00
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	80,022.39	79,206.59			(897.55)		79,124.84	80,368.74	2,059.70	0.00
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	153,506.45	143,781.58			(673.86)		152,832.59	147,615.94	4,508.22	0.00
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	166,952.10	165,250.93			(608.84)		166,343.26	168,959.17	4,317.08	0.00
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	1,134,845.72	1,062,956.86			(5,635.44)		1,129,210.28	1,090,672.34	33,350.92	0.00
GNMA	2003A RMRB	5.49	09/23/04	09/20/34	74,991.59	74,227.90			(295.06)		74,696.53	75,871.66	1,938.82	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	195,113.93	183,237.46			(1,356.62)		193,757.31	187,632.55	5,751.71	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	441,017.83	413,085.35			(2,002.31)		439,015.52	424,037.43	12,954.39	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	201,474.66	199,045.86			(1,254.82)		200,219.84	202,997.08	5,206.04	0.00
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	135,105.83	133,731.45			(491.87)		134,613.96	136,733.24	3,493.66	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	442,244.34	414,237.93			(2,095.24)		440,149.10	425,136.17	12,993.48	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	52,371.11	51,834.38			(194.33)		52,176.78	52,994.15	1,354.10	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	350,647.76	328,416.78			(1,539.21)		349,108.55	337,175.05	10,297.48	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	61,703.58	61,071.77			(227.67)		61,475.91	62,439.52	1,595.42	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	572,685.83	536,380.95			(2,557.27)		570,128.56	550,643.32	16,819.64	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	546,707.88	513,403.67			(2,407.66)		544,300.22	527,067.50	16,071.49	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	252,507.86	249,923.57			(935.50)		251,572.36	255,516.98	6,528.91	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	328,290.42	308,294.51			(1,860.16)		326,430.26	316,098.24	9,663.89	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	107,618.26	106,517.49			(398.17)		107,220.09	108,901.94	2,782.62	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	382,191.53	358,914.36			(2,355.41)		379,836.12	367,815.95	11,257.00	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	84,462.40	83,598.98			(311.28)		84,151.12	85,471.54	2,183.84	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	379,199.23	356,106.45			(1,695.85)		377,503.38	365,558.87	11,148.27	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	276,729.55	273,902.89			(1,180.83)		275,548.72	279,874.92	7,152.86	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	138,510.40	129,744.71			(597.01)		137,913.39	133,215.39	4,067.69	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	279,286.51	261,613.87			(1,211.15)		278,075.36	266,604.92	8,202.20	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	116,945.13	115,762.97			(457.37)		116,487.76	118,329.31	3,023.71	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	298,915.36	280,002.90			(2,386.86)		296,528.50	286,431.91	8,815.87	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	338,582.95	317,142.16			(1,662.58)		336,920.37	325,429.43	9,949.85	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	40,513.34	40,101.45			(160.72)		40,352.62	40,988.16	1,047.43	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	183,207.61	181,346.47			(698.00)		182,509.61	185,385.54	4,737.07	0.00
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	190,570.65	178,975.24			(818.05)		189,752.60	183,759.07	5,601.88	0.00
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	487,994.24	438,364.65			(2,070.70)		485,923.54	450,039.20	13,745.25	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	53,156.06	52,616.38			(207.25)		52,948.81	53,783.49	1,374.36	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	505,154.62	499,082.05			(5,288.11)		499,866.51	506,817.51	13,023.57	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	333,692.33	312,567.22			(1,440.47)		332,251.86	320,926.27	9,799.52	0.00
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	65,213.71	64,552.47			(236.69)		64,977.02	66,002.18	1,686.40	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	114,491.27	107,526.71			(521.65)		113,969.62	110,371.55	3,366.49	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	105,483.83	104,414.89			(392.15)		105,091.68	106,750.38	2,727.64	0.00
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	237,841.84	223,375.37			(1,024.07)		236,817.77	229,342.71	6,991.41	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	264,085.25	261,410.16			(960.32)		263,124.93	267,279.00	6,829.16	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	429,737.11	402,531.68			(137,792.38)		291,944.73	281,993.40	17,254.10	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	325,020.34	321,738.39			(1,189.51)		323,830.83	328,953.91	8,405.03	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	156,547.80	146,644.60			(1,529.71)		155,018.09	149,741.49	4,626.60	0.00
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	51,855.83	51,312.27			(193.20)		51,662.63	52,449.15	1,330.08	0.00
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	175,296.53	164,182.89			(1,354.48)		173,942.05	167,978.19	5,149.78	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	220,323.42	218,015.04			(803.21)		219,520.21	222,863.34	5,651.51	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	106,813.95	100,303.47			(498.19)		106,315.76	102,934.86	3,129.58	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	777,566.41	728,232.01			(3,424.40)		774,142.01	747,561.00	22,753.39	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	213,946.54	211,309.25			(786.73)		213,159.81	216,011.93	5,489.41	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	750,872.24	705,116.10			(3,475.96)		747,396.28	723,639.66	21,999.52	0.00
GNMA	2003A RMRB	4.49	02/17/05	02/20/35	289,392.37	271,036.43			(124,390.18)		165,002.19	159,339.71	12,693.46	0.00
GNMA	2003A RMRB	5.49	02/17/05	01/20/35	54,932.27	54,358.32			(194.95)		54,737.32	55,572.55	1,409.18	0.00
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	103,389.67	102,311.39			(365.27)		103,024.40	104,598.45	2,652.33	0.00
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	27,341.42	25,676.14			(115.16)		27,226.26	26,361.67	800.69	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	117,923.97	116,695.05			(414.65)		117,509.32	119,305.64	3,025.24	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	308,677.77	305,466.80			(1,706.67)		306,971.10	311,669.93	7,909.80	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	223,064.18	220,746.46			(957.76)		222,106.42	225,508.73	5,720.03	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	61,404.25	57,666.51			(256.55)		61,147.70	59,208.25	1,798.29	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	180,258.20	178,386.33			(648.34)		179,609.86	182,362.29	4,624.30	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	175,298.38	173,480.30			(1,336.67)		173,961.71	176,629.91	4,486.28	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,237,103.38	1,158,729.57			(5,530.14)		1,231,573.24	1,189,405.84	36,206.41	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	666,985.72	660,101.48			(2,314.47)		664,671.25	674,899.93	17,112.92	0.00
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	354,587.86	350,268.15			(1,216.68)		353,371.18	358,151.74	9,100.27	0.00
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	125,269.93	117,647.71			(522.08)		124,747.85	120,794.21	3,668.58	0.00
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	324,079.74	320,722.47			(1,214.05)		322,865.69	327,821.72	8,313.30	0.00
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	281,346.41	278,434.92			(1,034.15)		280,312.26	284,618.24	7,217.47	0.00
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	317,680.55	314,395.29			(1,195.05)		316,485.50	321,349.42	8,149.18	0.00
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	295,614.57	292,007.69			(1,033.80)		294,580.77	298,560.26	7,586.37	0.00
GNMA	2003A RMRB	5.49	09/08/05	09/20/35	273,593.56	270,784.98			(978.81)		272,614.75	276,825.68	7,019.51	0.00
GNMA	2003A RMRB	5.49	09/15/05	09/20/35	698,045.15	690,883.54			(2,553.32)		695,491.83	706,238.97	17,908.75	0.00
GNMA	2003A RMRB	5.49	09/22/05	09/20/35	133,480.38	132,111.74			(463.78)		133,016.60	135,072.87	3,424.91	0.00
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	86,018.39	80,789.21			(379.16)		85,639.23	82,930.00	2,519.95	0.00
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	576,709.29	570,763.73			(2,541.96)		574,167.33	583,010.28	14,788.51	0.00
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	226,099.30	223,769.70			(775.32)		225,323.98	228,795.65	5,801.27	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	435,601.86	431,115.82			(108,870.20)		326,731.66	331,767.45	9,521.83	0.00
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	256,793.21	254,150.69			(888.55)		255,904.66	259,850.91	6,588.77	0.00
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	307,236.84	304,076.46			(1,053.15)		306,183.69	310,906.55	7,883.24	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	848,263.22	839,547.76			(3,437.32)		844,825.90	857,867.67	21,757.23	0.00
GNMA	2003A RMRB	5.49	06/30/05	08/20/35	406,387.28	402,211.86			(1,535.33)		404,851.95	411,101.73	10,425.20	0.00
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	405,780.40	401,632.29			(1,393.87)		404,386.53	410,650.67	10,412.25	0.00
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	611,244.91	604,981.16			(2,090.10)		609,154.81	618,575.31	15,684.25	0.00
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	521,725.76	516,382.49			(1,825.38)		519,900.38	527,943.23	13,386.12	0.00
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	379,865.44	375,977.68			(1,285.40)		378,580.04	384,439.78	9,747.50	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	325,471.45	322,142.35			(1,219.83)		324,251.62	329,272.44	8,349.92	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	286,874.27	283,939.96			(1,209.67)		285,664.60	290,087.93	7,357.64	0.00
GNMA	2003A RMRB	5.49	12/15/05	12/20/35	152,356.84	150,805.06			(529.45)		151,827.39	154,186.12	3,909.51	0.00
GNMA	2003A RMRB	5.49	11/03/05	09/20/35	203,425.59	201,346.87			(688.06)		202,737.53	205,878.87	5,220.06	0.00
GNMA	2003A RMRB	5.49	11/03/05	10/20/35	271,533.53	268,759.39			(914.23)		270,619.30	274,812.99	6,967.83	0.00
GNMA	2003A RMRB	5.49	11/10/05	11/20/35	159,521.46	157,892.82			(535.17)		158,986.29	161,451.18	4,093.53	0.00
GNMA	2003A RMRB	5.49	11/17/05	07/20/35	120,599.94	119,368.54			(412.11)		120,187.83	122,051.08	3,094.65	0.00
GNMA	2003A RMRB	5.49	11/17/05	10/20/35	427,132.13	422,773.01			(1,623.75)		425,508.38	432,107.13	10,957.87	0.00
GNMA	2003A RMRB	5.49	11/22/05	11/20/35	217,949.79	215,726.79			(797.21)		217,152.58	220,521.50	5,591.92	0.00
GNMA	2003A RMRB	5.49	12/29/05	12/20/35	427,742.60	422,595.23			(1,432.96)		426,309.64	432,141.92	10,979.65	0.00
GNMA	2003A RMRB	5.49	01/12/06	01/20/36	212,101.90	209,856.24			(707.25)		211,394.65	214,622.34	5,473.35	0.00
GNMA	2003A RMRB	5.49	01/12/06	12/20/35	78,315.02	77,519.76			(259.28)		78,055.74	79,270.22	2,009.74	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	316,269.96	312,343.13			(2,635.57)		313,634.39	317,853.27	8,145.71	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	200,098.53	197,989.75			(662.10)		199,436.43	202,491.55	5,163.90	0.00
GNMA	2003A RMRB	5.49	02/09/06	01/20/36	205,898.53	203,723.49			(1,000.09)		204,898.44	208,031.97	5,308.57	0.00
GNMA	2003A RMRB	5.49	02/23/06	01/20/36	238,489.69	235,972.99			(784.98)		237,704.71	241,342.64	6,154.63	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	363,134.16	359,307.20			(2,120.46)		361,013.70	366,543.98	9,357.24	0.00
GNMA	2003A RMRB	5.49	03/30/06	03/20/36	339,724.23	336,150.43			(1,105.14)		338,619.09	343,812.90	8,767.61	0.00
GNMA	2003A RMRB	5.49	04/27/06	03/20/36	139,501.58	138,037.40			(461.20)		139,040.38	141,176.28	3,600.08	0.00
GNMA	2003A RMRB	4.49	04/27/06	03/20/36	120,229.31	112,591.19			(468.10)		119,761.21	115,662.27	3,539.18	0.00
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	294,296.17	273,479.61			(96,315.43)		197,980.74	189,132.56	11,968.38	0.00
FNMA	2003A RMRB	4.49	07/29/04	07/01/34	306,239.52	284,594.18			(1,385.90)		304,853.62	291,245.45	8,037.17	0.00
FNMA	2003A RMRB	4.49	08/26/04	08/01/34	260,928.41	242,488.62			(1,475.45)		259,452.96	247,874.64	6,861.47	0.00
FNMA	2003A RMRB	5.49	09/23/04	08/01/34	200,664.46	197,091.98			(840.51)		199,823.95	201,249.34	4,997.87	0.00
FNMA	2003A RMRB	4.49	09/29/04	09/01/34	325,588.55	302,583.79			(1,434.84)		324,153.71	309,692.41	8,543.46	0.00
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	162,301.82	150,836.81			(719.21)		161,582.61	154,376.80	4,259.20	0.00
FNMA	2003A RMRB	4.49	03/29/05	01/20/35	225,706.36	209,618.67			(1,017.54)		224,688.82	214,566.41	5,965.28	0.00
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	350,055.93	343,545.28			(1,262.01)		348,793.92	350,956.46	8,673.19	0.00
FNMA	2003A RMRB	5.49	08/18/05	06/01/35	313,586.40	307,761.15			(1,535.81)		312,050.59	313,992.57	7,767.23	0.00
FNMA	2003A RMRB	5.49	09/08/05	08/01/35	251,464.21	246,795.43			(1,092.16)		250,372.05	251,932.72	6,229.45	0.00
FNMA	2003A RMRB	5.49	10/06/05	10/01/35	264,692.59	259,781.60			(1,711.52)		262,981.07	264,624.06	6,553.98	0.00
FNMA	2003A RMRB	5.49	10/20/05	10/01/35	247,590.75	242,998.53			(1,329.58)		246,261.17	247,800.94	6,131.99	0.00
FNMA	2003A RMRB	4.49	12/15/05	06/01/35	89,318.52	82,961.40			(369.75)		88,948.77	84,950.94	2,359.29	0.00
FNMA	2003A RMRB	5.49	12/29/05	12/01/35	333,872.83	327,690.15			(1,134.88)		332,737.95	334,828.52	8,273.25	0.00
FNMA	2003A RMRB	4.49	01/12/06	12/01/35	73,748.59	68,500.74			(295.35)		73,453.24	70,153.06	1,947.67	0.00
FNMA	2003A RMRB	5.49	02/02/06	01/01/36	113,085.49	110,924.88			(376.94)		112,708.55	113,371.98	2,824.04	0.00
Repo Agmt	2003A RMRB	4.53	11/30/07	12/03/07	3,706.09	3,706.09	44.56				3,750.67	3,750.67		0.00
2003A RMRB Total					62,902,206.15	60,191,740.46	2,298,524.00	(733,243.46)	(851,255.76)	0.00	63,616,230.93	62,613,804.18	1,706,036.94	0.00
GNMA	1999 A RMRB	7.50	06/31/89	07/20/18	302,210.88	314,856.24			(4,800.85)		297,410.03	314,972.00	4,916.61	0.00
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	650,489.41	677,728.15			(51,554.47)		598,934.94	634,320.35	8,146.67	0.00
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	85,566.17	91,169.93			(18,331.80)		67,234.37	72,000.86	(837.27)	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	663,022.99	693,691.77			(67,599.41)		595,423.58	633,719.71	7,627.35	0.00
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	85,541.99	91,607.71			(44,234.50)		41,307.49	44,794.51	(2,578.70)	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	393,727.06	410,225.96			(28,874.72)		364,852.34	386,419.59	5,068.35	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	120,555.42	128,454.27			(1,668.18)		118,887.24	127,319.31	533.22	0.00
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	167,035.20	174,036.13			(2,399.26)		164,635.94	174,369.37	2,732.50	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	59,241.63	61,725.36			(26,996.88)		32,244.75	34,151.52	(576.96)	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	143,004.93	152,576.46			(2,950.75)		140,054.18	150,152.74	527.03	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	253,275.72	264,162.00			(4,729.40)		248,546.32	263,565.94	4,133.34	0.00
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	69,909.22	74,586.81			(888.55)		69,020.67	73,995.87	297.61	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	245,937.61	256,514.27			(5,108.29)		240,829.32	255,388.32	3,982.34	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	160,719.85	171,477.32			(2,750.12)		157,969.73	169,360.32	633.12	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	349,173.85	364,195.56			(5,380.37)		343,793.48	364,582.75	5,767.56	0.00
GNMA	1999 A RMRB	8.75	06/29/90	04/20/19	60,342.50	64,382.69			(984.42)		59,358.08	63,639.50	241.23	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	53,255.20	55,549.36			(713.90)		52,541.30	55,721.58	886.12	0.00
GNMA	1999 A RMRB	7.50	12/21/90	09/20/19	45,728.25	47,699.05			(766.69)		44,961.56	47,683.93	751.57	0.00
GNMA	1999 A RMRB	8.75	12/21/90	09/20/19	19,342.78	20,639.31			(264.11)		19,078.67	20,456.22	81.02	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	39,160.89	40,850.48			(496.96)		38,663.93	41,006.83	653.31	0.00
GNMA	1999 A RMRB	8.75	04/25/91	01/20/20	155,393.40	166,022.89			(30,154.04)		125,239.36	134,431.60	(1,437.25)	0.00
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	85,070.73	88,742.49			(1,253.89)		83,816.84	88,897.16	1,408.56	0.00
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	41,507.04	40,481.85			(224.24)		41,282.80	41,355.49	1,097.88	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	287,614.99	280,387.22			(1,835.80)		285,779.19	296,062.10	7,510.68	0.00
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	9,471.31	9,233.29			(1,086.50)		8,384.81	8,393.10	246.31	0.00
GNMA	1999 A RMRB				53,476.15	52,132.29			(53,476.15)				1,343.86	0.00
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	97,720.29	95,264.57			(565.20)		97,155.09	97,251.27	2,551.90	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	242,509.70	236,029.83			(1,597.84)		240,911.86	240,788.99	6,357.00	0.00
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	65,580.36	63,790.01			(639.85)		64,940.51	64,802.83	1,652.67	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	39,002.61	38,018.18			(184.18)		38,818.43	38,849.87	1,015.87	0.00
Repo Agmt	1999 A RMRB	4.53	11/30/07	12/03/07	401,199.23	401,199.23	0.00				401,199.23	401,199.23	-	0.00
	1999 A RMRB Total				5,445,787.36	5,627,430.68	0.00	0.00	(362,511.32)	0.00	5,083,276.04	5,329,652.86	64,733.50	0.00
Total Residential Mortgage Revenue Bonds Investment Summary					321,411,394.76	317,216,377.15	15,570,311.37	-4,661,666.23	-6,628,001.18	0.00	325,692,038.72	328,361,913.67	6,864,892.56	0.00

Texas Department of Housing and Community Affairs
Collateralized Home Mortgage Revenue Bonds Investment Summary
For Period Ending November 30, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	1990 A&B CHMRB	4.53	11/30/07	12/03/07	52,040.33	52,040.33	625.90				52,666.23	52,666.23	-	0.00
Repo Agmt	1990 A&B CHMRB	4.53	11/30/07	12/03/07	84,143.91	84,143.91	1,012.00				85,155.91	85,155.91	-	0.00
Repo Agmt	1990 A&B CHMRB	4.53	11/30/07	12/03/07	232,447.49	232,447.49	2,795.61				235,243.10	235,243.10	-	0.00
	1990 A&B CHMRB Total				368,631.73	368,631.73	4,433.51	0.00	0.00	0.00	373,065.24	373,065.24	0.00	0.00
Repo Agmt	1991 A CHMRB	4.53	11/30/07	12/03/07	109,811.17	109,811.17	1,320.72				111,131.89	111,131.89	-	0.00
Repo Agmt	1991 A CHMRB	4.53	11/30/07	12/03/07	7,320.69	7,320.69	88.05				7,408.74	7,408.74	-	0.00
	1991 A CHMRB Total				117,131.86	117,131.86	1,408.77	0.00	0.00	0.00	118,540.63	118,540.63	0.00	0.00
Repo Agmt	1992 A-C CHMRB	4.53	11/30/07	12/03/07	293,942.85	293,942.85		(293,863.38)			79.47	79.47	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	163,417.28	163,417.28	869,773.92				1,033,191.20	1,033,191.20	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	29,834.74	31,093.40			(264.58)		29,570.16	31,270.59	441.77	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	127,807.55	133,192.73			(1,732.54)		126,075.01	133,318.07	1,857.88	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	245,546.05	255,950.49			(4,886.96)		240,659.09	254,513.30	3,449.77	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	1,056,696.85	1,101,836.67			(11,862.27)		1,044,834.58	1,105,213.25	15,238.85	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	644,311.03	671,838.62			(60,940.82)		583,370.21	617,085.58	6,187.78	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	182,402.35	190,195.33			(2,343.05)		180,059.30	190,465.68	2,613.40	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	587,601.98	612,714.70			(6,595.28)		581,006.70	614,593.47	8,474.05	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	780,702.07	814,200.64			(44,382.48)		736,319.59	778,914.26	9,096.10	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	264,496.73	275,691.08			(40,659.40)		223,837.33	236,969.41	1,937.73	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	194,015.18	202,374.62			(2,334.54)		191,680.64	203,082.35	3,042.27	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	158,541.70	165,378.37			(2,610.76)		155,930.94	165,211.98	2,444.37	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	363,417.27	379,101.56			(4,009.04)		359,408.23	380,813.67	5,721.15	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	191,634.97	199,907.97			(1,726.68)		189,908.29	201,221.02	3,039.73	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	39,557.31	41,265.47			(686.97)		38,870.34	41,186.31	607.81	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	255,078.88	266,102.46			(4,680.20)		250,398.68	265,326.97	3,904.71	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	46,694.55	48,708.70			(6,937.20)		39,757.35	42,124.18	352.68	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	549,827.76	574,017.80			(7,158.48)		542,669.28	575,453.15	8,593.83	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	586,421.82	612,227.47			(84,372.73)		502,049.09	532,384.40	4,529.66	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	356,716.47	372,417.60			(3,999.07)		353,317.40	374,670.00	5,651.47	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.00	100,000.00	0.00				100,000.00	100,000.00	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	284,755.21	284,755.21	0.00				284,755.21	284,755.21	-	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	117,942.84	122,910.87			(1,938.47)		116,004.37	122,667.39	1,694.99	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	812,512.69	847,514.21			(62,262.64)		750,250.05	794,871.51	9,619.94	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,844,211.00	1,925,232.40			(21,735.45)		1,822,475.55	1,932,460.86	28,963.91	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,620,521.56	1,691,732.56			(116,204.47)		1,504,317.09	1,595,117.76	19,589.67	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	1,529,558.45	1,596,786.64			(18,143.20)		1,511,415.25	1,602,660.40	24,016.96	0.00
Repo Agmt	1992 A-C CHMRB	4.53	11/30/07	12/03/07	12,574.04	12,574.04	151.20				12,725.24	12,725.24	-	0.00
	1992 A-C CHMRB Total				13,440,741.18	13,967,081.74	869,925.12	(293,863.38)	(511,867.28)	0.00	13,504,935.64	14,222,346.68	171,070.48	0.00
	Total CHMRB Investment Summary				13,926,504.77	14,472,845.33	875,767.40	(293,863.38)	(511,867.28)	0.00	13,996,541.51	14,713,952.55	171,070.48	0.00

**Texas Department of Housing and Community Affairs
Multi Family Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.61	11/01/07	12/01/07	64,773.05	64,773.05		(1,907.42)			62,865.63	62,865.63	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.54	11/01/07	12/01/07	44,757.51	44,757.51		(1,338.65)			43,418.86	43,418.86	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.74	11/01/07	12/01/07	58,598.06	58,598.06	1,234.99				59,833.05	59,833.05	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.74	11/01/07	12/01/07	9,318.56	9,318.56	6,361.50				15,680.06	15,680.06	-	0.00
	1996 A&B MF (Brighton/LasColi) Total				177,447.18	177,447.18	7,596.49	(3,246.07)	0.00	0.00	181,797.60	181,797.60	0.00	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	3.74	11/01/07	12/01/07			0.32				0.32	0.32	-	0.00
	1998 M/F (Dallas-Oxford Rfdg) Total				0.00	0.00	0.32	0.00	0.00	0.00	0.32	0.32	0.00	0.00
Mutual Fund	1996 A&B MF (Braxton's)	3.61	11/01/07	12/01/07	74,780.87	74,780.87		(2,242.10)			72,538.77	72,538.77	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	3.61	11/01/07	12/01/07	19,505.61	19,505.61	10,146.51				29,652.12	29,652.12	-	0.00
	1996 A&B MF (Braxton's) Total				94,286.48	94,286.48	10,146.51	(2,242.10)	0.00	0.00	102,190.89	102,190.89	0.00	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HHP)				597.77	597.77		(597.77)					-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HHP)				25,742.87	25,742.87		(25,742.87)					-	0.00
	1993 A&B M/F(Reming. Hill/HHP) Total				26,340.64	26,340.64	0.00	(26,340.64)	0.00	0.00	0.00	0.00	0.00	0.00
Repo Agmt	1987 South Tx. Rental Housing	4.53	11/30/07	12/03/07	856,962.52	856,962.52	10,306.63				867,269.15	867,269.15	-	0.00
	1987 South Tx. Rental Housing Total				856,962.52	856,962.52	10,306.63	0.00	0.00	0.00	867,269.15	867,269.15	0.00	0.00
Mutual Fund	1996 A&B M/F(NHP Project)	3.54	11/01/07	12/01/07	0.02	0.02	0.00				0.02	0.02	-	0.00
	1996 A&B M/F(NHP Project) Total				0.02	0.02	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)	3.74	11/01/07	12/01/07	122,741.51	122,741.51	221,466.51				344,208.02	344,208.02	-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	3.74	11/01/07	12/01/07	37,965.90	37,965.90	63,174.91				101,140.81	101,140.81	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	40,239.87	40,239.87	242,502.13				282,742.00	282,742.00	-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	3.74	11/01/07	12/01/07			38,311.37				38,311.37	38,311.37	-	0.00
	1998 M/F (Pebble Brook) Total				200,947.28	200,947.28	565,454.92	0.00	0.00	0.00	766,402.20	766,402.20	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.61	11/01/07	12/01/07	138,634.47	138,634.47	43,480.14				182,114.61	182,114.61	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.61	11/01/07	12/01/07	50,010.25	50,010.25		(17,813.12)			32,197.13	32,197.13	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.61	11/01/07	12/01/07	36,595.69	36,595.69		(36,368.56)			227.13	227.13	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.61	11/01/07	12/01/07	113,088.82	113,088.82		(109,606.28)			3,482.54	3,482.54	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.61	11/01/07	12/01/07	25.89	25.89	0.13				26.02	26.02	-	0.00
	1998 M/F (Residence Oaks Proj) Total				338,355.12	338,355.12	43,480.27	(163,787.96)	0.00	0.00	218,047.43	218,047.43	0.00	0.00
Mutual Fund	1998 M/F (Volente Project)	3.74	11/01/07	12/01/07	10,973.61	10,973.61		(500.00)			10,473.61	10,473.61	-	0.00
Mutual Fund	1998 M/F (Volente Project)	3.74	11/01/07	12/01/07	77,279.07	77,279.07	2,604.40				79,883.47	79,883.47	-	0.00
Mutual Fund	1998 M/F (Volente Project)	3.74	11/01/07	12/01/07	4,305.53	4,305.53	43.87				4,349.40	4,349.40	-	0.00
	1998 M/F (Volente Project) Total				92,558.21	92,558.21	2,648.27	(500.00)	0.00	0.00	94,706.48	94,706.48	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.31	11/01/07	12/01/07	6,451.44	6,451.44	6,250.00				12,701.44	12,701.44	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.31	11/01/07	12/01/07	285,617.18	285,617.18	62,779.60				348,396.78	348,396.78	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.31	11/01/07	12/01/07	4,949.31	4,949.31	126,635.19				131,584.50	131,584.50	-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail)	4.94	03/22/01	09/01/30	120,000.02	120,000.02		(60,000.02)			60,000.00	60,000.00	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)				6,833.52	6,833.52		(6,833.52)					-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail)	4.94	09/10/98	09/01/30	328,878.79	328,878.79		(166,248.40)			162,630.39	162,630.39	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)				3,594.79	3,594.79		(3,594.79)					-	0.00
Inv Agmt	1998 M/F (Greens-Hickory Trail)	4.94	03/22/01	09/01/30	34,153.52	34,153.52	13,655.91				47,809.43	47,809.43	-	0.00
	1998 M/F (Greens-Hickory Trail) Total				790,478.57	790,478.57	209,320.70	(236,676.73)	0.00	0.00	763,122.54	763,122.54	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	3.61	11/01/07	12/01/07	83,576.85	83,576.85	100,406.80				183,983.65	183,983.65	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	3.61	11/01/07	12/01/07	54,442.76	54,442.76		(27,048.87)			27,393.89	27,393.89	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	3.61	11/01/07	12/01/07	139,513.14	139,513.14		(66,589.26)			72,923.88	72,923.88	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	3.74	11/01/07	12/01/07	67,943.48	67,943.48		(49,838.32)			18,105.16	18,105.16	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	3.61	11/01/07	12/01/07	204,250.25	204,250.25		(147,098.22)			57,152.03	57,152.03	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)				0.16	0.16		(0.16)					-	0.00
	1999 M/F (Mayfield Aptss) Total				549,726.64	549,726.64	100,406.80	(290,574.83)	0.00	0.00	359,558.61	359,558.61	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Mutual Fund	1999 M/F (Woodglen Village)				0.01	0.01		(0.01)					-	0.00
Mutual Fund	1999 M/F (Woodglen Village)				46,346.58	46,346.58		(46,346.58)					-	0.00
	1999 M/F (Woodglen Village) Total				46,346.59	46,346.59	0.00	(46,346.59)	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	3.61	11/01/07	12/01/07	20,153.35	20,153.35	2,516.10				22,669.45	22,669.45	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	3.74	11/01/07	12/01/07	26,404.92	26,404.92		(9,393.74)			17,011.18	17,011.18	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	3.74	11/01/07	12/01/07	33,007.38	33,007.38	29,271.20				62,278.58	62,278.58	-	0.00
	2000 M/F (Timber Point Apts) Total				79,565.65	79,565.65	31,787.30	(9,393.74)	0.00	0.00	101,959.21	101,959.21	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.74	11/01/07	12/01/07	199,501.56	199,501.56	53,186.82				252,688.38	252,688.38	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.74	11/01/07	12/01/07	202,109.84	202,109.84	9,617.52				211,727.36	211,727.36	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)				0.04	0.04		(0.04)					-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.74	11/01/07	12/01/07	95,618.01	95,618.01	80.62				95,698.63	95,698.63	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.74	11/01/07	12/01/07	19,719.42	19,719.42	2,299.48				22,018.90	22,018.90	-	0.00
	2000 A&B M/F (Oaks at Hampton) Total				516,948.87	516,948.87	65,184.44	(0.04)	0.00	0.00	582,133.27	582,133.27	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	3.74	11/01/07	12/01/07	6,000.00	6,000.00	4,038.88				10,038.88	10,038.88	-	0.00
Mutual Fund	2000 M/F (Deerwood Apts)				0.02	0.02		(0.02)					-	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	107,326.48	107,326.48	122,567.22				229,893.70	229,893.70	-	0.00
	2000 M/F (Deerwood Apts) Total				113,326.50	113,326.50	126,606.10	(0.02)	0.00	0.00	239,932.58	239,932.58	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	3.61	11/01/07	12/01/07	16,313.20	16,313.20	6,185.70				22,498.90	22,498.90	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	3.61	11/01/07	12/01/07	22,451.88	22,451.88		(8,107.21)			14,344.67	14,344.67	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	3.61	11/01/07	12/01/07	26,807.05	26,807.05	0.00				26,807.05	26,807.05	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	3.61	11/01/07	12/01/07	243.59	243.59	0.00				243.59	243.59	-	0.00
	2000 M/F (Creek Point Apts) Total				65,815.72	65,815.72	6,185.70	(8,107.21)	0.00	0.00	63,894.21	63,894.21	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.74	11/01/07	12/01/07	8,874.45	8,874.45	7,806.52				16,680.97	16,680.97	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.54	11/01/07	12/01/07	179,619.74	179,619.74	7,173.64				186,793.38	186,793.38	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)				11.97	11.97		(11.97)					-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)				287.04	287.04		(287.04)					-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.74	11/01/07	12/01/07	92,765.31	92,765.31	427.89				93,193.00	93,193.00	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.74	11/01/07	12/01/07	184,642.35	184,642.35	50,001.41				234,643.76	234,643.76	-	0.00
	2000 M/F (Parks @ Westmoreld) Total				466,200.86	466,200.86	65,409.26	(299.01)	0.00	0.00	531,311.11	531,311.11	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.61	11/01/07	12/01/07	185,903.17	185,903.17	16,172.07				202,075.24	202,075.24	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.61	11/01/07	12/01/07	79,634.46	79,634.46		(77,147.21)			2,487.25	2,487.25	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.61	11/01/07	12/01/07	13,477.18	13,477.18	16,868.22				30,345.40	30,345.40	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.61	11/01/07	12/01/07	30,716.20	30,716.20		(20,549.53)			10,166.67	10,166.67	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.61	11/01/07	12/01/07	125,425.16	125,425.16		(77,584.53)			47,840.63	47,840.63	-	0.00
	2000 A-C MF Highland Meadows Total				435,156.17	435,156.17	33,040.29	(175,281.27)	0.00	0.00	292,915.19	292,915.19	0.00	0.00
Mutual Fund	2000 A/B MF Greenbridge	3.54	11/01/07	12/01/07	118,117.91	118,117.91	0.00				118,117.91	118,117.91	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	3.74	11/01/07	12/01/07	220,467.06	220,467.06		(151,855.95)			68,611.11	68,611.11	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	3.74	11/01/07	12/01/07	11,770.00	11,770.00	0.00				11,770.00	11,770.00	-	0.00
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40	5.45	5.45	0.00				5.45	5.45	-	0.00
	2000 A/B MF Greenbridge Total				350,360.42	350,360.42	0.00	(151,855.95)	0.00	0.00	198,504.47	198,504.47	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.74	11/01/07	12/01/07	145,680.79	145,680.79	49,060.49				194,741.28	194,741.28	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.74	11/01/07	12/01/07	6,567.55	6,567.55	12,615.77				19,183.32	19,183.32	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.74	11/01/07	12/01/07	13,655.86	13,655.86	1,857.91				15,513.77	15,513.77	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.74	11/01/07	12/01/07	58,937.16	58,937.16		(43,157.24)			15,779.92	15,779.92	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.74	11/01/07	12/01/07	295,285.72	295,285.72		(215,532.14)			79,753.58	79,753.58	-	0.00
	2000 A-C MF Collingham Park Total				520,127.08	520,127.08	63,534.17	(258,689.38)	0.00	0.00	324,971.87	324,971.87	0.00	0.00
Mutual Fund	2000 A/B MF Williams Run	3.74	11/01/07	12/01/07	18,013.09	18,013.09	0.00				18,013.09	18,013.09	-	0.00
Mutual Fund	2000 A/B MF Williams Run	3.54	11/01/07	12/01/07	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Williams Run	3.74	11/01/07	12/01/07	426,474.92	426,474.92		(422,180.61)			4,294.31	4,294.31	-	0.00
Mutual Fund	2000 A/B MF Williams Run	3.74	11/01/07	12/01/07	1,548.58	1,548.58	15.78				1,564.36	1,564.36	-	0.00
	2000 A/B MF Williams Run Total				446,051.31	446,051.31	15.78	(422,180.61)	0.00	0.00	23,886.48	23,886.48	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.74	11/01/07	12/01/07	21,340.36	21,340.36	2,750.11				24,090.47	24,090.47	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.54	11/01/07	12/01/07	186,926.28	186,926.28	56,258.14				243,184.42	243,184.42	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.54	11/01/07	12/01/07	156,824.58	156,824.58		(7,247.61)			149,576.97	149,576.97	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.74	11/01/07	12/01/07	100,178.16	100,178.16		(0.01)			100,178.15	100,178.15	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.74	11/01/07	12/01/07	40,870.55	40,870.55	416.42				41,286.97	41,286.97	-	0.00
	2001A MF Bluffview Sr. Apts. Total				506,139.93	506,139.93	59,424.67	(7,247.62)	0.00	0.00	558,316.98	558,316.98	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.54	11/01/07	12/01/07	10,257.23	10,257.23	3,320.20				13,577.43	13,577.43	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.74	11/01/07	12/01/07	187,854.08	187,854.08	51,907.31				239,761.39	239,761.39	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.74	11/01/07	12/01/07	75,677.14	75,677.14	4,054.21				79,731.35	79,731.35	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.74	11/01/07	12/01/07	119,764.99	119,764.99	0.00				119,764.99	119,764.99	-	0.00
	2001A MF Knollwood Villas Apts Total				393,553.44	393,553.44	59,281.72	0.00	0.00	0.00	452,835.16	452,835.16	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	3.74	11/01/07	12/01/07	26,162.81	26,162.81		(5,009.21)			21,153.60	21,153.60	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.54	11/01/07	12/01/07	253,390.61	253,390.61	14,499.99				267,890.60	267,890.60	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.74	11/01/07	12/01/07	21,433.35	21,433.35		(3,190.26)			18,243.09	18,243.09	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.74	11/01/07	12/01/07	122,091.88	122,091.88	16,724.38				138,816.26	138,816.26	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.74	11/01/07	12/01/07	43,062.63	43,062.63		(32,247.20)			10,815.43	10,815.43	-	0.00
Inv Agmt	2001A MF Skyway Villas	5.00	04/17/03	12/01/34	12,089.71	12,089.71	0.00				12,089.71	12,089.71	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.74	11/01/07	12/01/07	25,000.01	25,000.01	24,999.99				50,000.00	50,000.00	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.74	11/01/07	12/01/07	89,712.63	89,712.63	89,530.62				179,243.25	179,243.25	-	0.00
	2001A MF Skyway Villas Total				592,943.63	592,943.63	145,754.98	(40,446.67)	0.00	0.00	698,251.94	698,251.94	0.00	0.00
Mutual Fund	2001AB MF Cobb Park Apts	3.74	11/01/07	12/01/07	2,585.64	2,585.64	6,153.17				8,738.81	8,738.81	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	3.74	11/01/07	12/01/07	116,077.10	116,077.10	51,459.91				167,537.01	167,537.01	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	3.54	11/01/07	12/01/07	62,856.66	62,856.66	9,827.75				72,684.41	72,684.41	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	3.74	11/01/07	12/01/07	72,492.83	72,492.83	199.21				72,692.04	72,692.04	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	3.74	11/01/07	12/01/07	56,690.86	56,690.86	577.61				57,268.47	57,268.47	-	0.00
	2001AB MF Cobb Park Apts Total				310,703.09	310,703.09	68,217.65	0.00	0.00	0.00	378,920.74	378,920.74	0.00	0.00
Mutual Fund	2001A MF Greens Road Apts	3.74	11/01/07	12/01/07	32.02	32.02	0.13				32.15	32.15	-	0.00
Inv Agmt	2001A MF Greens Road Apts				127,318.65	127,318.65		(127,318.65)					-	0.00
Mutual Fund	2001A MF Greens Road Apts	3.74	11/01/07	12/01/07	0.09	0.09	266,740.02				266,740.11	266,740.11	-	0.00
Mutual Fund	2001A MF Greens Road Apts	3.74	11/01/07	12/01/07			0.09				0.09	0.09	-	0.00
Mutual Fund	2001A MF Greens Road Apts	3.74	11/01/07	12/01/07	0.01	0.01	0.00				0.01	0.01	-	0.00
	2001A MF Greens Road Apts Total				127,350.77	127,350.77	266,740.24	(127,318.65)	0.00	0.00	266,772.36	266,772.36	0.00	0.00
Mutual Fund	2001AB MF Meridian Aptss	3.61	11/01/07	12/01/07	2,630.72	2,630.72	6,136.12				8,766.84	8,766.84	-	0.00
Money Market	2001AB MF Meridian Aptss	3.61	11/01/07	12/01/07	113,772.55	113,772.55	13,237.97				127,010.52	127,010.52	-	0.00
Mutual Fund	2001AB MF Meridian Aptss	3.61	11/01/07	12/01/07	67,516.21	67,516.21	115,737.40				183,253.61	183,253.61	-	0.00
Mutual Fund	2001AB MF Meridian Aptss	3.61	11/01/07	12/01/07	67,524.11	67,524.11		(66,644.57)			879.54	879.54	-	0.00
Mutual Fund	2001AB MF Meridian Aptss	3.61	11/01/07	12/01/07	50,061.88	50,061.88	25,590.39				75,652.27	75,652.27	-	0.00
Mutual Fund	2001AB MF Meridian Aptss	3.61	11/01/07	12/01/07	216,265.04	216,265.04	110,475.34				326,740.38	326,740.38	-	0.00
	2001AB MF Meridian Aptss Total				517,770.51	517,770.51	271,177.22	(66,644.57)	0.00	0.00	722,303.16	722,303.16	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	2.62	2.62	0.00				2.62	2.62	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	2,159.48	2,159.48	9,185.11				11,344.59	11,344.59	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	121,083.31	121,083.31	55,047.49				176,130.80	176,130.80	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	0.02	0.02	0.00				0.02	0.02	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	61,664.28	61,664.28		(4,867.74)			56,796.54	56,796.54	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	67,817.48	67,817.48		(50,039.46)			17,778.02	17,778.02	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	58,309.57	58,309.57	33,143.21				91,452.78	91,452.78	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.61	11/01/07	12/01/07	213,725.70	213,725.70	161,646.67				375,372.37	375,372.37	-	0.00
	2001AB MF Wildwood Branch Total				524,762.46	524,762.46	259,022.48	(54,907.20)	0.00	0.00	728,877.74	728,877.74	0.00	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.61	11/01/07	12/01/07	216,972.64	216,972.64	33,231.91				250,204.55	250,204.55	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.54	11/01/07	12/01/07	17,448.09	17,448.09	8,255.50				25,703.59	25,703.59	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.74	11/01/07	12/01/07	8.22	8.22	46.22				54.44	54.44	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.74	11/01/07	12/01/07	168,006.84	168,006.84	15,985.97				183,992.71	183,992.71	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.54	11/01/07	12/01/07	54,205.45	54,205.45	51,171.08				105,376.53	105,376.53	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.74	11/01/07	12/01/07	238,526.73	238,526.73	220,034.50				458,561.23	458,561.23	-	0.00
	2001ABC MF Fallbrook Apts Total				695,167.97	695,167.97	328,725.08	0.00	0.00	0.00	1,023,893.05	1,023,893.05	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Mutual Fund	2001 MF Oak Hollow Apts	3.54	11/01/07	12/01/07	25,837.11	25,837.11	6,057.77				31,894.88	31,894.88	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	3.54	11/01/07	12/01/07	25,271.10	25,271.10		(122.05)			25,149.05	25,149.05	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	3.54	11/01/07	12/01/07	56,982.25	56,982.25	0.00				56,982.25	56,982.25	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	3.54	11/01/07	12/01/07	109,075.31	109,075.31	29,981.65				139,056.96	139,056.96	-	0.00
	2001 MF Oak Hollow Apts Total				217,165.77	217,165.77	36,039.42	(122.05)	0.00	0.00	253,083.14	253,083.14	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	3.54	11/01/07	12/01/07	21,002.88	21,002.88	7,642.67				28,645.55	28,645.55	-	0.00
Mutual Fund	2001AB MF Hillside Apts	3.54	11/01/07	12/01/07	18,979.79	18,979.79	9,848.58				28,828.37	28,828.37	-	0.00
Mutual Fund	2001AB MF Hillside Apts	3.54	11/01/07	12/01/07	108,441.97	108,441.97		(0.87)			108,441.10	108,441.10	-	0.00
Mutual Fund	2001AB MF Hillside Apts	3.54	11/01/07	12/01/07	248,477.59	248,477.59	66,421.79				314,899.38	314,899.38	-	0.00
	2001AB MF Hillside Apts Total				396,902.23	396,902.23	83,913.04	(0.87)	0.00	0.00	480,814.40	480,814.40	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	4,054.14	4,054.14	14,440.30				18,494.44	18,494.44	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	52,464.31	52,464.31	16,030.76				68,495.07	68,495.07	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	1.03	1.03	0.00				1.03	1.03	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	5,498.49	5,498.49	1,576.82				7,075.31	7,075.31	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	75,991.22	75,991.22		(46,919.32)			29,071.90	29,071.90	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	37,768.01	37,768.01	37,908.62				75,676.63	75,676.63	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	180,016.19	180,016.19	163,129.73				343,145.92	343,145.92	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	78,217.69	78,217.69	13,674.00				91,891.69	91,891.69	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.29	11/01/07	12/01/07	2.42	2.42	0.00				2.42	2.42	-	0.00
	2002A MF Millstone Apts Total				434,013.50	434,013.50	246,760.23	(46,919.32)	0.00	0.00	633,854.41	633,854.41	0.00	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.74	11/01/07	12/01/07	268.27	268.27	2.63				270.90	270.90	-	0.00
Money Market	2002 MF SugarCreek Apts	3.29	11/01/07	12/01/07	0.13	0.13	0.00				0.13	0.13	-	0.00
Money Market	2002 MF SugarCreek Apts	3.29	11/01/07	12/01/07	0.55	0.55	0.00				0.55	0.55	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.29	11/01/07	12/01/07	146,631.73	146,631.73	208,509.11				355,140.84	355,140.84	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.29	11/01/07	12/01/07	17.89	17.89	0.12				18.01	18.01	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.29	11/01/07	12/01/07	80.68	80.68	0.85				81.53	81.53	-	0.00
	2002 MF SugarCreek Apts Total				146,999.25	146,999.25	208,512.71	0.00	0.00	0.00	355,511.96	355,511.96	0.00	0.00
Mutual Fund	2002 MF West Oaks Apts	3.54	11/01/07	12/01/07	855.33	855.33	8.72				864.05	864.05	-	0.00
Mutual Fund	2002 MF West Oaks Apts	3.54	11/01/07	12/01/07	154,863.31	154,863.31	11,019.12				165,882.43	165,882.43	-	0.00
Money Market	2002 MF West Oaks Apts	3.54	11/01/07	12/01/07	10,673.33	10,673.33	5,764.77				16,438.10	16,438.10	-	0.00
Mutual Fund	2002 MF West Oaks Apts	3.54	11/01/07	12/01/07	186,615.95	186,615.95	61,064.17				247,680.12	247,680.12	-	0.00
	2002 MF West Oaks Apts Total				353,007.92	353,007.92	77,856.78	0.00	0.00	0.00	430,864.70	430,864.70	0.00	0.00
Mutual Fund	2002 MF Park Meadows Apts	3.61	11/01/07	12/01/07	7,191.48	7,191.48	85.46				7,276.94	7,276.94	-	0.00
Mutual Fund	2002 MF Park Meadows Apts	3.61	11/01/07	12/01/07	114,996.18	114,996.18	77,772.40				192,768.58	192,768.58	-	0.00
Mutual Fund	2002 MF Park Meadows Apts	3.61	11/01/07	12/01/07	15,435.48	15,435.48	14,564.52				30,000.00	30,000.00	-	0.00
	2002 MF Park Meadows Apts Total				137,623.14	137,623.14	92,422.38	0.00	0.00	0.00	230,045.52	230,045.52	0.00	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	3.54	11/01/07	12/01/07	12,328.32	12,328.32	455.33				12,783.65	12,783.65	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	3.54	11/01/07	12/01/07	131,249.36	131,249.36	3,487.57				134,736.93	134,736.93	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	3.74	11/01/07	12/01/07	121,146.03	121,146.03	18.57				121,164.60	121,164.60	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	3.54	11/01/07	12/01/07	241,121.94	241,121.94	72,288.47				313,410.41	313,410.41	-	0.00
	2002 MF Clarkridge Villas Apts Total				505,845.65	505,845.65	76,249.94	0.00	0.00	0.00	582,095.59	582,095.59	0.00	0.00
Mutual Fund	2002 MF Hickory Trace Apts	3.54	11/01/07	12/01/07	18,489.70	18,489.70		(16,564.00)			1,925.70	1,925.70	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	3.54	11/01/07	12/01/07	66,304.79	66,304.79		(16,729.06)			49,575.73	49,575.73	-	0.00
Money Market	2002 MF Hickory Trace Apts	3.54	11/01/07	12/01/07	92,732.71	92,732.71		(19.74)			92,712.97	92,712.97	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	3.54	11/01/07	12/01/07	140,772.29	140,772.29	40,151.57				180,923.86	180,923.86	-	0.00
	2002 MF Hickory Trace Apts Total				318,299.49	318,299.49	40,151.57	(33,312.80)	0.00	0.00	325,138.26	325,138.26	0.00	0.00
Mutual Fund	2002 MF Green Crest Apts	3.54	11/01/07	12/01/07	349.33	349.33	3.56				352.89	352.89	-	0.00
Mutual Fund	2002 MF Green Crest Apts	3.54	11/01/07	12/01/07	83,791.55	83,791.55	853.74				84,645.29	84,645.29	-	0.00
Mutual Fund	2002 MF Green Crest Apts	3.54	11/01/07	12/01/07	248.93	248.93	2.54				251.47	251.47	-	0.00
Mutual Fund	2002 MF Green Crest Apts	3.54	11/01/07	12/01/07	7,406.33	7,406.33	75.46				7,481.79	7,481.79	-	0.00
	2002 MF Green Crest Apts Total				91,796.14	91,796.14	935.30	0.00	0.00	0.00	92,731.44	92,731.44	0.00	0.00
Mutual Fund	2002 MF Ironwood Apts	3.54	11/01/07	12/01/07	422,772.83	422,772.83	79,267.48				502,040.31	502,040.31	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
Mutual Fund	2002 MF Ironwood Apts	3.54	11/01/07	12/01/07	3,884.44	3,884.44	39.58				3,924.02	3,924.02	-	0.00
Mutual Fund	2002 MF Ironwood Apts	3.54	11/01/07	12/01/07	9,575.46	9,575.46	197.00				9,772.46	9,772.46	-	0.00
Mutual Fund	2002 MF Ironwood Apts	3.54	11/01/07	12/01/07	839.59	839.59	37.39				876.98	876.98	-	0.00
	2002 MF Ironwood Apts Total				437,072.32	437,072.32	79,541.45	0.00	0.00	0.00	516,613.77	516,613.77	0.00	0.00
Mutual Fund	2002 MF Woodway Village	3.61	11/01/07	12/01/07	2,086.70	2,086.70	13,648.19				15,734.89	15,734.89	-	0.00
Mutual Fund	2002 MF Woodway Village	3.61	11/01/07	12/01/07	142,459.71	142,459.71	106,223.90				248,683.61	248,683.61	-	0.00
	2002 MF Woodway Village Total				144,546.41	144,546.41	119,872.09	0.00	0.00	0.00	264,418.50	264,418.50	0.00	0.00
Money Market	2003 AB MF Reading Road	3.61	11/01/07	12/01/07			1,400.07				1,400.07	1,400.07	-	0.00
Mutual Fund	2003 AB MF Reading Road	3.61	11/01/07	12/01/07	201,106.27	201,106.27		(170,569.65)			30,536.62	30,536.62	-	0.00
Mutual Fund	2003 AB MF Reading Road	4.34	11/01/07	12/01/07			23,983.55				23,983.55	23,983.55	-	0.00
Money Market	2003 AB MF Reading Road	3.61	11/01/07	12/01/07	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	3.61	11/01/07	12/01/07			7.96				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	3.61	11/01/07	12/01/07			85,308.44				85,308.44	85,308.44	-	0.00
Mutual Fund	2003 AB MF Reading Road	3.61	11/01/07	12/01/07	0.16	0.16	0.00				0.16	0.16	-	0.00
	2003 AB MF Reading Road Total				201,114.39	201,114.39	110,700.02	(170,569.65)	0.00	0.00	141,244.76	141,244.76	0.00	0.00
Money Market	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	170,240.99	170,240.99	50,759.59				221,000.58	221,000.58	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	784,432.74	784,432.74		(784,045.38)			387.36	387.36	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	12,053.68	12,053.68	1,616.98				13,670.66	13,670.66	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	91,219.41	91,219.41	3,159.17				94,378.58	94,378.58	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	63,457.80	63,457.80		(46,051.62)			17,406.18	17,406.18	-	0.00
Money Market	2003 AB MF North Vista Apts	3.74	11/01/07	12/01/07	45,669.48	45,669.48	43,914.55				89,584.03	89,584.03	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	139,104.96	139,104.96	124,524.09				263,629.05	263,629.05	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.32	11/01/07	12/01/07	11,392.89	11,392.89	18,958.69				30,351.58	30,351.58	-	0.00
	2003 AB MF North Vista Apts Total				1,317,571.95	1,317,571.95	242,933.07	(830,097.00)	0.00	0.00	730,408.02	730,408.02	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	16,787.67	16,787.67	13,653.84				30,441.51	30,441.51	-	0.00
Money Market	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	60,669.10	60,669.10	7,020.72				67,689.82	67,689.82	-	0.00
Money Market	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	187,324.65	187,324.65	12,966.75				200,291.40	200,291.40	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	9,311.86	9,311.86	340.81				9,652.67	9,652.67	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	44,246.57	44,246.57		(32,142.77)			12,103.80	12,103.80	-	0.00
Money Market	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	37,450.79	37,450.79	29,662.46				67,113.25	67,113.25	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.61	11/01/07	12/01/07	124,546.69	124,546.69	92,807.84				217,354.53	217,354.53	-	0.00
	2003 AB MF West Virginia Apts Total				480,337.33	480,337.33	156,452.42	(32,142.77)	0.00	0.00	604,646.98	604,646.98	0.00	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	3.54	12/30/04	12/15/42	14,735,873.54	14,735,873.54			(35,391.25)		14,700,482.29	14,700,482.29	-	0.00
inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42			383,210.67				383,210.67	383,210.67	-	0.00
Mutual Fund	2003AB MF Sphinx @ Murdeaux				162,546.62	162,546.62		(162,546.62)					-	0.00
	2003AB MF Sphinx @ Murdeaux Total				14,898,420.16	14,898,420.16	383,210.67	(162,546.62)	(35,391.25)	0.00	15,083,692.96	15,083,692.96	0.00	0.00
Mutual Fund	2003 AB MF Primrose Houston	3.54	11/01/07	12/01/07	100,066.65	100,066.65		(58.72)			100,007.93	100,007.93	-	0.00
Money Market	2003 AB MF Primrose Houston	3.54	11/01/07	12/01/07	7,116.94	7,116.94		(6,586.57)			530.37	530.37	-	0.00
	2003 AB MF Primrose Houston Total				107,183.59	107,183.59	0.00	(6,645.29)	0.00	0.00	100,538.30	100,538.30	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	3.54	11/01/07	12/01/07	50,187.64	50,187.64	14,614.06				64,801.70	64,801.70	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	3.54	11/01/07	12/01/07	150,269.15	150,269.15	18,154.26				168,423.41	168,423.41	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	3.54	11/01/07	12/01/07	99,264.10	99,264.10		(2,495.67)			96,768.43	96,768.43	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	3.54	11/01/07	12/01/07	4,856.72	4,856.72	4,544.11				9,400.83	9,400.83	-	0.00
	2003 AB MF Timber Oaks Apts Total				304,577.61	304,577.61	37,312.43	(2,495.67)	0.00	0.00	339,394.37	339,394.37	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	3.54	11/01/07	12/01/07	1,045.97	1,045.97	59.85				1,105.82	1,105.82	-	0.00
Mutual Fund	2003 AB MF Ash Creek	3.54	11/01/07	12/01/07	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	3.54	11/01/07	12/01/07	99,462.05	99,462.05		(11.35)			99,450.70	99,450.70	-	0.00
Money Market	2003 AB MF Ash Creek	3.54	11/01/07	12/01/07	15,519.50	15,519.50		(13,217.18)			2,302.32	2,302.32	-	0.00
	2003 AB MF Ash Creek Total				120,856.00	120,856.00	59.85	(13,228.53)	0.00	0.00	107,687.32	107,687.32	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	3.54	11/01/07	12/01/07	47.62	47.62		(37.50)			10.12	10.12	-	0.00
Mutual Fund	2003 AB MF Peninsula	3.54	11/01/07	12/01/07	354,678.26	354,678.26		(206,657.56)			148,020.70	148,020.70	-	0.00
Mutual Fund	2003 AB MF Peninsula	3.54	11/01/07	12/01/07	14,958.57	14,958.57		(6,126.43)			8,832.14	8,832.14	-	0.00
	2003 AB MF Peninsula Total				369,684.45	369,684.45	0.00	(212,821.49)	0.00	0.00	156,862.96	156,862.96	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.54	11/01/07	12/01/07	30.52	30.52	0.31				30.83	30.83	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.54	11/01/07	12/01/07	89,259.95	89,259.95		(7,063.64)			82,196.31	82,196.31	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.54	11/01/07	12/01/07	1,244.69	1,244.69	12.68				1,257.37	1,257.37	-	0.00
Money Market	2003 A MF Evergreen @ Mesquite	3.54	11/01/07	12/01/07	36.60	36.60	0.37				36.97	36.97	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.54	11/01/07	12/01/07	10,016.15	10,016.15	8,084.78				18,100.93	18,100.93	-	0.00
	2003 A MF Evergreen @ Mesquite Total				100,587.91	100,587.91	8,098.14	(7,063.64)	0.00	0.00	101,622.41	101,622.41	0.00	0.00
Money Market	2003 AB Arlington Villas				432,735.76	432,735.76		(432,735.76)					-	0.00
Mutual Fund	2003 AB Arlington Villas	3.54	11/01/07	12/01/07	107,451.94	107,451.94		(367.24)			107,084.70	107,084.70	-	0.00
Mutual Fund	2003 AB Arlington Villas	3.54	11/01/07	12/01/07	22,990.80	22,990.80		(15,990.57)			7,000.23	7,000.23	-	0.00
	2003 AB Arlington Villas Total				563,178.50	563,178.50	0.00	(449,093.57)	0.00	0.00	114,084.93	114,084.93	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	3.54	11/01/07	12/01/07	10,787.16	10,787.16	109.91				10,897.07	10,897.07	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	3.54	11/01/07	12/01/07	76,437.50	76,437.50	778.81				77,216.31	77,216.31	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	3.54	11/01/07	12/01/07	40.11	40.11	99,361.53				99,401.64	99,401.64	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	3.54	11/01/07	12/01/07	172,159.57	172,159.57	2,395.29				174,554.86	174,554.86	-	0.00
Mutual Fund	2003 AB Parkview Twnhms				634.71	634.71		(634.71)					-	0.00
Mutual Fund	2003 AB Parkview Twnhms	3.54	11/01/07	12/01/07	214,853.72	214,853.72	2,189.12				217,042.84	217,042.84	-	0.00
	2003 AB Parkview Twnhms Total				474,912.77	474,912.77	104,834.66	(634.71)	0.00	0.00	579,112.72	579,112.72	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	3.54	11/01/07	12/01/07	38,358.35	38,358.35	88,691.29				127,049.64	127,049.64	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	3.54	11/01/07	12/01/07	58,729.33	58,729.33	8,848.88				67,578.21	67,578.21	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	3.54	11/01/07	12/01/07	67.51	67.51	0.68				68.19	68.19	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	3.54	11/01/07	12/01/07			670.56				670.56	670.56	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	3.54	11/01/07	12/01/07	89,178.77	89,178.77	8,590.31				97,769.08	97,769.08	-	0.00
	2003 MF NHP-Asmara-Refunding Total				186,333.96	186,333.96	106,801.72	0.00	0.00	0.00	293,135.68	293,135.68	0.00	0.00
Money Market	2004 A&B Timber Ridge	3.54	11/01/07	12/01/07	8,206.52	8,206.52	4,687.28				12,893.80	12,893.80	-	0.00
Money Market	2004 A&B Timber Ridge	3.54	11/01/07	12/01/07	48,169.39	48,169.39	987.56				49,156.95	49,156.95	-	0.00
	2004 A&B Timber Ridge Total				56,375.91	56,375.91	5,674.84	0.00	0.00	0.00	62,050.75	62,050.75	0.00	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	27,735.16	27,735.16	18,292.43				46,027.59	46,027.59	-	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	59,546.08	59,546.08		(44,731.24)			14,814.84	14,814.84	-	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	139,067.96	139,067.96	51,772.08				190,840.04	190,840.04	-	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	9,899.50	9,899.50	3,323.41				13,222.91	13,222.91	-	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	47,360.52	47,360.52	34,668.04				82,028.56	82,028.56	-	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	35,300.47	35,300.47	15,367.74				50,668.21	50,668.21	-	0.00
Money Market	2004 A&B Century Park	3.54	11/01/07	12/01/07	182,585.25	182,585.25	136,629.59				319,214.84	319,214.84	-	0.00
	2004 A&B Century Park Total				501,494.94	501,494.94	260,053.29	(44,731.24)	0.00	0.00	716,816.99	716,816.99	0.00	0.00
Money Market	2004 A Addison Park	3.54	11/01/07	12/01/07	575.99	575.99	7.21				583.20	583.20	-	0.00
Money Market	2004 A Addison Park	3.54	11/01/07	12/01/07	174.73	174.73	2.19				176.92	176.92	-	0.00
Money Market	2004 A Addison Park	3.54	11/01/07	12/01/07	1,242.58	1,242.58	15.57				1,258.15	1,258.15	-	0.00
Money Market	2004 A Addison Park	3.54	11/01/07	12/01/07	11.85	11.85	0.15				12.00	12.00	-	0.00
	2004 A Addison Park Total				2,005.15	2,005.15	25.12	0.00	0.00	0.00	2,030.27	2,030.27	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	3.54	11/01/07	12/01/07	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	3.54	11/01/07	12/01/07	145,965.76	145,965.76	1,487.22				147,452.98	147,452.98	-	0.00
Money Market	2004 A&B MF Veterans Memorial	3.54	11/01/07	12/01/07	70,741.40	70,741.40	720.77				71,462.17	71,462.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	3.54	11/01/07	12/01/07	117.42	117.42	97,294.86				97,412.28	97,412.28	-	0.00
Money Market	2004 A&B MF Veterans Memorial	3.54	11/01/07	12/01/07	669.81	669.81	6.62				676.63	676.63	-	0.00
	2004 A&B MF Veterans Memorial Total				217,494.56	217,494.56	99,509.67	0.00	0.00	0.00	317,004.23	317,004.23	0.00	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	20,567.00	20,567.00	7,818.24				28,385.24	28,385.24	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	383,622.68	383,622.68	4,513.35				388,136.03	388,136.03	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	39.50	39.50	0.46				39.96	39.96	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	02/01/07	03/01/07			68,640.86				68,640.86	68,640.86	-	0.00
Money Market	2004 MF Rush Creek Apts				11.02	11.02		(11.02)					-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	70.55	70.55	0.83				71.38	71.38	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	19,534.74	19,534.74	229.83				19,764.57	19,764.57	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	13,129.47	13,129.47	5,724.90				18,854.37	18,854.37	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	126,827.92	126,827.92	22,996.06				149,823.98	149,823.98	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	87.09	87.09	1.02				88.11	88.11	-	0.00
Money Market	2004 MF Rush Creek Apts	3.54	11/01/07	12/01/07	69.56	69.56	0.82				70.38	70.38	-	0.00
	2004 MF Rush Creek Apts Total				563,959.53	563,959.53	109,926.37	(11.02)	0.00	0.00	673,874.88	673,874.88	0.00	0.00
Money Market	2004 MF Humble Parkway	3.54	11/01/07	12/01/07	51,551.16	51,551.16	11,339.22				62,890.38	62,890.38	-	0.00
Money Market	2004 MF Humble Parkway	3.54	11/01/07	12/01/07	125,770.84	125,770.84	42,826.43				168,597.27	168,597.27	-	0.00
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	163,988.52	163,988.52	216,766.81				380,755.33	380,755.33	-	0.00
Money Market	2004 MF Humble Parkway	3.54	11/01/07	12/01/07	10,601.68	10,601.68	2,902.52				13,504.20	13,504.20	-	0.00
	2004 MF Humble Parkway Total				351,912.20	351,912.20	273,834.98	0.00	0.00	0.00	625,747.16	625,747.16	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	3.79	11/01/07	12/01/07	1,445.52	1,445.52	100,000.00				101,445.52	101,445.52	-	0.00
Money Market	2004 MF Chisholm Trail Apts	3.74	11/01/07	12/01/07	80,131.43	80,131.43		(64,147.59)			15,983.84	15,983.84	-	0.00
Money Market	2004 MF Chisholm Trail Apts	3.79	11/01/07	12/01/07	1,253.91	1,253.91	213.97				1,467.88	1,467.88	-	0.00
Money Market	2004 MF Chisholm Trail Apts	3.79	11/01/07	12/01/07	22,263.54	22,263.54		(14,264.75)			7,998.79	7,998.79	-	0.00
	2004 MF Chisholm Trail Apts Total				105,094.40	105,094.40	100,213.97	(78,412.34)	0.00	0.00	126,896.03	126,896.03	0.00	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	137,249.08	137,249.08		(51,110.44)			86,138.64	86,138.64	-	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	8,245.09	8,245.09		(2,728.66)			5,516.43	5,516.43	-	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	2,107.80	2,107.80	22.87				2,130.67	2,130.67	-	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	0.81	0.81	1.86				2.67	2.67	-	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	9.67	9.67	23.05				32.72	32.72	-	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	109,089.61	109,089.61	226.86				109,316.47	109,316.47	-	0.00
Money Market	2004 MF Evergreen at Plano	3.75	11/01/07	12/01/07	85,349.49	85,349.49	13,449.29				98,796.78	98,796.78	-	0.00
	2004 MF Evergreen at Plano Total				342,051.55	342,051.55	13,723.93	(53,839.10)	0.00	0.00	301,936.38	301,936.38	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	3.79	11/01/07	12/01/07	7,317.04	7,317.04		(2,676.63)			4,640.41	4,640.41	-	0.00
Money Market	2004 MF Montgomery Pines Apts	3.79	11/01/07	12/01/07	33.80	33.80	0.00				33.80	33.80	-	0.00
	2004 MF Montgomery Pines Apts Total				7,350.84	7,350.84	0.00	(2,676.63)	0.00	0.00	4,674.21	4,674.21	0.00	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/07	12/01/07			223.45				223.45	223.45	-	0.00
Money Market	2004 MF Bristol Apts	3.79	11/01/07	12/01/07	7,894.29	7,894.29		(7,878.07)			16.22	16.22	-	0.00
Money Market	2004 MF Bristol Apts	3.79	11/01/07	12/01/07	47,487.89	47,487.89		(47,390.23)			97.66	97.66	-	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/07	12/01/07			11,978.53				11,978.53	11,978.53	-	0.00
Money Market	2004 MF Bristol Apts	3.79	11/01/07	12/01/07	23,452.13	23,452.13		(23,403.97)			48.16	48.16	-	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/07	12/01/07			14,353.46				14,353.46	14,353.46	-	0.00
Money Market	2004 MF Bristol Apts	3.79	11/01/07	12/01/07	102.41	102.41		(102.36)			0.05	0.05	-	0.00
	2004 MF Bristol Apts Total				78,936.72	78,936.72	26,555.44	(78,774.63)	0.00	0.00	26,717.53	26,717.53	0.00	0.00
Money Market	2004 MF Pinnacle Apts	3.79	11/01/07	12/01/07	8,324.42	8,324.42	1,725.22				10,049.64	10,049.64	-	0.00
Money Market	2004 MF Pinnacle Apts	3.79	11/01/07	12/01/07			1,003.31				1,003.31	1,003.31	-	0.00
Money Market	2004 MF Pinnacle Apts	3.79	11/01/07	12/01/07	21,682.84	21,682.84		(21,632.34)			50.50	50.50	-	0.00
Money Market	2004 MF Pinnacle Apts	3.79	11/01/07	12/01/07	243.59	243.59	24.95				268.54	268.54	-	0.00
Money Market	2004 MF Pinnacle Apts	3.79	11/01/07	12/01/07	16,924.33	16,924.33		(16,880.86)			43.47	43.47	-	0.00
	2004 MF Pinnacle Apts Total				47,175.18	47,175.18	2,753.48	(38,513.20)	0.00	0.00	11,415.46	11,415.46	0.00	0.00
Money Market	2004 MF Tranquility Bay Apts	3.58	11/01/07	12/01/07	46,786.69	46,786.69	12,783.14				59,569.83	59,569.83	-	0.00
Money Market	2004 MF Tranquility Bay Apts	3.58	11/01/07	12/01/07	244.31	244.31	2.48				246.79	246.79	-	0.00
Money Market	2004 MF Tranquility Bay Apts	3.58	11/01/07	12/01/07	123,334.56	123,334.56		(122,256.33)			1,078.23	1,078.23	-	0.00
Money Market	2004 MF Tranquility Bay Apts	3.58	11/01/07	12/01/07	350,887.52	350,887.52		(34,117.08)			316,770.44	316,770.44	-	0.00
Money Market	2004 MF Tranquility Bay Apts	3.58	11/01/07	12/01/07	18,748.63	18,748.63	7,114.05				25,862.68	25,862.68	-	0.00
	2004 MF Tranquility Bay Apts Total				540,001.71	540,001.71	19,899.67	(156,373.41)	0.00	0.00	403,527.97	403,527.97	0.00	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,239,345.63	11,239,345.63			(23,382.92)		11,215,962.71	11,215,962.71	-	0.00
Inv Agmt	2004 MF Sphinx @ Delafield	3.54	11/22/04	01/20/44			234,570.82				234,570.82	234,570.82	-	0.00
Money Market	2004 MF Sphinx @ Delafield				58,697.23	58,697.23		(58,697.23)					-	0.00
Money Market	2004 MF Sphinx @ Delafield	3.54	11/01/07	12/01/07	8,034.19	8,034.19		(1,628.22)			6,405.97	6,405.97	-	0.00
	2004 MF Sphinx @ Delafield Total				11,306,077.05	11,306,077.05	234,570.82	(60,325.45)	(23,382.92)	0.00	11,456,939.50	11,456,939.50	0.00	0.00
Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	8,079.39	8,079.39	204.47				8,283.86	8,283.86	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	197,994.98	197,994.98	62,141.29				260,136.27	260,136.27	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	347.93	347.93	3.85				351.78	351.78	-	0.00

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Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	68,203.41	68,203.41	10,718.55				78,921.96	78,921.96	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	33.42	33.42	16.07				49.49	49.49	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	87,711.22	87,711.22		(668.83)			87,042.39	87,042.39	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	3.75	11/01/07	12/01/07	8,497.03	8,497.03	7,432.49				15,929.52	15,929.52	-	0.00
	2004 MF Churchill @ Pinnacle Total				370,867.38	370,867.38	80,516.72	(668.83)	0.00	0.00	450,715.27	450,715.27	0.00	0.00
Money Market	2004 A/B MF Post Oak East Apts	3.79	11/01/07	12/01/07	2,950.28	2,950.28	32.29				2,982.57	2,982.57	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	3.79	11/01/07	12/01/07	2.82	2.82	0.03				2.85	2.85	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	3.79	11/01/07	12/01/07	5.82	5.82	0.06				5.88	5.88	-	0.00
	2004 A/B MF Post Oak East Apts Total				2,958.92	2,958.92	32.38	0.00	0.00	0.00	2,991.30	2,991.30	0.00	0.00
Money Market	2004 MF Village Fair	3.54	11/01/07	12/01/07	143,558.49	143,558.49	69,760.27				213,318.76	213,318.76	-	0.00
Money Market	2004 MF Village Fair	3.54	11/01/07	12/01/07	111,721.08	111,721.08		(1.62)			111,719.46	111,719.46	-	0.00
Money Market	2004 MF Village Fair	3.54	11/01/07	12/01/07	22,021.53	22,021.53	7,872.79				29,894.32	29,894.32	-	0.00
	2004 MF Village Fair Total				277,301.10	277,301.10	77,633.06	(1.62)	0.00	0.00	354,932.54	354,932.54	0.00	0.00
Money Market	2005 MF Pecan Grove	3.54	11/01/07	12/01/07	516.94	516.94	0.00				516.94	516.94	-	0.00
Money Market	2005 MF Pecan Grove	3.54	11/01/07	12/01/07	76.24	76.24	9.65				85.89	85.89	-	0.00
Money Market	2005 MF Pecan Grove	3.54	11/01/07	12/01/07	9.84	9.84	5.38				15.22	15.22	-	0.00
	2005 MF Pecan Grove Total				603.02	603.02	15.03	0.00	0.00	0.00	618.05	618.05	0.00	0.00
Money Market	2005 MF Prairie Oaks	3.54	11/01/07	12/01/07	16,973.38	16,973.38	8,964.74				25,938.12	25,938.12	-	0.00
Money Market	2005 MF Prairie Oaks	3.54	11/01/07	12/01/07	34,910.31	34,910.31	6,746.12				41,656.43	41,656.43	-	0.00
Money Market	2005 MF Prairie Oaks	3.54	11/01/07	12/01/07	360,862.31	360,862.31	3,676.77				364,539.08	364,539.08	-	0.00
Money Market	2005 MF Prairie Oaks	3.54	11/01/07	12/01/07	24,850.40	24,850.40	253.20				25,103.60	25,103.60	-	0.00
Money Market	2005 MF Prairie Oaks	3.54	11/01/07	12/01/07	89,412.18	89,412.18		(1.49)			89,410.69	89,410.69	-	0.00
Money Market	2005 MF Prairie Oaks	3.54	11/01/07	12/01/07	106,814.04	106,814.04	56,357.71				163,171.75	163,171.75	-	0.00
	2005 MF Prairie Oaks Total				633,822.62	633,822.62	75,998.54	(1.49)	0.00	0.00	709,819.67	709,819.67	0.00	0.00
Money Market	2005 MF Port Royal	3.54	11/01/07	12/01/07	142.07	142.07	0.00				142.07	142.07	-	0.00
Money Market	2005 MF Port Royal	3.54	11/01/07	12/01/07	290.59	290.59	2.96				293.55	293.55	-	0.00
Money Market	2005 MF Port Royal	3.54	11/01/07	12/01/07	2.69	2.69	1.47				4.16	4.16	-	0.00
	2005 MF Port Royal Total				435.35	435.35	4.43	0.00	0.00	0.00	439.78	439.78	0.00	0.00
Money Market	2005 MF Mission Del Rio	3.54	11/01/07	12/01/07	342,145.09	342,145.09		(198,962.42)			143,182.67	143,182.67	-	0.00
Money Market	2005 MF Mission Del Rio	3.54	11/01/07	12/01/07	1,971,828.56	1,971,828.56	20,090.64				1,991,919.20	1,991,919.20	-	0.00
Money Market	2005 MF Mission Del Rio	3.54	11/01/07	12/01/07	2,105.03	2,105.03	0.00				2,105.03	2,105.03	-	0.00
Money Market	2005 MF Mission Del Rio	3.54	11/01/07	12/01/07	2,227.02	2,227.02	44.14				2,271.16	2,271.16	-	0.00
	2005 MF Mission Del Rio Total				2,318,305.70	2,318,305.70	20,134.78	(198,962.42)	0.00	0.00	2,139,478.06	2,139,478.06	0.00	0.00
Money Market	2005 MF Atascocita Apts	3.54	11/01/07	12/01/07	14,493.09	14,493.09	4,225.03				18,718.12	18,718.12	-	0.00
Money Market	2005 MF Atascocita Apts				0.01	0.01		(0.01)					-	0.00
	2005 MF Atascocita Apts Total				14,493.10	14,493.10	4,225.03	(0.01)	0.00	0.00	18,718.12	18,718.12	0.00	0.00
Money Market	2005 MF Tower Ridge	3.61	11/01/07	12/01/07	890.41	890.41	9.53				899.94	899.94	-	0.00
Money Market	2005 MF Tower Ridge	3.74	11/01/07	12/01/07	84.08	84.08	0.89				84.97	84.97	-	0.00
Money Market	2005 MF Tower Ridge	3.74	11/01/07	12/01/07			5.89				5.89	5.89	-	0.00
	2005 MF Tower Ridge Total				974.49	974.49	16.31	0.00	0.00	0.00	990.80	990.80	0.00	0.00
Money Market	2005 MF Alta Cullen	0.00	11/01/07	12/01/07			4,133.33				4,133.33	4,133.33	-	0.00
Money Market	2005 MF Alta Cullen	4.45	09/01/07	11/01/07	105,779.42	105,779.42		(104,984.47)			794.95	794.95	-	0.00
Money Market	2005 MF Alta Cullen	3.75	11/01/07	12/01/07	4,839.29	4,839.29	53.17				4,892.46	4,892.46	-	0.00
Money Market	2005 MF Alta Cullen	3.75	11/01/07	12/01/07	164,599.71	164,599.71	83,991.77				248,591.48	248,591.48	-	0.00
	2005 MF Alta Cullen Total				275,218.42	275,218.42	88,178.27	(104,984.47)	0.00	0.00	258,412.22	258,412.22	0.00	0.00
GNMA	2005 MF Prairie Ranch	3.54	03/28/06	01/15/45	12,139,956.18	12,139,956.18			(26,298.96)		12,113,657.22	12,113,657.22	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	170,805.76	170,805.76	177,747.38				348,553.14	348,553.14	-	0.00
Money Market	2005 MF Prairie Ranch	3.54	11/01/07	12/01/07	3,484.46	3,484.46	35.50				3,519.96	3,519.96	-	0.00
Money Market	2005 MF Prairie Ranch	3.54	11/01/07	12/01/07	8,629.50	8,629.50	94.88				8,724.38	8,724.38	-	0.00
	2005 MF Prairie Ranch Total				12,322,875.90	12,322,875.90	177,877.76	0.00	(26,298.96)	0.00	12,474,454.70	12,474,454.70	0.00	0.00
Money Market	2005 MF St. Augustine	3.79	11/01/07	12/01/07	41.18	41.18	0.44				41.62	41.62	-	0.00

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Money Market	2005 MF St. Augustine	3.79	11/01/07	12/01/07	4,154.44	4,154.44	45.46				4,199.90	4,199.90	-	0.00
Money Market	2005 MF St. Augustine	3.79	11/01/07	12/01/07	2,705.22	2,705.22	13,233.64				15,938.86	15,938.86	-	0.00
Money Market	2005 MF St. Augustine	3.79	11/01/07	12/01/07	23,436.94	23,436.94	1,244.67				24,681.61	24,681.61	-	0.00
	2005 MF St. Augustine Total				30,337.78	30,337.78	14,524.21	0.00	0.00	0.00	44,861.99	44,861.99	0.00	0.00
Mutual Fund	2005 MF Park Manor	3.75	11/01/07	12/01/07	12,001.55	12,001.55	36,245.99				48,247.54	48,247.54	-	0.00
Money Market	2005 MF Park Manor	3.75	11/01/07	12/01/07	9.00	9.00	7.64				16.64	16.64	-	0.00
Money Market	2005 MF Park Manor	3.75	11/01/07	12/01/07	21,600.71	21,600.71		(21,512.90)			87.81	87.81	-	0.00
Money Market	2005 MF Park Manor				60,438.27	60,438.27		(60,438.27)					-	0.00
Money Market	2005 MF Park Manor	3.75	11/01/07	12/01/07	15,755.96	15,755.96	3,630.64				19,386.60	19,386.60	-	0.00
	2005 MF Park Manor Total				109,805.49	109,805.49	39,884.27	(81,951.17)	0.00	0.00	67,738.59	67,738.59	0.00	0.00
Money Market	2005 MF Pr Mockingbird	3.54	11/01/07	12/01/07	21,070.76	21,070.76		(3,109.60)			17,961.16	17,961.16	-	0.00
Money Market	2005 MF Pr Mockingbird	3.54	11/01/07	12/01/07	141,707.90	141,707.90	1,443.84				143,151.74	143,151.74	-	0.00
Money Market	2005 MF Pr Mockingbird	3.54	11/01/07	12/01/07	89,926.94	89,926.94		(1.62)			89,925.32	89,925.32	-	0.00
Money Market	2005 MF Pr Mockingbird	3.54	11/01/07	12/01/07	18,241.17	18,241.17	1,990.66				20,231.83	20,231.83	-	0.00
	2005 MF Pr Mockingbird Total				270,946.77	270,946.77	3,434.50	(3,111.22)	0.00	0.00	271,270.05	271,270.05	0.00	0.00
Money Market	2005 MF PI @ Chase Oaks	3.79	11/01/07	12/01/07	306,657.68	306,657.68		(306,254.59)			403.09	403.09	-	0.00
Money Market	2005 MF PI @ Chase Oaks	4.43	09/01/07	11/01/07	208,787.73	208,787.73		(208,670.08)			117.65	117.65	-	0.00
	2005 MF PI @ Chase Oaks Total				515,445.41	515,445.41	0.00	(514,924.67)	0.00	0.00	520.74	520.74	0.00	0.00
Money Market	2005 MF Canal Place	3.74	11/01/07	12/01/07	12,334.77	12,334.77		(3,465.95)			8,868.82	8,868.82	-	0.00
Money Market	2005 MF Canal Place	3.54	11/01/07	12/01/07			88,517.44				88,517.44	88,517.44	-	0.00
Money Market	2005 MF Canal Place				97,884.41	97,884.41		(97,884.41)					-	0.00
Money Market	2005 MF Canal Place	3.74	11/01/07	12/01/07	92,390.29	92,390.29		(91,380.03)			1,010.26	1,010.26	-	0.00
	2005 MF Canal Place Total				202,609.47	202,609.47	88,517.44	(192,730.39)	0.00	0.00	98,396.52	98,396.52	0.00	0.00
Money Market	2006 MF Coral Hills	4.10	11/01/07	12/01/07	46.83	46.83	0.69				47.52	47.52	-	0.00
Money Market	2006 MF Coral Hills	4.10	11/01/07	12/01/07	79,693.62	79,693.62	70,198.63				149,892.25	149,892.25	-	0.00
Money Market	2006 MF Coral Hills	4.10	11/01/07	12/01/07	9.82	9.82	0.00				9.82	9.82	-	0.00
	2006 MF Coral Hills Total				79,750.27	79,750.27	70,199.32	0.00	0.00	0.00	149,949.59	149,949.59	0.00	0.00
Money Market	2006 MF Harris Branch	3.54	11/01/07	12/01/07	1,079,093.45	1,079,093.45		(1,078,528.90)			564.55	564.55	-	0.00
Inv Agmt	2006 MF Harris Branch				3,461.43	3,461.43		(3,461.43)					-	0.00
Money Market	2006 MF Harris Branch	3.54	11/01/07	12/01/07			8,276.81				8,276.81	8,276.81	-	0.00
Money Market	2006 MF Harris Branch	3.54	11/01/07	12/01/07	9,362.61	9,362.61	0.00				9,362.61	9,362.61	-	0.00
Money Market	2006 MF Harris Branch				42.81	42.81		(42.81)					-	0.00
Inv Agmt	2006 MF Harris Branch	4.72	03/02/06	02/15/08	3,439.17	3,439.17	41.90				3,481.07	3,481.07	-	0.00
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08	17,310.54	17,310.54		(17,242.08)			68.46	68.46	-	0.00
Money Market	2006 MF Harris Branch	3.54	11/01/07	12/01/07	470.00	470.00	7,036.58				7,506.58	7,506.58	-	0.00
Money Market	2006 MF Harris Branch				933.46	933.46		(933.46)					-	0.00
	2006 MF Harris Branch Total				1,114,113.47	1,114,113.47	15,355.29	(1,100,208.68)	0.00	0.00	29,260.08	29,260.08	0.00	0.00
Money Market	2006 MF Bella Vista	3.54	11/01/07	12/01/07	1,905.99	1,905.99	1,891.82				3,797.81	3,797.81	-	0.00
Money Market	2006 MF Bella Vista				1,044.16	1,044.16		(1,044.16)					-	0.00
Inv Agmt	2006 MF Bella Vista				812.11	812.11		(812.11)					-	0.00
Money Market	2006 MF Bella Vista	3.54	11/01/07	12/01/07	15.55	15.55	29.45				45.01	45.01	-	0.00
Money Market	2006 MF Bella Vista	3.54	11/01/07	12/01/07	233,466.81	233,466.81	14,392.07				247,858.88	247,858.88	-	0.00
Money Market	2006 MF Bella Vista	3.54	11/01/07	12/01/07	3,373.49	3,373.49	4,040.92				7,414.41	7,414.41	-	0.00
Inv Agmt	2006 MF Bella Vista				212,226.37	212,226.37		(212,226.37)					-	0.00
Money Market	2006 MF Bella Vista	3.54	11/01/07	12/01/07	354.09	354.09	3.61				357.70	357.70	-	0.00
	2006 MF Bella Vista Total				453,198.57	453,198.57	20,357.88	(214,082.64)	0.00	0.00	259,473.81	259,473.81	0.00	0.00
Money Market	2006 MF Village Park	4.10	11/01/07	12/01/07	3.73	3.73	0.00				3.73	3.73	-	0.00
Money Market	2006 MF Village Park	4.10	11/01/07	12/01/07	80.02	80.02	0.88				80.90	80.90	-	0.00
Money Market	2006 MF Village Park	4.10	11/01/07	12/01/07	222,673.34	222,673.34	180,078.71				402,752.05	402,752.05	-	0.00
Money Market	2006 MF Village Park	4.10	11/01/07	12/01/07	243.96	243.96	2.59				246.55	246.55	-	0.00
	2006 MF Village Park Total				223,001.05	223,001.05	180,082.18	0.00	0.00	0.00	403,083.23	403,083.23	0.00	0.00
Money Market	2006 MF Oakmoor	3.75	11/01/07	12/01/07			1,290.00				1,290.00	1,290.00	-	0.00
Money Market	2006 MF Oakmoor	3.75	11/01/07	12/01/07	1,410,148.62	1,410,148.62		(1,013,141.00)			397,007.62	397,007.62	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Money Market	2006 MF Oakmoor	3.75	11/01/07	12/01/07	100,000.00	100,000.00	0.00				100,000.00	100,000.00	-	0.00
Money Market	2006 MF Oakmoor	3.75	11/01/07	12/01/07	396,919.10	396,919.10		(194,121.81)			202,797.29	202,797.29	-	0.00
Money Market	2006 MF Oakmoor	3.75	11/01/07	12/01/07	12,097.98	12,097.98		(3,394.64)			8,703.34	8,703.34	-	0.00
	2006 MF Oakmoor Total				1,919,165.70	1,919,165.70	1,290.00	(1,210,657.45)	0.00	0.00	709,798.25	709,798.25	0.00	0.00
Money Market	2006 MF Sunset Pointe	4.35	11/01/07	12/01/07	3,393,608.59	3,393,608.59		(3,210,677.34)			182,931.25	182,931.25	-	0.00
	2006 MF Sunset Pointe Total				3,393,608.59	3,393,608.59	0.00	(3,210,677.34)	0.00	0.00	182,931.25	182,931.25	0.00	0.00
Money Market	2006 MF Hillcrest	4.10	11/01/07	12/01/07	4,792.35	4,792.35	46.55				4,838.90	4,838.90	-	0.00
Money Market	2006 MF Hillcrest	4.10	11/01/07	12/01/07	315,854.13	315,854.13		(157,144.15)			158,709.98	158,709.98	-	0.00
Money Market	2006 MF Hillcrest	4.10	11/01/07	12/01/07	1,062,214.53	1,062,214.53		(114,680.22)			947,534.31	947,534.31	-	0.00
Money Market	2006 MF Hillcrest	4.10	11/01/07	12/01/07	24.34	24.34	0.13				24.47	24.47	-	0.00
	2006 MF Hillcrest Total				1,382,885.35	1,382,885.35	46.68	(271,824.37)	0.00	0.00	1,111,107.66	1,111,107.66	0.00	0.00
Money Market	2006 MF Pleasant Village	3.64	11/01/07	12/01/07	3,888.80	3,888.80		(2,722.20)			1,166.60	1,166.60	-	0.00
Mutual Fund	2006 MF Pleasant Village	3.64	11/01/07	12/01/07	33,875.35	33,875.35		(31,412.60)			2,462.75	2,462.75	-	0.00
Mutual Fund	2006 MF Pleasant Village				434,062.65	434,062.65		(434,062.65)			-	-	-	0.00
Money Market	2006 MF Pleasant Village	3.64	11/01/07	12/01/07	123,466.53	123,466.53		(59,754.47)			63,712.06	63,712.06	-	0.00
Money Market	2006 MF Pleasant Village	3.64	11/01/07	12/01/07	16.76	16.76		(10.19)			6.57	6.57	-	0.00
	2006 MF Pleasant Village Total				595,310.09	595,310.09	0.00	(527,962.11)	0.00	0.00	67,347.98	67,347.98	0.00	0.00
Money Market	2006 MF Grove Village	3.64	11/01/07	12/01/07	95,738.96	95,738.96		(62,099.77)			33,639.19	33,639.19	-	0.00
Money Market	2006 MF Grove Village	3.64	11/01/07	12/01/07	3,888.80	3,888.80		(2,722.20)			1,166.60	1,166.60	-	0.00
Money Market	2006 MF Grove Village	3.64	11/01/07	12/01/07	34,669.47	34,669.47		(32,340.18)			2,329.29	2,329.29	-	0.00
Money Market	2006 MF Grove Village	3.64	11/01/07	12/01/07	16.85	16.85		(10.18)			6.67	6.67	-	0.00
	2006 MF Grove Village Total				134,314.08	134,314.08	0.00	(97,172.33)	0.00	0.00	37,141.75	37,141.75	0.00	0.00
Money Market	2006 MF Red Hills	3.54	11/01/07	12/01/07	17,752.94	17,752.94		(1,855.93)			15,897.01	15,897.01	-	0.00
Money Market	2006 MF Red Hills	3.54	11/01/07	12/01/07	29,434.01	29,434.01	8,848.92				38,282.93	38,282.93	-	0.00
	2006 MF Red Hills Total				47,186.95	47,186.95	8,848.92	(1,855.93)	0.00	0.00	54,179.94	54,179.94	0.00	0.00
Money Market	2006 MF Champion Crossing	3.54	11/01/07	12/01/07	19,253.28	19,253.28	76.79				19,330.07	19,330.07	-	0.00
Money Market	2006 MF Champion Crossing	3.54	11/01/07	12/01/07	55,727.15	55,727.15	16,089.46				71,816.61	71,816.61	-	0.00
	2006 MF Champion Crossing Total				74,980.43	74,980.43	16,166.25	0.00	0.00	0.00	91,146.68	91,146.68	0.00	0.00
Money Market	2006 MF Stonehaven	3.54	11/01/07	12/01/07	72,189.18	72,189.18		(70,842.08)			1,347.10	1,347.10	-	0.00
Inv Agmt	2006 MF Stonehaven	4.71	09/27/06	02/28/08	1,800,042.02	1,800,042.02		(1,455,000.00)			145,042.02	145,042.02	-	0.00
Money Market	2006 MF Stonehaven	3.54	11/01/07	12/01/07	3,797.61	3,797.61	2,939.15				6,736.76	6,736.76	-	0.00
Money Market	2006 MF Stonehaven	3.54	11/01/07	12/01/07	632,084.45	632,084.45		(157,930.95)			474,153.50	474,153.50	-	0.00
	2006 MF Stonehaven Total				2,308,113.26	2,308,113.26	2,939.15	(1,683,773.03)	0.00	0.00	627,279.38	627,279.38	0.00	0.00
Money Market	2006 MF Center Ridge	4.10	11/01/07	12/01/07	77.68	77.68	0.87				78.55	78.55	-	0.00
Money Market	2006 MF Center Ridge	4.10	11/01/07	12/01/07	282,999.84	282,999.84		(281,477.68)			1,522.16	1,522.16	-	0.00
Money Market	2006 MF Center Ridge	4.10	11/01/07	12/01/07	164,927.78	164,927.78		(99,346.99)			65,580.79	65,580.79	-	0.00
	2006 MF Center Ridge Total				448,005.30	448,005.30	0.87	(380,824.67)	0.00	0.00	67,181.50	67,181.50	0.00	0.00
Money Market	2006 MF Meadowlands	0.00	11/01/07	12/01/07			9,440.00				9,440.00	9,440.00	-	0.00
Money Market	2006 MF Meadowlands	3.75	11/01/07	12/01/07	401,909.55	401,909.55		(181,131.08)			220,778.47	220,778.47	-	0.00
Money Market	2006 MF Meadowlands	3.75	11/01/07	12/01/07	1,599,402.88	1,599,402.88		(491,789.01)			1,107,613.87	1,107,613.87	-	0.00
Money Market	2006 MF Meadowlands	4.10	11/01/07	12/01/07			38,644.00				38,644.00	38,644.00	-	0.00
Money Market	2006 MF Meadowlands	3.75	11/01/07	12/01/07	17,082.16	17,082.16		(16,968.61)			113.55	113.55	-	0.00
Money Market	2006 MF Meadowlands	3.58	11/01/07	12/01/07	1,326.19	1,326.19	1,214,301.12				1,215,627.31	1,215,627.31	-	0.00
GIC's	2006 MF Meadowlands				3,375,000.00	3,375,000.00		(3,375,000.00)			-	-	-	0.00
	2006 MF Meadowlands Total				5,394,720.78	5,394,720.78	1,262,385.12	(4,064,888.70)	0.00	0.00	2,592,217.20	2,592,217.20	0.00	0.00
GIC's	2006 MF East Texas Pines	5.00	11/08/06	11/08/08	8,545,254.19	8,545,254.19		(4,032,792.69)			4,512,461.50	4,512,461.50	-	0.00
Money Market	2006 MF East Texas Pines	3.54	11/01/07	12/01/07	51.73	51.73	0.00				51.73	51.73	-	0.00
Money Market	2006 MF East Texas Pines	3.54	11/01/07	12/01/07	4,885.38	4,885.38	445.10				5,330.48	5,330.48	-	0.00
GIC's	2006 MF East Texas Pines	5.00	01/01/07	11/08/08	208,685.66	208,685.66		(154,344.79)			54,340.87	54,340.87	-	0.00
Money Market	2006 MF East Texas Pines	3.54	11/01/07	12/01/07	6.31	6.31		(5.95)			0.36	0.36	-	0.00
GIC's	2006 MF East Texas Pines	5.00	02/01/07	11/08/08	205,188.48	205,188.48		(82,269.93)			122,918.55	122,918.55	-	0.00
	2006 MF East Texas Pines Total				8,964,071.75	8,964,071.75	445.10	(4,269,413.36)	0.00	0.00	4,695,103.49	4,695,103.49	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Money Market	2006 MF Villas at Henderson	3.54	11/01/07	12/01/07	2.67	2.67	0.03				2.70	2.70	-	0.00
Money Market	2006 MF Villas at Henderson	3.54	11/01/07	12/01/07	1.42	1.42	0.00				1.42	1.42	-	0.00
GIC's	2006 MF Villas at Henderson	4.47	11/10/06	04/01/08	248,285.00	248,285.00	0.00				248,285.00	248,285.00	-	0.00
GIC's	2006 MF Villas at Henderson	4.47	11/10/06	04/01/08	2,720,392.50	2,720,392.50		(1,925,944.19)			794,448.31	794,448.31	-	0.00
Money Market	2006 MF Villas at Henderson	3.54	11/01/07	12/01/07	14,252.04	14,252.04		(7,959.27)			6,292.77	6,292.77	-	0.00
GIC's	2006 MF Villas at Henderson	4.47	11/20/06	04/01/08	228,390.96	228,390.96		(56,631.20)			171,759.76	171,759.76	-	0.00
Money Market	2006 MF Villas at Henderson	3.54	11/01/07	12/01/07	5,519.92	5,519.92	2,041.43				7,561.35	7,561.35	-	0.00
Money Market	2006 MF Villas at Henderson	3.74	11/01/07	12/01/07	25,410.57	25,410.57	258.90				25,669.47	25,669.47	-	0.00
	2006 MF Villas at Henderson Total				3,242,255.08	3,242,255.08	2,300.36	(1,990,534.66)	0.00	0.00	1,254,020.78	1,254,020.78	0.00	0.00
Money Market	2006 MF Aspen Parks Apts	3.37	11/01/07	12/01/07	562.43	562.43	123.13				685.56	685.56	-	0.00
Money Market	2006 MF Aspen Parks Apts	3.37	11/01/07	12/01/07	109,428.68	109,428.68	127,205.06				236,633.74	236,633.74	-	0.00
Money Market	2006 MF Aspen Parks Apts	3.37	11/01/07	12/01/07	56,468.06	56,468.06		(56,322.22)			145.84	145.84	-	0.00
	2006 MF Aspen Parks Apts Total				166,459.17	166,459.17	127,328.19	(56,322.22)	0.00	0.00	237,465.14	237,465.14	0.00	0.00
Money Market	2006 MF Idlewild Apts	3.54	11/01/07	12/01/07	498.18	498.18		(429.52)			68.66	68.66	-	0.00
Money Market	2006 MF Idlewild Apts	3.54	11/01/07	12/01/07	682.45	682.45	108,317.55				109,000.00	109,000.00	-	0.00
GIC's	2006 MF Idlewild Apts	4.71	12/15/06	01/15/08	205,201.99	205,201.99		(158,441.98)			46,760.01	46,760.01	-	0.00
Money Market	2006 MF Idlewild Apts	3.74	11/01/07	12/01/07	7,150.73	7,150.73	2,729.20				9,879.93	9,879.93	-	0.00
Money Market	2006 MF Idlewild Apts	3.54	11/01/07	12/01/07			75,708.81				75,708.81	75,708.81	-	0.00
Money Market	2006 MF Idlewild Apts	3.54	11/01/07	12/01/07	35,312.45	35,312.45	2,181,265.96				2,216,578.41	2,216,578.41	-	0.00
GIC's	2006 MF Idlewild Apts	4.71	12/15/06	01/15/08	8,325,846.72	8,325,846.72		(8,027,897.45)			297,949.27	297,949.27	-	0.00
Money Market	2006 MF Idlewild Apts	3.74	11/01/07	12/01/07	24,471.00	24,471.00	348.76				24,819.76	24,819.76	-	0.00
	2006 MF Idlewild Apts Total				8,599,163.52	8,599,163.52	2,368,370.28	(8,186,768.95)	0.00	0.00	2,780,764.85	2,780,764.85	0.00	0.00
Money Market	2007 MF Landcaster Apts	3.54	11/01/07	12/01/07			100,922.75				100,922.75	100,922.75	-	0.00
Money Market	2007 MF Landcaster Apts	3.54	11/01/07	12/01/07	37,317.42	37,317.42	2,144,023.74				2,181,341.16	2,181,341.16	-	0.00
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08	9,473,215.71	9,473,215.71		(6,363,391.27)			3,109,824.44	3,109,824.44	-	0.00
Money Market	2007 MF Landcaster Apts	3.54	11/01/07	12/01/07	6,692.34	6,692.34	1,375.01				8,067.35	8,067.35	-	0.00
Money Market	2007 MF Landcaster Apts	3.54	11/01/07	12/01/07	24,866.61	24,866.61	84,133.39				109,000.00	109,000.00	-	0.00
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08	250,231.93	250,231.93		(80,938.29)			169,293.64	169,293.64	-	0.00
Money Market	2007 MF Landcaster Apts	3.54	11/01/07	12/01/07	566.00	566.00	23,098.15				23,664.15	23,664.15	-	0.00
GIC's	2007 MF Landcaster Apts				99,120.74	99,120.74		(99,120.74)					-	0.00
Money Market	2007 MF Landcaster Apts	3.54	11/01/07	12/01/07	250.23	250.23	155.69				405.92	405.92	-	0.00
	2007 MF Landcaster Apts Total				9,892,260.98	9,892,260.98	2,353,708.73	(6,543,450.30)	0.00	0.00	5,702,519.41	5,702,519.41	0.00	0.00
Money Market	2007 MF Park Place	3.75	11/01/07	12/01/07	29,681.30	29,681.30	8,824.72				38,506.02	38,506.02	-	0.00
GIC's	2007 MF Park Place	5.80	02/21/07	10/01/08	327,220.00	327,220.00	0.00				327,220.00	327,220.00	-	0.00
Money Market	2007 MF Park Place	3.75	11/01/07	12/01/07	378,887.00	378,887.00	0.00				378,887.00	378,887.00	-	0.00
Money Market	2007 MF Park Place	3.75	11/01/07	12/01/07	1,100.29	1,100.29	229.10				1,329.39	1,329.39	-	0.00
GIC's	2007 MF Park Place	5.80	02/28/07	10/01/08	9,605,887.09	9,605,887.09		(1,765,814.90)			7,840,072.19	7,840,072.19	-	0.00
Money Market	2007 MF Park Place	3.75	11/01/07	12/01/07	1,398,566.27	1,398,566.27		(203,753.34)			1,194,812.93	1,194,812.93	-	0.00
	2007 MF Park Place Total				11,741,341.95	11,741,341.95	9,053.82	(1,969,568.24)	0.00	0.00	9,780,827.53	9,780,827.53	0.00	0.00
GIC's	2007 MF Terrace @ Cibolo	4.57	05/09/07	07/01/08	505,036.78	505,036.78	0.00				505,036.78	505,036.78	-	0.00
GIC's	2007 MF Terrace @ Cibolo	4.57	05/09/07	07/01/08	5,331,648.70	5,331,648.70		(620,571.77)			4,711,076.93	4,711,076.93	-	0.00
Money Market	2007 MF Terrace @ Cibolo	3.54	11/01/07	12/01/07	23,852.29	23,852.29		(2,960.68)			20,891.61	20,891.61	-	0.00
GIC's	2007 MF Terrace @ Cibolo	4.57	05/09/07	07/01/08	365,761.68	365,761.68		(14,201.53)			351,560.15	351,560.15	-	0.00
Money Market	2007 MF Terrace @ Cibolo	3.54	11/01/07	12/01/07	5,783.28	5,783.28	5,848.51				11,631.79	11,631.79	-	0.00
Money Market	2007 MF Terrace @ Cibolo	3.54	11/01/07	12/01/07	2,686.91	2,686.91	1,128.94				3,815.85	3,815.85	-	0.00
Money Market	2007 MF Terrace @ Cibolo	3.54	11/01/07	12/01/07	20,512.86	20,512.86	209.00				20,721.86	20,721.86	-	0.00
	2007 MF Terrace @ Cibolo Total				6,255,282.50	6,255,282.50	7,186.45	(637,733.98)	0.00	0.00	5,624,734.97	5,624,734.97	0.00	0.00
Money Market	2007 MF Santora Villas	3.75	11/01/07	12/01/07	16,775.14	16,775.14	14,604.24				31,379.38	31,379.38	-	0.00
GIC's	2007 MF Santora Villas	5.80	05/25/07	08/01/08	415,655.80	415,655.80		(50,269.25)			365,386.55	365,386.55	-	0.00
Money Market	2007 MF Santora Villas	3.75	11/01/07	12/01/07	1,440.64	1,440.64	159.04				1,599.68	1,599.68	-	0.00
GIC's	2007 MF Santora Villas	5.80	05/25/07	08/01/08	10,659,789.97	10,659,789.97		(1,692,268.81)			8,967,521.16	8,967,521.16	-	0.00
Money Market	2007 MF Santora Villas	3.75	11/01/07	12/01/07	83.63	83.63	9.15				92.78	92.78	-	0.00
Money Market	2007 MF Santora Villas	0.00	11/01/07	12/01/07			1,500.00				1,500.00	1,500.00	-	0.00
	2007 MF Santora Villas Total				11,093,745.18	11,093,745.18	16,272.43	(1,742,538.06)	0.00	0.00	9,367,479.55	9,367,479.55	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
GIC's	2007 A/B MF Villas @ Mesquite	5.04	06/26/07	01/15/10	62,366.05	62,366.05		(4,457.76)			57,908.29	57,908.29	-	0.00
GNMA	2007 A/B MF Villas @ Mesquite	5.17	07/30/07	03/15/11	1,833,002.00	1,833,002.00	1,111,489.00				2,944,491.00	2,944,491.00	-	0.00
GIC's	2007 A/B MF Villas @ Mesquite	5.04	06/26/07	01/15/10	15,026,998.00	15,026,998.00		(1,111,489.00)			13,915,509.00	13,915,509.00	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	3.54	11/01/07	12/01/07			56,590.05				56,590.05	56,590.05	-	0.00
GIC's	2007 A/B MF Villas @ Mesquite	4.78	08/23/07	07/20/17			289,746.23				289,746.23	289,746.23	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite				45,312.94	45,312.94		(45,312.94)					-	0.00
	2007 A/B MF Villas @ Mesquite Total				16,967,678.99	16,967,678.99	1,457,825.28	(1,161,259.70)	0.00	0.00	17,264,244.57	17,264,244.57	0.00	0.00
Money Market	2007 MF Summit Point	3.30	11/01/07	12/01/07	47,051.64	47,051.64	444.46				47,496.10	47,496.10	-	0.00
GNMA	2007 MF Summit Point	5.32	07/30/07	07/15/09	7,000,000.00	7,000,000.00	0.00				7,000,000.00	7,000,000.00	-	0.00
Money Market	2007 MF Summit Point	3.30	11/01/07	12/01/07	77,086.40	77,086.40	145,586.89				222,673.29	222,673.29	-	0.00
Inv Agmt	2007 MF Summit Point	4.41	06/29/07	11/30/09	4,670,001.11	4,670,001.11	0.00				4,670,001.11	4,670,001.11	-	0.00
Money Market	2007 MF Summit Point	3.30	11/01/07	12/01/07	561.37	561.37	1,553.14				2,114.51	2,114.51	-	0.00
GIC's	2007 MF Summit Point	4.41	06/29/07	11/30/09	140,000.00	140,000.00	0.00				140,000.00	140,000.00	-	0.00
	2007 MF Summit Point Total				11,934,700.52	11,934,700.52	147,584.49	0.00	0.00	0.00	12,082,285.01	12,082,285.01	0.00	0.00
Money Market	2007 MF Costa Rialto	3.54	11/01/07	12/01/07	357,303.17	357,303.17		(76,937.84)			280,365.33	280,365.33	-	0.00
Money Market	2007 MF Costa Rialto	3.54	11/01/07	12/01/07	804,685.58	804,685.58		(57,918.13)			746,767.45	746,767.45	-	0.00
Money Market	2007 MF Costa Rialto	3.54	11/01/07	12/01/07	10,464,994.98	10,464,994.98		(493,911.54)			9,971,083.44	9,971,083.44	-	0.00
	2007 MF Costa Rialto Total				11,626,983.73	11,626,983.73	0.00	(628,767.51)	0.00	0.00	10,998,216.22	10,998,216.22	0.00	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	2,543.96	2,543.96	2,190.09				4,734.05	4,734.05	-	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	565.29	565.29	4,396.74				4,962.03	4,962.03	-	0.00
GIC's	2007 MF Windshire Apts	4.35	08/06/07	08/15/08	461,471.93	461,471.93		(130,857.92)			330,614.01	330,614.01	-	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	12,228.03	12,228.03	396,089.08				408,317.11	408,317.11	-	0.00
GIC's	2007 MF Windshire Apts	4.36	08/06/07	08/15/08	10,738,115.48	10,738,115.48		(384,355.89)			10,353,759.59	10,353,759.59	-	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	653.69	653.69	5,593.16				6,246.85	6,246.85	-	0.00
GIC's	2007 MF Windshire Apts	4.36	08/06/07	08/15/08	457,374.93	457,374.93	0.00				457,374.93	457,374.93	-	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	36.17	36.17	556.23				592.40	592.40	-	0.00
GIC's	2007 MF Windshire Apts	4.36	08/13/07	08/15/08	135,880.19	135,880.19		(40,460.33)			95,419.86	95,419.86	-	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	8,890.92	8,890.92	145.50				9,036.42	9,036.42	-	0.00
Money Market	2007 MF Windshire Apts	3.54	11/01/07	12/01/07	20,050.21	20,050.21	204.29				20,254.50	20,254.50	-	0.00
	2007 MF Windshire Apts Total				11,837,810.80	11,837,810.80	409,175.09	(555,674.14)	0.00	0.00	11,691,311.75	11,691,311.75	0.00	0.00
Total Multi-Family Investment Summary					193,500,462.79	193,500,462.79	15,306,782.07	(46,176,732.52)	(85,073.13)	0.00	162,545,439.21	162,545,439.21	0.00	0.00

**Texas Department of Housing and Community Affairs
Commercial Paper Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	Commercial Paper	4.53	11/30/07	12/03/07	25,834.49	25,834.49	73,487.78				99,322.27	99,322.27	-	0.00
GIC's	Commercial Paper	3.61	11/21/07	12/21/07			32,869,000.00				32,869,000.00	32,869,000.00	-	0.00
GIC's	Commercial Paper				15,039,000.00	15,039,000.00		(15,039,000.00)					-	0.00
GIC's	Commercial Paper				9,735,000.00	9,735,000.00		(9,735,000.00)					-	0.00
GIC's	Commercial Paper				8,095,000.00	8,095,000.00		(8,095,000.00)					-	0.00
Commercial Paper Total					32,894,834.49	32,894,834.49	32,942,487.78	(32,869,000.00)	0.00	0.00	32,968,322.27	32,968,322.27	0.00	0.00
Total Commercial Paper Investment Summary					32,894,834.49	32,894,834.49	32,942,487.78	(32,869,000.00)	0.00	0.00	32,968,322.27	32,968,322.27	0.00	0.00

**Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	2,870,203.86	2,870,203.86	34,519.80				2,904,723.66	2,904,723.66	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	3,434,287.14	3,434,287.14	41,303.99				3,475,591.13	3,475,591.13	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	838,251.70	838,251.70		(617,247.94)			221,003.76	221,003.76	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	636,528.62	636,528.62	36,929.96				673,458.58	673,458.58	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	56,397.93	56,397.93	2,661.60				59,059.53	59,059.53	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	996,216.66	996,216.66	29,479.13				1,025,695.79	1,025,695.79	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	140,329.46	140,329.46	594,001.06				734,330.54	734,330.54	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	332,562.12	332,562.12	3,999.71				336,561.83	336,561.83	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	400,837.89	400,837.89	4,820.86				405,658.75	405,658.75	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	156,000.00	156,000.00	0.00				156,000.00	156,000.00	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	83,025.33	83,025.33	5,472.94				88,498.27	88,498.27	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	412,220.22	412,220.22	4,957.72				417,177.94	417,177.94	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	199,675.25	199,675.25	8,131.31				207,806.56	207,806.56	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	708,085.27	708,085.27	8,516.15				716,601.42	716,601.42	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	495,791.18	495,791.18	13,827.10				509,618.28	509,618.28	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	254,800.00	254,800.00		(3,800.00)			251,000.00	251,000.00	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	3,487,571.92	3,487,571.92		(1,301,617.74)			2,185,954.18	2,185,954.18	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	184,880.09	184,880.09	52,331.02				237,211.11	237,211.11	-	0.00
Repo Agmt	General Fund	4.53	11/30/07	12/03/07	437,315.21	437,315.21		(259,713.86)			177,601.35	177,601.35	-	0.00
General Fund Total					16,124,979.85	16,124,979.85	840,952.37	(2,182,379.54)	0.00	0.00	14,783,552.68	14,783,552.68	0.00	0.00
Total General Fund Investment Summary					16,124,979.85	16,124,979.85	840,952.37	(2,182,379.54)	0.00	0.00	14,783,552.68	14,783,552.68	0.00	0.00

**Texas Department of Housing and Community Affairs
Housing Trust Fund Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	4.53	11/30/07	12/03/07	126,066.83	126,066.83	9,713.50				135,780.33	135,780.33	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	249,957.39	249,957.39	42.61				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	436,782.59	436,782.59		(218,342.59)			218,440.00	218,440.00	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	399,949.83	399,949.83	50.17				400,000.00	400,000.00	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	178,768.52	178,768.52	51,872.32				230,640.84	230,640.84	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	67,756.36	67,756.36	3,864.73				71,621.09	71,621.09	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	102,506.49	102,506.49		(7,415.97)			95,090.52	95,090.52	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	470,481.46	470,481.46	92,282.39				562,763.85	562,763.85	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	156,416.26	156,416.26	1,843.12				158,259.38	158,259.38	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	1,801,240.04	1,801,240.04		(59,667.72)			1,741,572.32	1,741,572.32	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	200,000.00	200,000.00	0.00				200,000.00	200,000.00	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	1,000,000.00	1,000,000.00	0.00				1,000,000.00	1,000,000.00	-	0.00
Repo Agmt	Housing Trust Fund	4.53	11/30/07	12/03/07	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	General Revenue Appn	4.53	11/30/07	12/03/07	664,234.85	664,234.85	321,622.25				985,857.10	985,857.10	-	0.00
Repo Agmt	General Revenue Appn	4.53	11/30/07	12/03/07	430,064.17	430,064.17	1,007,024.92				1,437,089.09	1,437,089.09	-	0.00
Repo Agmt	Capacity Building -GR	4.53	11/30/07	12/03/07	10,878.28	10,878.28	0.00				10,878.28	10,878.28	-	0.00
Repo Agmt	Capacity Building -GR	4.53	11/30/07	12/03/07	72,249.44	72,249.44		(19,663.05)			52,586.39	52,586.39	-	0.00
Repo Agmt	Pre-Development -GR	4.53	11/30/07	12/03/07	400,778.31	400,778.31	0.00				400,778.31	400,778.31	-	0.00
Repo Agmt	Pre-Development -GR	4.53	11/30/07	12/03/07	100,000.00	100,000.00	0.00				100,000.00	100,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	4.53	11/30/07	12/03/07	315,800.00	315,800.00	0.00				315,800.00	315,800.00	-	0.00
Repo Agmt	Bootstrap -GR	4.53	11/30/07	12/03/07	163,860.00	163,860.00		(135,360.00)			28,500.00	28,500.00	-	0.00
Repo Agmt	Bootstrap -GR	4.53	11/30/07	12/03/07	472,511.47	472,511.47		(32,789.16)			439,722.31	439,722.31	-	0.00
Repo Agmt	Bootstrap -GR	4.53	11/30/07	12/03/07	722,799.00	722,799.00		(172,140.30)			550,658.70	550,658.70	-	0.00
Repo Agmt	Bootstrap -GR	4.53	11/30/07	12/03/07	4,656,294.54	4,656,294.54	126,231.04				4,782,525.58	4,782,525.58	-	0.00
Repo Agmt	Bootstrap -GR	4.53	11/30/07	12/03/07	657,300.00	657,300.00		(160,000.00)			477,300.00	477,300.00	-	0.00
Repo Agmt	Bootstrap -GR	4.53	11/30/07	12/03/07			3,000,000.00				3,000,000.00	3,000,000.00	-	0.00
Housing Trust Fund Total					14,106,695.83	14,106,695.83	4,614,547.05	(825,378.79)	0.00	0.00	17,895,864.09	17,895,864.09	0.00	0.00
Total Housing Trust Fund Investment Summary					14,106,695.83	14,106,695.83	4,614,547.05	(825,378.79)	0.00	0.00	17,895,864.09	17,895,864.09	0.00	0.00

**Texas Department of Housing and Community Affairs
Administration Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	Administration	4.53	11/30/07	12/03/07	153,374.27	153,374.27	2,571.64				155,945.91	155,945.91	-	0.00
	Administration Total				153,374.27	153,374.27	2,571.64	0.00	0.00	0.00	155,945.91	155,945.91	0.00	0.00
	Total Administration Investment Summary				153,374.27	153,374.27	2,571.64	0.00	0.00	0.00	155,945.91	155,945.91	0.00	0.00

**Texas Department of Housing and Community Affairs
Compliance Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in Market Value	Recognized Gain
Repo Agmt	RTC	4.53	11/30/07	12/03/07	310,124.38	310,124.38		(10,846.59)			299,277.79	299,277.79	-	0.00
Repo Agmt	Multi Family	4.53	11/30/07	12/03/07	1,079,708.84	1,079,708.84		(149,089.53)			930,619.31	930,619.31	-	0.00
Repo Agmt	Multi Family	4.53	11/30/07	12/03/07	135,678.43	135,678.43	7,210.76				142,889.19	142,889.19	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.53	11/30/07	12/03/07	2,246,555.34	2,246,555.34		(430,275.85)			1,816,279.49	1,816,279.49	-	0.00
Compliance Total					3,772,066.99	3,772,066.99	7,210.76	(590,211.97)	0.00	0.00	3,189,065.78	3,189,065.78	0.00	0.00
Total Compliance Investment Summary					3,772,066.99	3,772,066.99	7,210.76	-590,211.97	0.00	0.00	3,189,065.78	3,189,065.78	0.00	0.00

**Texas Department of Housing and Community Affairs
Housing Initiatives Investment Summary
For Period Ending November 30, 2007**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/07	Beginning Market Value 08/31/07	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/07	Ending Market Value 11/30/07	Change in In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	4.53	11/30/07	12/03/07	495,430.51	495,430.51	5,903.14				501,333.65	501,333.65	-	0.00
Repo Agmt	S/F Interim Construction	4.53	11/30/07	12/03/07	190.91	190.91	2.33				193.24	193.24	-	0.00
Repo Agmt	S/F Interim Construction	4.53	11/30/07	12/03/07	7.25	7.25	0.00				7.25	7.25	-	0.00
Repo Agmt	Mtg. Credit Certificate	4.53	11/30/07	12/03/07	75,356.24	75,356.24	872.33				76,228.57	76,228.57	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.53	11/30/07	12/03/07	886,710.36	886,710.36		(221,202.31)			665,508.05	665,508.05	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.53	11/30/07	12/03/07	5,228,020.53	5,228,020.53		(77,749.20)			5,150,271.33	5,150,271.33	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.53	11/30/07	12/03/07	393,776.31	393,776.31		(5,152.82)			388,623.49	388,623.49	-	0.00
Housing Initiatives Total					<u>7,079,492.11</u>	<u>7,079,492.11</u>	<u>6,777.80</u>	<u>(304,104.33)</u>	<u>0.00</u>	<u>0.00</u>	<u>6,782,165.58</u>	<u>6,782,165.58</u>	<u>0.00</u>	<u>0.00</u>
Total Housing Initiatives Investment Summary					<u>7,079,492.11</u>	<u>7,079,492.11</u>	<u>6,777.80</u>	<u>(304,104.33)</u>	<u>0.00</u>	<u>0.00</u>	<u>6,782,165.58</u>	<u>6,782,165.58</u>	<u>0.00</u>	<u>0.00</u>
Total Investment Summary					<u>1,658,179,694.64</u>	<u>1,628,052,833.50</u>	<u>350,535,118.67</u>	<u>(231,917,359.55)</u>	<u>(20,582,530.58)</u>	<u>(0.00)</u>	<u>1,756,214,923.18</u>	<u>1,753,448,994.21</u>	<u>27,360,932.17</u>	<u>0.00</u>

**COMMUNITY AFFAIRS DIVISION
SECTION 8 PROGRAM**

**BOARD ACTION ITEM
January 31, 2008**

Action Item

Presentation, Discussion, and Possible Approval of Section 8 Streamlined 2008 Annual Public Housing Agency (PHA) Plan.

Required Action

Approval of Section 8 Streamlined 2008 Annual Public Housing Agency (PHA) Plan.

Background

The Section 8 Housing Choice Voucher Program was created by the Housing and Community Development Act of 1974. Funds for Section 8 are provided by the U. S. Department of Housing and Urban Development (HUD). The program provides rental assistance payments on behalf of low income individuals and families whose annual gross income does not exceed 50 percent of HUD's median income guidelines. HUD requires 75 percent of all new households admitted to the program be at or below 30 percent of the area median income. The Department's Community Affairs Division, Section 8 Program, currently contracts with units of local governments, community action agencies and public housing authorities to assist with the administration of 1,540 Housing Choice Vouchers. The Department administers vouchers in 28 counties, predominately in rural areas with smaller population.

Section 511 of the Quality Housing and Work Responsibility Act (QHWRA), (Public Law No. 105-276), signed into law on October 21, 1998, made several changes to the requirements for entities which administer the Section 8 Housing Choice Voucher Program (HCVP). 42 U.S.C. 1437(c-1)(b) requires public housing agencies such as the Department to submit an Annual Plan. On June 24, 2003 (FR-4753-F-02), HUD published in the *Federal Register* (Vol. 68, No. 121, Page 37664) a final rule "Deregulation for Small Housing Agencies," that simplifies and streamlines HUD's regulatory requirements for small PHAs that administer the public housing and voucher assistance programs under the United States Housing Act of 1937.

PHAs administering only vouchers are eligible to submit the new streamlined Annual PHA Plan. This year's plan covers the fourth year of the five year plan that is currently in effect. The streamlined annual plan is limited to reporting only a few select components, and a certification listing any components (programs and policies) changed since submission of the last Annual Plan.

This plan includes the Notice of a Disaster Preference for the Section 8 Housing Choice Voucher Program and a Project Access initiative to expand the program from thirty-five (35) to fifty (50) vouchers for FY 2008.

The proposed Section 8 Streamlined 2008 PHA plan was approved at the September 13, 2007 board meeting. A public hearing was held on November 13, 2007. Comment was received from two organizations - Community Partnership for the Homeless and the Corporation for Supportive Housing. Both organizations commented regarding the Project Access vouchers; Project Access provides vouchers for the deinstitutionalization of disabled persons. The Board approved the addition of 15 Project Access vouchers to the draft plan in September – for a total of 50 cumulative Project Access vouchers. The comments requested the expansion of eligibility for the proposed additional 15 vouchers to include disabled homeless individuals.

The Department recognizes the challenges in serving homeless persons with disabilities; however the Project Access program was federally created to specifically address deinstitutionalization of disabled persons and has not historically been utilized to capture other categories of housing need for disabled populations, including homeless. Therefore, at this time staff does not recommend a change to the PHA Plan.

There is a separate agenda item for this Board meeting which entails the approval of draft Project Access rules for Texas Administrative Code. Those draft rules will be presented to the Board and then released for public comment if approved. Because the comments made by the two organizations are more germane to the Project Access Program than specific to the PHA Plan, staff recommends that at this time the PHA Plan be approved with the full 50 vouchers and merely include the current reference to the “Project Access Program.” As the noted rules are released, the discussions relating to whether the Department can or should alter the Project Access Program will occur during that process. If public comment is received that requests that the program be expanded beyond the recommendations of the original pilot program, staff will research whether the Department has the authority according to HUD to expand the program in those ways and will include that feedback to the Board in the final rule Board agenda item.

The Department’s commitment to people with disabilities is reflected in the Streamlined 2008 PHA Plan: the Department may apply for special-purpose vouchers targeted to families with disabilities, should they become available from HUD. In addition, the Department will affirmatively market to local non-profit agencies that assist families with disabilities.

Staff recommends approval of the proposed Streamlined 2008 PHA Plan for the Texas Department of Housing and Community Affairs (Department) Section 8 Program written in compliance with 42 U.S.C.1437(c-1)(a) and (b).

Recommendation

Approve 2008 Streamlined Annual PHA Plan as presented by staff.



RECEIVED
DEPUTY ED.

November 12, 2007

Michael Gerber
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Dear Mr. Gerber:

I am writing you to on behalf of the Corporation for Supportive Housing. As we lay groundwork for opening offices in the state of Texas, we would like to provide comment on the proposed Section 8 plan as it relates to the Project Access vouchers. The current Project Access voucher program provides a pool of vouchers (35) that are solely available for persons with disabilities who live in institutions but who would like to use the Section 8 Project Access voucher to move into the community where they can live successfully if given the proper supports. The proposed Section 8 plan would increase the pool of vouchers by 15, resulting in a total of 50 Project Access vouchers.

The Corporation for Supportive Housing believes that the program is an excellent leverage of TDHCA's resources in serving the disabled community. However, we respectfully ask TDHCA to reconsider its eligibility criteria. Specifically, CSH as well as supportive housing providers statewide, would urge the agency to broaden who is eligible beyond exclusively disabled individuals transitioning from an institutional setting to include disabled homeless individuals.

Much of the state of Texas' chronically homeless population includes individuals with disabilities, many with behavioral health issues. Broadening the Project Access voucher program eligibility criteria to include these persons would greatly benefit these individuals in breaking the cycle of homelessness and potentially save the state of Texas' social service systems hundreds of thousands of dollars per year.

Thank you in advance for your consideration and please do not hesitate to contact me if you have any questions or would like more information on the cost savings benefits of supportive housing.

Most Sincerely,

Kelly W. Kent
Senior Program Manager
Strategic Partnerships

CSH HELPS COMMUNITIES

CREATE PERMANENT

HOUSING WITH SERVICES

TO PREVENT AND END

HOMELESSNESS.

Board of Directors

Tom Stacy, President
T. Stacy & Associates

Kamran Shah, Vice President
National Instruments

Charlene Lee, Treasurer
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Eduardo Osorio, Secretary

Maria Laudenslager

Terry Mitchell
Momark Development

Gilbert Rivera
Glen Oaks Neighborhood

November 8, 2007

Michael Gerber
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Dear Mr. Gerber:

I am writing you to provide comment on the proposed Section 8 plan as it relates to the Project Access vouchers. The current Project Access voucher program provides a pool of vouchers (35) that are solely available for persons with disabilities who live in institutions but who would like to use the Section 8 Project Access voucher to move into the community where they can live successfully if given the proper supports. The proposed Section 8 plan would increase the pool of vouchers by 15, resulting in a total of 50 Project Access vouchers.

Community Partnership for the Homeless believes that the program is an excellent leverage of TDHCA's resources in serving the disabled community. However, we respectfully ask TDHCA to reconsider its eligibility criteria. Specifically, Community Partnership, and other supportive housing providers, would urge the agency to broaden who is eligible beyond exclusively disabled individuals transitioning from an institutional setting to include disabled homeless individuals.

Much of our state's chronically homeless population includes individuals with disabilities, many with behavioral health issues. Living on the streets, without the structure and assistance of an institution, these men and women experience not only tremendous personal hardship, but also place a considerable strain on our communities' social service systems. These are the individuals who visit the emergency rooms & local jails dozens of times in a year, costing our community tens of thousands of dollars per person per year. Broadening the Project Access voucher program eligibility criteria to include these persons would greatly benefit these individuals in breaking the cycle of homelessness and potentially save our respective social service systems hundreds of thousands of dollars per year.

Thank you in advance for your consideration and please do not hesitate to contact me if you have any questions or would like more information on the cost savings benefits of supportive housing.

Most Sincerely,

Frank Fernandez
Executive Director

PHA Plans

Streamlined Annual Version

**U.S. Department of Housing and
Urban Development**
Office of Public and Indian
Housing

OMB No. 2577-0226
(exp. 08/31/2009)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937 that introduced 5-year and annual PHA Plans. The full PHA plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form allows eligible PHAs to make a streamlined annual Plan submission to HUD consistent with HUD's efforts to provide regulatory relief for certain types of PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Information in PHA plans is publicly available.

Streamlined Annual PHA Plan for Fiscal Year: 2008

PHA Name: Texas Department of Housing and Community Affairs

NOTE: This PHA Plan template (HUD-50075-SA) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue.

Streamlined Annual PHA Plan Agency Identification

PHA Name: Texas Department of Housing and Community Affairs

PHA Number: TX901

PHA Fiscal Year Beginning: (01/2008)

PHA Programs Administered:

Public Housing and Section 8 **Section 8 Only** **Public Housing Only**
Number of public housing units: Number of S8 units: **1540** Number of public housing units:
Number of S8 units:

PHA Consortia: (check box if submitting a joint PHA Plan and complete table)

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

PHA Plan Contact Information:

Name: **Amy Oehler** Phone: **(512) 475-3864**
TDD: **1-800-735-2989** Email (if available): **amy.oehler@tdhca.state.tx.us**

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)

PHA’s main administrative office PHA’s development management offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plan revised policies or program changes (including attachments) are available for public review and inspection. Yes No.

If yes, select all that apply:

Main administrative office of the PHA
 PHA development management offices
 Main administrative office of the local, county or State government
 Public library PHA website Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

Main business office of the PHA PHA development management offices

Other (list below)

Streamlined Annual PHA Plan

Fiscal Year 2008

[24 CFR Part 903.12(c)]

Table of Contents

[24 CFR 903.7(r)]

Provide a table of contents for the Plan, including applicable additional requirements, and a list of supporting documents available for public inspection.

A. PHA PLAN COMPONENTS

- 1. Site-Based Waiting List Policies
903.7(b)(2) Policies on Eligibility, Selection, and Admissions
- 2. Capital Improvement Needs
903.7(g) Statement of Capital Improvements Needed
- 3. Section 8(y) Homeownership
903.7(k)(1)(i) Statement of Homeownership Programs
- 4. Project-Based Voucher Programs
- 5. PHA Statement of Consistency with Consolidated Plan. Complete only if PHA has changed any policies, programs, or plan components from its last Annual Plan.
- 6. Supporting Documents Available for Review
- 7. Capital Fund Program and Capital Fund Program Replacement Housing Factor, Annual Statement/Performance and Evaluation Report
- 8. Capital Fund Program 5-Year Action Plan

B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

Form HUD-50076, PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Streamlined Annual Plan identifying policies or programs the PHA has revised since submission of its last Annual Plan, and including Civil Rights certifications and assurances the changed policies were presented to the Resident Advisory Board for review and comment, approved by the PHA governing board, and made available for review and inspection at the PHA's principal office;

For PHAs Applying for Formula Capital Fund Program (CFP) Grants:

Form HUD-50070, Certification for a Drug-Free Workplace;

Form HUD-50071, Certification of Payments to Influence Federal Transactions; and

Form SF-LLL & SF-LLL a, Disclosure of Lobbying Activities.

1. Site-Based Waiting Lists (Eligibility, Selection, Admissions Policies)

[24 CFR Part 903.12(c), 903.7(b)(2)]

Exemptions: Section 8 only PHAs are not required to complete this component.

***N/A to AGENCY**

A. Site-Based Waiting Lists-Previous Year

1. Has the PHA operated one or more site-based waiting lists in the previous year? If yes, complete the following table; if not skip to B.

Site-Based Waiting Lists				
Development Information: (Name, number, location)	Date Initiated	Initial mix of Racial, Ethnic or Disability Demographics	Current mix of Racial, Ethnic or Disability Demographics since Initiation of SBWL	Percent change between initial and current mix of Racial, Ethnic, or Disability demographics

2. What is the number of site based waiting list developments to which families may apply at one time?
3. How many unit offers may an applicant turn down before being removed from the site-based waiting list?
4. Yes No: Is the PHA the subject of any pending fair housing complaint by HUD or any court order or settlement agreement? If yes, describe the order, agreement or complaint and describe how use of a site-based waiting list will not violate or be inconsistent with the order, agreement or complaint below:

B. Site-Based Waiting Lists – Coming Year

If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to next component.

1. How many site-based waiting lists will the PHA operate in the coming year?
2. Yes No: Are any or all of the PHA’s site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?

- If yes, how many lists?
3. Yes No: May families be on more than one list simultaneously
If yes, how many lists?
4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
- PHA main administrative office
 - All PHA development management offices
 - Management offices at developments with site-based waiting lists
 - At the development to which they would like to apply
 - Other (list below)

2. Capital Improvement Needs

[24 CFR Part 903.12 (c), 903.7 (g)]

***N/A to AGENCY**

Exemptions: Section 8 only PHAs are not required to complete this component.

A. Capital Fund Program

1. Yes No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete items 7 and 8 of this template (Capital Fund Program tables). If no, skip to B.
2. Yes No: Does the PHA propose to use any portion of its CFP funds to repay debt incurred to finance capital improvements? If so, the PHA must identify in its annual and 5-year capital plans the development(s) where such improvements will be made and show both how the proceeds of the financing will be used and the amount of the annual payments required to service the debt. (Note that separate HUD approval is required for such financing activities.).

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

1. Yes No: Has the PHA received a HOPE VI revitalization grant? (if no, skip to #3; if yes, provide responses to the items on the chart located on the next page, copying and completing as many times as necessary).
2. Status of HOPE VI revitalization grant(s):

HOPE VI Revitalization Grant Status	
a. Development Name:	
b. Development Number:	
c. Status of Grant:	
<input type="checkbox"/>	Revitalization Plan under development
<input type="checkbox"/>	Revitalization Plan submitted, pending approval
<input type="checkbox"/>	Revitalization Plan approved
<input type="checkbox"/>	Activities pursuant to an approved Revitalization Plan underway

3. Yes No: Does the PHA expect to apply for a HOPE VI Revitalization grant in the Plan year?
If yes, list development name(s) below:
4. Yes No: Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year? If yes, list developments or activities below:
5. Yes No: Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement? If yes, list developments or activities below:

3. Section 8 Tenant Based Assistance--Section 8(y) Homeownership Program
(if applicable) [24 CFR Part 903.12(c), 903.7(k)(1)(i)]

1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to the next component; if "yes", complete each program description below (copy and complete questions for each program identified.)

The Department may collaborate with one or more PHAs that have a successful voucher homeownership program.

2. Program Description:

The Department may implement a Section 8 Homeownership program.

- a. Size of Program

- Yes No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

If the answer to the question above was yes, what is the maximum number of participants this fiscal year? **25 or fewer participants**

b. PHA-established eligibility criteria

- Yes No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria? If yes, list criteria:

c. What actions will the PHA undertake to implement the program this year (list)?

3. Capacity of the PHA to Administer a Section 8 Homeownership Program:

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.
- Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.
- Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below):
- Demonstrating that it has other relevant experience (list experience below):

The Department may collaborate with one or more PHAs that have a successful voucher homeownership program.

4. Use of the Project-Based Voucher Program

Intent to Use Project-Based Assistance

***N/A to AGENCY**

Yes No: Does the PHA plan to "project-base" any tenant-based Section 8 vouchers in the coming year? If the answer is "no," go to the next component. If yes, answer the following questions.

- Yes No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option? If yes, check which circumstances apply:
 - low utilization rate for vouchers due to lack of suitable rental units
 - access to neighborhoods outside of high poverty areas
 - other (describe below):
- Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts):

5. PHA Statement of Consistency with the Consolidated Plan

[24 CFR Part 903.15]

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary) only if the PHA has provided a certification listing program or policy changes from its last Annual Plan submission.

1. Consolidated Plan jurisdiction: (provide name here)

State of Texas Consolidated Plan

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families on its waiting lists on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
- Other: (list below)

3. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

- A. PHA Goal:** **Expand the supply of assisted housing**
TDHCA: **The Department may apply for additional vouchers, including special purpose vouchers, if HUD makes them available.**

- B. PHA Goal:** **Improve the quality of assisted housing**
TDHCA: **The Department will continue to assess and improve administrative processes and procedures to improve voucher management.**

6. Supporting Documents Available for Review for Streamlined Annual PHA Plans

PHAs are to indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans;</i>	5 Year and Annual Plans
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Streamlined Annual Plan</i>	Streamlined Annual Plans
X	<i>Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.</i>	5 Year and standard Annual Plans
X	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
N/A	Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA’s public housing and Section 8 tenant-based waiting lists.	Annual Plan: Housing Needs
N/A	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
N/A	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP] and the Site-Based Waiting List Procedure.	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Deconcentration Income Analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. <input type="checkbox"/> Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Public housing rent determination policies, including the method for setting public housing flat rents. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
N/A	Schedule of flat rents offered at each public housing development. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
N/A	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation).	Annual Plan: Operations and Maintenance
N/A	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
N/A	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
		Community Service & Self-Sufficiency
X	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
X	Any policies governing any Section 8 special housing types <input type="checkbox"/> Check here if included in Section 8 Administrative Plan The Department may apply for special-purpose vouchers targeted to families with disabilities, should they become available. The Department will affirmatively market to local non-profit agencies that assist families with disabilities.	Annual Plan: Operations and Maintenance
N/A	Public housing grievance procedures <input type="checkbox"/> Check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Grievance Procedures
N/A	The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year.	Annual Plan: Capital Needs
N/A	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants.	Annual Plan: Capital Needs
N/A	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing.	Annual Plan: Capital Needs
N/A	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. See PIH Notice 99-52 (HA).	Annual Plan: Capital Needs
N/A	Approved or submitted applications for demolition and/or disposition of public housing.	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans).	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937.	Annual Plan: Conversion of Public Housing
N/A	Documentation for required Initial Assessment and any additional information required by HUD for Voluntary Conversion.	Annual Plan: Voluntary Conversion of Public Housing
N/A	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
N/A	Policies governing any Section 8 Homeownership program (Section _____ of the Section 8 Administrative Plan)	Annual Plan: Homeownership
N/A	Public Housing Community Service Policy/Programs <input type="checkbox"/> Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
N/A	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency
N/A	FSS Action Plan(s) for public housing and/or Section 8. The Department has an exemption until October 2009.	Annual Plan: Community Service & Self-Sufficiency
N/A	Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing.	Annual Plan: Community Service & Self-Sufficiency
N/A	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing.	Annual Plan: Community Service & Self-Sufficiency
N/A	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Pet Policy
X	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit
N/A	Other supporting documents (optional)	(specify as needed)

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
	(list individually; use as many lines as necessary)	
N/A	Consortium agreement(s) and for Consortium Joint PHA Plans <u>Only</u> : Certification that consortium agreement is in compliance with 24 CFR Part 943 pursuant to an opinion of counsel on file and available for inspection.	Joint Annual PHA Plan for Consortia: Agency Identification and Annual Management and Operations

Notice of Disaster Preference for Section 8 Housing Choice Voucher Program

On July 12, 2007 the Board of the Texas Department of Housing and Community Affairs approved for public comment an addition of a disaster preference to be included in the TDHCA Public Housing Agency Plan. The disaster preference will allow the Department to provide Housing Choice Vouchers promptly to individuals and families in communities impacted by a disaster which will include, but not be limited to, communities with a disaster declaration or documented extenuating circumstances such as imminent threat to health and safety. The preference will cover only the areas where the Department currently has oversight of the Section 8 program. Requests for the preference must be made within 90 days of the disaster and may result in the disaster impacted person or family receiving assistance before someone currently on a waiting list.

PROJECT ACCESS

Several years ago, HUD made Section 8 vouchers available to assist disabled persons that are institutionalized to move out of institutions and into independent living. The Texas Department of Housing and Community Affairs (the Department) applied for vouchers under this HUD pilot initiative known as Project Access. HUD awarded the Department 35 Section 8 Project Access vouchers and the Department implemented its Project Access pilot project.

After the HUD pilot ended, the Department maintained 35 of its regular Section 8 vouchers to continue the Project Access initiative in order to continue assisting this population to move into independent living.

The Department intends to continue its Project Access initiative and expand the program to 50 vouchers for FY 2008.

7. Capital Fund Program Annual Statement/Performance and Evaluation Report and Replacement Housing Factor

Annual Statement/Performance and Evaluation Report				*N/A to AGENCY	
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary					
PHA Name:			Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:		Federal FY of Grant:
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1501 Collateralization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				

7. Capital Fund Program Annual Statement/Performance and Evaluation Report and Replacement Housing Factor

Annual Statement/Performance and Evaluation Report *N/A to AGENCY Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary					
PHA Name:		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:			Federal FY of Grant:
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part II: Supporting Pages								
PHA Name:		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:				Federal FY of Grant:		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	

7. Capital Fund Program Annual Statement/Performance and Evaluation Report and Replacement Housing Factor

*N/A to AGENCY

Capital Fund Program Five-Year Action Plan					
Part I: Summary					
PHA Name				<input type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No:	
Development Number/Name/HA-Wide	Year 1	Work Statement for Year 2 FFY Grant: PHA FY:	Work Statement for Year 3 FFY Grant: PHA FY:	Work Statement for Year 4 FFY Grant: PHA FY:	Work Statement for Year 5 FFY Grant: PHA FY:
	Annual Statement				
CFP Funds Listed for 5-year planning					
Replacement Housing Factor Funds					

7. Capital Fund Program Annual Statement/Performance and Evaluation Report and Replacement Housing Factor

COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the Investor Owned Utility (IOU) weatherization contracts and the allocation of the funds for the El Paso Electric (EPE), Southwestern Public Services (SPS) and Southwestern Electric Power Company (SWEPCO).

Required Action

Staff recommends Board approval of the distribution of the IOU weatherization funds for Program Year (PY) 2008.

Background

The Texas Department of Housing and Community Affairs (the Department) administers three Weatherization Assistance Program (WAP) Investor Owned Utility (IOU) grants (EPE, SPS and SWEPCO). The funds are distributed based upon the number of electric service households in a subrecipient's service area which is reflected as an allocation percentage. These funds can be used to increase the number of weatherization services that a household can receive. In most instances, the households receive services paid for through a federal program (LIHEAP or DOE weatherization assistance) and can still benefit from additional weatherization services. The IOU contracts have a \$4,000 per unit cap, and require all measures meet the Saving to Investment Ratio (SIR) of one or greater as determined by the Easy Energy Audit.

Energy Assistance staff is requesting approval to obligate the 2008 EPE award (\$227,900), the 2008 SPS award (\$300,000), the 2008 SWEPCO award (\$373,631) and the 2006 SWEPCO Unutilized Balance (UB) (\$37,763) for a total of \$411,394, to the appropriate weatherization subrecipients.

Summary of Weatherization Programs

Subrecipients provide cost effective weatherization measures to improve the energy efficiency of eligible client households. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, refrigerator replacement, and minor roof repair. Potential WAP client households apply for assistance with the WAP subrecipient. The subrecipient determines if the household is income-eligible and whether they meet the criteria for one or more of the priority populations **and** receive electric service from the IOU. Typically, if the applicant is determined eligible, the applicant is placed on a waiting list.

Once the eligible applicant list is developed the subrecipient conducts an energy assessment on the applicant's home and results are entered into a computerized Easy Energy Audit to determine if weatherization services are appropriate. If the applicant is income eligible, is a customer of the electric company, and the applicant's home is appropriate for weatherization, the subrecipient weatherizes the client's home. The weatherization work typically is performed by an independent contractor procured through competition and with whom the subrecipient has contracted.

Recommendation

Staff recommends board approval of the IOU weatherization funding.

El Paso Electric (EPE) Company		
Contract Period: 1/1/08 - 12/31/08		
Subrecipients:	Allocation Percentage	Total Dollars
Big Bend Community Action	20.00	\$ 45,580
El Paso Project BRAVO	80.00	\$ 182,320
		\$ 227,900
Southwest Public Services (SPS)		
Contract Period: 1/1/08 - 12/31/08		
Subrecipients:	Allocation Percentage	Total Dollars
Caprock Community Action	8.47	\$ 25,417
City of Lubbock	9.39	\$ 28,164
Panhandle Community Services	60.64	\$ 181,911
South Plains Community Action Agency	17.53	\$ 52,583
West Texas Opportunities	3.97	\$ 11,925
		\$ 300,000
Southwestern Electric Power Company Program (SWEPCO)		
Contract Period: 4/1/07 - 3/31/08		
Subrecipients:	Allocation Percentage	Total Dollars
Greater East Texas Community Action Program	37.86	\$ 155,767
Texoma Council of Governments	35.76	\$ 147,134
Tri-County Community Action Agency	21.34	\$ 87,787
Panhandle Community Services	5.03	\$ 20,706
		\$ 411,394

HOUSING RESOURCE CENTER

BOARD ACTION REQUEST

January 31, 2008

Action Items

Presentation, Discussion and Possible Approval to publish the draft of proposed new 10 TAC §8.1, Project Access Program Rules, for comment in the *Texas Register*.

Required Action

Approve, approve with amendments, or deny the draft rule for publication in the *Texas Register* for public comment related to the Project Access Program.

Background

Project Access is a program that utilizes Section 8 Housing Choice Vouchers administered by the Texas Department of Housing and Community Affairs to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. The purpose of this draft rule is to define the eligibility criteria that apply to Project Access voucher recipients.

Project Access was originally a housing voucher pilot program developed by the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Health and Human Services (HHS), and the Institute on Disability at the University of New Hampshire. The goal of the pilot program was to assist low-income non-elderly persons with disabilities to transition from institutions into the community by providing access to affordable housing and necessary supportive services. The Department applied for the pilot program and received 35 Section 8 housing vouchers from HUD in 2001. After the expiration of the HUD pilot program in 2003, the Department elected to continue the program in recognition of housing need and expressed public interest and has continued to operate the program since that time. Currently, the Department works closely with the Texas Department of Aging and Disability Services in outreach and identification of program participants. As a separate Board item associated with the Section 8 PHA Plan, staff has recommended that the number of Project Access vouchers be increased from 35 to 50.

As the source of the vouchers is the Section 8 Housing Choice Voucher program, all Section 8 Housing Choice Voucher rules and regulations apply. In addition, eligible participants must have a disability, reside in a nursing facility, intermediate care facility, or board and care facility, and be under the age of 62. The proposed rule will codify the additional eligibility requirements for the program. It should be noted that in the draft rule proposed staff is recommending that the Project Access Program adhere to the eligibility criteria that were associated with the pilot program. If public comment is received requesting that the program be expanded beyond the requirements of the original pilot program, staff will research whether the Department has the authority according to HUD to expand the program in those ways and will include that feedback when the final rule is presented to the Board, anticipated to be in April. In informal discussions with HUD, staff has been led to believe that HUD has concerns about expanding a preference in

an expired HUD pilot program. The public comment period for the proposed rule is February 15th through March 17th.

Recommendation

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

TITLE 10 COMMUNITY DEVELOPMENT
PART 1: TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 8: PROJECT ACCESS PROGRAM RULES

10 TAC §8.1

(a) Purpose. Project Access is a program that utilizes federal Section 8 Housing Choice Vouchers administered by the Texas Department of Housing and Community Affairs to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. The purpose of this rule is to define the eligibility criteria that apply to Project Access voucher recipients.

(b) Definitions.

(1) Board--The board of directors of the department.

(2) Department--The Texas Department of Housing and Community Affairs.

(3) Section 8 – The United States Department of Housing and Urban Development Section 8 Housing Choice Voucher Program administered by the Texas Department of Housing and Community Affairs.

(c) Regulations Governing Program. All Section 8 rules and regulations apply to the program.

(d) Project Access Eligibility Criteria. A Project Access voucher recipient must meet all Section 8 eligibility criteria as well as meet all of the following eligibility criteria:

(1) have a permanent disability as defined in Section 223 of the Social Security Code or be determined to have a physical, mental or emotional disability that is expected to be of long-continued and indefinite duration that impedes one's ability to live independently;

(2) be a resident of a nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance as defined by the U.S. Department of Housing and Urban Development; and

(3) be less than 62 years of age at the time of voucher issuance.

HOME DIVISION
BOARD ACTION REQUEST
January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the Housing Trust Fund Program Homeownership Super Notice of Funding Availability (NOFA).

Requested Action

Approve, Deny or Approve with Amendments the Housing Trust Fund Program Homeownership Super Notice of Funding Availability (NOFA).

Background

During the 80th Legislative Session the Department was appropriated additional General Revenue specifically for the Housing Trust Fund. In September 2007, the Board approved the 2008 Housing Trust Fund Annual Plan to be submitted to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee by October 1, 2007, as required by House Bill 1. The Annual Plan was developed utilizing statutory restrictions and directives and input from various organizations active in the housing industry. The Annual Plan was approved as submitted and included programming for the Homeownership SuperNOFA. The Department designed the SuperNOFA with flexibility to permit funds to be used for a variety of homeownership activities to allow nonprofit and for-profit organizations the opportunity to identify and serve their community's homeownership needs. The total funds available under this NOFA is \$1 million and allows applicants to provide assistance to eligible homeowners and first-time homebuyers in the form of 0% percent interest loans. Eligible activities include the following three assistance programs:

- Mortgage assistance for homeowners rebuilding from disasters other than Hurricane Rita
- Downpayment assistance for first-time homebuyers
- Rehabilitation assistance, including architectural barrier removal, for homeowners

The assistance is limited to those households earning 50% or less of the Area Median Family Income (AMFI) and applicants are encouraged to prioritize assistance to households earning 30% or less of the AMFI. The maximum award amount per organization is \$250,000 and each assistance program includes a maximum loan amount per household. Nonprofit organizations are permitted to apply for 5% in administrative fees.

Recommendation

Staff recommends approval of the Housing Trust Fund Program Homeownership SuperNOFA and approval to submit this NOFA for publication in the *Texas Register*.



Texas Department of Housing and Community Affairs Housing Trust Fund (HTF)

2008 Homeownership SuperNOFA Notice of Funding Availability (NOFA)

Summary

The Texas Department of Housing and Community Affairs (Department) announces the availability of approximately \$1,000,000 of the 2008 Housing Trust Fund (HTF) to fund homeownership activities for Texans. Funds will be made available for the rebuilding or rehabilitation of affordable housing for homeowners and gap financing or downpayment assistance for first-time homebuyers. The availability and use of these funds are subject to the State Housing Trust Fund Rules at 10 Texas Administrative Code, Title 10, Part 1, Chapter 51 (“HTF Rules”) in effect at the time the application is submitted.

Allocation of HTF Funds

These funds are made available through the Housing Trust Fund and are not subject to the Regional Allocation Formula. All funds released under this NOFA shall be used to assist households earning 50% or less of the Area Median Family Income (AMFI) as defined by the U. S Department of Housing and Urban Development (HUD), with incentive provided to serve households earning 30% or less of the AMFI. Assistance provided with these funds must be in the form of a loan to the homeowner or homebuyer.

In accordance with 10 TAC §51.8, this NOFA will be an Open Application Cycle and funding will be available on a first-come, first-served statewide basis. Applications will be accepted by the Department on an on-going basis until all funds have been awarded or **5:00 p.m. on Friday, June 27, 2008, regardless of method of delivery**. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold criteria will not be considered for funding.

The maximum award amount per Applicant is \$250,000 inclusive of project and administrative funds. Non-profit organizations may request up to five percent (5%) of the requested project funds for administrative costs.

The contract term for each award shall not exceed 24 months.

Eligible and Ineligible Activities

Eligible activities will include those permissible under HTF Rules at 10 TAC §51.4 and described in this NOFA.

Prohibited activities include those under HTF Rules 10 TAC §51.5.

Mortgage Assistance:

Acquisition, new construction or reconstruction costs assistance is provided to homeowners to rebuild single family housing affected by a disaster other than Hurricane Rita. Eligible homeowners must provide evidence of prior homeownership and principal residence status of the home proposed to be rebuilt. Assistance will be in the form of a zero percent (0%) interest, 30-year term, amortizing loan creating a 1st lien. All properties must meet all applicable building and safety codes, ordinances and standards, local zoning ordinances and HUD's Housing Quality Standards (HQS) at the completion of assistance. If a home is newly constructed it must also meet federal energy requirements as defined by HUD.

The maximum loan amount per homeowner is \$70,000.

As an incentive to prioritize providing assistance to households earning 30% or less of the AMFI, the assistance for these households will be provided in the form of a zero percent interest (0%), 20-year deferred, forgivable loan creating a 1st lien.

Forgiveness of the loan balance is calculated based on a pro-rata annual share of the loan term. The anniversary date of the loan shall constitute completion of the year. Any partial year shall not be waived. The amount due will be based on the pro-rata share on the number of years of the remaining loan term.

If at any time prior to the full loan period there occurs a sale of the property, a refinance of any superior lien, a repayment of any superior lien, or if the unit ceases to be the assisted homeowner's principal residence, the loan shall become due and payable. In the event the home is sold (voluntary or involuntary); the assisted homeowner will pay the loan balance from the shared net proceeds of the sale. The net proceeds are the sales price minus superior loan repayment (other than HTF funds) and any closing costs. A copy of the HUD closing statement must be provided.

Downpayment Assistance:

Down payment and gap financing is provided to homebuyers for the acquisition of single family housing. Eligible first-time homebuyers must not have owned a home in the three (3) years prior to the receipt of assistance. Assistance will be in the form of a zero percent interest (0%) interest, 10-year deferred, forgivable loan creating a 2nd or 3rd lien. Homebuyer Counseling must be provided to each household served. All properties must meet all applicable building and safety codes, ordinances and standards, local zoning ordinances and HUD's Housing Quality Standards (HQS) at the completion of assistance. If a home is newly constructed it must also meet federal energy requirements as defined by HUD.

The maximum loan amount per homebuyer is \$10,000.

As an incentive to prioritize providing assistance to households earning 30% or less of the AMFI, the assistance for these households will be provided in the form of a zero percent interest (0%) interest, 5-year deferred, forgivable loan creating a 2nd or 3rd lien.

Forgiveness of the loan balance is calculated based on a pro-rata annual share of the loan term. The anniversary date of the loan shall constitute completion of the year. Any partial year shall not be waived. The amount due will be based on the pro-rata share on the number of years of the remaining loan term.

If at any time prior to the full loan period there occurs a sale of the property, a refinance of any superior lien, a repayment of any superior lien, or if the unit ceases to be the assisted homeowner's principal residence, the loan shall become due and payable. In the event the home is sold (voluntary or involuntary); the assisted homeowner will pay the loan balance from the shared net proceeds of the sale. The net proceeds are the sales price minus superior loan repayment (other than HTF funds) and any closing costs. A copy of the HUD closing statement must be provided.

Rehabilitation Assistance:

Rehabilitation cost assistance is provided to homeowners to rehabilitate single family housing including architectural barrier removal. In general, the rehabilitation of a manufactured housing unit is not an eligible activity. However, the Department may consider individual homeowners' requests made through administrators on a case-by-case basis. Approval to perform the rehabilitation of a manufactured housing unit will be made at the sole discretion of the Department. Eligible homeowners must provide evidence of homeownership and principal residence status of the home proposed to be rehabilitated. Assistance will be in the form of a zero percent (0%) interest, 20-year deferred, forgivable loan creating a 1st, 2nd or 3rd lien. All properties must meet all applicable building and safety codes, ordinances and standards, local zoning ordinances and HUD's Housing Quality Standards (HQS) at the completion of assistance. If a home is newly constructed it must also meet federal energy requirements as defined by HUD.

The maximum loan amount per homeowner is \$30,000.

As an incentive to prioritize providing assistance to households earning 30% or less of the AMFI, the assistance for these households will be provided in the form of a zero percent interest (0%) interest, 10-year deferred, forgivable loan creating a 1st, 2nd or 3rd lien.

Forgiveness of the loan balance is calculated based on a pro-rata annual share of the loan term. The anniversary date of the loan shall constitute completion of the year. Any partial year shall not be waived. The amount due will be based on the pro-rata share on the number of years of the remaining loan term.

If at any time prior to the full loan period there occurs a sale of the property, a refinance of any superior lien, a repayment of any superior lien, or if the unit ceases to be the assisted homeowner's principal residence, the loan shall become due and payable. In the event the home is sold (voluntary or involuntary); the assisted homeowner will pay the loan balance

from the shared net proceeds of the sale. The net proceeds are the sales price minus superior loan repayment (other than HTF funds) and any closing costs. A copy of the HUD closing statement must be provided.

Any rehabilitation performed on housing units for accessibility modifications must be designed to meet the needs of the individual homeowner.

Eligible and Ineligible Applicants

Eligible applicants are Units of General Local Government, Nonprofit and For-Profit Organizations and Public Housing Authorities (PHA's).

Applicants may be ineligible for funding if they meet any of the criteria listed in §51.5 of the Department's HTF Rule.

Threshold Criteria

Cash Reserve: Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Every applicant must be able to evidence as a threshold standard, that they can demonstrate the ability to administer the program and commit adequate cash reserves of at least \$35,000 to cover any delays in the disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are paid by program funds. This commitment must be included in the applicant's resolution.

Evidence of Prior Experience: All applicants must have at least two (2) years of experience in providing the assistance for each of the activities for which funds are requested as evidenced by current or previous contracts with funding entities for the each activity. Applicants that request funds to provide accessibility modifications must have at least two (2) years of experience in performing this specific activity and evidence the experience with current or previous contracts with funding entities for the same. To satisfy this requirement, applicants may provide evidence of a partnership with an entity or organization that meets this requirement.

Program Design: All applications submitted must include a detailed, written program design which must include proposed activities to be undertaken, marketing, method of receiving applications from prospective homeowners and homebuyers, procurement requirements (if applicable), procedures to handle complaints or grievances and a proposed timeline to complete all activities. Applicants that request funds to provide accessibility modifications must clearly describe the process and expertise to be used in determining the accessibility needs of the homeowner. The documentation submitted must include the resume(s) of qualified and experienced staff or an agreement with a qualified and experienced third-party organization.

Resolution Requirement: All applications submitted must include an original resolution from the applicant's direct governing body, authorizing the submission of the application, committing a specific amount for cash reserves for use during the contract period and naming

a person authorized to represent the organization and signature authority to execute a contract.

Review Process

Pursuant to 10 TAC §51.8, each application will be handled on a first-come, first-served basis. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. The Department will ensure review of materials required under the NOFA and Application Submissions Procedures Manual (ASPM) for threshold criteria and eligibility and will issue a notice of any Administrative Deficiencies for Applications within 45 days of the Received Date.

All applicants will be processed through the Department's Application Evaluation System and will include a previous award and past performance evaluation. Poor past performance may disqualify an applicant for funding recommendation or a funding recommendation may include conditions.

Funding recommendations of eligible Applicants will be presented to the Department's Governing Board of Directors based on eligibility and limited by the total amount of funds available under this NOFA and the maximum award amount.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HTF funds before an application has been completely reviewed. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

Application Submission

The Application Guide for this NOFA will be available on the Department's website at www.tdhca.state.tx.us by **February 29, 2008**. Applications must be submitted on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department. All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials. Final application deadline date is **5:00 P.M., Friday, June 27, 2008**.

Applications mailed via the U.S. Postal Service must be mailed to:

Texas Department of Housing & Community Affairs
Attn: Ann Gusman-MacBeth, Housing Trust Fund Program Administrator
HOME Division
P.O. Box 13941
Austin, Texas 78711-3941

Applications mailed by private carrier or hand-delivered will be received at the physical address:

Texas Department of Housing & Community Affairs
Attn: Ann Gusman-MacBeth, Housing Trust Fund Program Administrator
HOME Division
221 E. 11th Street
Austin, Texas 78701

Applicants are required to remit a non-refundable application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$30 per application. Please send a check, cashier's check or money order; **do not send cash.** Section 2306.147(b) of the Texas Government Code requires the Department to waive grant application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status in lieu of the application fee.

Applications that do not meet the filing deadline and application fee requirements will be returned to the applicant and will not be considered for funding. Application deficiencies will be processed in accordance to 10 TAC §51.8. An applicant may appeal decisions made by the Department in accordance with 10 TAC §1.7.

This NOFA does not include text of the various applicable regulatory provisions that may be important to the Housing Trust Fund Program. For proper completion of the application, the Department strongly encourages potential applicants to review the HTF rules and regulations and to attend an application workshop.

Application Workshop

The Department will present an application workshop that will provide an overview of the Housing Trust Fund, application preparation and submission requirements, evaluation criteria, and program information and requirements. The application workshop schedule and registration will be posted on the Department's website at www.tdhca.state.tx.us.

Audit Requirements

An applicant is not eligible to apply for funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b). This is a threshold requirement outlined in the application, therefore applications that have outstanding past audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).

Contact Information

Questions regarding this NOFA should be addressed to:
HOME Division
Attn: Ann Gusman-Macbeth
221 E. 11th Street
Austin, Texas 78701
Telephone: (512) 475-4606
E-mail: ann.macbeth@tdhca.state.tx.us

HOME DIVISION
BOARD ACTION REQUEST
January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the Housing Trust Fund Texas Veteran's Housing Support Program Awards.

Requested Action

Approve, Deny or Approve with Amendments the Housing Trust Fund Texas Veteran's Housing Support Program Awards.

Background and Recommendations

Summary

In July 2007 the Board approved the Housing Trust Fund Texas Veteran's Housing Support Program Notice of Funding Availability (NOFA) which made available \$1 million to be utilized for rental subsidies and homeownership assistance for low-income (80% AMFI) veterans. Applications from units of general local governments, non-profit organizations, and public housing authorities were received on a first-come, first-served basis for Veterans Rental Assistance (VRA) and Veterans Homeownership Assistance (VHA).

VRA provides rental subsidy, security, and utility deposit assistance in the form of a grant to tenants in accordance with written tenant selection policies for a period not to exceed 36 (thirty-six) months. VRA allows the assisted tenant to move to and live in any dwelling unit with a right to continued assistance during a 36-month period with the condition that the assisted household participate in a self-sufficiency program, which shall include among its objectives the acquisition of a permanent source of affordable housing on or before the expiration of the rental subsidy. The VRA program will be available for veterans transitioning from Veteran's Administration (VA) Hospitals or other care facilities; or veterans honorably discharged from the service and transitioning to civilian life.

VHA provides down payment and closing cost assistance to homebuyers for the acquisition, or acquisition and rehabilitation, of affordable and accessible single family housing. Rehabilitation is limited to modifications for accessibility. Eligible homebuyers may receive loans up to \$35,000 for down payment, closing costs and rehabilitation. A maximum of \$15,000 of the \$35,000 loan can be used for down payment and closing costs. The balance of the assistance must be used for needed accessibility modifications.

A total of 7 applications were received for funding by the December 28, 2007 final application deadline date totaling \$1,437,816 in funding requests. Following is a summary of the applications:

Total Applications Received

Applicant	Service Area	Activity	Total Project Funds Requested	Total Administrative Funds Requested	Total Funds Requested	Total Number of Units Proposed
City of San Antonio	San Antonio	VHA	\$ 240,400	\$ 9,600	\$ 250,000	16
HOVER, Inc.*	DeSoto	VRA	\$ 60,400	\$ 2,416	\$ 62,816	2
United States Veterans Initiative	Houston	VRA	\$ 240,000	\$ 10,000	\$ 250,000	24
Catholic Charities of Dallas, Inc.	Dallas & Collin Counties	VRA	\$ 240,000	\$ 10,000	\$ 250,000	30
City of Dallas	Dallas County	VRA	\$ 240,000	\$ 10,000	\$ 250,000	30
Freeport VFW	Brazoria County	VRA	\$120,277	\$ 4,723	\$ 125,000	120
City of Houston	Houston	VHA	\$ 240,000	\$ 10,000	\$ 250,000	10
Total			\$1,380,677	\$ 57,139	\$1,437,816	232

* HOVER – Helping Our Veterans Endure Recovery

Recommendations

Applicant	Service Area	Activity	Total Project Funds Requested	Total Administrative Funds Requested	Total Funds Recommended	Total Number of Units Proposed
City of San Antonio	San Antonio	VHA	\$ 240,400	\$ 9,600	\$ 250,000	16
HOVER, Inc.	DeSoto	VRA	\$ 60,400	\$ 2,416	\$ 62,816	2
Catholic Charities of Dallas, Inc.	Dallas & Collin Counties	VRA	\$ 240,000	\$ 10,000	\$ 250,000	30
City of Dallas	Dallas County	VRA	\$ 240,000	\$ 10,000	\$ 250,000	30
Total			\$780,800	\$ 32,016	\$ 812,816	78

The City of San Antonio through the Housing and Neighborhood Services Department (HNSD) has provided downpayment assistance, as well as the necessary education for owning and maintaining a home, to nearly 900 families since 1998. The staff has a combined experience of 40 years in housing and downpayment assistance programs. With three active military bases and additional facilities under construction, the applicant anticipates quickly serving 16 families with downpayment, closing cost and/or rehabilitation assistance.

HOVER, Inc. is non-profit organization formed in 2005 dedicated to providing temporary housing and life style enrichment mentoring to veterans and is proposing to serve 2 households with rental assistance. Due to limited experience with state grant funding and the demonstration nature of this program, the applicant is proposing to serve 2 households with rental assistance to

gain experience with administering an affordable housing program. The applicant proposes maintaining relationships with Metro Dallas Homeless, Central Dallas Ministries and other employment resources to provide support and referral services to tenants. The Executive Director of HOVER, Inc. is a private individual provider of affordable housing to Section 8 tenants. To ensure no conflict of interest occurs, the Executive Director has provided a statement on behalf of the non-profit that in any duties performed by him, a Board member or any staff person, eligible tenants will not be directed to the units he owns and the rental assistance will not be contingent upon renting the units that he owns.

Catholic Charities of Dallas, Inc. is a non-profit organization that has been providing a variety of services to the community for over 100 years. Through a partnership with the Catholic Foundation at the Cross Family Center, Catholic Charities has been serving veterans with emergency financial assistance for the past five years. The applicant proposes to serve 30 households with rental assistance and has well-established collaborative relationships to assist veterans with support services and to help them achieve their self sufficiency plan.

The City of Dallas has a long history of providing services to its residents to meet their needs and reorganized the Homeless Services Division in 1994 within the Environmental and Health Services (EHS) Department to provide a comprehensive service delivery system. Services provided include case management, crisis intervention, and supportive housing. The applicant anticipates serving 30 households with rental assistance utilizing outreach and other treatment services and links to community stakeholders.

Funding Recommendation Methodology

The funds were not subject to the Regional Allocation Formula. Applications are being processed utilizing the open cycle method and as described in the NOFA. Applications are reviewed for applicant and activity eligibility and threshold criteria.

Applications that are being recommended have passed all eligibility and threshold requirements. The remaining three applicants are responding to deficiencies and will possibly be presented to the Board for funding at the next Board Meeting.

Applications recommended for funding were submitted to the Compliance Division for review and approval and entry into the Application Evaluation System. None of the awardees were identified as having non-compliance issues at application. All awardees are subject to a second review at contract generation and will be contingent upon any unresolved audit findings, questioned or disallowed costs, and performance issues identified at that time.

Recommendation

Staff recommends approval of the Housing Trust Fund Texas Veteran's Housing Support Program award recommendations.

HOME DIVISION
BOARD ACTION REQUEST
January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the Funding Plan for Deobligated and Uncommitted HOME Funds.

Requested Action

Approve, Deny or Approve with Amendments the Funding Plan for Deobligated and Uncommitted HOME Funds.

Background

As requested by the Board at the December board meeting, staff has developed a funding plan describing proposed programming initiatives for the balance of deobligated and uncommitted HOME Program funds. Amounts used in this plan are approximations based upon the December 14, 2007 Fund Balance Report, which indicates a total balance of \$6,559,817 in funds available to commit. It should be noted, however, that staff is continuing to reconcile fund and set-aside balances to recapture deobligated funds to the Persons with Disabilities, American Dream Downpayment Initiative (ADDI) and Contract for Deed Conversion Set-Asides. All proposed programming of funds with available balances is approximate and subject to the priority of returning funds to those mandatory Set-Asides. In accordance with 10 TAC §1.19, the Department must not retain a balance of deobligated funds that exceeds 15% of the most current annual allocation of HOME funds. This equates to a maximum balance of slightly over \$6 million.

HOME Fund Balance Report as of 12/14/2007

The HOME Fund Balance Report (see next page) is the Department's internal tracking of available balances and has been revised recently to initiate separate accounting of uncommitted versus deobligated funds. For the purposes of this report, uncommitted funds are those that have not been awarded to a Contract Administrator and may include a balance of funds from an undersubscribed NOFA. Deobligated funds are those that have been voluntarily or involuntarily returned from an individual project address or an awarded contract from a Contract Administrator. Since uncommitted and deobligated funds were not previously tracked separately, this report reflects deobligated balances that staff has been able to confirm as in fact deobligated. The balances of uncommitted funds may include deobligated funds, however staff will continue to reconcile these balances with documented and verifiable information.

The beginning balances of this report are the total funds that are "Available to Commit" in HUD's Integrated Disbursement Information System and separated into uncommitted and deobligated balances. The Fund Balance Report provides a bottom-line regarding the amount of funds available for programming after mandated Set-Asides, Board-approved awards (that do not have executed contracts or commitments to individual project addresses in IDIS yet), and published, open NOFA's have been reserved.

HOME FUND BALANCE REPORT

As of December 14, 2007

	CHDO		Non-CHDO		TOTAL
	Uncommitted	Deobligated	Uncommitted	Deobligated	
Available Balance in IDIS	\$10,349,981.32	\$86,287.73	\$58,008,294.02	\$9,045,137.18	\$77,489,700.25
<i>Less mandated set-asides or previously designated by Board:</i>					
Disaster Set-Aside			(\$4,750,000.00)	(\$2,050,000.00)	(\$6,800,000.00)
ADDI			(\$1,346,274.00)	(\$1,110,076.00)	(\$2,456,350.00)
Contract for Deed Set-Aside--(pending additional reconciliation)			(\$4,000,000.00)	(\$2,670,000.00)	(\$6,670,000.00)
Persons with Disabilities Set-Aside--(pending additional reconciliation)			(\$231,822.00)	\$0.00	(\$231,822.00)
Colonia Model Subdivision Program	(\$2,000,000.00)	\$0.00			(\$2,000,000.00)
Awards approved by the Board but not committed in IDIS yet	(4,026,043.00)	\$0.00	(\$21,440,066.00)	\$0.00	(25,466,109.00)
2007 RHD NOFA \$15 Million (expires June 2, 2008)			(\$15,000,000.00)	\$0.00	(\$15,000,000.00)
2007 Open Cycle CHDO NOFA \$6 Million (expires June 2, 2008)	(\$4,900,000.00)	(\$1,100,000.00)			(\$6,000,000.00)
2007 CHDO Operating Funds	(\$305,602.00)				(\$305,602.00)
Homebuyer NOFA \$3 Million (approved by Board December 20, 2007 and expires May 28, 2008)			(\$3,000,000.00)		(\$3,000,000.00)
TBRA NOFA \$3 Million (approved by Board December 20, 2007 and expires May 28, 2008)			(\$3,000,000.00)		(\$3,000,000.00)
Total Available to Commit (Program):	(\$881,663.68)	(\$1,013,712.27)	\$5,240,132.02	\$3,215,061.18	\$6,559,817.25

Status of Previously Programmed Activities

Below is a brief status on the activities for which HOME funds have been programmed or committed:

- **Disaster Set-Aside.** While only approximately \$2 million is required to be reserved for disasters pursuant to the Department's rule on deobligated funds (10 TAC §1.19(e)(1)), the Disaster Set-Aside includes \$4.7 million of uncommitted 2007 Single Family funds, as approved by the Board in August 2007. With the same action item, the Board also approved \$2.5 million in deobligated funds to be reserved for disasters. These additional funds were set aside by the Board in anticipation of requests resulting from the heavy rains many parts of the State experienced last spring and summer. As reflected on the Fund Balance Report, the total reservation including both uncommitted and deobligated funds is \$6.8 million. As an additional note, staff has experienced an increased interest in these funds since the timeframe reserved for a federal declaration is expiring in many of the communities that were affected by a disaster earlier this year. However, the Department has not received any applications for Disaster Relief.
- **American Dream Downpayment Initiative (ADDI).** ADDI is a separate allocation of HOME funds received by the Department to provide downpayment and closing cost assistance to eligible first-time homebuyers. As noted below, the Board has approved the inclusion of this balance of uncommitted and deobligated ADDI funds in an open cycle Homebuyer NOFA. The NOFA was published in the January 4, 2008 *Texas Register* and has a final application deadline date of May 28, 2008.
- **Contract for Deed Set-Aside.** Historically, the Department has used HOME funds to meet its legislative requirement to allocate \$2 million per year for the conversion of contracts for deed. The Department has not released a NOFA for this activity since 2005 and interest has been expressed by potential applicants that have reached or are reaching the end of their contract term from a previous award. There are relatively few participants in this program and the existing contractor administrators have experienced significant delays in expending funds. With the reorganization of the HOME Division and the addition of a Performance team, staff has increased the technical assistance and oversight provided to these administrators. Contracts have either expired with limited or no performance, which has resulted in the deobligation of funds, or action plans have been developed and amendments for extensions approved in order to serve a portion or all of the housing units targeted. The new HOME Program Rule adopted by the Board in December 2007 included changes to provide additional funding on a per household basis to address the needs and characteristics of these types of transactions. Additionally, staff has consulted with HUD regarding programmatic improvements and plans to bring a recommendation to publish a new NOFA for the uncommitted and deobligated balances for this set-aside in the coming months.
- **Persons with Disabilities Set-Aside.** Staff has identified approximately \$696,822 in uncommitted and deobligated funds targeted to assist persons with disabilities through previous year's awards. Staff will be meeting with the Department's Disability Advisory Workgroup in February 2008 to develop proposed programming activities for these funds. Staff will present any NOFA's developed for Board approval.
- **Colonia Model Subdivision Program.** In February 2007 the Board approved the first two awards for this program totaling \$3.5 million. One contract has been executed and the other is in the process of being executed but has been delayed due the development of the contractual requirements and implementation guidelines for this program. Staff has

been consulting with HUD regarding this program and will be revising the programmatic requirements to ensure compliance with federal regulations and to allow the most flexibility and efficiency in the use of the funds for this activity.

- **2007 Rental Housing Development NOFA.** In September 2007 the Board approved this open cycle NOFA for \$15 million, which expires June 2, 2008. The Department has received three applications totaling funds requested of \$7,900,000. These applications were received in November and December and all the three are layered with other programs, the applications for which are still pending. Staff will continue to review and evaluate these applications for funding recommendations at an upcoming Board meeting.
- **2007 Community Housing Development Organization (CHDO) Single Family and Rental Housing Development NOFA.** In September 2007 the Board approved this open cycle NOFA for \$6 million, which expires June 2, 2008. The Department received one application on December 20, 2007 requesting \$2,037,858 in funds. Staff is continuing to review and evaluate this application for CHDO certification and a funding recommendation at an upcoming Board meeting.
- **Homebuyer NOFA.** At the December 2007 Board meeting, the Board approved the use of \$6 million in HOME funds for an open cycle Homebuyer NOFA. Only \$3 million of the NOFA is being committed from the balance available to commit since the \$3 million in ADDI funds are already reserved from the balance with the Set-Aside amount in the upper portion of the Fund Balance Report. The NOFA was published in the January 4, 2008 *Texas Register* and has a final application deadline date of May 28, 2008.
- **TBRA NOFA.** At the December 2007 Board meeting, the Board approved the use of \$3 million in HOME funds for an open cycle TBRA NOFA. The NOFA was published in the January 4, 2008 *Texas Register* and has a final application deadline date of May 28, 2008.

Funding Plan Options

The Department has approximately \$6.5 million in HOME funds available for new or existing programs. All of the funds are either deobligated or uncommitted due to undersubscription of a NOFA and therefore, are not subject to the Regional Allocation Formula. Staff is presenting the following options for the Board to consider to program these funds:

Option 1: With four NOFA's currently open for a variety of HOME-eligible activities, most of them recently published, the Board could postpone action to program these funds in order to allow time to analyze the subscription rate of funding requests received for these NOFA's. Should demand for these NOFA's exceed the amount originally made available, a portion of these funds could be used to meet that demand.

Option 2: The Board could allow these funds to be added to the 2008 annual allocation and be programmed with the associated NOFA(s) presented for Board approval in approximately May 2008.

Option 3: The Board could direct staff to develop one or both of the following pilot programs:

A Homebuyer Assistance Program that targets assistance to lower than typical income levels. This program could be designed to provide assistance for downpayment and closing costs based upon the household's Area Median Family Income (AMFI) and allow assistance greater than \$10,000 for lower AMFI levels. Interest in a program to address

this need was expressed by the HOME Advisory Task Force and Board members during the June 2007 meeting. If the Board chooses to direct staff to program funds for this pilot program, staff recommends that no more than \$2 million be set-aside for this program and will present a Notice of Funding Availability for Board approval prior to publication.

A Single Family Development Program for the lot acquisition and new construction of affordable single family housing for low-income (80% AMFI) households. Homeownership assistance would be available in the form of a loan based on the household's ability to repay. A moderate level of interest in using HOME funds for single family development activities was expressed by the HOME Advisory Task Force and Board members during the June 2007 meeting. Staff has also experienced an interest expressed by several Texas communities for this activity. If the Board chooses to direct staff to program funds for this program, staff recommends that no more than \$3 million be set-aside for this program and will present a Notice of Funding Availability for Board approval prior to publication.

Recommendation

Staff recommends the Board approve Option 1 in order to allow sufficient time to determine the subscription level of the current NOFA's and to provide greater clarity in evaluating the programming of funds at the March Board meeting.

TEXAS HOMEOWNERSHIP DIVISION

BOARD ACTION REQUEST JANUARY 31, 2008

Action Items

Presentation, Discussion and Possible Approval to use deobligated Housing Trust Fund (HTF) funds for match to secure foreclosure mitigation assistance through the National Foreclosure Mitigation Counseling Program.

Required Action

Approve or deny the use of deobligated Housing Trust Fund (HTF) funds for match to secure foreclosure mitigation assistance through the National Foreclosure Mitigation Counseling Program.

Background

Summary

The FY 2008 Consolidated Appropriations Act was signed into law on December 26, 2007 and includes approximately \$180 million to be administered by the Neighborhood Reinvestment Corporation ("NRC") to make grants to NRC or U.S. Department of Housing and Urban Development ("HUD") approved counseling intermediaries (including State housing finance agencies) for mortgage foreclosure mitigation assistance of owner-occupied homes. The \$180 million is a one-time funding in response to the ongoing lending and credit crisis. This crisis is fueled by more than 2 million mortgages that now face significant risk of default and foreclosure as the housing markets slow and adverse mortgage terms, such as adjustable rate mortgages, reset.

The goal of the program is to provide counseling assistance that will prevent foreclosure and result in the long-term affordability of the mortgage or another positive outcome for the homeowner. No federal funds are allowed to be used to directly benefit financial institutions or homeowners. NRC will make grants to counseling intermediaries approved by HUD and to states with high rates of defaults and foreclosure primarily in the sub prime housing market. Some parts of Texas have been identified by this program as areas of greatest need. As the housing finance agency for the State of Texas, TDHCA staff intends to apply on behalf of HUD approved housing counseling agencies ("subgrantees") that have worked successfully with financial institutions and with borrowers facing default, delinquency and foreclosure. The subgrantees must also have documented counseling and outreach capacity, past successful performance and positive outcomes with documented counseling plans, loan workout agreements and loan modification agreements.

Applicants must provide a 20 percent match for the first \$500,000 in funding they receive. After \$500,000 the required match drops to 10 percent. Match funds may be cash or in-kind services. TDHCA will also work with other agencies and partners to secure additional match funds. The grant application deadline is February 8, 2008 with grant award letters and grant agreements distributed on February 24, 2008. The contract term begins March 1st and ends December 31, 2008.

Recommendation

Approve the use of up to \$250,000 in deobligated Housing Trust Fund (HTF) funds for match to secure foreclosure mitigation assistance through the National Foreclosure Mitigation Counseling Program. The Department will also be working to secure match funds from other agencies and partners which may ultimately reduce the amount of HTF funds used.

TEXAS HOMEOWNERSHIP DIVISION

BOARD REPORT ITEM JANUARY 31, 2008

Countrywide Bank ("Countrywide") is the current Master Servicer for loans originated under the Department's Single Family Mortgage Revenue Bond ("MRB") funded Texas First Time Homebuyer Program. Countrywide has served as the servicer since the issuance of MRB Program 52 – released in October 1997. Their TDHCA loan portfolio currently consists of approximately thirteen thousand loans. In addition to their responsibilities related to the purchase, funding and delivery of bond loans into qualified pools guaranteed by Governmental National Mortgage Association ("Ginnie Mae"), Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), they are one of the highest volume originating lenders under the program.

As a result of recent events, effective January 11, 2008, Bank of America Corporation announced a definitive agreement to purchase Countrywide Financial Corporation, including Countrywide Bank, in an all stock transaction worth approximately \$4 billion. The purchase is expected to close in the third quarter of 2008. Bank of America plans to operate Countrywide separately under the Countrywide brand, with integration occurring no sooner than 2009. The purchase will make Bank of America the nation's largest mortgage lender and loan servicer.

TDHCA staff and representatives from Countrywide have been in frequent communication regarding the proposed acquisition and it is anticipated there will be no implications to the day to day operations of TDHCA's First Time Homebuyer Program or changes to Countrywide's Master Servicing responsibilities.



Bank of America



January 11, 2008

Investors May Contact:

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Bank of America Agrees to Purchase Countrywide Financial Corp.

Creates Largest U.S. Mortgage Lender and Servicer

CHARLOTTE – Bank of America Corporation today announced a definitive agreement to purchase Countrywide Financial Corp. in an all-stock transaction worth approximately \$4 billion.

The purchase will make Bank of America the nation's largest mortgage lender and loan servicer. This is an important advancement in the company's desire to help customers and clients meet all of their financial needs. A mortgage is one of the key foundations of many customer relationships.

Countrywide will benefit from the stability of being part of the largest and one of the most financially strong financial institutions in the United States.

Bank of America will benefit from Countrywide's broader mortgage capabilities, including its extensive retail, wholesale and correspondent distribution networks. The Calabasas, California-based company operates more than 1,100 field offices and has a sales force of nearly 15,000. Countrywide also has a leading mortgage technology platform, a well known brand in home lending and management expertise in a number of key areas.

More

Bank of America would gain greater scale in originating and servicing mortgages in the U.S. Countrywide had \$408 billion in mortgage originations in 2007 and has a servicing portfolio of about \$1.5 trillion with 9 million loans. The purchase also includes Countrywide's Lender Placed insurance and other businesses.

"Countrywide presents a rare opportunity for Bank of America to add what we believe is the best domestic mortgage platform at an attractive price and to affirm our position as the nation's premier lender to consumers," Bank of America Chairman and Chief Executive Officer Kenneth D. Lewis said. "Countrywide customers will gain access to a broad set of consumer products including credit cards and deposit services. Home ownership is a fundamental pillar of the U.S. economy and over time it will be a key area of growth for Bank of America."

"We are aware of the issues within the housing and mortgage industries," Lewis continued. "The transaction reflects those challenges. Mortgages will continue to be an important relationship product, and we now will have an opportunity to better serve our customers and to enhance future profitability."

Countrywide's deep retail distribution will enhance Bank of America's network of more than 6,100 banking centers throughout the U.S. After closing, Bank of America plans to operate Countrywide separately under the Countrywide brand with integration occurring no sooner than 2009.

"We believe this is the right decision for our shareholders, customers and employees," said Countrywide Chairman and Chief Executive Officer Angelo R. Mozilo. "Bank of America is one of the largest financial institutions in the U.S. and internationally, and we are confident that the combination of Countrywide and Bank of America will create one of the most powerful mortgage franchises in the world. We have had a long and positive relationship with Bank of America and our servicing and origination businesses, as well as other aspects of our operations, will be substantially enhanced as a result of this transaction."

Financial Terms

Under the terms of the agreement, shareholders of Countrywide would receive .1822 of a share of Bank of America stock in exchange for each share of Countrywide.

The purchase is expected to close in the third quarter and to be neutral to Bank of America earnings per share in 2008 and accretive in 2009, excluding merger and restructuring costs.

Bank of America expects \$670 million in after-tax cost savings in the transaction, or 11 percent of the expense base of the two companies' mortgage operations. About one third of those savings would come in 2009, two thirds would be realized in 2010 and fully realized in 2011.

The agreement has been approved by Bank of America's board of directors and Countrywide's board of directors and is subject to approval by Countrywide's shareholders and customary regulatory approvals.

Subprime Initiatives

Origination of subprime loans is not planned for the combined company. Both companies share the goal of keeping distressed mortgage borrowers in their homes when possible. Both Bank of America and Countrywide continue to work with public officials and community groups to explore new initiatives to help homebuyers and communities affected by the subprime issue.

- Bank of America and Countrywide both support efforts to fight predatory lending practices.
- Bank of America and Countrywide are active participants in the Hope Now Alliance, which has launched a letter campaign to delinquent borrowers, created a counseling hotline and facilitates the sharing of best servicing practices. Bank of America also will continue Countrywide's commitment to participate in the American Securitization Forum's December 2007 reset freeze framework for 2/28 and 3/27 adjustable rate mortgages (ARMs).
- Bank of America will continue Countrywide's commitment to participate in California Governor Arnold Schwarzenegger's November 2007 subprime ARM program.

Bank of America plans to expand the capacity and marketing of credit counseling programs and internal capacity and flexibility for loan modifications for loan workout teams following the purchase of Countrywide.

Countrywide also has a number of programs in place designed to minimize foreclosures where feasible.

- On October 23, 2007, Countrywide announced a major expansion of its foreclosure prevention efforts by starting a \$16 billion home preservation program to assist as many as 82,000 subprime hybrid ARM customers facing ARM resets through the end of 2008.

- On October 24, 2007, Countrywide entered into a groundbreaking partnership with the Neighborhood Assistance Corporation of America (NACA) to leverage Countrywide's market leading home retention programs and NACA's unique model for counseling borrowers.
- On December 21, 2007, Countrywide announced work on an agreement with the Association of Community Organizations for Reform Now (ACORN) to serve as a blueprint for home retention and foreclosure prevention initiatives in the mortgage industry, with a particular focus on subprime borrowers.

Bank of America was advised by Banc of America Securities and the law firms of Cleary, Gottlieb, Steen & Hamilton LLP and K&L Gates in the transaction. Countrywide was advised by Goldman Sachs Group Inc. and the law firm of Wachtell Lipton Rosen & Katz. Countrywide's Board of Directors was advised by Sandler O'Neill & Partners, LP. Both Goldman Sachs and Sandler O'Neill delivered fairness opinions to the Countrywide Board.

Note: Bank of America management will present transaction details in an 8:30 a.m. webcast today. The presentation and supporting materials can be accessed on the Bank of America Investor Relations Web site at <http://investor.bankofamerica.com>. For a listen-only connection to the conference call, dial 800.895.1241 and the conference ID: 79795.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving more than 57 million consumer and small business relationships with more than 6,100 retail banking offices, more than 17,000 ATMs and award-winning online banking with more than 23 million active users. Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses. The company serves clients in 175 countries and has relationships with 99 percent of the U.S. Fortune 500 companies and 80 percent of the Fortune Global 500. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

www.bankofamerica.com

Countrywide Financial

Founded in 1969, Countrywide Financial Corporation is a diversified financial services provider and a member of the S&P 500, Forbes 2000 and Fortune 500. Through its family of companies, Countrywide originates, purchases, securitizes, sells, and services residential and commercial loans; provides loan closing services such as credit reports, appraisals and flood determinations; offers banking services which include depository and home loan products; conducts fixed income securities underwriting and trading activities; provides property, life and casualty insurance; and manages a captive mortgage reinsurance company. For more information about the Company, visit Countrywide's website at <http://www.countrywide.com>.

Forward-Looking Statements

This press release contains forward-looking statements, including statements about the financial conditions, results of operations and earnings outlook of Bank of America Corporation. The forward-looking statements involve certain risks and uncertainties. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include, among others, the following: 1) projected business increases following process changes and other investments are lower than expected; 2) competitive pressure among financial services companies increases significantly; 3) general economic conditions are less favorable than expected; 4) political conditions including the threat of future terrorist activity and related actions by the United States abroad may adversely affect the company's businesses and economic conditions as a whole; 5) changes in the interest rate environment and market liquidity reduce interest margins, impact funding sources and effect the ability to originate and distribute financial products in the primary and secondary markets; 6) changes in foreign exchange rates increases exposure; 7) changes in market rates and prices may adversely impact the value of financial products; 8) legislation or regulatory environments, requirements or changes adversely affect the businesses in which the company is engaged; 9) changes in accounting standards, rules or interpretations, 10) litigation liabilities, including costs, expenses, settlements and judgments, may adversely affect the company or its businesses; 11) mergers and acquisitions and their integration into the company; and 12) decisions to downsize, sell or close units or otherwise change the business mix of any of the company. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Bank of America does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made. For further information regarding Bank of America Corporation, please read the Bank of America reports filed with the SEC and available at www.sec.gov.

BOND FINANCE DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of the Department's Investment Policy, Resolution No. 08-010.

Required Action

Approval of Investment Policy.

Background

The Public Funds Investment Act (PFIA) requires annually State Agency Boards, with investments, to develop and maintain an Investment Policy that outlines the purpose of investments, the types of permissible investments, designation of an Investment Officer, selection of a reporting format and frequency, and required training for both Investment Officers and Board Members. It also sets out ethics and conflict of interest rules to adhere to. It requires the investment professionals to acknowledge their receipt of the policy in order to do business with the Department. TDHCA Investment Officers are David Cervantes, Director of Financial Administration and Matt Pogor, Director of Bond Finance. TDHCA Staff has reviewed the current investment policy that was approved March 20, 2007. There are no changes or amendments to this policy as it is effectively the same as last years Investment Policy.

The Department's investments are 95% the result of the use of Bond proceeds and the other 5% are Housing Trust Funds and Housing Fees.

In addition to the DVD Investment Policy training that each Board member must receive, additional training relating to Bond Finance is planned to be conducted before the March 2008 Board Meeting.

Recommendation

Approval of Resolution 08-010 authorizing Investment Policy.

**TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS**

INVESTMENT POLICY

As approved by the Board on January 31, 2008

2008

January 31, 2008

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

INVESTMENT POLICY

I. POLICY

It is the policy of the Texas Department of Housing and Community Affairs (the “Department”) to invest public funds in a manner which will provide by priority the following objectives:

1. safety of principal;
2. sufficient liquidity to meet Department cash flow needs;
3. a market rate of return for the risk assumed; and
4. conformation to all applicable state statutes governing the investment of public funds including the Department’s enabling legislation, Texas Government Code, Section 2306, Texas Government Code, Section 2263, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and specifically Texas Government Code, Section 2256, the Public Funds Investment Act (the “Act”).

II. SCOPE

This investment policy applies to all investment assets of the Department. These funds are accounted for in the Department’s Comprehensive Annual Financial Report and include the General Fund, Special Revenue Fund, Trust and Agency Fund, and Enterprise Fund.

This investment policy does not apply to hedges, which include but are not limited to, interest rate swaps, caps, floors, futures contracts, forward contracts, etc., that satisfy the eligibility requirements of a “qualified hedge” as defined by Section 1.148-4(h)(2) of the Internal Revenue Code.

The Department has created and adopted a separate Interest Rate Swap Policy for guidance regarding the use and management of interest rate swaps and similar derivative transactions.

III. PRUDENCE

Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence would exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety and liquidity of their capital as well as the probable income to be derived.

The standard of prudence to be used by the investment officer named herein shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. An investment officer acting in accordance with the investment policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. OBJECTIVES

The following are the primary objectives of investment activities in order of priority:

1. Safety. Preservation and safety of principal is the foremost objective of the investment program. Investments of the Department shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. In accordance with Section 2256.005(d) of the Act, the first priority is the suitability of the investment. The objective will be to mitigate credit risk and interest rate risk. To achieve this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
 - A. Credit risk is the risk of loss due to the failure of the security issuer or backer, and may be mitigated by:
 - limiting investments to the safest types of securities;
 - pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Department will do business; and
 - diversifying the investment portfolio so that potential losses on individual securities will be minimized.
 - B. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, and may be mitigated by:
 - structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
 - investing operating funds primarily in shorter-term securities.
2. Liquidity. The Department's investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated cash flow needs. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.
3. Yield. The Department's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow needs of the Department. Return on investment for short-term operating funds is of less importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
 - A declining credit security could be sold early to minimize loss of principal;
 - A security swap would improve the quality, yield, or target duration in the portfolio; or
 - Liquidity needs of the portfolio require that the security be sold.

V. DELEGATION OF AUTHORITY

The Board establishes investment policy and objectives, obtains expert advice and assistance with respect to its actions as is necessary to exercise its responsibilities prudently, and monitors the actions of staff and advisors to ensure compliance with its policy. It is the Board's intention that this policy be carried out by those persons who are qualified and competent in their area of expertise.

Authority to manage the Department's investment program is granted under the provisions of Texas Government Code, Section 2306.052(b) (4) and (5) to the Director of the Department, ("Executive Director"). Responsibility for the operation of the investment program is hereby delegated by the Executive Director to the Director of Bond Finance and the Director of Financial Administration acting in those capacities (collectively the "Investment Officer") who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Procedures should include reference to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures may include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer.

VI. ETHICS AND CONFLICTS OF INTEREST

1. Department employees and Board members must comply with all applicable laws, and should specifically be aware of the following statutes:

- Texas Government Code, Section 825.211, *Certain Interests in Loans, Investments or Contracts Prohibited*
- Texas Government Code, Section 572.051, *Standards of Conduct for Public Servants*
- Texas Government Code, Sections 553.001-003, *Disclosure by Public Servants of Interest in Property Being Acquired by Government*
- Texas Government Code, Section 552.352, *Distribution of Confidential Information*
- Texas Government Code, Section 572.054, *Representation by Former Officer or Employee of Regulatory Agency Restricted*
- Texas Penal Code, Chapter 36, *Bribery, Corrupt Influence and Gifts to Public Servants*
- Texas Penal Code, Chapter 39, *Abuse of Office, Official Misconduct.*

The omission of any applicable statute from this list does not excuse violation of its provisions.

2. Department employees and Board members must be honest in the exercise of their duties and must not take actions which will discredit the Department.

3. Department employees and Board members should be loyal to the interest of the Department to the extent that such loyalty is not in conflict with other duties which legally have priority, and should avoid personal, employment or business relationships that create conflicts of interest.

- Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.
- Officers and employees shall disclose to the Executive Director any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the Department's investment portfolio.
- Officers and employees shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the Department. Specifically, no employee of the Department is to:
 - * Accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of the employee's official duties or that the employee knows or should know is being offered him/her with the intent to influence the employee's official conduct;
 - * Accept other employment or engage in any business or professional activity in which the employee might reasonably expect would require or induce him/her to disclose confidential information acquired by reason of his/her official position;
 - * Accept other employment or compensation which could reasonably be expected to impair the officer's or employee's judgment in the performance of his/her official duties;

(An employee whose employment is involved in a competitive program of the Department must immediately disclose the acceptance of another job in the same field. The disclosure must be made to either the employee's immediate supervisor or to the Executive Director. The Executive Director must be notified in all cases. Failure to make the required disclosure may result in the employee's immediate termination from the Department.)

- * Make personal investments which could reasonably be expected to create a substantial conflict between the officer's or employee's private interest and the public interest; and

(A Department employee may not purchase Department bonds in the open secondary market for municipal securities.)

- * Intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised the employee's official powers or performed his/her official duties in favor of another.

4. Department employees and Board members may not use their relationship with the Department to seek or obtain personal gain beyond agreed compensation and/or any properly authorized expense reimbursement. This should not be interpreted to forbid the use of the Department as a reference or the communication to others of the fact that a relationship with the Department exists, provided that no misrepresentation is involved.
5. Department employees and Board members who have a personal business relationship with a business organization offering to engage in an investment transaction with the Department shall file a

statement disclosing that personal business interest. An individual who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Department shall file a statement disclosing that relationship. A statement required under this section must be filed with the Texas Ethics Commission and the Department's Board. For purposes of this policy, an individual has a personal business relationship with a business organization if:

- the individual owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- funds received by the Investment Officer from the business organization exceed 10 percent of the individual's gross income from the previous year; or
- the individual has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the individual.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Department (in conjunction with the State Comptroller) will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness (\$10,000,000 minimum capital requirement and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state law.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following, as appropriate:

- audited financial statements;
- proof of National Association of Securities Dealers (NASD) certification;
- proof of state registration;
- completed broker/dealer questionnaire; and
- certification of having read the Department's investment policy and depository contracts.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Investment Officer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the Department invests.

With respect to investments provided in connection with the issuance of bonds, the above requirements will be deemed met if the investment provider is acceptable to minimum credit ratings by rating agencies and/or by the bond insurer/credit enhancer, if applicable, and if the investment meets the requirements of the applicable bond trust indenture. A broker, engaged solely to secure a qualified investment referred to in this paragraph on behalf of the Department, which will not be providing an investment instrument shall not be subject to the above requirements, and may only be engaged if approved by the Board.

VIII. ETHICS AND DISCLOSURE REQUIREMENTS FOR OUTSIDE FINANCIAL ADVISORS AND SERVICE PROVIDERS

During the 78th Legislature, Regular Session, the Texas Legislature passed *Chapter 2263, Ethics And Disclosure Requirements For Outside Financial Advisors And Service Providers* ("Chapter 2263"). Chapter 2263, under Senate Bill 1059, requires certain actions by governing boards of state entities

involved in the management and investment of state funds and adds disclosure requirements for outside financial advisors and service providers. Chapter 2263 became effective September 1, 2003. Each state governmental entity required to adopt rules under Chapter 2263, Government Code, as added by this Act, must have adopted its initial rules in time for the rules to take effect not later than January 1, 2004.

Applicability. Chapter 2263 applies in connection with the management or investment of any state funds managed or invested:

- (1) under the Texas Constitution or other law, including Chapter 404, State Treasury Operations of Comptroller, and Chapter 2256, Public Funds Investment; and
- (2) by or for:
 - (A) a public retirement system as defined by Section 802.001 that provides service retirement, disability retirement, or death benefits for officers or employees of the state;
 - (B) an institution of higher education as defined by Section 61.003, Education Code; or
 - (C) another entity that is part of state government and that manages or invests state funds or for which state funds are managed or invested.

Chapter 2263 applies in connection with the management or investment of state funds without regard to whether the funds are held in the state treasury.

Chapter 2263 does not apply to or in connection with a state governmental entity that does not manage or invest state funds and for which state funds are managed or invested only by the comptroller.

Definition. With respect to this Chapter 2263, "financial advisor or service provider" includes a person or business entity who acts as a financial advisor, financial consultant, money or investment manager, or broker.

Construction With Other Law. To the extent of a conflict between Chapter 2263 and another law, the law that imposes a stricter ethics or disclosure requirement controls.

Ethics Requirements For Outside Financial Advisors Or Service Providers. The governing body of a state governmental entity by rule shall adopt standards of conduct applicable to financial advisors or service providers who are not employees of the state governmental entity, who provide financial services to the state governmental entity or advise the state governmental entity or a member of the governing body of the state governmental entity in connection with the management or investment of state funds, and who:

- (1) may reasonably be expected to receive, directly or indirectly, more than \$10,000 in compensation from the entity during a fiscal year; or
- (2) render important investment or funds management advice to the entity or a member of the governing body of the entity, as determined by the governing body.

A contract under which a financial advisor or service provider renders financial services or advice to a state governmental entity or other person as described immediately above, in regard to compensation or

duties, is voidable by the state governmental entity if the financial advisor or service provider violates a standard of conduct adopted under this section.

In addition to the disclosures required by Chapter 2263 and described below, the Department will rely upon financial advisors and service providers' submission of an Acknowledgement of Receipt of Investment Policy and Certificate of Compliance with the Public Funds Investment Act forms to evidence compliance with the Department's code of conduct and procedures as related to investments.

Disclosure Requirements For Outside Financial Advisor Or Service Provider. A financial advisor or service provider described by Section 2263.004 shall disclose in writing to the administrative head of the applicable state governmental entity and to the state auditor:

- (1) any relationship the financial advisor or service provider has with any party to a transaction with the state governmental entity, other than a relationship necessary to the investment or funds management services that the financial advisor or service provider performs for the state governmental entity, if a reasonable person could expect the relationship to diminish the financial advisor's or service provider's independence of judgment in the performance of the person's responsibilities to the state governmental entity; and
- (2) all direct or indirect pecuniary interests the financial advisor or service provider has in any party to a transaction with the state governmental entity, if the transaction is connected with any financial advice or service the financial advisor or service provider provides to the state governmental entity or to a member of the governing body in connection with the management or investment of state funds.

The financial advisor or service provider shall disclose a relationship described by the immediately preceding subsections (1) or (2) without regard to whether the relationship is a direct, indirect, personal, private, commercial, or business relationship.

A financial advisor or service provider described by Section 2263.004 shall file annually a statement with the administrative head of the applicable state governmental entity and with the state auditor. The statement must disclose each relationship and pecuniary interest described by Subsection (a) or, if no relationship or pecuniary interest described by that subsection existed during the disclosure period, the statement must affirmatively state that fact.

The annual statement must be filed not later than April 15 on a form prescribed by the governmental entity, other than the state auditor, receiving the form. The statement must cover the reporting period of the previous calendar year. The state auditor shall develop and recommend a uniform form that other governmental entities receiving the form may prescribe. The Department's disclosure form is provided as Attachment E.

The financial advisor or service provider shall promptly file a new or amended statement with the administrative head of the applicable state governmental entity and with the state auditor whenever there is new information to report related to the immediately preceding subsections (1) or (2).

Public Information. Chapter 552, Government Code, controls the extent to which information contained in a statement filed under this chapter is subject to required public disclosure or excepted from required public disclosure.

IX. AUTHORIZED AND SUITABLE INVESTMENTS

General, Special Revenue and Trust and Agency Funds, all of which are on deposit with the State Treasury (specifically excluding Enterprise Funds), are invested by the Treasury pursuant to Texas Government Code, Section 404.024 and Article 5221(f), Subsection 13A(d) as amended relating to Manufactured Housing.

Enterprise Fund

1. Subject to a resolution authorizing issuance of its bonds, the Department is empowered by Texas Government Code, Section 2306.173 to invest its money in bonds, obligations or other securities: or place its money in demand or time deposits, whether or not evidenced by certificates of deposit. A guaranteed investment contract is an authorized investment for bond proceeds. All bond proceeds and revenues subject to the pledge of an Indenture shall be invested in accordance with the applicable law and the provisions of the applicable indenture including “Investment Securities” as listed in such Indenture and so defined.
2. All other enterprise funds (non-bond proceeds) shall be invested pursuant to state law. The following are permitted investments for those funds pursuant to the Act:
 - A. Obligations of, or guaranteed by governmental entities:
 - Obligations of the United States or its agencies and instrumentalities.
 - Direct obligations of this state or its agencies and instrumentalities.
 - Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, that have a market value of not less than the principal amount of the certificates.
 - Other obligations the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities.
 - Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
 - B. A Certificate of Deposit is an authorized investment under this policy if the certificate of deposit is issued by a depository institution that has its main office or a branch office in this state and is:
 - guaranteed or insured by the Federal Deposit Insurance Department (FDIC) or its successor;
 - secured by obligations that are described in subsection 2A above, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates and secured by collateral as described in Section XII of this policy; and
 - secured in any other manner and amount provided by law for deposits of the Department.

In addition to the authority to invest funds in certificates of deposit noted above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this policy:

- the funds are invested by an investing entity through a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;
- the depository institution guaranteed or insured by the Federal Deposit Insurance Department (FDIC) or its successor as selected by the investing entity arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
- the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States;
- the depository institution guaranteed or insured by the Federal Deposit Insurance Department (FDIC) or its successor as selected by the investing entity acts as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity; and
- at the same time that the funds are deposited and the certificates of deposit are issued for the account of the investing entity, the depository institution guaranteed or insured by the Federal Deposit Insurance Department (FDIC) or its successor as selected by the investing entity receives an amount of deposits from customers of other federally insured depository institutions, wherever located, that is equal to or greater than the amount of the funds invested by the investing entity through the depository institution guaranteed or insured by the Federal Deposit Insurance Department (FDIC) or its successor.

C. A “repurchase agreement” is a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations of the United States or its agencies and instrumentalities at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement. A fully collateralized repurchase agreement is an authorized investment under this policy if the repurchase agreement:

- has a defined termination date;
- is secured by collateral described in Section XII of this policy;
- requires the securities being purchased by the Department to be pledged to the Department, held in the Department’s name, and deposited at the time the investment is made with the Department or with a third party selected and approved by the Department;
- is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state; and
- in the case of a reverse repurchase agreement, notwithstanding any other law other than the Act, the term of any such reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. In addition, money received by the Department under the terms of a reverse security repurchase agreement may be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

D. Commercial Paper is an authorized investment under this policy if the commercial paper:

- has a stated maturity of 270 days or fewer from the date of its issuance; and
- is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally-recognized credit rating agencies, or one nationally-recognized credit rating agency and is fully secured, and by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

3. The following are not authorized investments pursuant to the Act:

- Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

X. DIVERSIFICATION

The Department will diversify its investments by security type and institution. With the exception of U.S. Treasury securities, mortgage-backed certificates created as a result of the Department's bond programs, and authorized pools, no more than 50% of the Department's total investment portfolio will be invested in a single security type or with a single financial institution. For purposes of this section, a banking institution and its related investment broker-dealer shall be considered separate financial institutions.

XI. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and the cash flow needs. The basis used to determine whether market yields are being achieved shall be the three-month U.S. Treasury bill or other appropriate benchmark.

XII. EFFECT OF LOSS OF REQUIRED RATING

An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not meet or exceed the minimum rating. The Department shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not meet or exceed the minimum rating.

XIII. MAXIMUM MATURITIES

The Department shall limit its maximum final stated maturities to, in the case of bond proceeds, the maturity of the bonds, or for non-bond funds five (5) years unless specific authority is given to exceed that maturity by the Board. To the extent possible, the Department will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Department will not directly invest in securities maturing more than five years from the date of purchase. The Department

will periodically determine what the appropriate average weighted maturity of the portfolio should be based on anticipated cash flow requirements.

Reserve funds may be invested in securities exceeding five years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds.

XIV. COLLATERALIZATION

Collateralization will be required on certificates of deposit, repurchase and reverse repurchase agreements, and savings and demand deposits if not insured by FDIC. In order to anticipate market changes and provide a level of security for all funds, the collateralization level should be at least 101% of the market value of principal and accrued interest for repurchase and reverse repurchase agreements. Collateralization of 100% will be required for overnight repurchase agreements and bank deposits in excess of FDIC insurance.

The following obligations may be used as collateral under this policy:

1. obligations of the United States or its agencies and instrumentalities;
2. direct obligations of this state or its agencies and instrumentalities;
3. collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities; and
5. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized investment rating firm not less than A or its equivalent.

Collateral will always be held by an independent third party with whom the Department has a current custodial agreement. A clearly marked evidence of ownership or a safekeeping receipt must be supplied to the Department and retained. The right of collateral substitution is granted subject to prior approval by the Investment Officer.

XV. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the Department will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

XVI. INTERNAL CONTROL

The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. the cost of a control should not exceed the benefits likely to be derived; and
2. the valuation of costs and benefits requires estimates and judgments by management.

Once every two years, the Department, in conjunction with its annual financial audit, shall have external/internal auditors perform a compliance audit of management controls on investments and adherence to the Department's established investment policies. The internal controls shall address the following points:

1. *Control of collusion.* Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. *Separation of transaction authority from accounting and record keeping.* By separating the person who authorizes or performs the transaction from the person who records or otherwise accounts for the transaction, a separation of duties is achieved.
3. *Custodial safekeeping.* Securities purchased from any bank or dealer including appropriate collateral as defined by state law shall be placed with an independent third party for custodial safekeeping.
4. *Avoidance of physical delivery securities.* Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. *Clear delegation of authority to subordinate staff members.* Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. *Written confirmation or telephone transactions for investments and wire transfers.* Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions must be supported by written communications and approved by the appropriate person, as defined by investment internal control procedures. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
7. *Development of a wire transfer agreement with the lead bank or third party custodian.* This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

The Department's external/internal auditors shall report the results of the audit performed under this section to the Office of the State Auditor not later than January 1 of each even-numbered year. The Office of the State Auditor compiles the results of reports received under this subsection and reports those results to the legislative audit committee once every two years.

XVII. REPORTING

1. Methods

Not less than quarterly, the Investment Officer shall prepare and submit to the Director and the Board of the Department a written report of investment transactions for all funds covered by this policy for the preceding reporting period; including a summary that provides a clear picture of the status of the current investment portfolio and transactions made over the previous reporting period. This report will be prepared in a manner which will allow the Department and the Board to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report must:

- A. describe in detail the investment position of the Department on the date of the report;
- B. be prepared jointly by each Investment Officer of the Department;
- C. be signed by each Investment Officer of the Department;
- D. contain a summary statement, prepared in compliance with generally accepted accounting principles for each fund that states the:
 - book value and market value of each separately invested asset at the beginning and end of the reporting period;
 - additions and changes to the market value during the period; and
 - fully accrued interest for the reporting period;
- E. state the maturity date of each separately invested asset that has a maturity date;
- F. state the fund in the Department for which each individual investment was acquired; and
- G. state the compliance of the investment portfolio of the Department as it relates to the investment strategy expressed in the Department's investment policy and relevant provisions of the policy.

The reports prepared by the Investment Officer under this policy shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance will be compared to appropriate benchmarks on a regular basis.

3. Marking to Market

A statement of the market value of the portfolio shall be issued at least quarterly. The Investment Officer will obtain market values from recognized published sources or from other qualified professionals as necessary. This will ensure that a review has been performed on the investment portfolio in terms of value and subsequent price volatility.

VIII. INVESTMENT POLICY ADOPTION

The Department's investment policy shall be adopted by resolution of the Board.

1. Exemptions

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendment

The policy shall be reviewed at least annually by the Board and any amendments made thereto must be approved by the Board. The Board shall adopt by written resolution a statement that it has reviewed the investment policies and strategies.

XIX. ACKNOWLEDGMENT OF RECEIPT OF INVESTMENT POLICY

A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction related to Department funds. The qualified representative of the business organization shall execute a written instrument in a form acceptable to the Department and the business organization, substantially to the effect that the offering business organization has:

1. received and reviewed the investment policy of the Department; and
2. acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Department and the business organization that are not authorized by the Department's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Department's entire portfolio or requires an interpretation of subjective investment standards.

The Investment Officer of the Department may not buy any securities from a person who has not delivered to the Department an instrument complying with this investment policy. (See sample documents at Attachments C and D.)

XX. TRAINING

Each member of the Department's Board and the Investment Officer who are in office on September 1, 1996 or who assume such duties after September 1, 1996, shall attend at least one training session relating to the person's responsibilities under this chapter within six months after taking office or assuming duties. Training under this section is provided by the Texas Higher Education Coordinating Board and must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this policy. The Investment Officer shall attend a training session not less than once in a two-year period and may receive training from any independent source approved by the Department's Board. The Investment Officer shall prepare a report on the training and deliver the report to the Board not later than the 180th day after the last day of each regular session of the legislature.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Attachment A

STRATEGY

SECTION 1

All of the Department's funds as listed below are program / operational in nature, excluding the bond funds which are listed separately in Section 2 below. The following funds are held in the State Treasury and the Department earns interest on those balances at the then applicable rate.

- General Fund
- Trust Funds
- Agency Funds
- Proprietary Funds (excluding Revenue Bond Funds)

SECTION 2

The Department's Revenue Bond Funds, including proceeds, are invested in various investments as stipulated by the controlling bond indenture. Certain investments, controlled by indentures prior to the latest revised Public Funds Investment Act, are properly grandfathered from its provisions. Typical investments include: guaranteed investment contracts; agency mortgage-backed securities resulting from the program's loan origination; in some cases, long-term Treasury notes; and bonds used as reserves with maturities that coincide with certain long-term bond maturities.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Attachment B

POLICY STATEMENTS AND RECOMMENDED PRACTICE

Repurchase Agreements

1. Repurchase agreements (“repos”) are the sale by a bank or dealer of government securities with the simultaneous agreement to repurchase the securities on a later date. Repos are commonly used by public entities to secure money market rates of interest.
2. The Department affirms that repurchase agreements are an integral part of its investment program.
3. The Department and its designated Investment Officer should exercise special caution in selecting parties with whom they will conduct repurchase transactions, and be able to identify the parties acting as principals to the transaction.
4. Proper collateralization practices are necessary to protect the public funds invested in repurchase agreements. Risk is significantly reduced by delivery of underlying securities through physical delivery or safekeeping with the purchaser’s custodian. Over-collateralization, commonly called haircut, or marking-to-market practices should be mandatory procedures.
5. To protect public funds the Department should work with securities dealers, banks, and their respective associations to promote improved repurchase agreement procedures through master repurchase agreements that protect purchasers’ interests, universal standards for delivery procedures, and written risk disclosures.
6. Master repurchase agreements should generally be used subject to appropriate legal and technical review. If the prototype agreement developed by the Public Securities Association is used, appropriate supplemental provisions regarding delivery, substitution, margin maintenance, margin amounts, seller representations and governing law should be included.
7. Despite contractual agreements to the contrary, receivers, bankruptcy courts and federal agencies have interfered with the liquidation of repurchase agreement collateral. Therefore, the Department should encourage Congress to eliminate statutory and regulatory obstacles to perfected security interests and liquidation of repurchase collateral in the event of default.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Attachment C

ACKNOWLEDGMENT OF RECEIPT OF INVESTMENT POLICY

1. I am a qualified representative of _____ (the “Business Organization”).
2. The Business Organization proposes to engage in an investment transaction (the “Investments”) with the Texas Department of Housing and Community Affairs (the “Department”).
3. I acknowledge that I have received and reviewed the Department’s investment policy.
4. I acknowledge that the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the business organization and the Department that are not authorized by the Department’s investment policy.
5. The Business Organization makes no representation regarding authorization of the Investments to the extent such authorization is dependent on an analysis of the Department’s entire portfolio and which requires an interpretation of subjective investment standards.

Dated this _____ day of _____, _____.

Name: _____

Title: _____

Business Organization: _____

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Attachment D

CERTIFICATE OF COMPLIANCE WITH PUBLIC FUNDS INVESTMENT ACT

I, _____, a qualified representative
of _____

_____ (the “Business
Organization”)

hereby execute and deliver this certificate in conjunction with the proposed sale of investments to the Texas Department of Housing and Community Affairs (the “Department”). I hereby certify that:

1. I have received and thoroughly reviewed the Investment Policy of the Department, as established by the Department pursuant to Texas Government Code, Chapter 2256;
2. The Business Organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of or in any way relating to the sale of the investments to the Department by the Business Organization;
3. The Business Organization has reviewed the terms, conditions and characteristics of the investments and applicable law, and represents that the investments are authorized to be purchased with public funds under the terms of Texas Government Code, Chapter 2256; and
4. The investments comply, in all respects, with the investment policy of the Department.

Business Organization: _____

By: _____

Title: _____

Date: _____

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Attachment E

Annual Disclosure Statement for Financial Advisors and Service Providers

Figure 1
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

ANNUAL DISCLOSURE STATEMENT FOR FINANCIAL ADVISORS AND SERVICE PROVIDERS
DUE NO LATER THAN APRIL 15

INSTRUCTIONS:

- 1) THE REPORTING PERIOD COVERED BY THIS STATEMENT CONSISTS OF THE PRECEDING CALENDAR YEAR.
- 2) A NEW OR AMENDED STATEMENT MUST BE PROMPTLY FILED WITH THE PARTIES LISTED IN STEP 4 WHENEVER THERE IS NEW INFORMATION TO REPORT UNDER TEXAS GOVERNMENT CODE, SECTION 2263.005(a).
- 3) THIS STATEMENT MUST BE SUBMITTED EVEN IF YOU ANSWER "NO" TO QUESTIONS 1 AND 2 IN PART 2.
- 4) SUBMIT A COPY OF THIS STATEMENT TO THE FOLLOWING (FOR EACH GOVERNMENTAL ENTITY TO WHICH YOU PROVIDE SERVICES):
 - a. ADMINISTRATIVE HEAD OF THE STATE GOVERNMENTAL ENTITY
 - b. THE STATE AUDITOR (mail to P.O. Box 12067, Austin, TX, 78711-2067)
- 5) PROMPT FILING REQUIRES A POSTMARK DATE NO LATER THAN APRIL 15 IF THE COMPLETED FORM IS RECEIVED AT THE CORRECT ADDRESS.

PART 1: GENERAL INFORMATION

FILING TYPE (Check one) ANNUAL DISCLOSURE FOR YEAR ENDING DECEMBER 31, 20__
UPDATED DISCLOSURE

NAME OF INDIVIDUAL _____ JOB TITLE _____

NAME OF BUSINESS ENTITY _____ TYPE OF SERVICE PROVIDED _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____ PHONE _____

NAME OF STATE GOVERNMENTAL ENTITY AND/OR GOVERNING BOARD MEMBER TO WHICH YOU ARE PROVIDING SERVICES _____

PART 2: DISCLOSURES

DEFINITION: (Texas Government Code, Section 2263.002)

Financial advisor or service provider includes a person or business entity who acts as a financial advisor, financial consultant, money or investment manager, or broker.

DISCLOSURE REQUIREMENTS FOR OUTSIDE FINANCIAL ADVISOR OR SERVICE PROVIDER (Texas Government Code, Section 2263.005)

Financial advisors and service providers (see definition) must disclose information regarding certain relationships with, and direct or indirect pecuniary interests in, any party to a transaction with the state governmental entity, without regard to whether the relationships are direct, indirect, personal, private, commercial, or business relationships.

- 1) Do you or does your business entity have any relationship with any party to a transaction with the state governmental entity (other than a relationship necessary to the investment or funds management services that you or your business entity performs for the state governmental entity) for which a reasonable person could expect the relationship to diminish your or your business entity's independence of judgment in the performance of your responsibilities to the state entity?
Yes _____ No _____

If yes, please explain in detail. (Attach additional sheets as needed.)

2) Do you or does your business entity have any direct or indirect pecuniary interests in any party to a transaction with the state governmental entity if the transaction is connected with any financial advice or service that you or your business entity provides to the state governmental entity or to a member of the governing body in connection with the management or investment of state funds?

Yes _____ No _____

If yes, please explain in detail. (Attach additional sheets as needed.)

PART 3: SIGNATURE AND DATE

I hereby attest that all information provided above is complete and accurate. I acknowledge my or my firm's responsibility to submit promptly a new or amended disclosure statement to the parties listed in step 4 of the instructions if any of the above information changes.

Signature _____ Date _____

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Attachment F

Board Resolution No. 08-010

RESOLUTION NO. 08-010

RESOLUTION OF THE GOVERNING BOARD REVIEWING THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS' INVESTMENT POLICY

WHEREAS, the Texas Department of Housing and Community Affairs, a public and official governmental agency of the State of Texas (the "Department"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, collectively, the "Act"); and

WHEREAS, the Governing Board of the Department (the "Board") desires to review the Department's Investment Policy, and the Board has found the Investment Policy in the form presented to the Board to be satisfactory and in proper form and in compliance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "Public Funds Investment Act"), and the Act;

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

Section -- 1 Review of the Department's Investment Policy. The Governing Board has found the Investment Policy in the form presented to the Board to be satisfactory and in proper form and in compliance the Public Funds Investment Act and the Act.

Section -- 2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section -- 3 Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 31st day of January, 2008.

Chair, Governing Board

ATTEST:

Secretary to the Board

(SEAL)

BOND FINANCE DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Items

Presentation, Discussion and Possible Approval of the Department's Interest Rate Swap Policy.

Required Action

Approval of the Department's Interest Rate Swap Policy.

Background

The Department adopted an Interest Rate Swap Policy on September 9, 2004. The Department's Interest Rate Swap Policy (the "Document") requires the Deputy Executive Director of Administration and Director of Bond Finance to review annually the Interest Rate Swap Policy. Staff sought the advice and counsel of the Department's swap financial advisor, Peter Shapiro and Nat Singer of Swap Financial Group for an understanding of current operational parameters. TDHCA's financial advisor, Gary Machak of RBC Capital Markets, along with our rating agencies S&P and Moody's reviewed the final document. Several members of Vinson and Elkins, our Bond Counsel, including Elizabeth Rippey, Steve Gerdes and George Rodriguez provided input based on their experience with Department swaps and other issuers.

Changes include technical corrections to personnel titles and word-smithing as well as certain provisions to strengthen the Department's protection from the risk of the loss of creditworthiness by a swap counterparty. See page four of the black-line where language was added concerning spreading counterparty risk among multiple counterparties and page six explains termination payments if a counterparty was downgraded.

Staff brings to the Board an update to the Department's Interest Rate Swap Policy for your approval. For your review, please find a clean and black-line copy of the Interest Rate Swap Policy.

Recommendation

Approval of the Department's Interest Rate Swap Policy.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS INTEREST RATE SWAP POLICY

The Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the “Act”), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the “Governing Board”) from time to time) at prices they can afford.

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

I. Introduction

The purpose of this Interest Rate Swap Policy (“Policy”) of the Texas Department of Housing and Community Affairs (the “Department”) is to establish guidelines for the use and management of all interest rate management agreements, including, but not limited to, interest rate swaps, swaptions, caps, collars and floors (collectively “Swaps” or “Agreements”) incurred in connection with the issuance of debt obligations. This Policy sets forth the manner of execution of Swaps, provides for security and payment provisions, risk considerations and certain other relevant provisions.

II. Authority

The Department is authorized by Section 2306.351 of the Act to enter into Swaps from time to time to better manage assets and liabilities and take advantage of market conditions to lower overall costs and reduce interest rate risk.

This Policy shall govern the Department’s use and management of all Swaps. While adherence to this Policy is required in applicable circumstances, the Department recognizes that changes in the capital markets, agency programs, and other unforeseen circumstances may from time to time produce situations that are not covered by this Policy and will require modifications or exceptions approved or authorized by the Governing Board to achieve policy goals.

The Deputy Executive Director of Administration and the Director of Bond Finance are the designated administrators of the Department’s Policy. The Bond Finance Division shall have the day-to-day responsibility for structuring, implementing, and managing Swaps.

The Department shall be authorized to enter into Swaps only with qualified Swap counterparties as defined herein. The Director of Bond Finance, in consultation with the Deputy Executive Director

of Administration, or a Department designee, shall have the authority to recommend counterparties, so long as the criteria set forth in this Policy are met.

The Deputy Executive Director of Administration and the Director of Bond Finance shall review this Policy on an annual basis and recommend any necessary changes to the Governing Board.

III. Purpose

The incurring of obligations by the Department involves a variety of interest rate payments and other risks for which a variety of financial instruments are available to offset, hedge, or reduce. It is the policy of the Department to utilize Swaps to better manage its assets and liabilities. The Department may execute Swaps if the transaction can be expected to result in one of, but not limited to, the following:

- Reduce exposure to changes in interest rates on a particular financial transaction or in the context of the management of interest rate risk derived from the Department's overall asset/liability balance.
- Result in a lower net cost of borrowing with respect to the Department's debt, a higher return on assets, and/or a stronger balance sheet.
- Manage variable interest rate exposure consistent with prudent debt practices.
- Achieve more flexibility in meeting overall financial and programmatic objectives that cannot be achieved in conventional markets.
- Lock in fixed rates in current markets for use at a later date.
- Manage the Department's exposure to the risk of changes in the legal or regulatory treatment of tax-exempt bonds.
- Manage the Department's credit exposure to financial institutions.

The Department will not use Agreements that:

- Are purely speculative or incorporate extraordinary leverage;
- Lack adequate liquidity to terminate without incurring a significant bid/ask spread;
- Are characterized by insufficient pricing transparency and therefore make reasonable valuation difficult.

IV. Evaluation of Risks Associated with Swaps

Before entering into a Swap, the Department shall evaluate the risks inherent in the transaction. The risks to be evaluated will include basis risk, tax risk, counterparty risk, credit risk, termination risk, rollover risk, liquidity risk, remarketing risk, amortization mismatch risk, mortgage yield risk, non-origination risk, and PAC band risk. The following table outlines these various risks and the Department's evaluation methodology for those risks.

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Risk	Description	Evaluation Methodology
Basis Risk	The mismatch between actual variable rate debt service and variable rate indices used to determine Swap payments.	The Department will review historical trading differentials between the variable rate bonds and the index.
Tax Risk	The risk created by potential tax events that could affect Swap payments or their relationship to future bond payments.	The Department will review the tax events in proposed Swap agreements. The Department will evaluate the impact of potential changes in tax law on LIBOR indexed Swaps.
Counterparty Risk	The failure of the counterparty to make required payments.	The Department will monitor exposure levels, ratings thresholds, and collateralization requirements.
Credit Risk	The occurrence of an event modifying the credit rating of the counterparty.	The Department will ascertain and monitor the ratings of its counterparties.
Termination Risk	The need to terminate the transaction in a market that dictates a termination payment by the Department.	The Department will compute its termination exposure for all existing and proposed Swaps at market value and under a worst-case scenario.
Rollover Risk	The mismatch of the maturity of the Swap and the maturity of the underlying bonds.	The Department will determine its capacity to service variable rate bonds that may be outstanding after the maturity of the Swap.
Liquidity Risk	The inability to continue or renew a liquidity facility, and the risk that the cost of a facility will increase beyond expectations.	The Department will evaluate the expected availability of liquidity support for swapped and unhedged variable rate debt, if any.
Remarketing Risk	The risk that a remarketing agent may be unable to remarket VRDBs.	The Department will obtain a standby bond purchase facility to provide the funds necessary to purchase the VRDBs.
Amortization Mismatch Risk	The mismatch of outstanding Swap notional amount versus the outstanding bond principal subject to the hedge.	The Department may incorporate one or a combination of the following features: par termination options, PAC or lockout bonds.
Mortgage Yield Risk	The bond issue may not comply with yield restrictions if the Swap is terminated.	The Department will obtain legal opinions and or certificates as appropriate.
Non-origination Risk	The bond proceeds may not originate within the prescribed timeframe and require an unused proceeds call and possible termination payment.	The Department will evaluate bond and mortgage market conditions and quantify the potential termination payment due upon non-origination.
PAC Band Break Risk	The targeted PAC bonds may amortize faster than anticipated based on the PAC amortization schedule.	The Department will rely upon credit rating agency cashflows to ensure adequate PAC/companion bond structural integrity.

The Department will diversify its exposure to counterparties. To that end, before entering into a transaction, the Department will determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure will not be measured solely in terms of notional amount, but rather how changes in interest rates would affect the Department's exposure ("Maximum Net Termination Exposure"). For purposes of these limits, "Maximum Net Termination Exposure" shall equal the aggregate termination payment for all existing and projected Swaps that would be paid by an individual counterparty. For purposes of this calculation, the aggregate termination payment is equal to the reasonably expected worse case termination payment of all existing Swaps plus the proposed transaction.

The Department will base the Maximum Net Termination Exposure on all outstanding derivative transactions. Limits will be established for each counterparty as well as the relative level of risk associated with each existing and projected Swap. In order to lessen counterparty risk, the Department will diversify exposure among multiple counterparties and avoid excessive concentration to any one counterparty.

The Director of Bond Finance shall determine the appropriate term for a Swap on a case-by-case basis. The slope of the Swap curve, the marginal change in Swap rates from year to year along the Swap curve, and the impact that the term of the Swap has on the overall exposure of the Department shall be considered in determining the appropriate term of any Swap. The term of a Swap between the Department and a qualified Swap counterparty shall not extend beyond the final maturity date of the associated debt, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

The total "net notional amount" of all Swaps related to a bond issue should not exceed the amount of outstanding bonds, or bonds anticipated to be issued. For purposes of calculating the net notional amount, credit shall be given to any Swaps that offset another Swap for a specific bond transaction.

V. Long Term Financial Implications

In evaluating a particular transaction involving the use of derivatives, the Department shall review long-term implications associated with entering into derivatives, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, liquidity capacity, opportunities to refund related debt obligations and other similar considerations.

Impact of Use of Liquidity

The Department shall consider the impact of any variable rate demand bonds issued in combination with a Swap on the availability and cost of liquidity support for other Department variable rate programs.

Call Option Value considerations

When considering the relative advantage of a Swap versus fixed rate bonds, the Department will take into consideration the value of any call option on fixed rate bonds.

Qualified Hedges

The Department understands that, (1) if payments on and receipts from the Agreement are to be taken into account in computing the yield on the related bonds, the Agreement must meet the requirements for a “qualified hedge” under federal tax law (sometimes referred to as an “integrated Swap”); and (2) if one of the goals of entering into the Agreement is to convert variable yield bonds into fixed yield bonds (sometimes referred to as a “super integrated Swap”), then certain additional requirements must be met. In both of these situations, the terms of the Agreement and the process for entering into the Agreement must be reviewed and approved in advance by tax counsel.

VI. Form of Swap Agreements

Each Swap executed by the Department shall contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. (“ISDA”) Master Agreement, including any schedules and confirmations. The Swaps between the Department and each qualified Swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the Director of Bond Finance deems necessary, desirable or consistent with industry best practices.

VII. Qualified Swap Counterparties

The Department will make its best efforts to work with qualified Swap counterparties that (i) have, or has a credit support counterparty that has, a general credit rating of at least “Aa3” or “AA-” by two of the nationally recognized rating agencies and not rated lower than “A2” or “A” by any nationally recognized rating agency, or (ii) have a “AAA” rating by at least one nationally recognized credit rating agency. The nationally recognized rating agencies are Moody’s Investors Services, Inc., Standard and Poor’s Rating Services, and Fitch Ratings.

In addition to the rating criteria specified herein, the Department may seek additional credit enhancement and safeguards in the form of:

- i. Contingent credit support or enhancement;
- ii. Collateral consistent with the policies contained herein; and/or
- iii. Ratings downgrade triggers.

In addition, the Department will take into consideration a Swap counterparty’s track record of successfully executing Swap transactions. The Department will only execute Swap transactions with qualified Swap counterparties.

VIII. Termination Provisions

The Department shall include in all Swaps provisions granting the Department the right to optionally terminate a Swap at any time at market over the term of the Agreement. The Deputy Executive Director of Administration and Director of Bond Finance shall determine if it is financially advantageous for the Department to terminate a Swap.

A ratings-based additional termination event shall be included in all of the Department's Swaps if the provider (or its credit support provider) fails to maintain either:

1. A Credit Rating of at least A2 from Moody's; or
2. A Credit Rating of at least A from S&P; or,
3. An equivalent rating determined above by a nationally recognized ratings service acceptable to both parties.

A termination payment to or from the Department may be required in the event of termination of a Swap due to a default or a decrease in credit rating of either the Department or the counterparty. If the cause of the termination is a counterparty downgrade, termination payments will be calculated on the side of the bid-offer spread that favors the Department.

It is the intent of the Department not to make a termination payment to a counterparty that does not meet its contractual obligations. Prior to making any such termination payment, the Deputy Executive Director of Administration and Director of Bond Finance shall evaluate whether it is financially advantageous for the Department to obtain a replacement counterparty to avoid making such termination payment or finance the termination payment through a long-term financing product.

For payments on early termination and optional termination, Market Quotation and the Second Method will apply, allowing for two way mark-to-market breakage (assuming the Swaps are documented under the 1992 form of the ISDA Master Agreements).

IX. Security and Source of Repayment

The Department may use the same security and source of repayment (pledged revenues) for Swaps as is used for the bonds that are hedged or carried by the Swap, if any, but shall consider the economic costs and benefits of subordinating the Department's payments and/or termination payment under the Swap. The use of the same security and source of repayment (pledged revenues) is subject to the respective bond indenture's covenants and the prior approval of the Department's bond counsel.

X. Specified Indebtedness

The specified indebtedness related to credit events in any Swap should be narrowly defined and refer only to indebtedness of the Department that could have a materially adverse effect on the Department's ability to perform its obligations under the Swap. Debt should typically only include obligations within the same lien as the Swap obligation.

XI. Governing Law

Governing law for Swaps will be the State of Texas. Issues relating to jurisdiction, venue, waiver of jury trial and sovereign immunity will be subject to prevailing law and approval of the Texas Attorney General Office. Preference will be given to language providing that the counterparty will consent to jurisdiction in the Texas courts with respect to enforcement of the Agreement.

XII. Events of Default

Events of default of a Swap counterparty shall include, but are not limited to the counterparty's:

1. Failure to make payments when due;
2. Breach of representations and warranties;
3. Illegality;
4. Failure to comply with downgrade provisions; and
5. Failure to comply with any other provisions of the Agreement after a specified notice period.

XIII. Collateral Requirements

As part of any Swap , the Department may require the counterparty to post collateral or other credit enhancement to secure any or all Swap payment obligations. As appropriate, the Deputy Executive Director of Administration and Director of Bond Finance may require collateral or other credit enhancement to be posted by each Swap counterparty under the following circumstances:

- Each counterparty to the Department may be required to post collateral if the credit rating of the counterparty or parent falls below the "AA-" or "Aa3" category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the credit support annex to each Swap with the Department.
- Collateral shall consist of cash, U.S. Treasury securities, or other mutually acceptable highly liquid securities.
- Collateral shall be deposited with an eligible third party custodian, or as mutually agreed upon between the Department and each counterparty.
- The market value of the collateral shall be determined on at least a weekly basis.
- The Department will determine reasonable threshold limits for increments of collateral posting based on a sliding scale reflective of credit ratings.
- The Deputy Executive Director of Administration and Director of Bond Finance shall determine on a case-by-case basis whether a form of credit enhancement in lieu of, or in addition to, collateral is more beneficial to the Department.

XIV. Other Criteria

The Department may use a competitive or a negotiated process to select a swap counterparty and price a Swap as it believes business, market or competitive conditions justify such a process. The conditions under which a negotiated selection is best used are provided below.

- Marketing of the Swap will require complex explanations about the security for payment or credit quality.
- Demand is weak among Swap counterparties.
- Market timing is important, such as for refundings.
- Coordination of multiple components of the financing is required.
- The Swap has non-standard features.
- The par amount is large enough to move the market in a manner adverse to the Department's interests.
- Counterparties are likely to demand individual changes in bid documents.

The Department will use a swap advisory firm to assist in the price negotiation. Also, the Department may obtain an opinion from an independent party that the terms and conditions of any derivative entered into reflect a fair market value of such derivatives as of the execution date.

XV. Ongoing Monitoring and Reporting Requirements

Written records noting the status of all Swaps will be maintained by the Bond Finance Division and shall include the following information:

- Highlights of all material changes to Swaps or new Swaps entered into by the Department since the last report.
- Market value of each of the Swaps.
- The net impact of a 50 or 100 basis point parallel shift or other relevant shift in the appropriate Swap index or curve.
- For each counterparty, the total notional amount, the average life of each Swap and the remaining term of each Swap.
- The credit rating of each Swap counterparty and credit enhancer insuring Swap payments.
- Actual collateral posting by Swap counterparty, if any, in total by Swap counterparty.
- A summary of each Swap, including but not limited to the type of Swap, the rates paid by the Department and received by the Department, indices, and other key terms.
- Information concerning any default by a Swap counterparty to the Department, and the results of the default, including but not limited to the financial impact to the Department, if any.
- A summary of any Swaps that were terminated.

The Department will monitor its Swaps exposure on a daily or monthly basis, as necessary, and will look for ways to reduce the cost of a Swap(s) or the overall Swap exposure. The Department will report its Swaps exposure on an annual basis.

The Department shall reflect the use of derivatives on its financial statements in accordance with GASB requirements, including Exposure Draft 26-4 Accounting & Financial Reporting for Derivative Instruments. The disclosure requirements include:

1. Objective of the Derivative
2. Significant Terms
3. Fair Value
4. Associated Debt
5. Risks.

The Deputy Executive Director of Administration and the Director of Bond Finance will review this Policy on an annual basis.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS INTEREST RATE SWAP POLICY

BLACK-LINE COPY

The Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the “Act”), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the “Governing Board”) from time to time) at prices they can afford.

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

I. Introduction

The purpose of this Interest Rate Swap Policy (“Policy”) of the Texas Department of Housing and Community Affairs (the “Department”) is to establish guidelines for the use and management of all interest rate management agreements, including, but not limited to, interest rate swaps, swaptions, caps, collars and floors (collectively “Swaps” or “Agreements”) incurred in connection with the incurrence of debt obligations. The Policy sets forth the manner of execution of Swaps ~~and Agreements~~, provides for security and payments provisions, risk considerations and certain other relevant provisions ~~as well as being responsive to the proposed 2003 recommended practices of the Government Finance Officers Association regarding the contents of an interest rate swap policy.~~

II. Authority

The Department is authorized by Section 2306.351 of the Act to enter into ~~swap transactions~~ Swaps from time to time to better manage assets and liabilities and take advantage of market conditions to lower overall costs and reduce interest rate risk.

This Policy shall govern the Department’s use and management of all Swaps. While adherence to this Policy is required in applicable circumstances, the Department recognizes that changes in the capital markets, agency programs, and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and will require modifications or exceptions approved or authorized by the Governing Board to achieve policy goals.

The Deputy Executive Director of Administration ~~Chief of Agency Administration~~ and the Director of Bond Finance are the designated administrators of the Department’s Policy. The Bond Finance

Division shall have the day-to-day responsibility for structuring, ~~implanting~~implementing, and managing Swaps.

The Department shall be authorized to enter into ~~Swap transactions~~Swaps only with qualified Swap counterparties as defined herein. The Director of Bond Finance, in consultation with ~~the Deputy Executive Director of Administration~~Chief of Agency Administration, or a Department ~~his~~ designee, shall have the authority to recommend counterparties, so long as the criteria set forth in ~~this~~ Policy are met.

The ~~Deputy Executive Director of Administration~~Chief of Agency Administration and the Director of Bond Finance shall review this ~~swap~~ Policy on an annual basis and implement-recommend any necessary changes to the Governing Board.

III. Purpose

The incurring of obligations by the Department involves a variety of interest rate payments and other risks for which a variety of financial instruments are available to offset, hedge, or reduce. It is the policy of the Department to utilize ~~S~~swaps and ~~other derivative financial instruments~~ to better manage its assets and liabilities. The Department may execute ~~Swaps~~interest rate swaps if the transaction can be expected to result in one of, but not limited to, the following:

- Reduce exposure to changes in interest rates on a particular financial transaction or in the context of the management of interest rate risk derived from the Department's overall asset/liability balance.
- Result in a lower net cost of borrowing with respect to the Department's debt, a higher return on assets, and/or a stronger balance sheet.
- Manage variable interest rate exposure consistent with prudent debt practices.
- Achieve more flexibility in meeting overall financial and programmatic objectives that cannot be achieved in conventional markets.
- Lock in fixed rates in current markets for use at a later date.
- Manage the Department's exposure to the risk of changes in the legal or regulatory treatment of tax-exempt bonds.
- Manage the Department's credit exposure to financial institutions.

The Department will not use Agreements that:

- Are purely speculative or incorporate extraordinary leverage;
- Lack adequate liquidity to terminate without incurring a significant bid/ask spread;
- Result ~~Are characterized by~~ in insufficient pricing transparency and therefore ~~limit~~ make reasonable valuation difficult.

IV. Evaluation of Risks Associated with Swaps

Before entering into a ~~S~~swap, the Department shall evaluate ~~all~~the risks inherent in the transaction. The risks to be evaluated will include basis risk, tax risk, counterparty risk, credit risk, termination risk, rollover risk, liquidity risk, remarketing risk, amortization mismatch risk, mortgage yield risk, non-origination risk, and PAC band risk. The following table outlines these various risks and the Department's evaluation methodology for those risks.

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Risk	Description	Evaluation Methodology
Basis Risk	The mismatch between actual variable rate debt service and variable rate indices used to determine Swap payments.	The Department will review historical trading differentials between the variable rate bonds and the index.
Tax Risk	The risk created by potential tax events that could affect Swap payments <u>or their relationship to future bond payments.</u>	The Department will review the tax events in proposed Swap agreements. The Department will evaluate the impact of potential changes in tax law on LIBOR indexed Swaps.
Counterparty Risk	The failure of the counterparty to make required payments.	The Department will monitor exposure levels, ratings thresholds, and collateralization requirements.
Credit Risk	The occurrence of an event modifying the credit rating of the issuer or its counterparty.	The Department will ascertain and monitor the ratings of its counterparties and issuers.
Termination Risk	The need to terminate the transaction in a market that dictates a termination payment by the Department issuer.	The Department will compute its termination exposure for all existing and proposed Swaps at market value and under a worst-case scenario.
Rollover Risk	The mismatch of the maturity of the Swap and the maturity of the underlying bonds.	The Department will determine its capacity to service variable rate bonds that may be outstanding after the maturity of the Swap.
Liquidity Risk	The inability to continue or renew a liquidity facility, <u>and the risk that the cost of a facility will increase beyond expectations.</u>	The Department will evaluate the expected availability of liquidity support for swapped and unhedged variable rate debt, if any.
Remarketing Risk	The risk that a remarketing agent may be unable to remarket VRDBs.	The Department will obtain a standby bond purchase facility to provide the funds necessary to purchase the VRDBs.
Amortization Mismatch Risk	The mismatch of outstanding S swap <u>principal—notional amount</u> versus the outstanding bond principal subject to the hedge.	The Department may incorporate one or a combination of the following features <ul style="list-style-type: none"> • par termination options, PAC or • lockout bonds.

Mortgage Yield Risk	The bond issue may not comply with yield restrictions if the <u>S</u> swap is terminated.	The Department will obtain legal opinions and or certificates as appropriate.
Non-origination Risk	The bond proceeds may not originate within the prescribed timeframe and require an unused proceeds call and possible termination payment.	The Department will evaluate bond and mortgage market conditions and quantify the potential termination payment due upon non-origination.
PAC Band Break Risk	The targeted PAC bonds may amortize faster than anticipated based on the PAC amortization schedule.	The Department will rely upon credit rating agency cashflows to ensure adequate PAC/companion bond structural integrity.

The Department will diversify its exposure to counterparties. To that end, before entering into a transaction, the Department will determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure will not be measured solely in terms of notional amount, but rather how changes in interest rates would affect the Department’s exposure (“Maximum Net Termination Exposure”). For purposes of these limits, “Maximum Net Termination Exposure” shall equal the aggregate termination payment for all existing and projected Sswaps ~~transactions~~ that would be paid by an individual counterparty. For purposes of this calculation, the aggregate termination payment is equal to: ~~(i) the termination payment based on the market value of all existing swaps as of the first day of the month prior to the execution of any proposed transaction, plus (ii)~~ the reasonably expected worse case termination payment of all existing Sswaps plus the proposed transaction.

The Department will base the Maximum Net Termination Exposure on all outstanding derivative transactions. Limits will be established for each counterparty as well as the relative level of risk associated with each existing and projected Sswap ~~transaction~~. In order to lessen counterparty risk, the Department will diversify exposure among multiple counterparties and avoid excessive concentration to any one counterparty.

The Director of Bond Finance shall determine the appropriate term for an ~~interest rate swap agreement~~ Swap on a case-by-case basis. The slope of the Sswap curve, the marginal change in Sswap rates from year to year along the Sswap curve, and the impact that the term of the swap has on the overall exposure of the Department shall be considered in determining the appropriate term of any Sswap agreement. ~~The term of a Swap In connection with the issuance or carrying of bonds, the term of a swap agreement between the Department and a~~ qualified Sswap counterparty shall not extend beyond the final maturity date of the associated debt of the Department, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

The total “net notional amount” of all Sswaps related to a bond issue should not exceed the amount of outstanding bonds, or bonds anticipated to be issued. For purposes of calculating the net notional amount, credit shall be given to any Sswaps that offset another Sswap for a specific bond transaction.

V. Long Term Financial Implications

In evaluating a particular transaction involving the use of derivatives, the Department shall review long-term implications associated with entering into derivatives, including costs of borrowing,

historical interest rate trends, variable rate capacity, credit enhancement capacity, liquidity capacity, opportunities to refund related debt obligations and other similar considerations.

Impact of Use of Liquidity

The Department shall consider the impact of any variable rate demand bonds issued in combinations with a Swap on the availability and cost of liquidity support for other Department variable rate programs.

Call Option Value considerations

When considering the relative advantage of a Swap versus fixed rate bonds, the Department will take into consideration the value of any call option on fixed rate bonds.

Qualified Hedges

The Department understands that, (1) if payments on and receipts from the Agreement are to be taken into account in computing the yield on the related bonds, the Agreement must meet the requirements for a “qualified hedge” under federal tax law (sometimes referred to as an “integrated Sswap”); and (2) if one of the goals of entering into the Agreement is to convert variable yield bonds into fixed yield bonds (sometimes referred to as a “super integrated Sswap”), then certain additional requirements must be met. In both of these situations, the terms of the Agreement and the process for entering into the Agreement must be reviewed and approved in advance by tax counsel.

VI. Form of Swap Agreements

Each ~~interest rate S~~swap executed by the Department shall contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. (“ISDA”) Master Agreement, including any schedules and confirmations. The ~~S~~swaps ~~agreements~~ between the Department and each qualified ~~swap~~ Swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the Director of Bond Finance deems necessary, desirable or consistent with industry best practices.

VII. Qualified Swap Counterparties

The Department will make its best efforts to work with qualified Swap counterparties ~~that~~ that (i) ~~have, or has a credit support counterparty that has,~~ a general credit rating of: ~~(i)~~ at least “Aa3” or “Aa-” by two of the nationally recognized rating agencies and not rated lower than “A23” or “A-” by any nationally recognized rating agency, or (ii) have a ~~“non-terminating”~~ “AAA” subsidiary as rated by at least one nationally recognized credit rating agency. The nationally recognized rating agencies are Moody’s Investors Services, Inc., Standard and Poor’s Rating Services, and Fitch Ratings.

In addition to the rating criteria specified herein, the Department ~~will~~ may seek additional credit enhancement and safeguards in the form of:

- i. Contingent credit support or enhancement;

- ii. Collateral consistent with the policies contained herein; and/or
- ~~iii. Ratings downgrade triggers; and/or~~
- ~~iv.iii. Guaranty of parent, if any.~~

In addition, the Department will take into consideration a qualified Swap counterparty's track must have a demonstrated record of successfully executing Swap transactions as well as minimum capitalization of at least \$150 million. The Department will only execute Swap transactions with qualified Swap counterparties who offer Swaps on a principal basis.

VIII. Termination Provisions

The Department shall consider including include in all Sswaps transactions provisions granting the Department the right to optionally terminate a Sswap agreement at any time at market over the term of the Agreement. The Deputy Executive Director of Administration~~Chief of Agency Administration~~ and Director of Bond Finance shall determine if it is financially advantageous for the Department to terminate a Sswap agreement.

A ratings-based additional termination event is deemed to occur should shall be included in all of the Department's Sswaps agreements if the provider (or its swap credit support provider) fails to maintain either:

1. A Credit Rating of at least A~~2~~ from Moody's; or
2. A Credit Rating of at least A~~3~~ from S&P; or,
- ~~3.3.~~ An equivalent rating determined above by a nationally recognized ratings service acceptable to both parties; and,
- ~~4.~~ The swap provider has not delivered any collateral as required under any related credit support annex.

Collateral shall be required of any swap provider rated lower than AA- or Aa3, as specified in a credit support annex.

A termination payment to or from the Department may be required in the event of termination of a Sswap agreement due to a default or a decrease in credit rating of either the Department or the counterparty. If the cause of the termination is a counterparty provider downgrade, termination payments will be calculated on the side of the bid-offer spread that favors the Department.

It is the intent of the Department not to make a termination payment to a counterparty that does not meet its contractual obligations. Prior to making any such termination payment, the Deputy Executive Director of Administration~~Chief of Agency Administration~~ and Director of Bond Finance shall evaluate whether it is financially advantageous for the Department to obtain a replacement counterparty to avoid making such termination payment or finance the termination payment through a long-term financing product.

For payments on early termination and optional termination, Market Quotation and the Second Method will apply, allowing for two way mark-to-market breakage (assuming the Sswaps are documented under the 1992 form of the ISDA swap documents~~Master Agreements~~).

IX. Security and Source of Repayment

The Department may use the same security and source of repayment (pledged revenues) for Swaps as is used for the bonds that are hedged or carried by the Swap, if any, but shall consider the

economic costs and benefits of subordinating the Department's payments and/or termination payment under the Swap. The use of the same security and source of repayment (pledged revenues) is subject to the respective bond indenture's covenants and the prior approval of the Department's bond counsel.

X. Specified Indebtedness

The specified indebtedness related to credit events in any Swap ~~agreement~~ should be narrowly defined and refer only to indebtedness of the Department that could have a materially adverse effect on the Department's ability to perform its obligations under the Swap. Debt should typically only include obligations within the same lien as the Swap obligation.

XI. Governing Law

Governing law for Swaps will be ~~{the State of Texas.}~~ Issues relating to jurisdiction, venue, waiver of jury trial and sovereign immunity will be subject to prevailing law and approval of ~~{the Texas Attorney General Office.}~~ Preference will be given to language providing that the counterparty will consent to jurisdiction in the Texas courts with respect to enforcement of the Agreement.

XII. Events of Default

Events of default of a Sswap counterparty shall include, but are not limited to the counterparty's:

1. Failure to make payments when due;
2. Breach of representations and warranties;
3. Illegality;
4. Failure to comply with downgrade provisions; and
5. Failure to comply with any other provisions of the Agreement after a specified notice period.

XIII. Collateral Requirements

As part of any Sswap ~~agreement~~, the Department may require the counterparty to post collateral or other credit enhancement to secure any or all Sswap payment obligations. As appropriate, the ~~Deputy Executive Director of Administration~~Chief of Agency Administration and Director of Bond Finance may require collateral or other credit enhancement to be posted by each Sswap counterparty under the following circumstances:

- Each counterparty to the Department may be required to post collateral if the credit rating of the counterparty or parent falls below the "AA-" or "Aa3" category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the ~~collateral support agreement~~credit support annex to each Sswap ~~agreement~~ with the Department.
- Collateral shall consist of cash, ~~or~~ U.S. Treasury securities, or other mutually acceptable highly~~er~~ liquid securities.
- Collateral shall be deposited with an eligible third party custodian, or as mutually agreed upon between the Department and each counterparty.
- The market value of the collateral shall be determined on at least a weekly basis.

- The Department will determine reasonable threshold limits for increments of collateral posting based on a sliding scale reflective of credit ratings.
- The ~~Deputy Executive Director of Administration~~Chief of Agency Administration and Director of Bond Finance shall determine on a case-by-case basis whether a form~~other forms~~ of credit enhancement in lieu of, or in addition to, collateral is~~are~~ more beneficial to the Department.

XIV. Other Criteria

The Department may use a competitive or a negotiated process to select a Swap counterparty and price a Swap as it believes business, market or competitive conditions justify such a process. The conditions under which a negotiated selection is best used are provided below.

- Marketing of the Swap will require complex explanations about the security for ~~repayment~~ or credit quality.
- Demand is weak among ~~S~~swap counterparties.
- Market timing is important, such as for refundings.
- Coordination of multiple components of the financing is required.
- The Swap has non-standard features, such as one-way collateral.
- ~~Bond insurance is not available or not offered.~~
- The par amount ~~for the transaction is~~ significantly larger than normal enough to move the market in a manner adverse to the Department's interests.
- Counterparties are likely to demand individual changes in bid documents.

The Department will use a swap advisory firm to assist in the price negotiation. Also, the Department may obtain an opinion from an independent party that the terms and conditions of any derivative entered into reflect a fair market value of such derivatives as of the execution date.

XV. Ongoing Monitoring and Reporting Requirements

Written records noting the status of all ~~interest rate S~~swaps ~~agreements~~ will be maintained by the Bond Finance Division and shall include the following information:

- Highlights of all material changes to ~~S~~swaps ~~agreements~~ or new ~~S~~swaps ~~agreements~~ entered into by the Department since the last report.
- Market value of each of the ~~interest rate swap agreements~~Swaps.
- The net impact of a 50 ~~or, 100, and 150~~ basis point parallel shift or other relevant shift in the appropriate swap index or curve.
- For each counterparty, ~~the Department shall provide~~ the total notional amount ~~position,~~ the average life of each ~~S~~swap agreement, ~~the available capacity to enter into a swap transaction,~~ and the remaining term of each ~~Swaps~~swap agreement.
- The credit rating of each ~~swap counterparty~~ ~~Swap counterparty~~ and credit enhancer insuring ~~S~~swap payments.
- Actual collateral posting by ~~S~~swap counterparty, if any, ~~per swap agreement and~~ in total by ~~S~~swap counterparty.
- A summary of each ~~swap agreement~~Swap, including but not limited to the type of ~~S~~swap, the rates paid by the Department and received by the Department, indices, and other key terms.
- Information concerning any default by a ~~S~~swap counterparty to the Department, and the results of the default, including but not limited to the financial impact to the Department, if any.

- A summary of any ~~swap agreements~~ Swaps that were terminated.

The Department will monitor its Sswaps exposure on a daily or monthly basis, as necessary, and will look for ways to reduce the cost of a Sswap(s) or the overall Sswap exposure. The Department will report its Sswaps exposure on a ~~monthly or quarterly~~ an annual basis, ~~as necessary~~.

The Department shall reflect the use of derivatives on its financial statements in accordance with GASB requirements, including ~~Technical Bulletin No. 2003-1~~ Exposure Draft 26-4 Accounting & Financial Reporting for Derivative Instruments. The disclosure requirements include:

1. Objective of the Derivative
2. Significant Terms
3. Fair Value
4. Associated Debt
5. Risks.

The ~~Deputy Executive Director of Administration~~ Chief of Agency Administration and the Director of Bond Finance will review ~~the Department's swap policy~~ this Policy on an annual basis.

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BOND FINANCE DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Items

Presentation, Discussion and Possible Approval of Resolution No. 08-007 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and preliminary approval of Single Family Mortgage Revenue Bonds, 2008 Series A-C and approval of Underwriting Team for Program 71.

Required Action

Approval of Resolution No. 08-007 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and preliminary approval of Single Family Mortgage Revenue Bonds, 2008 Series A-C and approval of Underwriting Team for Program 71. At the start of each new TDHCA single family bond issuance, our Board petitions the Texas Bond Review Board to start the process in the form of a resolution followed by an application to draw down our private activity bond authority also known as volume cap. Staff at this time is not seeking nor is the Board giving final approval of bond Program 71 with respect to finance structure, target mortgage rates and ultimately timing and size of the issue. Staff will come back to the Board in March or April of 2008 with a final structure for your review and approval.

Background

With TDHCA's 2007 volume cap allocation of \$186.5 million for Program 69 and Program 70 completely sold to provide funds for mortgages, staff is coming before you today to discuss our first bond issuance utilizing our 2008 volume cap of \$189.6 million. The Bond Finance Division has evaluated available proceeds from our most recent bond issue. As of January 22, 2008, 75% or \$121.5 million of the \$161.5 million in lendable proceeds released on September 21, 2007 have been originated, or are reserved in the pipeline to be purchased, leaving an available balance of \$39.9 million in lendable proceeds.

The Texas housing market is slowing and staff wants to be cautious with our first 2008 single family bond issuance. A September 24, 2007 publication by the Federal Reserve Bank of Dallas shows single family building permits, new home sales and existing home sales all down. In addition: (1) U.S. consumer confidence fell for the fifth month in a row in December 2007, (2) the Fed continues to take action in order to ensure financial market liquidity and stability most recently a 75 basis point cut in Fed Fund Rate on June 22, and (3) the unemployment rate has risen to 5% and projected to go higher through 2008. Given the unprecedented contraction in credit available to consumers, low interest funds from the Department may represent one of the few alternatives available to low and moderate income homebuyers. Nevertheless, current economic conditions and the potential for future Fed rate cuts in 2008 require the prudent management of the 2008 volume cap.

In light of economic uncertainties but yet still wanting to have available first time home buyer funds, the Department recommends using up to approximately \$55 million in 2008 single family volume cap and up to approximately \$55 million from our commercial paper program for a total structure not to exceed \$110 million for Program 71. On March 20, 2007, the TDHCA Board approved Program

69 that generated \$9.3 million in zero percent funds which would help blend down the mortgage rate in future programs to achieve Department goals. \$5.7 million was used with Program 70 leaving \$3.6 million in zero percent funds available for Program 71.

The Department has issued primarily fixed rate tax-exempt bonds over the life of its programs. The Department also has used one or a combination of three financing techniques to achieve below market interest rates. The first technique is using refunding bonds to help subsidize the rate however there is no such opportunity this year. The second is the use of 0% funds of which we have 3.6 million in 0% funds available for use with Program 71 that will help blend down the mortgage rate. Finally we can utilize a variable rate demand bond that is hedged with an interest rate swap. The Department has used interest rate swaps in the past as a method to achieve targeted mortgage interest rates only after eliminating fixed rate structures and other financing techniques that did not achieve targeted mortgage interest rates. In past issuances, the Department reviewed its needs and developed a portion of the structure as a swap to achieve targeted mortgage interest rates or we have issued a 100% swap to achieve targeted mortgage interest rates as well as capture 0% funds for future bond structures.

The Bond Finance Division and the Texas Homeownership Division analyzed the current mortgage market as of January 8, 2008 and found Texas mortgage rates with 2 points varies by lender with a range from 5.375% to 5.75%. Staff will continue to monitor rates and will come back to the Board in March or April and recommend a target unassisted and assisted mortgage rate. State law requires 30% of our program with down payment assistance be set aside for families with income at 60% Area Median Family Income (AMFI) or below. During the 80th Legislative Session, Senate Bill 1908 allowed TDHCA to set aside additional down payment assistance so we can help families with income at 80% AMFI or below. Due to this recent legislative changes and starting with this year's program, TDHCA will also provide down payment assistance to families with income above 60% AMFI up to 80% AMFI. Using historical data, staff has determined that 65% of our programs funds were utilized by families with incomes at 80% AMFI or below. Assuming Program 71's structure amount is \$100 million, TDHCA will provide \$65 million with 5% down payment assisted mortgages and \$35 million of unassisted mortgages.

Staff will present a final structure to the TDHCA Board at its March or April 2008 meeting. As staff proceeds, Bond Finance will i) monitor the capital markets for any changes to make adjustments that we feel are appropriate, and, ii) explain any proposed deviations from the current structure to the Board at such time. Program 71's mortgages will be securitized and will be marketed to very low, low and moderate income residents of Texas. If authorized, and depending on the structure, the bonds are expected to be priced in early April or May of 2008 and the bond closing will occur approximately three to four weeks subsequent to the bond pricing.

Continuing with the senior manager rotation plan, Bond Finance recommends UBS Securities, LLC as senior manager for this issuance of TDHCA's proposed 2008 Series A-C bonds. In keeping with TDHCA's policy of rotating firms in the co-senior and co-manager pool, Bond Finance recommends the following firms and roles for this transaction:

Firm	Role
Lehman Brothers	Co-Senior
Bank of America Securities LLC	Co-Manager
Loop Capital Markets, LLC	Co-Manager
Merrill Lynch & Co.	Co-Manager
Morgan Stanley	Co-Manager

In the bond market, a syndicate of bankers is needed to market the structure. The number of bonds available for sale typically dictates the size of the syndicate needed at the time of pricing. With TDHCA's structures at or over \$100 million, a pool of bankers including the senior underwriter, co-senior and four co-managers have previously been successful at marketing the bonds.

Recommendation

Approve Resolution No. 08-007 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and preliminary approval of Single Family Mortgage Revenue Bonds, 2008 Series A-C and approval of Underwriting Team for Program 71.

Transaction Overview *

Program Designation	Program 71
Single Family Mortgage Revenue Bond Indenture	
2008 Private Activity Bond Authority	\$ 50,000,000
Commercial Paper Refunding	\$ 50,000,000
Statewide Assisted Funds (60% AMFI or below)	\$ 30,000,000
Statewide Assisted Funds (above 60% to 80% AMFI)	\$ 22,000,000
Targeted Area Statewide Assisted (below 80% AMFI)	\$ 13,000,000
Targeted Area Statewide Unassisted Funds	\$ 7,000,000
Statewide Unassisted Funds	\$ 28,000,000
Down Payment Assistance (%)	5% (For Very Low Income Reservation)

Transaction Timetable *

Activity	Key Dates
TDHCA Preliminary Approval to Seek an Allocation of Bond Cap from BRB	January 31, 2008
Bond Review Board Planning Session	To be determined
TDHCA Approval of Final Financing Structure	To be determined
Bond Review Board Approval	To be determined
Pricing Window	To be determined
Closing Dates	To be determined

* Transaction Overview and Timetables are preliminary and subject to change. Assumes a \$100 million structure.

Mortgage Pipeline Information

Current lendable proceeds in existing programs as of January 22, 2008

Program Number	Current Allocation	Rate	Committed/ In Pipeline	Loans Purchased	Uncommitted Allocation
62A	102,552,532	4.99%	298,664	101,541,585	712,283
66	241,384,533	5.625% 5.875% 6.125%	15,012,331	226,049,576	322,626
68	131,680,000	5.65% 5.99% 6.20%	21,352,415	109,860,703	466,882
69	97,154,796	5.25% 5.99%	23,499,965	72,393,965	1,260,866
70	161,517,562	5.75% 6.50%	81,182,696	40,356,229	39,978,637*
TOTAL:	\$734,289,423		\$141,346,071	\$550,202,058	\$42,741,294

* Of the \$39.9 million uncommitted under Program 70, \$29.1 million are for families with income 60% AMFI or below. This restriction will be lifted on September 21, 2008 and mortgage loans with down payment assistance will be made available to families with income up to 140% AMFI statewide.

Resolution No. 08-007

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State for calendar year 2008 is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State Ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that an Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of the Application for Reservation with respect to qualified mortgage bonds in calendar year 2008;

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

Section 1 - Application for Reservation. The Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board the Application for Reservation for qualified mortgage bonds to be issued and delivered within 180 days after receipt of a "reservation date," as defined in the Allocation Rules, in the maximum amount of \$55,000,000, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 2 - Authorization of Certain Actions. The Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

Section 3 - Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the qualified mortgage bonds will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4 - Mortgage Credit Certificate Authority. The Department reserves the right, upon receipt of a Reservation, to convert all or any part of its authority to issue qualified mortgage bonds to mortgage credit certificates.

Section 5 - Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 6 - Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 31st day of January, 2008.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

BOND FINANCE DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Items

Presentation, Discussion and Possible Preliminary Approval for Bond Finance to change the existing Single Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes Program into a Drawdown Bond Program and continue to utilize the Investment Banking services of Goldman Sachs for the Drawdown Bond Program.

Required Action

Preliminary Approval for Bond Finance to change the existing Single Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes Program into a Drawdown Bond Program and continue to utilize the Investment Banking services of Goldman Sachs for the Drawdown Bond Program.

Background

TDHCA's Single Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes Program ("CP Notes Program") was developed in 1994 to provide additional new money for below market rate mortgages by recycling payments on mortgages financed with proceeds from single family bonds issued by TDHCA in prior years. Goldman Sachs has been issuing the Department's Commercial Paper Program since inception. On July 12, 2007, the Board approved the extension of the CP Notes Program from December 31, 2007 to December 31, 2010. This extension was subsequently approved by the Texas Bond Review Board.

In early 2007, staff evaluated the possibility of replacing the Department's CP Notes Program with a Drawdown Bond Program. A Drawdown Bond Program is similar to the CP Notes Program in that it allows recycling of mortgage payments. A drawdown bond is a single family bond which the issuer authorizes in a not-to-exceed amount and which is not completely delivered at closing. Additional bonds, up to the not-to-exceed amount, are issued at one or more times after closing. The underwriter is the sole purchaser of the drawdown bonds and commits to purchase tax-exempt drawdown bonds on an ongoing basis. Mortgage payments are invested in a guaranteed investment contract that matches or exceeds the interest terms on the drawdown bonds. Implementing a drawdown bond program would require the creation of a new indenture, a bond purchase agreement between the Department and the Underwriter, and legal and tax opinions from bond counsel.

After last year's review and analysis, it was determined to extend the CP Notes Program and not incur the costs of establishing a Drawdown Bond Program. However, due to unforeseen circumstances within the financial markets, it has become increasingly difficult in the last few months to remarket our commercial paper. According to Bloomberg, the U.S. commercial paper market is in its biggest slump in at least seven years and investors are balking at buying short-term debt backed by mortgage assets. Additionally, upon the implementation of the extension of the CP Notes Program in late December 2007, staff was unable to secure a new investment agreement

through December 31, 2010 that would match the interest terms of the commercial paper and satisfy rating agency requirements. Fortunately, with the guidance of Goldman Sachs, staff was able to negotiate with the current investment provider, Bayerische LB, to extend the current investment agreement which matches the interest terms of the commercial paper to June 29, 2008 to allow the Department time to examine additional options for a recycling program.

Staff requests preliminary approval to proceed with the review and implementation of a Single Family Drawdown Bond Program with Goldman Sachs. Goldman Sachs was selected as Co-Senior Manager to the Single Family Mortgage Revenue Bond Program through a Request for Qualifications in April 2005 and was approved by the Board on May 26, 2005. Staff will come back to the Board in April with details of the program for final approval.

Recommendation

Preliminary Approval for Bond Finance to change the existing Single Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes Program into a Drawdown Bond Program and continue to utilize the Investment Banking services of Goldman Sachs for the Drawdown Bond Program.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Round 1 Funding.

Requested Action

Approve or deny the request for an amendment related to Deep East Texas Council of Government's housing contract under the CDBG Disaster Recovery Program

Background

The U. S. Department of Housing and Urban Development approved the State of Texas Action Plan (Action Plan) related to the *CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita* specifically states that contract amendments that vary more than 5% must be approved by the TDHCA Board.

Deep East Texas Council of Government (DETCOG) Contract Number C060002

Summary of Request

DETCOG is requesting Amendment #2 to transfer \$3,600,000 from DETCOG's rehabilitation budget category and \$2,470,531 from DETCOG's reconstruction budget category to a new budget category of housing rehabilitation/reconstruction totaling \$6,070,531. In addition, DETCOG is requesting to increase their rehabilitation limit from \$25,000 to \$40,000 with the provision that the cost of necessary repairs cannot exceed a home's pre-hurricane value. These changes are requested to allow flexibility for the needs in the DETCOG region for rehabilitation and reconstruction as they are identified. Due to the length of time that has passed since the storm, further deterioration to hurricane damaged homes has occurred, resulting in a greater need for reconstructed units in DETCOG; however it is projected that a minimum of 10 households will receive rehabilitation assistance. If this amendment is approved, the number of proposed beneficiaries will be reduced from 488 to 258 or a reduction in beneficiaries of 230.

Budget

	Original	Requested	\$ Change	% Change
Rehabilitation	\$3,600,000	\$0	(\$3,600,000)	(100)%
Reconstruction	\$2,470,531	\$0	(\$2,470,531)	(100)%
Rehabilitation/ Reconstruction	\$0	\$6,070,531	\$6,070,531	100%
Planning / Project Delivery	\$517,681	\$517,681	\$0	0%
General Administration	<u>\$156,822</u>	<u>\$156,822</u>	\$0	0%
TOTAL	\$6,745,034	\$6,745,034		

Beneficiaries

	Original	Requested	Change	% Change
Rehabilitation	386	0	(386)	(100)%
Reconstruction	102	0	(102)	(100)%
Rehabilitation/ Reconstruction	0	258	258	(100)%
TOTAL	488	258	(230)	(47%)

Households

	Original	Requested	Change	% Change
Rehabilitation	144	0	(144)	(100)%
Reconstruction	38	0	(38)	(100)%
Rehabilitation/ Reconstruction	0	96	96	100.00%
TOTAL	182	96	(86)	(47.25)%

Requested Action

Approve or deny the request to move \$3,600,000 from DETCOG's rehabilitation budget category and \$2,470,531 from DETCOG's reconstruction budget category to a new budget category of housing rehabilitation/reconstruction with a budgeted amount of \$6,070,531. The required beneficiaries to be assisted will be reduced by 230 accordingly.

DISASTER RECOVERY DIVISION

BOARD ACTION

January 31, 2008

Action Item

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report relating to non-housing activities for CDBG Round 1 Funding and infrastructure activities for CDBG Round 2

Requested Action

Presentation and discussion of the ORCA CDBG Disaster Recovery Status Report.

Background

The Office of Rural Community Affairs (ORCA), in partnership with TDHCA, is working to distribute the nonhousing funds totaling \$30,537,374 under CDBG Round 1 and \$42,000,000 of restoration of critical infrastructure funds in CDBG Round 2.

The TDHCA Governing Board has requested a monthly report item on the status of the CDBG Disaster Recovery Programs. This report item includes the activities of both CDBG Rounds.

NON-HOUSING ACTIVITIES for CDBG Round 1

All available funding for non-housing activities is under contract. Each of the awarded communities has received at least one technical assistance / site visit by ORCA staff. To date, approximately \$7,925,165 has been paid to non-housing contractors of which \$632,414 or 8% is local administrative costs. Approximately 67% of the contracts awarded under CDBG Round 1 have requested draws totaling 25.7% of the non-housing funds. Procurement of goods and services continues. Six contracts representing \$1.5 million in CDBG funds for drainage projects, had the scope of their projects significantly reduced in the past month to ensure the scope of work could be completed within the contract timeframes. These projects were initially designed to serve as matching funds to support over \$4.5 million in Hazard Mitigation Grant Program (HMGP) through the Federal Emergency Management Agency (FEMA). , These projects are now moving forward and ORCA has every reason to believe they, along with all other projects, will be completed within the grant funding timeframes.

ORCA continues to monitor the progress of each contract through its “Project Status and Plan/Next Step” initiative which tracks the status of each grant by activity and identifies problems that may be causing delays in the project. Each contracted community has been contacted and asked to provide a schedule of their next steps. ORCA staff has created a monitoring tool with this data so that these “benchmarks” can be closely monitored and technical assistance provided to assist the communities in meeting their schedules. ORCA will continue to monitor these activities and provide an updated list to the TDHCA Board at each board meeting to follow the progress of each contract and note any reasons for schedules that are not met. “Next Step” remedies to the problems will be proposed and forwarded to all non-housing recipients with identified risk factors. ORCA Disaster Recovery staff continue to conduct technical assistance visits with each city, county, and tribe to discuss the status of

each project, establish the “plan or next step” necessary for communities to complete project activities and to submit reimbursements requests to ORCA.

Due to the large amount of work within the four regions impacted by Hurricane Rita, there has been a notable shortage of engineering services available for these communities. A limited number of engineering firms are available to serve the small cities and counties that do not have their own engineering staff. As a result, the awarding of generator purchase and installation contracts has been delayed in some communities. Also the demand for generators in this region has created delays in delivery of the generators including estimated delivery dates in excess of 20 weeks. However, through cooperative purchasing arrangements and coordination of grants between counties and cities, ORCA has no reason to believe that all generators would not be ordered, delivered and installed within the grant funding deadlines. Data gathered through the “Next Step” monitoring system has shown that a number of communities are scheduling their street and drainage system repairs in the spring of the year to allow for better weather and force account labor availability.

There were ten separate NRCS projects within the eight communities. As of January 1, 2008 – seven of the NRCS projects have been completed and the remaining three are underway and on schedule to be completed before the contract funding deadline. ORCA staff has worked with the communities to assure proper budget amendments have been designed to draw the appropriate matching funds for these projects.

NON-HOUSING ACTIVITIES for CDBG Round 2

In the August 23rd TDHCA Board Meeting the board approved a \$6 million set aside award to Memorial Hermann Baptist Orange Hospital for the purchase of a CT Scan and demolition of areas damaged by Hurricane Rita. Memorial Hermann has begun procurement to acquire the CT Scan. Another set aside award was granted to Hardin County on October 11th, for \$10 million to fund debris removal. An Action Plan Amendment was approved at the last Board meeting to amend in repairs to the Woodway Blvd. All public hearings have been completed and the request is being prepared for submission to HUD for approval. A third set aside grant for \$3.8 million to fund repairs and improvements to the city wide drainage and water/wastewater facilities in Bridge City was approved by the Board at the November 8th Board meeting. Contracts were executed with these communities in October and November, 2007. All three of these set aside grants communities are making good progress on their projects and are preparing their first draw requests. At the November 8th meeting the Board also approved competitive awards to Jefferson County, Tyler County, Jasper County, Lumberton, and Silsbee for the remainder of the Restoration of Critical Infrastructure Program at the November 8th Board Meeting totaling \$22.2 million as designated by the Governor at the recommendation of local communities.

A Memorandum of Understanding has been executed authorizing ORCA to enter into contracts with the communities for Round 2 Funding once awards have been granted by the Board.

A special planning meeting was held November 29th between ORCA staff and the Round 2 funding recipients and their consultants. Project time lines and capacity were discussed in detail. ORCA staff was provided with a schedule for each of the five contracts, along with a proposal for man-power resources that will be made available by both grant administration and engineering staffs. ORCA staff will closely monitor these tasks to assure the capacity exists in both the administration and execution of the specific projects and that benchmarks are met throughout the term of the contracts.

As a result of the November 29th Round 2 planning meeting, ORCA staff met with the Army Corps of Engineers on January 10th to discuss procedures for obtaining certain permits that will be needed for Round 2 projects. According to information obtained from the Corps, these permits will take a minimum of 120-180 days to be issued. ORCA continues to work closely with each of the Round 2 communities in order to expedite the application process for these permits.

**Texas Community Development Block Grant Program
Disaster Recovery Awards - Rita CDBG Round 1
January 2008**

<u>Contractor</u>	<u>Total Beneficiaries</u>	<u>Contract Total</u>	<u>Drawn to Date</u>	<u>Available Balance</u>	<u>Local Admin Drawn to Date</u>	<u>Environmental Complete</u>	<u>FEMA Project</u>
Alabama Coushatta Indian Reservation	480	\$ 9,512		\$ 9,512.00		X	
Alto	1190	\$ 316,600	\$ 15,000.00	\$ 301,600.00	\$ 15,000.00	X	
Angelina County	80130	\$ 379,816	\$ 18,186.60	\$ 361,629.40	\$ 12,411.60	X	X
Beaumont	26247	\$ 1,950,000	\$ 37,150.00	\$ 1,912,850.00	\$ 37,150.00	X	X
Bevil Oaks	1346	\$ 200,000	\$ 12,923.10	\$ 187,076.90	\$ -	X	
Bridge City	8651	\$ 300,000	\$ 237,724.01	\$ 62,275.99	\$ -	X	X
Broaddus	210	\$ 21,403	\$ 778.40	\$ 20,624.60	\$ 778.40	P	X
Browndell	402	\$ 47,900	\$ 1,440.00	\$ 46,460.00	\$ 1,440.00	X	
Carthage	3067	\$ 338,600	\$ 7,613.00	\$ 330,987.00	\$ 7,613.00	X	X
Center	5153	\$ 184,287		\$ 184,287.00		X	X
Chambers County	26301	\$ 225,000		\$ 225,000.00			X
Chester	274	\$ 29,078		\$ 29,078.00		X	
China	1112	\$ 200,000		\$ 200,000.00		X	
Cleveland	6857	\$ 350,000	\$ 41,080.00	\$ 308,920.00	\$ 6,430.00	X	X
Coldspring	700	\$ 15,457		\$ 15,457.00		X	
Colmesneil	638	\$ 70,006		\$ 70,006.00		X	X
Corrigan	1714	\$ 40,924		\$ 40,924.00		X	
Cove	301	\$ 345,055		\$ 345,055.00			
Crockett	7141	\$ 189,946		\$ 189,946.00		X	
Cushing	568	\$ 9,919		\$ 9,919.00		X	
Dayton	5698	\$ 188,100		\$ 188,100.00			X
Diboll	5470	\$ 69,300	\$ 51,257.09	\$ 18,042.91	\$ 5,670.00	X	
Gallatin	394	\$ 58,800		\$ 58,800.00		X	
Galveston County	2390	\$ 350,000		\$ 350,000.00		X	X
Garrison	791	\$ 13,142		\$ 13,142.00			

Goodrich	260	\$	32,500		\$	32,500.00			X		
Grapeland	1293	\$	19,800	\$	720.00	\$	19,080.00	\$	720.00	X	
Groves	15733	\$	500,000			\$	500,000.00			X	X
Groveton	677	\$	28,314	\$	1,029.60	\$	27,284.40	\$	1,029.60	X	
Hardin County	48073	\$	1,050,000	\$	816,747.79	\$	233,252.21	\$	19,273.80	X	X
Hemphill	1209	\$	63,017	\$	24,658.66	\$	38,358.34	\$	-	X	X
Henderson	5932	\$	338,600	\$	7,613.00	\$	330,987.00	\$	7,613.00	X	X
Houston County	23218	\$	218,500	\$	7,400.00	\$	211,100.00	\$	7,400.00	X	
Hudson	3792	\$	72,044	\$	2,524.40	\$	69,519.60	\$	2,524.40	X	X
Huntington	2085	\$	21,583			\$	21,583.00			X	
Huntsville	23576	\$	350,000			\$	350,000.00			X	
Huxley	982	\$	4,340	\$	3,982.45	\$	357.55	\$	-	X	
Jasper	8247	\$	747,133	\$	146,621.53	\$	600,511.47	\$	-	X	X
Jasper County	35604	\$	2,270,118	\$	1,859,922.01	\$	410,195.99	\$	62,335.00	X	X
Jefferson	2024	\$	316,600	\$	15,804.13	\$	300,795.87	\$	7,088.00	X	X
Jefferson County	252051	\$	1,500,000	\$	144,602.84	\$	1,355,397.16				X
Joaquin	839	\$	35,200	\$	1,280.00	\$	33,920.00	\$	1,280.00	X	
Kennard	360	\$	38,400	\$	1,160.00	\$	37,240.00	\$	1,160.00	X	
Kirbyville	2085	\$	188,890	\$	125,007.80	\$	63,882.20	\$	5,280.00	X	X
Kountze	1738	\$	210,000	\$	4,000.00	\$	206,000.00	\$	4,000.00	X	
Liberty County	386	\$	350,000	\$	35,543.50	\$	314,456.50	\$	13,170.00	X	X
Livingston	5433	\$	129,194			\$	129,194.00			X	X
Longview	98500	\$	338,997			\$	338,997.00			X	
Lovelady	607	\$	27,500	\$	1,000.00	\$	26,500.00	\$	1,000.00	X	
Lufkin	32709	\$	485,000	\$	18,397.00	\$	466,603.00	\$	18,397.00	X	X
Lumberton	8833	\$	315,000	\$	210,692.50	\$	104,307.50	\$	12,450.00	X	
Montgomery County	350000	\$	189,202			\$	189,202.00			X	X
Nacogdoches	29914	\$	158,371	\$	82,992.13	\$	75,378.87	\$	-	X	X
Nacogdoches County	59203	\$	436,065			\$	436,065.00			X	
Nederland	17422	\$	500,000	\$	101,640.40	\$	398,359.60			X	
New Waverly	950	\$	100,000	\$	66,760.76	\$	33,239.24	\$	4,050.00	X	
Newton	2459	\$	172,729	\$	133,163.52	\$	39,565.48	\$	-		X
Newton County	15072	\$	877,654	\$	396,754.75	\$	480,899.25	\$	44,054.50	X	X
Nome	515	\$	100,000			\$	100,000.00			X	

Onalaska	1174	\$ 28,050	\$ 10,740.00	\$ 17,310.00	\$ 1,020.00	X	
Orange	4707	\$ 750,000	\$ 294,865.88	\$ 455,134.12	\$ -	X	
Orange County	84966	\$ 1,200,000	\$ 113,016.29	\$ 1,086,983.71	\$ 14,400.00		X
Panorama Village	1965	\$ 72,760		\$ 72,760.00		P	X
Pine Forest	652	\$ 100,000		\$ 100,000.00		P	
Pinehurst	2274	\$ 200,000	\$ 31,696.79	\$ 168,303.21	\$ 4,000.00	X	
Pineland	980	\$ 56,100	\$ 2,040.00	\$ 54,060.00	\$ 2,040.00	X	
Point Blank	559	\$ 12,504	\$ 8,850.00	\$ 3,654.00		X	
Polk County	46397	\$ 886,854		\$ 886,854.00		X	
Port Arthur	57023	\$ 1,500,000	\$ 1,500,000.00	\$ -	\$ -	X	X
Port Neches	13601	\$ 500,000	\$ 57,401.20	\$ 442,598.80	\$ 16,875.00	X	X
Rose City	519	\$ 100,000		\$ 100,000.00		X	
Rusk	640	\$ 291,800		\$ 291,800.00			
Sabine County	10469	\$ 473,140	\$ 27,075.00	\$ 446,065.00	\$ 13,200.00	X	
San Augustine	2678	\$ 111,100	\$ 4,040.00	\$ 107,060.00	\$ 4,040.00	X	
San Augustine County	4715	\$ 236,765	\$ 149,623.90	\$ 87,141.10	\$ 10,725.00	X	
San Jacinto County	22246	\$ 478,669	\$ 97,212.50	\$ 381,456.50	\$ 13,400.00	X	
Shelby County	25224	\$ 221,699	\$ 21,334.40	\$ 200,364.60	\$ 7,334.40	X	X
Shepherd	2029	\$ 48,300	\$ 3,100.00	\$ 45,200.00	\$ 1,520.00	X	
Silsbee	6398	\$ 315,000	\$ 26,234.45	\$ 288,765.55	\$ 9,750.00	P	X
Sour Lake	1667	\$ 210,000	\$ 35,880.00	\$ 174,120.00	\$ -	X	X
Splendora	1275	\$ 350,000		\$ 350,000.00			X
Surfside Beach	450	\$ 130,000	\$ 125,921.80	\$ 4,078.20	\$ -	X	
Taylor Landing	265	\$ 50,000	\$ 30,755.57	\$ 19,244.43	\$ 2,500.00	X	X
Timpson	1094	\$ 14,173		\$ 14,173.00		X	
Trinity County	13779	\$ 267,300	\$ 12,150.00	\$ 255,150.00	\$ 12,150.00	X	X
Tyler County	20871	\$ 1,918,920	\$ 111,637.45	\$ 1,807,282.55	\$ 61,136.25	X	X
Vidor	11440	\$ 500,000	\$ 261,546.00	\$ 238,454.00	\$ 23,940.00	X	X
Walker County	2600	\$ 396,930	\$ 18,000.01	\$ 378,929.99	\$ -	X	X
West Orange	4111	\$ 200,000	\$ 200,000.00	\$ -	\$ -	X	
Willis	4028	\$ 219,109		\$ 219,109.00			X
Woodville	2415	\$ 264,993	\$ 25,395.00	\$ 239,598.00	\$ 11,587.00	X	
Zavalla	701	\$ 52,600	\$ 1,640.00	\$ 50,960.00	\$ 1,640.00	X	X
Deep East TX Council of Governments		\$ 100,000	\$ 41,523.52	\$ 58,476.48	\$ 41,523.52		

East TX Council of Governments		\$ 50,000	\$ 50,000.00	\$ -	\$ 50,000.00		
Houston-Galveston Area Council of Governments		\$ 74,556	\$ 24,070.74	\$ 50,485.26	\$ 24,070.74		
South East TX Regional Planning Commission		\$ 18,656	\$ 6,244.00	\$ 12,412.00	\$ 6,244.00		
Total:	1,592,918	\$ 30,845,074	\$ 7,925,165		\$ 632,414		

P = environmental partially complete

OFFICE OF RURAL COMMUNITY AFFAIRS

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs (ORCA).

Requested Action

Approve the request for amendments related to the use of non-housing funds under the State of Texas Action Plan (Action Plan) for *Community Development Block Grant (CDBG) Disaster Recovery Funds to Areas Most Impacted and Distressed by Hurricane Rita*.

Background

The U. S. Department of Housing and Urban Development (HUD) approved the State of Texas Action Plan (Action Plan) related to the CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita on June 16, 2006. On August 30, 2006 the TDHCA Governing Board approved the non-housing project recommendations of the Office of Rural Community Affairs (ORCA) and the four COGs in the affected area.

The Action Plan approved by HUD specifically states “*contract amendments that vary more than 5% must be approved by the TDHCA Board.*”

ORCA is obtaining additional information regarding the transfer of these funds and the information on actual low and moderate income households that will benefit from these amendments. Pending the review of the causes for transfer and possible other uses for the funds, ORCA has presented these recommendations as neutral and will discuss with the Board the results of their additional investigations.

Sour Lake DRS 060083

Summary of Request

The City of Sour Lake is requesting an amendment to transfer \$19,750 from the water facilities line item, \$87,750 from the sewer facilities line item, \$41,620 from the drainage activities line item, and \$15,000 from the engineering line item to move \$164,120 to the debris line item to remove debris from road ditches in order to prevent continued flooding of streets and private property. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget	Change (+/-)	Revised Budget
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Water Facilities	\$ 19,750.00	-	\$ 19,750.00	\$ -
Sewer Facilities	\$ 123,630.00	-	\$ 87,750.00	\$ 35,880.00
Drainage Activities	\$ 41,620.00	-	\$ 41,620.00	\$ -
Debris	\$ -	+	\$ 164,120.00	\$ 164,120.00
Engineering	\$ 15,000.00	-	\$ 15,000.00	\$ -
Planning / Project Delivery	\$ 10,000.00		\$ -	\$ 10,000.00
	\$ 210,000.00			\$ 210,000.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Silsbee DRS 060082

The City of Silsbee is requesting an amendment to transfer \$13,986.65 from the water facilities line item and \$25,806 from the street improvements line item, to move \$39,792.65 into the sewer facilities line item to remove larges amounts of sand that entered the South Sewer Treatment Plant and to repair sewer lines broken by uprooted trees during Hurricane Rita. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget		Change (+/-)	Revised Budget
Water Facilities	\$ 90,836.00	-	\$ 13,986.65	\$ 76,849.35
Sewer Facilities	\$ 162,221.00	+	\$39,792.65	\$ 202,013.65

Street Improvements	\$25,806.00	-	\$25,806.00	\$ -
Engineering	\$ 21,137.00		\$ -	\$ 21,137.00
Planning / Project Delivery	\$ 15,000.00		\$ -	\$ 15,000.00
	\$ 315,000.00			\$ 315,000.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Lumberton DRS 060062

The City of Lumberton is requesting an amendment to transfer \$28,195 from the water facilities line item and \$90,000 from the debris line item to move \$118,195 to the drainage facilities line item to cover additional drainage activities not covered by FEMA funds. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget		Change (+/-)	Revised Budget
Water Facilities	\$ 126,000.00	-	\$ 28,195.00	\$ 97,805.00
Drainage Activities	\$ -	+	\$ 118,195.00	\$ 118,195.00
Debris	\$ 90,000.00	-	\$ 90,000.00	\$ -
Clearance / Demolition	\$ 84,000.00		\$ -	\$ 84,000.00
Planning / Project Delivery	\$ 15,000.00		\$ -	\$ 15,000.00

	\$ 315,000.00		\$ 315,000.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Nome DRS 060049

The City of Nome is requesting an amendment to transfer \$17,000 from the fire protection line item to move \$17,000 into the sewer facilities line item for purchase and installation of a generator and repairs to the sewer system not covered by the FEMA Public Assistance Program. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget	Change (+/-)		Revised Budget
Water Facilities	\$ 32,500.00			\$ 32,500.00
Sewer Facilities	\$ 45,500.00	+	\$ 17,000.00	\$ 62,500.00
Fire Protection	\$ 17,000.00	-	\$ 17,000.00	\$ -
Planning / Project Delivery	\$ 5,000.00			\$ 5,000.00
	\$ 100,000.00			\$ 100,000.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

City of Nederland DRS 060058

The City of Nederland is requesting an amendment to transfer \$200,216 from the fire protection line item to move \$169,881 in to the water facilities line item and \$30,335 in to the engineering line item for appropriately sized generators at the fire station and to buy 2 additional generators

for water facilities to ensure that water production during power outages. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget		Change (+/-)	Revised Budget
Water Facilities	\$ -	+	\$ 169,881.00	\$ 169,881.00
Fire Protection	\$ 412,200.00	-	\$ 200,216.00	\$ 211,984.00
Engineering	\$87,800.00	+	\$ 30,335.00	\$ 118,135.00
	\$ 500,000.00			\$ 500,000.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Colmesneil DRS 060016

The City of Colmesneil is requesting an amendment to transfer \$1611 from the street improvements line item to move \$1611 in to the water facilities line item to cover additional costs related to installation of the 2 generators at the water system. FEMA funds and local funds will be utilized to complete street repairs. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget		Change (+/-)	Revised Budget
Water Facilities	\$ 55,800.00	+	\$ 1,611.00	\$ 57,411.00
Street Improvements	\$ 1,611.00	-	\$ 1,611.00	\$ -
Engineering	\$ 7,695.00		\$ -	\$ 7,695.00
Planning / Project Delivery	\$ 4,900.00		\$ -	\$ 4,900.00

	\$ 70,006.00			\$ 70,006.00
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Requested Action

ORCA recommends approval of the amendment as detailed above.

Pinehurst DRS 060068

The City of Pinehurst is requesting a performance statement amendment to increase the size of the generator being acquired for the Interstate Highway 10 and MLK water well, omit the second generator to be acquired for the same location, and decrease the size of the generator for the 34th Street lift station. These changes reflect the appropriate size of generators for these purposes. There will be no change in the number of beneficiaries associated with this contract.

Requested Action

ORCA recommends approval of the amendment as detailed above.

Nacogdoches County DRS 060057

Nacogdoches County is requesting an amendment to transfer \$38,736 from the neighborhood facilities line item in to the water facilities line item based on the increased cost of an appropriately sized generator for the facility. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget		Change (+/-)	Revised Budget
Water Facilities	\$ 239,500.00	+	\$ 38,736.00	\$ 278,236.00
Neighborhood Facilities	\$ 149,736.00	-	\$ 38,736.00	\$ 111,000.00
Engineering	\$ 20,347.00			\$ 20,347.00
Planning / Project Delivery	\$ 26,482.00			\$ 26,482.00
	\$ 436,065.00			\$ 436,065.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Newton County DRS 060061

Newton County is requesting an amendment to transfer \$93,946.20 from the drainage line item to move \$93,946.20 in to the debris activity to utilize the funds as 25% match for NRCS activities awarded to the County. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget	Change (+/-)		Revised Budget
Water Facilities	\$ 282,272.00		\$ -	\$ 282,272.00
Drainage Activities	\$ 436,641.01	-	\$ 93,946.20	\$ 342,694.81
Debris	\$ 12,000.00	+	\$ 93,946.20	\$ 105,946.20
Neighborhood Facility	\$ 5,340.99		\$ -	\$ 5,340.99
Acquisition	\$ 50,000.00		\$ -	\$ 50,000.00
Engineering	\$ 30,000.00		\$ -	\$ 30,000.00
Planning / Project Delivery	\$ 61,400.00		\$ -	\$ 61,400.00
	\$ 877,654.00			\$ 877,654.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Jasper County DRS 060040

Jasper County is requesting an amendment to transfer \$190,645.31 from the drainage facilities line item to move \$117,118.80 in to the debris line item and \$73,526.51 into the public service line item. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget	Change (+/-)		Revised Budget
Drainage Facilities	\$ 489,625.39	-	\$ 190,645.31	\$ 298,980.08
Debris	\$ 551,181.75	+	\$ 117,118.80	\$ 668,300.55
Public Services	\$ 1,133,410.86	+	\$ 73,526.51	\$ 1,206,937.37
Planning / Project Delivery	\$ 95,900.00		\$ -	\$ 95,900.00
	\$ 2,270,118.00			\$ 2,270,118.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Kirbyville DRS 060046

The City of Kirbyville is requesting an amendment to transfer \$5,533.00 from sewer facilities and \$10,000.20 from the debris line item to move \$15,533.20 in to the water facilities line item because funds are no longer necessary for FEMA match. The City will instead use the funds to make repairs to sewer facilities and replace water meters damaged by uprooted trees during Hurricane Rita. There will be no change in the number of beneficiaries associated with this contract.

Activity	Current Budget	Change (+/-)		Revised Budget
Water Facilities	\$ 43,328.00	+	\$ 15,533.20	\$ 57,861.20

Sewer Facilities	\$ 18,000.00	-	\$5,533.00	\$ 12,467.00
Debris	\$115,362.00	-	\$ 10,000.20	\$ 105,361.80
Planning / Project Delivery	\$ 13,200.00			\$ 13,200.00
	\$ 188,890.00			\$ 188,890.00

Requested Action

ORCA recommends approval of the amendment as detailed above.

Galveston County DRS 060024

Galveston County is requesting a budget amendment to reduce the total amount of the Galveston County project to \$100,363.72 for the only expenses the County still has outstanding from Hurricane Rita. Once HB-2206 was signed and FEMA went to 100% for costs of Hurricane Rita related projects the County was made whole with the exception of \$100,363.72. The County is releasing the remaining \$246,636.28. There will be no change in the number of beneficiaries associated with this project.

Activity	Current Budget		Change (+/-)	Revised Budget
Drainage Facilities	\$ 350,000.00	-	\$ 249,636.28	\$ 100,363.72
	\$ 350,000.00			\$ 100,363.72

Requested Action

ORCA recommends approval of the amendment as detailed above.

As detailed in the Action Plan Houston Galveston Area Council (HGAC) as the applicant for the \$10,706,418 of the Round 1 funding is recommending the following uses of the funds freed up by Galveston County:

Montgomery County DRS 060054

Montgomery County originally applied for \$350,000 for generators at 3 community shelters and one food bank. As the last community recommended for funding the County was only allocated a portion of the funds for one generator at the food bank, one generator at a community shelter, and a portion of a generator at another shelter. HGAC is recommending that Montgomery County be awarded an additional \$83,636.28. This award will pay for the remainder of the generator at the second shelter and a portion of a third generator at another shelter. There is no change in the number of beneficiaries associated with this project.

Activity	Current Budget	Change (+/-)		Revised Budget
Neighborhood Facilities	\$ 189,202.00	+	\$ 79,536.28	\$ 268,738.28
Planning / Project Delivery		+	\$ 4,100.00	\$ 4,100.00
	\$ 189,202.00			\$ 272,838.28

Requested Action

ORCA recommends approval of the amendment as detailed above.

Ames DRS 060096

HGAC did not originally have enough funds to recommend the City of Ames for an award under the Round 1 funding but is now recommending the City receive \$83,000 for the purchase of a generator at its water treatment plant to ensure that the City can maintain a drinkable water supply and associated planning and project delivery costs.

Activity	Current Budget	Change (+/-)		Revised Budget
Water Facilities		+	\$ 78,900.00	\$ 78,900.00
Planning / Project Delivery		+	\$ 4,100.00	\$ 4,100.00

				\$ 83,000.00

Requested Action

ORCA recommends approval of the award as detailed above.

Devers DRS 060097

HGAC did not originally have enough funds to recommend the City of Devers for an award under the Round 1 funding but is now recommending the City receive \$83,000 for the purchase of a generator at its water treatment plant to ensure that the City can maintain a drinkable water supply and associated planning and project delivery costs.

Activity	Current Budget	Change (+/-)		Revised Budget
Water Facilities		+	\$ 78,900.00	\$ 78,900.00
Planning / Project Delivery		+	\$ 4,100.00	\$ 4,100.00
				\$ 83,000.00

Requested Action

ORCA recommends approval of the award as detailed above.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing.

Requested Action

Presentation and discussion of the CDBG Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing.

Background

This Board Action Request summarizes the activities of the three Councils of Governments (COGs) administering CDBG Disaster Recovery Program (Program) housing contracts.

Housing Activities as of January 24, 2008

The Disaster Recovery Division was fully engaged during the month of December ensuring that housing activities continue to be proportional to the amount of time remaining under the COG contracts. The COGs are continuing to increase the number of applicants that are in the home delivery phase (replacement, rehabilitation or reconstruction) and are now accessing HTF dollars to finance gap amounts.

A performance benchmark memo was disseminated to the COGs on September 19, 2007. The Division's goal was to increase the number of certified eligible clients with the expectation that once certified the home delivery phase (replacement, rehabilitation or reconstruction) would increase proportionately. The Division established a goal of certifying as eligible at least 100% of the contractual number of households required to be served by December 31, 2007. Benchmarks to date are as follows:

- **DETCOG – 100%**
- **H-GAC – 91%**
- **SETRPC – 81%**
 - SETRPC – 100%
 - City of Beaumont – 38%
 - City of Port Arthur – 83%

Although the goal has not been met for each COG, staff are continuing to work closely with the COGs to ensure that the Program will reach successful completion by the end of the contract term by working with them on their bid process and onset of construction activities and construction schedule.

NOTE: The Program Activity table has been updated to reflect monthly activity. The Number of Homes out for Bid, Number of Bids Awarded and Number of Homes under Construction columns represent activity since the last Board meeting. All other data is cumulative information to date.

Financial Activity

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Balance CDBG Funds	% of Funds Disbursed
DETCOG	\$6,745,034.00	\$341,220.25	\$165,913.08	\$6,237,900.67	7.52%
H-GAC	\$7,015,706.00	\$453,843.15	\$450,598.42	\$6,111,264.43	12.89%
SETRPC	\$26,498,536.00	\$698,541.35	\$1,963,393.44	\$23,836,601.21	10.05%
SETRPC	\$15,788,536.00	\$698,541.35	\$1,963,393.44	\$14,051,007.61	16.86%
Beaumont	\$5,145,000.00	\$0.00	\$0.00	\$5,145,000.00	0.00%
Port Arthur	\$5,565,000.00	\$0.00	\$0.00	\$5,565,000.00	0.00%
Totals	\$40,259,276.00	\$1,493,604.75	\$2,579,904.94	\$36,185,766.31	10.12%

Project Activity

	Total # of Households to be Served per Contract*	Total # of Certified Eligible Applicants	No. of Homes out for Bid	No. of Bids Awarded	No. of Homes under Construction	Total # of Homes Constructed	Total # of MHUs Delivered	Increase Since 12/20/07
DETCOG	96	96	0	40	0	0	14	7
H-GAC	127	115	27	0	0	0	23	10
SETRPC	229	186	7	2	22	12	26	4
SETRPC	127	127	3	0	22	12	26	4
Beaumont	56	21	0	0	0	0	0	0
Port Arthur	46	38	4	2	0	0	0	0
Total	452	397	34	42	22	12	63	21

* Based on the projected number of households that the COGs will be able to serve with the funding allocation

COG Activity Highlights

Deep East Texas Council of Governments

DETCOG has reached 100% certified eligibility based on the projected number of households that will be served and the identified need in the region. Of the 96 certified eligible applicants, fourteen (14) homes have been delivered to homeowners and forty (40) purchase contracts have been signed for housing units expected to be installed during February 2008.

Houston-Galveston Area Council

HGAC has received 91% certified eligibility based on the projected number of households that will be served. Twenty-seven (27) homes are out for bid representing nineteen (19) stick-built homes that are currently out for bid and eight (8) MHUs that are under order from the manufacturer. H-GAC will be accessing HTF funds to process an additional 40 applicant homes, the majority will be stick-built homes.

South East Texas Regional Planning Commission

SETRPC has achieved 81% certified eligibility. Of the 186 certified eligible applicants, thirty-eight (38) households have received assistance, twenty-two (22) homes are under construction, and nine (9) more houses are either out for bid or have been recently awarded and will begin the construction phase soon.

SETRPC continues to work closely with each of its subcontractors to increase and certify the eligibility status of applicants. The City of Beaumont has twenty-one (21) certified eligible applicants. Work write-ups are currently being re-developed and are expected to be issued the latter part of December. The City of Port Arthur has increased the number of certified eligible applicants to thirty-eight (38). Four homes are out to bid and two bids have been awarded and will begin the construction phase soon.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs.

Requested Action

Presentation and discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs.

Background

This Disaster Recovery Division report item is a newly added report to the ongoing updates provided to the Board on a monthly basis. For this first report, staff is providing a detailed overview and status of the CDBG Round 2 Disaster and the Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs.

2ND SUPPLEMENTAL CDBG DISASTER RECOVERY FUNDING OVERVIEW

On April 13, 2007, the U.S. Department of Housing and Urban Development awarded the State of Texas \$368,671,849 of the total of \$428,671,849 in the second of two awards in CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricanes Rita and Katrina. On August 29, 2007, HUD approved the remaining \$60 million in the Partial Action Plan Amendment for the City of Houston and Harris County. The total funding allocation for this "2nd Supplemental CDBG Disaster Recovery Funding" is \$428,671,849. As further described in the Partial Action Plan, TDHCA will use the following funding allocation to prioritize the use of funds based on the highest observed needs.

Funding Breakdown for the 2nd Supplemental CDBG Disaster Recovery:

Activity	Available Funding for Activity
Rental Housing Stock Restoration Program ("Rental")	\$82,866,984
Restoration of Critical Infrastructure Program (Infrastructure)	\$42,000,000
City of Houston and Harris County Public Service and Community Development Program ("Houston/Harris")	\$60,000,000
Homeowner Assistance Program ("HAP")	\$210,371,273
Sabine Pass Restoration Program ("SPRP")	\$12,000,000
State Administration Funds (Used to Administer Funding)	\$21,433,592
Total Plan Funding	\$428,671,849

Since HUD approval less than 8 months ago, TDHCA has met and exceeded all applicable federal requirements and applicable deadlines relating to these funds. TDHCA and our partners have worked diligently to develop and implement policies and procedures for the Round 2 CDBG Programs in an effort to ensure that funds are awarded as quickly and efficiently as possible to the families of Texas in need. This has been accomplished by working o learn

lessons from the Round 1 program and has applied those lessons to improving Round 2, and the programs have been successful since.

TDHCA Multifamily Rental Housing Stock Restoration Program

As an example of the success thus far, funding in the amount of \$82,866,984 was made available in the form of a grant or loan to the owners of affordable rental properties that were damaged by Hurricane Rita. Applications for this program were due on July 26, 2007. On September 13, 2007, only two months after the funds became available, the TDHCA Board awarded \$81.1 million to repair or rebuild five Golden Triangle-area affordable multifamily rental properties damaged or destroyed by Hurricane Rita. The construction work, once completed, will restore rental units housing 813 low-income individuals and families. Award-specific information is outlined below:

File Number	Development Name	City	County	Total LI Units	Total Units	Type of Activity	CDBG Award
07901	Pointe North	Beaumont	Jefferson	158	158	Reconstruction	\$13,778,332
07902	Gulfbeeze Plaza I & II	Port Arthur	Jefferson	234	234	Reconstruction	\$22,347,827
07905	Orange Navy Homes	Orange	Orange	115	115	Reconstruction	\$14,189,439
07903	Brittany Place Homes II	Port Arthur	Jefferson	196	196	Reconstruction	\$24,124,201
07907	Virginia Estates	Beaumont	Jefferson	110	110	Rehabilitation	\$6,707,534
Award Totals:				813	813		\$81,147,333

Restoration of Critical Infrastructure Program

While housing is the priority in this Action Plan, approximately 10 percent of the available funding will be used for the restoration of critical infrastructure damaged by Rita. This \$42 million will be used solely for infrastructure projects where there is outstanding damage and no other sources of funding can be obtained. The Office of Rural Community Affairs (ORCA) will administer activities awarded under this program through a contract with TDHCA and approved by TDHCA’s Governing Board. As administrator of these funds ORCA has been and will continue to update the TDHCA Governing Board on this program.

City of Houston and Harris County Public Service and Community Development Program

As mentioned previously, on August 29, 2007, HUD approved the Partial Action Plan funds in the amount of **\$60 million** for the City of Houston and Harris County for public service, community development, and housing activities in areas (police districts, schools, apartment complexes, neighborhoods) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees.

On October 17, 2007, the City of Houston and on November 6, 2007, Harris County executed contracts with TDHCA to administer this funding priority, with the agreement that Houston and Harris County indemnified TDHCA. As such, TDHCA is a pass through agency and will administer activities awarded under this program through the contracts with TDHCA and approved by TDHCA’s Governing Board.

Houston/Harris County Plan Overview

Activity	Available Funding	% Plan Funding
Neighborhoods To Standard Program	\$20,000,000	33%
Multi-Family Apartment Community Liaison Program	\$20,000,000	33%
Evacuee Public Services:	\$20,000,000	33%
Total Plan Amendment Funding	\$60,000,000	

CDBG Homeowner Assistance Program (HAP) and Sabine Pass Restoration Program (SPRP)

The Governor has identified destruction done to an individual’s home as one of the most persistent and difficult issues to address in the aftermath of Hurricane Rita. To deal with this real need of Texans who have no other place to turn, the largest share of the funding priorities, \$210 million, is provided for the Homeowner Assistance Program (HAP) limited to Low-Income homeowners (80% Area Median Income) in the 22 counties who occupied their primary residence home at the time of the storm.

In addition to the \$210 million in HAP funds, funding in the amount of \$12 million in CDBG deferred forgivable loan funds is set-aside for Sabine Pass Restoration Program (SPRP) to rebuild homes in the coastal community of Sabine Pass that was nearly destroyed by the storm.

Execution of Contract with ACS State & Local Solutions, Inc.

As mentioned previously, tremendous consideration was given when planning for and implementing Round 2. Most significant was the decision to use a Project Management Firm (PM) to administer the \$222M for HAP and SPRP. Pursuant to the HUD approved Action Plan and applicable federal rules, TDHCA released a competitive RFP with the primary objective of obtaining a turnkey solution managed by one Program Management Firm to administer the HAP and SPRP programs and to distribute CDBG funding in accordance with the Plan, applicable laws, regulations, procedures and guidelines. Contrary to the COGs that administer Round 1 CDBG DR Housing Funds, the RFP required that the firm selected have substantial capacity and experience in administering this program and other similar programs, and is a for-profit entity.

To be considered for award, offerors were required to submit a written proposal which satisfied the requirements outlined in the RFP no later than Monday, July 9, 2007. After a substantial TDHCA review process, staff recommended and the TDHCA Board approved ACS State & Local Solutions, Inc. on August 23, 2007. Based on the Proposal, TDHCA and ACS engaged in extensive negotiations, discussions and due diligence that culminated in the execution of the contract and policy development. Contract negotiations began after the Board approval, and the contract was executed on December 31, 2007. The Department will maintain close oversight of the ACS Team as terms of the contract as well as milestones are met.

As part of their contractual requirements with the state, ACS acknowledges that time is a critical component of the HAP and SPRP programs, and they have agreed to the following summary of timeline:

ACS Contract Milestone (All Final Policies Approved by TDHCA Prior to Implementation)	Start	End
• ACS and TDHCA Development of Policies and Procedures in Conjunction with Input from CoGs, Faith Based, and Public Interest Groups.	1/14/08	3/10/08
• Environmental Reviews of Tiering and Individual Sites	1/07/08	4/16/08
• Selection of Rehabilitation and New Construction Contractors	1/9/08	2/18/08
• Outreach Program Development	2/1/08	6/6/08
• Pilot Operations Testing Including	4/16/08	10/24/08
• Construction Services Through Final Completion for Pilot	10/08/08	5/27/09
• Final Inspection/ Homes Complete	4/22/09	12/22/09

FEMA AFFORDABLE HOUSING PILOT PROGRAM (AHPP) OVERVIEW

On January 7, 2008, the Federal Emergency Management Agency (FEMA) announced that TDHCA was awarded of \$16,471,725 for the Affordable Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes for a time period of twenty-four months. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives to the FEMA trailer by examining cost-effective solutions that meet a variety of housing needs. Pursuant to FEMA requirements, the pre-fabricated units must be awarded within the 22 counties affected by the 2005 Hurricanes.

The Heston Group was selected to pilot a pre-fabricated, panelized solution which can be deployed quickly and built to accommodate a diverse population. According to the Heston Group, an *estimated* average price of each pre-fabricated unit is \$77,500.

Harris County Set-Aside: The Department anticipates that it will award the Harris County Housing Authority 20 single-family units, 1 community center/ leasing office, a playground, and costs for site acquisition. Harris County, as a Subrecipient of the funds, will provide management oversight and will be responsible for reporting to the Department.

- The Harris County Housing Authority will be responsible for ensuring that all program requirements are met, including the following requirements:
 - The Harris County units are considered “temporary housing units” for the purposes of the pilot program, and must be moved or redeployed during the four-year period of performance. Pursuant to the objectives of the pilot program, FEMA will use the data to better serve victims of future disasters;
 - The units will be located on one site within Harris County (to be identified by Harris County Housing Authority);
 - The units must be built on land owned by Harris County (eligible costs do include land acquisition, as long as any proceeds from the future sale of the land are used toward affordable housing objectives that are consistent with the Department’s Mission Statement, as approved by the Department and outlined in the contract);
 - The land may not be in a flood zone; and,
 - The units must be occupied by eligible households in the priority order outlined in the Articles of Agreement.
 - Although the units must be occupied by eligible households in the specified priority order, further selection criteria of eligible households will be developed by the Harris County Housing Authority, as approved by the Department and FEMA.
 - Harris County Housing Authority may charge reasonable rent to the households, only to the extent that the charges will reimburse the Housing Authority for the costs associated with the units. Charges to households that exceed the Housing Authority’s costs are eligible as long the proceeds from the overages are used toward affordable housing objectives that are consistent with the Department’s Mission Statement, as approved by the Department and outlined in the contract.
 - Any noncompliance with these items or the eventual contract between TDHCA and Harris County Housing Authority that are identified by FEMA, TDHCA, or contracted third-parties will be required to be corrected.

As of February 2007, Harris County had nearly 12,000 households receiving FEMA temporary housing assistance in the form of rental assistance vouchers.

East Texas Set-Aside

The Department will award the remaining funds to households currently living in FEMA trailers whose homes were 100% destroyed by Hurricane Rita. As outlined in the attached budget, the Department estimates this to be between 50-100 units, depending on the site location of the eligible households. The disposition of the units will provide

long-term housing assistance to the families served and will become ‘permanent’ and granted to the families. Although these homes are re-usable, final disposition will be left to the individual recipients of units. In addition to the costs of the units, eligible costs may also include costs for re-designed units (if required by local codes or authorities), costs for infrastructure, or other unexpected but necessary costs (such as septic systems or demolition and clearance of previous homes).

- The awards for these units would be determined based on the threshold requirements:
 - The local municipal and/or county authorities’ required approval for construction of the units is received;
 - The households must own land where the structure will be erected;
 - The site must be found acceptable by the Department, Heston, and/or local authorities;
 - The household must certify that it has read the draft contract with TDHCA and, if awarded, is willing to sign a binding contract with TDHCA (note: this will include certification that insurance will be paid for by the grantee after the transfer of ownership and/or period of performance);
 - The land must not be in a flood zone; and,
 - The households must currently live in a FEMA trailer, and the home that the households lived in at the time of the storm was 100% destroyed in the hurricane, as determined by FEMA (could have been demolished due to inhabitability).

The Department is currently working with the Heston Group and Harris County Housing Authority to execute contracts for this program.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation, Discussion and Possible Approval to request an amendment to the Partial Action Plan for Disaster Recovery (CDBG Round 2 Action Plan) from the U.S. Department of Housing and Urban Development (HUD).

Requested Action

Approve a request to amend the CDBG Round 2 Action Plan and allow TDHCA to submit to HUD for approval of an amendment to the Partial Action Plan approved on April 13, 2007.

Background

The Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding was approved by the Governing Board February 1, 2007 and was forwarded to the Department of Housing and Urban Development (HUD) for approval February 6, 2007. On April 13, 2007 the Action Plan was approved by HUD. The total funding allocation is \$428,671,849. Pursuant to the Plan, \$210,371,273 is set-aside for the Homeowner Assistance Program (“HAP”) and the \$12,000,000 set-aside for the Sabine Pass Restoration Program (“SPRP”) (collectively known as the “Programs” or “Program”).

Under both Programs, the maximum benefit for rehabilitation or reconstruction is currently \$40,000 per household. This limit is based on the average cost to repair homes with major or severe damage for a subset of FEMA registrants with real property damage who applied to the Small Business Administration (“SBA”) for a loan to assist with repairing their property. Under the SPRP, eligible homeowners may apply for additional assistance in an amount up to \$30,000 to help defray additional costs, and an additional \$15,000 in assistance for accessibility related costs associated with elevating the dwelling.

Since the Action Plan was approved, the TDHCA has been working closely with the citizens and organizations who were directly impacted by the storm and a wide variety of municipal, county, regional, and state officials to determine what the greatest disaster recovery needs are and how to best address those needs. Through this ongoing interaction, TDHCA has received several requests to increase the \$40,000 maximum under both programs, and to provide clarification relating to the minimum requirements for the Programs.

Summary of Recommended Amendment #3

As part of that effort, staff recommends Amendment #3 to the Action Plan that would revise the maximum limitations. In order to offer consistency and uniformity among housing programs, staff recommends limitations consistent with the 2008 the HOME Program Rule (10 TAC Chapter 53), approved in the December 20, 2008 Board meeting as follows:

Maximum Benefit

The Maximum Benefit for the HAP is \$25,000 for costs associated with the rehabilitation of a qualified

home. The rehabilitation of a manufactured housing unit is not an eligible activity. If a feasibility analysis indicates that rehabilitation costs would exceed the \$25,000 applicable limit, replacement reconstruction will be determined to be the preferable method of assistance. If appealed, the Executive Director may grant an exception to exceed this amount for good cause; however, the Executive Director will not grant an exception to exceed \$40,000 of assistance. The homeowner will be notified and the options available will be explained.

The maximum benefit for the HAP for reconstruction, replacement, and/or new construction of a qualified home, including manufactured housing units, is based on Household size:

- 1 - 4 person Household: \$60,000
- 5 - 6 person Household: \$67,500
- 7 or more person Household: \$75,000

Staff also recommends administrative revisions to the HAP, SPRP, Multifamily Rental, Houston/Harris, and Action Plan Amendment section of the approved plan. These revisions reflect the most recent HUD waivers and determinations, and provide clarity regarding administrative processes. The revisions are not substantive (i.e., do not trigger the Substantial Amendment Process in the current Action Plan). Those recommendations are not reflected in this write-up because they are not substantive.

The Department will conduct a public roundtable on January 25, 2008, the day after this agenda item is posted. The meeting will be held to receive public comment for the proposed Amendment # 3 to the Partial Action Plan. In addition, the TDHCA Board meeting will also serve as a public hearing. Additionally, written comments on this Amendment #3 will be accepted by mail, e-mail, and facsimile through January 30, 2008.

Additional public comment received after this Board Book is posted will be summarized and verbally presented to the Board during staff's presentation.

Recommendation

Staff recommends Governing Board approval of Action Plan Amendment #3, as proposed.

State of Texas

Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding

to Assist with the Recovery of Distressed Areas
Related to the Consequences of

Hurricanes Katrina, Rita, and Wilma
in the Gulf of Mexico in 2005



April 13, 2007

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EXECUTIVE SUMMARY

The Texas Department of Housing and Community Affairs (“Department” or “TDHCA”) has prepared this State of Texas Action Plan for Community Development Block Grant (CDBG) Disaster Recovery Grantees under Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (“Action Plan”). This Action Plan will be used by TDHCA, the lead agency designated by Texas Governor Rick Perry to administer these funds, to provide \$428,671,849 in CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricanes Rita and Katrina.

These funds, coupled with a previous supplemental appropriation authorized under Public Law 109-148 (\$74,523,000 in CDBG disaster recovery funding), will provide significant assistance to affected areas in southeast Texas. It should be noted that this Action Plan addresses a scope of needs beyond the similar plan issued May 9, 2006 to use the funding authorized under Public Law 109-148. While the previous plan only addressed needs associated with Hurricane Rita, this Action Plan addresses needs resulting from both Hurricanes Rita and Katrina. Combined, all the needs identified in *Texas Rebounds*, a document prepared by the Office of the Governor detailing \$2.02 billion in Rita and Katrina recovery needs, will not have been met. However, with an emphasis on helping restore homes and improving neighborhoods, these funds will help address many of the key priorities for recovery.

The Action Plan gives priority to community infrastructure development and rehabilitation as well as the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing. More specifically, the funds will be used to help:

- provide assistance to homeowners of low to moderate income whose houses were damaged by Hurricane Rita;
- provide focused efforts to restore and protect owner occupied housing stock in the community of Sabine Pass which was severely damaged by the storm;
- repair, rehabilitate, and reconstruct (including demolition, site clearance and remediation) the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas;
- restore critical infrastructure damaged by Hurricane Rita where no other funds are available; and
- provide assistance in the City of Houston and Harris County for increased demands for public services, law enforcement and judicial services, community development, and housing activities in specific areas (police districts, schools, apartment complexes, neighborhoods) that have experienced a dramatic population increase due to an influx of Katrina evacuees.

The comment period opened on December 15, 2006, and closed on January 2, 2007. The Department received written public comment as well as verbal public comment at three public hearings, two of which were held in the affected region of Southeast Texas. Because these natural disasters impacted a region with diverse communities, TDHCA released public comment notifications and Action Plan drafts in English, Spanish, and Vietnamese to provide persons with limited English proficiency a better opportunity to participate in the public comment process.

It should be noted that this is a partial action plan. A more detailed description of how the funding will be used (eligible activities, beneficiaries, areas, etc.) that has been targeted for the City of Houston and Harris County will be included in the final Action Plan. This description will be developed separately because of the complexity of crafting a plan that effectively addresses remaining needs in the City of Houston and Harris County. The required amendment to the Action Plan shall be developed through a separate public comment process and will be coordinated by the City of Houston and Harris County CDBG entitlement communities, in conjunction with TDHCA.

INTRODUCTION

In the fall of 2005, Texas felt the extreme impact of both Hurricanes Rita and Katrina. While Hurricane Katrina did not make land fall in Texas, the need for vast amounts of both short and long term assistance to help persons who evacuated to the state soon became apparent. Shortly thereafter, Texas suffered the direct impact of Hurricane Rita, which physically destroyed communities and regions already stretched thin by providing aid and support services to Hurricane Katrina evacuees. This one-two punch left Texas with estimated recovery needs of almost 3 billion dollars, as documented in the report *Texas Rebounds* – an in-depth assessment of the impact of the Hurricanes on Texas prepared by the Governor as part of a request for additional funding assistance from Congress.

Supplemental appropriations to the CDBG program are providing funding to the affected states to implement disaster recovery efforts that address the widespread need caused by these storms. The first supplemental appropriation was tied to Public Law 109-148 (effective December 30, 2005) which provided \$11.5 billion of supplemental appropriation for the CDBG program. This funding was for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Rita, Katrina and Wilma. Of this amount, \$74,523,000 was specifically allocated to Texas by the Secretary of HUD to address the consequences of Hurricane Rita. The funds were intended by HUD to be used toward meeting unmet housing, infrastructure, public service, public facility, and business recovery needs in areas of concentrated distress.

Texas developed the required action plan to use these funds through intensive consultation with the citizens, local government leaders, state and federal legislators, and community action and social services agencies that were hit hardest by Hurricane Rita. In addition to the numerous meetings that were held across the region, five public hearings were held for the specific purpose of crafting the required action plan. The resulting *State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006* was approved by HUD on May 9, 2006. This action plan used four of the state's Councils of Governments to serve as applicants for the entitlement communities, non-entitlement communities, and federally recognized Indian Tribes within their region. Under the plan, a minimum of approximately \$38.9 million is being used to meet housing needs. The remaining approximately \$31.9 million is being used for infrastructure needs.

Congress recognized that the CDBG funding authorized under PL 109-148 was not sufficient given the full impact that the 2005 hurricane season had on the entire gulf coast region. Therefore, the earlier emergency funding was increased by authorizing Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234, approved June 15, 2006). As required by Congress, the U.S. Department of Housing and Urban Development published requirements for distribution and use of these funds by the impacted states in its "Department of Housing and Urban Development [Docket No. FR-5089-N-01] Allocations and Waivers Granted to and Alternative Requirements for CDBG Disaster Recovery Grantees Under Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006" published in Federal Register (Vol. 71, No. 209) on October 30, 2006. Part of this requirement was to create a document that will guide and direct the use of funds within the categories outlined under the funds notice.

The funds were made available to the State of Texas through the Office of the Governor. With more needs identified in Texas Rebounds than there were funds available, Governor Rick Perry identified the needs that should be given priority. The majority of the funds are to be used to directly assist Texans who, more than a year after the hurricanes, still struggle with unmet housing needs as a result of the storms. Given that the largest share of the funds would go to meet the housing needs of Texans, the Governor directed TDHCA to assist with the distribution of these funds.

To best inform the public and receive its input, as well as to meet the requirements established by the HUD funding notice, the Department has developed this Proposed Partial Action Plan for Disaster Recovery (“Action Plan”). This Action plan will be used to distribute Federal funding for recovery of distressed areas related to the consequences of Hurricanes Rita and Katrina in the Gulf of Mexico in 2005. The amount of funding to Texas was specified in the funding notice by HUD along with general priorities and a specific funding priority to assist rental housing damaged by Hurricane Rita in Texas. More specifically, the Action Plan describes the:

- priorities to best assist the needs of the State’s citizens and communities,
- citizen participation process used to develop the Action Plan,
- the types of activities and funds available for which assistance may be provided,
- who may apply and the application process,
- the methodology used to distribute funds, and
- method of grant administration standards and procedures that will be used to ensure that program requirements, including non-duplication of benefits, are met through continuous quality assurance and internal audit functions.

FEDERAL APPROPRIATION ASSOCIATED WITH THIS PLAN

As described above, Public Law 109-234 (effective June 15, 2006) provided \$5.2 billion supplemental appropriation of CDBG Disaster Recovery Funding for *“necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Katrina, Rita, or Wilma.”* In reviewing the totality of the need in the five state region covered by the law, \$428,671,849 was specifically allocated to Texas by the Secretary of HUD. As further provided for under the law, *“funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State.”* Governor Rick Perry has designated TDHCA as this entity for the State of Texas.

All regulations associated with the CDBG program apply to this funding unless specifically detailed as a waiver in the Department of Defense Appropriations Act, 2006 (Public Law 109-148, approved December 30, 2005 or as specified in the February 13, 2006 *Federal Register* notice) or subsequently waived by HUD as documented in this Action Plan. In addition, definitions and descriptions contained in the *Federal Register* are applicable to this funding.

THE IMPACT OF THE STORMS AND TEXAS RECOVERY NEEDS

The 2005 Atlantic hurricane season was one of the most extreme in recorded history. The U.S. Gulf Coast was hit by Hurricanes Katrina, Rita, and Wilma. Texas was greatly impacted by both Hurricanes Katrina and Rita. While Hurricane Katrina did not make landfall directly in Texas, the indirect impact on Texas led to a presidential disaster declaration to provide emergency funding as Texans assisted Katrina evacuees. While that assistance was ongoing, Hurricane Rita dealt a second blow to the lives, homes and property of Texans.

TIMELINE OF STORM EVENTS AND STATE RESPONSES

The timeline of the storm events and related responses are below provided.

1. The Governor of Texas declared a State of Emergency on August 29, 2005, relative to Hurricane Katrina’s imminent landfall on the Gulf Coast. Hurricane Katrina made landfall that same day in Louisiana. While Texas did not directly receive the impact of the storm, within hours, the significant impact Katrina would have on the State became clear.
2. The President issued an Emergency Declaration on September 2, 2005, for all 254 counties in Texas for emergency protective measures due to the huge influx of evacuees from Alabama, Louisiana, and Mississippi. As a result of massive evacuations, Texas absorbed more than 400,000 evacuees – mostly from Louisiana.

3. While Texas authorities were beginning to assess the long-term sheltering operation for Hurricane Katrina evacuees, dangerous Hurricane Rita entered the Gulf of Mexico. On September 21, 2005, due to the impending threat of Rita, the President issued another Emergency Declaration for all 254 Texas counties.
4. On September 24, 2005, only 26 days after Katrina devastated the Gulf Coast, the Category Three Hurricane Rita came ashore. The eye of the storm made landfall near Sabine Pass, Texas severely damaging communities and homes unfortunate enough to fall within its path. As the storm traveled inland, the core of the hurricane's most extreme destruction hit the heavily populated and industrialized areas of Port Arthur, Orange, and Beaumont. Communities in the path of the hurricane sustained enormous physical damage from excessive winds and rain. In some heavily wooded areas, an estimated 25 percent of the trees were lost. High winds and falling trees caused extensive damage to homes and businesses. The same day of the storm, Texas received a FEMA Major Disaster Declaration for all 254 counties for debris operations and emergency protective measures for Hurricane Rita. Multiple amendments have since been added to the Major Disaster Declaration to expand the list of eligible counties for FEMA Individual Assistance Program (IAP) funding to 22 designated counties and Public Assistance Program (PAP) funding to 29 designated counties.

OVERVIEW OF STORM IMPACT

The Governor's Division of Emergency Management (GDEM) and FEMA reported the receipt of 479,199 registrations for the Individual Assistance Program as a result of Hurricane Rita in the 29-county area. As a result of Hurricane Rita, more than 75,000 homes in the area suffered major damage or were destroyed. Of these, approximately 40,000 homes were uninsured. Furthermore, a substantial percentage of the damaged households are located in areas predominantly occupied by individuals meeting the definition of low to moderate income (LMI). There were 44 recovery centers set up in disaster impacted counties and throughout the state so that residents could apply for immediate assistance, meet with Small Business Administration loan specialists, and get information about available federal and state assistance. Additionally, 4,249 travel trailers were issued to displaced individuals and families.

According to FEMA, 640,968 Katrina and Rita applicants for assistance resided in Texas as of February 1, 2006. Most of these families are living in Southeast Texas. Second only to Louisiana, Texas hosts the most people impacted by the devastating hurricanes of 2005. In light of these facts, the lasting impact of Hurricanes Katrina and Rita on Texas is widespread and extremely apparent.

CITIZEN PARTICIPATION

Since the Hurricanes hit, the State has been working closely with the citizens and organizations who were directly impacted by the storm and a wide variety of municipal, county, regional, and state officials to determine what the greatest disaster recovery needs are and how to best address those needs. Through this ongoing interaction and the three public hearings and two TDHCA Board meetings accepting public comment held to develop the *State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006* (required to use disaster recovery funding associated with Public Law 109-148), the need for assistance to repair homes and to meet specific remaining critical infrastructure needs has been well established.

PUBLIC COMMENT PERIOD AND PUBLIC HEARINGS

On Friday, December 15, 2006, the Action Plan was made available for public comment via TDHCA's website or upon request. The 18-day public comment period began on Friday, December 15, 2006 and ended at the close of business on Tuesday, January 2, 2007.

Verbal comment on the Action Plan was taken at the following public hearings times and accessible locations.

Location:	Austin	Houston	Beaumont
Facility:	Rusk Building Room 227	City Council Annex Chambers Public Level	South East Texas Regional Planning Commission
Address:	208 E. 10th Street Austin, TX 78701	900 Bagby Houston, TX 77251	2210 Eastex Freeway Beaumont, TX 77703
Date and Time:	Tuesday, December 19 6:00 p.m.	Tuesday, December 19 12:00 p.m.	Wednesday, December 20 12:00 p.m.

The hearing announcement specifically described the process by which individuals who require special assistance could contact TDHCA to make appropriate arrangements so that they could participate in the hearing.

Written comment was also accepted at the public hearings and by mail, fax, or email at the following addresses.

Mail: TDHCA, Division of Policy and Public Affairs, P.O. Box 13941, Austin, TX 78711-3941

Fax: (512) 469-9606

Email: info@tdhca.state.tx.us

As is the Department's standard practice when developing rules or policies, a summary of the issues raised by comment received and the corresponding reasoned responses was generated for both the decision makers and the public. A summary of the comments received during the public comment period and the Department's reasoned responses and resulting changes to the Action Plan is provided in Appendix B of this document.

ADVERTISING THE PUBLIC COMMENT PERIOD

As the disaster impacted region has a diverse community, both the public comment notifications and Plan were published in English, Spanish, and Vietnamese. This enhanced the ability of persons with limited English proficiency to provide comment. The following efforts were made to advertise the public comment period.

- On November 28, 2006, an electronic hearing notification was made through TDHCA's email list serve. This is a list of 3,112 public officials, for-profit and non-profit developers, community housing development organizations, advocacy groups, and supportive service providers that have an interest in TDHCA programs and who sign up to receive notification of upcoming events.
- On December 15, 2006, as required by State law, a notice of the public comment period and associated public hearings was published in the *Texas Register*.
- On December 1, 2006, a letter advertising the comment period and hearings was distributed to a list of 1,531 addresses which included the State's mayors, county judges, CDBG entitlement communities, and councils of government.
- On December 4, 2006, TDHCA posted a webpage at <http://www.tdhca.state.tx.us/cdbg/index.htm> to specifically advertise the hearings and consolidate all documents associated with the Action Plan.

DESCRIPTION OF THE STATE'S OVERALL PLAN FOR DISASTER RECOVERY

PROMOTING SOUND SHORT AND LONG-TERM RECOVERY PLANNING

The Governor's Division of Energy Management (GDEM) offers Disaster Recovery Courses and Workshops to educate local governments on the recovery process following a disaster. Other state agencies and volunteer groups are encouraged to participate in these courses focusing on a combined effort of valuable resources to be made available in

the aftermath of a disaster. During major disasters, representatives of state agencies and volunteer organizations work closely with GDEM staff to participate in the operation of Disaster Recovery Centers. In addition, GDEM has supported and has had significant involvement in the formation of long-term recovery committees. The frequency and magnitude of disasters in this state, necessitates the growing number of long-term recovery committees in order to address unmet needs.

PROMOTING LAND USE DECISIONS THAT REFLECT RESPONSIBLE FLOOD PLAIN MANAGEMENT AND REMOVAL OF REGULATORY BARRIERS TO RECONSTRUCTION

The State promotes wise land use decisions in several ways. It conducts National Flood Insurance Program inspections. Communities who are found to have improperly permitted development in the 100 year floodplain are subject to fines, suspensions, and ejection from the program. A surge marker project has been initiated, which will place warning markers in those areas along the coast which are subject to storm surge flooding. Texas participates in the federally funded mitigation grant programs and is thus in a position to offer incentive grants to communities who wish to repair past mistakes and clear their floodplains. Mitigation funding is denied for some projects unless they are outside the 100 or 500 year floodplain. The State denies all mitigation funding to communities that have not identified the number of citizens and number of community facilities that are in the 100 year floodplain. State law prohibits a manufactured home retailer, broker, or salesperson from delivering a manufactured home for installation in the 100-year floodplain, as designated by FEMA, unless the consumer provides evidence that installation of the home in the floodplain will not violate certain requirements of state and federal law.

COORDINATING PLANNING REQUIREMENTS WITH OTHER STATE AND FEDERAL PROGRAMS AND ENTITIES

To encourage consistent flood plain development across Texas, the State runs an extensive education program for local officials. It runs dozens of classes a year, most of which emphasize the danger of allowing development in the floodplain or near Hazmat facilities/routes. These classes are provided free of charge and travel costs are covered.

PROMOTING HIGH QUALITY, DURABLE, ENERGY EFFICIENT, AND MOLD RESISTANT CONSTRUCTION METHODS

A requirement for construction related activities is that work on residential dwellings must meet the 2000 International Residential Code Chapter 11. For commercial and multifamily rental activities, the International Building Code of 2003 or local municipal code, whichever is more stringent, must be followed. Within this code, there is a section entitled the 2000 International Energy Conservation Code (IECC) which works to provide more energy efficient structures. Following these codes should result in the construction of high quality, durable, energy efficient, and mold resistant buildings.

PROMOTING THE MITIGATION OF FLOOD RISK

Under this Action Plan, housing units receiving funds must be elevated in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. For the Rental Housing Stock Restoration Program, accessibility issues created by this elevation must be addressed. The Sabine Pass Dwelling Restoration Program specifically serves as a source of financing to elevate homes. Under that funding priority, persons with disabilities and the elderly can request up to \$15,000 to address the costs associated with accessibility issues caused by the increased elevation of the home.

PROMOTING ADEQUATE, FLOOD-RESISTANT HOUSING FOR ALL INCOME GROUPS THAT LIVED IN THE DISASTER IMPACTED AREAS

Approximately 71 percent of the Action Plan's funding allocation will go towards repair, rehabilitation, and reconstruction of owner occupied and rental units across the disaster impacted areas.

ADDRESSING THE NEEDS OF SPECIAL NEEDS POPULATIONS

Persons with disabilities face unique challenges in finding accessible and affordable housing in the disaster impacted area. The need is clearly described in TDHCA's *State Low Income Housing Plan, 2005-2009 State of Texas Consolidated Plan*, and *The Housing Needs of Texans with Disabilities* (published by TDHCA in April 2005). This Action Plan includes the following strategies that help provide assistance to persons with disabilities.

- Construction activities which result in a change of elevation must consider the accessibility needs of persons with disabilities.
- \$42 million of homeowner assistance is being targeted towards assisting persons with special needs.
- Under the Sabine Pass Restoration Program, a homeowner whose household includes a person with a disability or an elderly person may apply for an additional \$15,000 in assistance for accessibility related costs associated with elevating the dwelling.

TDHCA has found that directly involving program beneficiary representatives, community advocates, and potential applicants for funding in the process of crafting its policies and rules is extremely helpful. This process is often done through a "working group" format. The working groups provide an opportunity for staff to interact with various program stakeholders in a more informal environment than that provided by the formal public comment process. TDHCA will consult with a Disability Advisory Workgroup organized by TDHCA for guidance on how the NOFAs associated with this plan can be structured to effectively serve persons with disabilities.

USE OF ACTION PLAN FUNDING

ANTICIPATED ACCOMPLISHMENTS

Accomplishments resulting from this Action Plan will include restoration of housing units and critical public infrastructure damaged by Hurricane Rita and the provision of enhanced public services and community development efforts to meet increased demand from evacuees from Katrina. TDHCA anticipates that low to moderate income (LMI) individuals will be the primary beneficiaries of the program. Under HUD program guidelines, LMI beneficiaries are part of households that earn less than 80 percent of the area median family income.

NATIONAL OBJECTIVE

Under this Action Plan, all eligible activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, primarily benefit LMI persons). Pursuant to explicit authority in the Department of Defense Appropriations Act, 2006 (Public Law 109-148, approved December 30, 2005), HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums and blight national objectives, rather than the 30 percent allowed in the annual State CDBG program. The primary objective of Title I of the Housing and Community Development Act and of the funding program of each grantee is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." The statute goes on to set the standard of performance for this primary objective at 70 percent of the aggregate of the funds used for support of activities producing benefit to low and moderate income

persons. Since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees even greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives.

GENERAL USE OF FUNDS AND FUNDING ALLOCATION

TDHCA will use the following funding allocation to prioritize the use of funds based on the highest observed needs.

Activity	Primary National Objective Addressed	Additional Objectives Established in the <i>Federal Register</i> *	Available Funding for Activity	% Plan Funding
Homeowner Assistance Program (HAP)	LMI Benefit	n/a	\$210,371,273	49.08%
Sabine Pass Restoration Program (SPRP)	LMI Benefit	n/a	\$12,000,000	2.80%
Rental Housing Stock Restoration Program	LMI Benefit	i, iii	\$82,866,984	19.33%
City of Houston and Harris County Public Service and Community Development Program	TBD	n/a	\$60,000,000	14.00%
Restoration of Critical Infrastructure Program	Urgent Need	i	\$42,000,000	9.80%
State Administration Funds	Not Applicable	n/a	\$21,433,592	5.00%
Total Plan Funding			\$428,671,849	

*As established by the “Action Plan additional elements” requirement included in the *Federal Register* notice, the activity addresses one or more of the identified additional elements below described.

“b. The grantee’s overall plan for disaster recovery will also include:

(i) An explanation of how the State will give priority to the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing, a description of the activities the State plans to undertake with grant funds under this priority, and a description of the unique challenges that individuals with disabilities face in finding accessible and affordable housing;

(ii) An explanation of how the State will give priority to infrastructure development and rehabilitation, and a description of the infrastructure activities it plans to undertake with grant funds; and

(iii) An explanation of how the method of distribution or use of funds described in accordance with the applicable notices will result in the State meeting the requirement that at least 19.3311 percent of its allocation under this notice shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas.”

OVERARCHING ACTIVITY ELIGIBILITY REQUIREMENTS

This Action Plan outlines the Department’s framework for allocating funding as guided by the requirements published in the *Federal Register* (Vol. 71, No. 209) on October 30, 2006. Unless otherwise stated in the *Federal Register*, statutory and regulatory provisions governing the CDBG program for states, specifically 24 CFR Part 570 Subpart I, apply to the use of these funds. All activities must be eligible CDBG activities according to 24 CFR Part 570 Subpart I, except as waived by HUD, must meet requirements for disaster recovery funding cited throughout this document, and must meet at least one of the three national CDBG objectives.

As noted in the *Federal Register*, under the law “...the funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers. Further, none of the funds made available under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program.” This will be a key requirement that will be monitored by TDHCA throughout every stage of the program.

ELIGIBLE ACTIVITIES UNDER THE SPECIFIC FUNDING PRIORITIES

As stated in the Federal Register, “the appropriations statute requires funds be used only for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005. The statute directs that each grantee will describe in its Action Plan for Disaster Recovery how the use of the grant funds gives priority to infrastructure development and rehabilitation and the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing.” The following specific funding categories reflect the State of Texas prioritization of need based on its review of available damage assessments and discussions with local leaders and citizens.

Homeowner Assistance Program (HAP)

The Governor has identified destruction done to an individual’s home as one of the most persistent and difficult issues to address in the aftermath of Hurricane Rita. To deal with this real need of Texans who have no other place to turn, the largest share of the funding priorities is provided for the HAP. Funding in the amount of approximately \$210 million shall be made available in the form of a grant to homeowners of LMI income whose homes were damaged by Hurricane Rita. Assistance provided in a special flood hazard area (defined as zone “A”, “V”, “M”, and “E” series (44 CFR 64.3) as shown on a current Flood Insurance Rate Map (FIRM), as amended by Letters of Map Amendment (LOMA) or Letters of Map Revision (LOMR)) will be in the form of a deferred forgivable loan. All other assistance will be in the form of a grant. This assistance will be made available for both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner’s insurance. All grant amounts will be based on damage to the dwelling plus the funds necessary for the rehabilitation or reconstruction and/or new construction to meet applicable local, state and/or federal building codes, and funds necessary for mitigation efforts to reduce the impact of future storms, but do not include its contents or other personal property.

Deleted: and

Part of this funding priority, \$42 million (20 percent of the Homeowner Assistance Program funds) will be targeted specifically for persons with special needs. According to HUD, in addition to the homeless, special needs populations include persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents. The targeted amount is based on the percentage of elderly households in the 22 counties eligible for this funding. If after 120 days, there are not sufficient applications received for the special needs target, then these funds will be rolled back into the general HAP funding priority.

Eligibility Requirements

The program is limited to homeowners that satisfy all of the following conditions.

- The owner’s household must be eligible under the applicable low and moderate income limits (80% percent of the area median family income for the household size).
- The owner must be able to prove ownership and that he or she occupied the property as a primary residence at the time of Hurricane Rita (September 24, 2005). Rental dwellings and second homes are not eligible.
- The owner’s home is located in one of the 22 counties eligible for the FEMA IAP as established by FEMA-1606-DR-TX (Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, and Walker).
- The owner must be able to clearly establish that their residence was physically damaged by Hurricane Rita. Examples of acceptable types of documentation include, but are not limited to, evidence:
 - from FEMA that the homeowner applied for FEMA IAP and the home was categorized by FEMA as having been “destroyed” or having suffered “major” damage. Homeowners who were approved by FEMA for \$5,200 or more in FEMA home repair assistance (a component of the Individual Assistance Program) will fall into one of these categories, or

- from their homeowner’s insurance provider that a claim for damage specifically related to Hurricane Rita was filed and that the provider determined that such damage existed.

A description of alternate methods that a program management firm will use to establish that the damage was related to Hurricane Rita, as well as a description of all other policies and procedures relating to the HAP and SPRP, will be clearly described in the Procedures Manual produced by the PM.

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Requirements for Receiving Assistance

To receive assistance under this funding activity, the owner must:

- sign a release so that financial assistance received through any public or private source can be verified by the Program;
- agree to verification of ownership status and the amount of disaster-related damage to the home;
- swear to the accuracy and completeness of all information provided to the Program under penalty of law;
- agree to sign a legally binding agreement that commits the owner to the following terms and conditions:
 - the home will meet the legal requirements of local, state and/or federal building codes, including but not limited to the State Uniform Construction Code, comply with local zoning, and comply with the latest available FEMA guidance for base flood elevations, unless exceptions are granted by TDHCA where the action is designed or modified to minimize harm to or within a floodplain;
 - assure the home will remain owner-occupied for at least three years after the repairs/replacement or a new purchase;
 - maintain flood insurance if the home is located in a floodplain;
 - subrogate claims for unpaid and outstanding insurance claims back to the Program; and
 - ensure mitigation efforts to reduce the impact of future storms are undertaken, if mitigation can be done to make a home safer and are cost beneficial to undertake, and if the homeowner’s eligible assistance allows funds for such activities.

Maximum Benefit

The Maximum Benefit for the HAP is \$25,000 for costs associated with the rehabilitation of a qualified home. The rehabilitation of a manufactured housing unit is not an eligible activity. If a feasibility analysis indicates that rehabilitation costs would exceed the \$25,000 applicable limit, replacement reconstruction will be determined to be the preferable method of assistance. If appealed, the Executive Director may grant an exception to exceed this amount for good cause; however, the Executive Director will not grant an exception to exceed \$40,000 of assistance. The homeowner will be notified and the options available will be explained.

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The maximum benefit for the HAP for reconstruction, replacement, and/or new construction of a qualified home, including manufactured housing units, is based on Household size:

- 1 - 4 person Household: \$60,000
- 5 - 6 person Household: \$67,500
- 7 or more person Household: \$75,000

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Benefit Calculation

Benefits will be calculated as follows, in accordance with the policies and procedures outlined in the Procedures Manual produced by the PM:

1. Estimate of Storm Damage Cost - The calculation of the benefit amount starts with the PM’s estimate of the funds necessary for the rehabilitation or reconstruction and/or new construction to meet applicable local, state and/or federal building codes, mitigate efforts to reduce the impact of future storms on the home, and/or to repair the storm damage to the home.

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2. Storm Damage Cost Gap – To avoid duplication of benefits, the Estimate of Storm Damage Cost will be reduced by the following if such benefits were or will be paid to the household toward any of the activities included in the Estimate of Storm Damage Cost:

- a. FEMA Grants which represent a duplication of benefits,
- b. homeowner insurance proceeds (Unpaid and outstanding insurance claims must be subrogated back to the State),
- c. National Flood Insurance Program proceeds, and
- d. SBA Loans identified by SBA as a duplication of benefits.

3. Benefit Amount - The amount of the HAP grant or deferred forgivable loan is the lesser of the Storm Damage Cost Gap or the Maximum Benefit limitation outlined in previous section.

Funding GAP:

If the cost to fully repair the home exceeds that covered by the grant or loan, then the homeowner must provide evidence that they have the available funds or can obtain financing from an outside source to cover the funding gap. Working with faith based or nonprofit organizations that provide funding, volunteer service, or other forms of self help assistance is an eligible source of such financing. Distribution of Funding

Program Management Firm Request for Proposal (RFP)

A RFP for a program management firm to administer this funding priority throughout the eligible areas will be released upon HUD’s approval of this Action Plan. TDHCA will organize a working group for guidance on how the RFP can be structured most effectively. This working group will include persons impacted by the storm and representatives from organizations working on case management and distribution of funds in the impacted areas.

The RFP will clearly establish all milestones and timelines required of the program management firm to ensure that the funds are distributed in an expeditious manner.

To insure effectiveness of operations as well as accounting and control oversight, the RFP respondent must:

- document their experience with administering such a program including evidence that they have previously developed and utilized effective standard operating procedures to validate eligibility, determine benefits procedure; work with contractors, and account for the distribution of funds; and
- establish that they have the available resources and existing administrative systems required to effectively manage the program.

The RFP will require the respondent to clearly describe specific efforts that ensure outreach efforts are conducted across the entire region. The respondent must demonstrate that they will be able to implement and maintain a communications process that will reach eligible homeowners to tell them how to apply for benefits. The application process should be customer friendly and include the use of, but not be limited to, 1-800 numbers and a “one-stop” web portal that allows for online application submission. Local assistance facilities shall be established in areas where the need is most concentrated. The respondents must describe the efforts that will be used to ensure that assistance is made available to assist lower income households and households with special needs.

The management firm shall be required to build upon the existing application intake and case management efforts of faith based, regional councils of government, and nonprofit organizations (Local Organizations). In designing its program, the management firm shall:

- determine how to best work with the existing case management and intake processes of Local Organizations;

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- develop guidelines so that reasonable and well documented costs incurred by Local Organizations to prequalify, document, and counsel grant applicants are eligible program costs.

Therefore, respondents will be required to describe how they will utilize the current case management and intake systems of the Local Organizations already working in the targeted areas. It is expected the response to the RFP will include the process by which applications received by Councils of Governments for CDBG Disaster Recovery Program funding authorized by Public Law 109-148 will be given priority while still allowing the management firm to maintain oversight of the program.

Other Basic Application Guidelines

Applications shall be accepted on a first come, first served basis with a priority to applications received for the CDBG Disaster Recovery Program funding authorized by Public Law 109-148 until all funds are utilized. The process developed through the RFP process shall ensure that all grant or loan applications are processed equitably, that the privacy of applicant information is maintained, and that an appeals process is in place that can effectively address applicant concerns.

Sabine Pass Restoration Program (SPRP)

While many communities in South East Texas were substantially impacted by Rita, the coastal community of Sabine Pass was nearly destroyed by the storm. To help address this need, funding in the amount of \$12 million shall be made available to homeowners whose homes were damaged by Hurricane Rita. Because all of Sabine Pass is located within a special flood hazard area, such assistance shall be in the form of a deferred forgivable loan unless the funds are being used to move out of the flood zone.

Funding Purpose

Funding from the SPRP will serve three purposes.

1. Home rehabilitation and reconstruction and/or new construction assistance will be made available for homeowners whose family income is up to 150 percent of the area median family income for the household size. Such assistance will be available to both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner's insurance. The eligible loan amount shall be calculated in the same manner as the HAP assistance, and the Maximum Benefit limitations apply.
2. Homeowners may apply for additional assistance in an amount up to \$30,000 to help defray the costs of elevating rehabilitated or reconstructed homes in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. Unlike the home rehabilitation and reconstruction assistance described above, homeowner income restrictions do not apply for the home elevation assistance. These funds may also be used for other special construction improvements required to increase a home's ability to survive another significant storm event. A homeowner whose household includes a person with a disability or an elderly person may apply for an additional \$15,000 in assistance for additional accessibility related costs associated with elevating the dwelling. While the home elevation assistance may serve all incomes, it is estimated that almost half of the owner occupied households in Sabine Pass are of LMI income.
3. After 180 days if uncommitted funding remains available, in instances where a homeowner whose family income is up to 150 percent of the area median family income has experienced damage in an amount equal to or greater than 50 percent of the market value of the home at the time of the storm based on an appraisal and wants to move out of the flood plain, a grant will be made available to purchase a new home elsewhere in the Rita Go Zone. The eligible grant amount shall be calculated in the same manner as the HAP assistance, but shall not exceed \$40,000.

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Eligibility

The Hurricane Rita damaged home must be located in Census Tract 4824501160 which includes Sabine Pass (See Appendix D for a map of this tract). With the exception of the household income requirements described in the “Funding Purpose” section above, all eligibility requirements associated with the HAP funding priority apply.

Requirements for Receiving Assistance

All requirements for receiving assistance associated with the HAP funding priority apply. Additionally, for the homeowner to receive assistance, the dwelling must be elevated to comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128) which applies to the use of funds provided under the CDBG Disaster Recovery Program.”

Distribution of Funding

The same program management firm used for the HAP funding priority will be used to manage the SPRP.

Assistance applications shall be accepted on a first come, first serve basis until all of the SPRP funds are utilized. In the event that the SPRP is fully utilized, if HAP funding is still available, it may be used to address storm damage to households in Census Tract 4824501160. Note that homeowners in Census Tract 4824501160 may only apply through the SPRP for Action Plan assistance.

Rental Housing Stock Restoration Program

Funding in the amount of \$82,866,984 shall be made available in the form of a grant or loan to the owners of affordable rental properties that were damaged by Hurricane Rita. This funding amount complies with statutory provisions as interpreted by HUD in the Federal Register that requires that “...not less than \$1.0 billion of the \$5.2 billion appropriation less \$27.0 million in administrative set-asides (which computes to 19.3311 percent of any State’s allocation) shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD- assisted housing) in the impacted areas. Therefore, HUD is requiring that not less than 19.3311 percent of each State’s grant be used for these activities.” As further described in the *Federal Register*, Texas shall set aside \$82.9 million which will be used for activities related to the “repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas.” This federally mandated set aside meets the national objective of serving low and moderate income persons because of the income restrictions placed on the occupancy of the affordable housing units which are being restored.

This funding will be allocated through a two tiered approach.

1. For 180 days, the NOFA will be open to multifamily properties with a minimum of 16 units. Applications for assistance for such properties shall be submitted to TDHCA for review and possible approval as described in the NOFA.
2. TDHCA will consider the \$20,000,000 set-aside available for rental rehabilitation under the under the Houston Neighborhoods to Standard Program toward meeting this \$82,866,984 set-aside. If after 180 days, at least \$62,866,984 under the Rental Housing Stock Restoration have not been committed, then properties of fewer than 16 units, including single family units, may apply for assistance. This program will be administered through a program management firm that has been selected for the HAP.

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Eligibility Requirements

The applicant must satisfy the following basic eligibility requirements:

- The applicant must be able to prove ownership of the property at the time of Hurricane Rita (September 24, 2005).
- The applicant must establish that this property was physically damaged by Hurricane Rita through the provision of evidence that an insurance claim related to Hurricane Rita was filed and subsequently reviewed by their insurance provider.

Requirements for Receiving Assistance

In exchange for accepting funding assistance, each applicant must agree to the following requirements.

- At a minimum, the number of affordable housing units available on September 24, 2005 must be available when the construction has been completed.
- To assure that the assisted housing is as affordable as possible and is occupied by families with appropriate incomes, a land use restriction agreement must be recorded that establishes appropriate low to moderate rent and income limits for the period of years required by HUD regulations.
- All construction will be in accordance with the International Building Code (IBC) of 2003 or local municipal code, whichever is more stringent.
- Units that are being demolished and rebuilt shall be elevated in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. In doing so, access needs for persons with disabilities must be met as required by State and Federal law.
- Maintenance of 100 percent insurance coverage on replacement values of the property for all hazard types will be required.

Benefit Calculation

The amount and terms of the loan or grant shall be based on underwriting criteria established in the NOFA. The assistance amount for the first tier of funds shall be determined through an intensive review of the application by the Department's Real Estate Analysis Division. Among other items, this review will specifically assess each application's stated operating proforma, cost estimates, and area rental market conditions to develop the appropriate amount of and structure for the assistance. If available, the assistance amount for the post 180 day program awards shall be determined through careful review of the application conducted by the program management company selected for the HAP.

Applicants are encouraged, but not required, to leverage other available resources to preserve affordable housing for low and very low income residents.

All application requests will be carefully scrutinized to ensure that the assistance does not duplicate any of benefits that the applicant may have received from other sources.

Distribution of Funding

TDHCA will issue a Notice of Funding Availability (NOFA) for the Rental Housing Stock Restoration assistance upon HUD's approval of this Action Plan. This NOFA will clearly establish the application acceptance period, threshold criteria, and selection criteria. In addition to other factors, the selection criteria will give a scoring priority to applications which:

- serve households at very low income levels;
- are constructed or will be rehabilitated in a manner that provides for low maintenance and energy efficiency; and
- help persons avoid or transition from homelessness.

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City of Houston and Harris County Public Service and Community Development Program

Many Texas communities openly welcomed persons displaced by Hurricane Katrina. The initial and ongoing impact was felt most strongly in the City of Houston and Harris County. With a reported peak of more than 400,000 displaced persons in the Harris County area, the area has worked tirelessly to provide ongoing assistance with food, shelter, clothing, emergency services, law enforcement, community services, education, and medical care. According to information provided by a Gallup poll commissioned by the Texas Health and Human Services Commission, Houston remains the transitional home to nearly half of the 251,000 people evacuated from Louisiana and elsewhere along the Gulf Coast as a result of Hurricane Katrina.

[On August 29, 2007, HUD approved the Amendment to the Partial Action Plan funds in the amount of \\$60 million for the City of Houston and Harris County for public service, community development, and housing activities in areas \(police districts, schools, apartment complexes, neighborhoods\) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees. The HUD approved Amendment to the Partial Action Plan funds in the amount of \\$60 million for the City of Houston and Harris County is posted to the Department's website and are considered incorporated into this Action Plan.](#)

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The State has identified this as an important part of disaster recovery. However, the funds available for this effort does not meet all the need demonstrated in the request from the City of Houston and Harris County. It is expected that the City of Houston and Harris County will need to cooperatively determine where it is most appropriate to direct the dedicated resources under the requirements identified in the HUD release.¶
An amendment to this plan will follow detailing how the funding priorities will meet HUD's NOFA's requirements, the delivery mechanism, the distribution of funds and other HUD requirements. The amendment to this Action Plan may designate the City of Houston and/or Harris County as the subdivision of the State of Texas charged with administering these funds as they have a direct relationship with HUD as participating jurisdictions. If that designation is not made, and/or approved, TDHCA, by and through its Governing Board, will negotiate with the parties to develop a cost-effective process for administration of these funds in the City of Houston and Harris County. ¶

Restoration of Critical Infrastructure Program

While housing is the priority in this Action Plan, a number of significant infrastructure projects were identified as budget priorities. Approximately 10 percent of the available funding will be used for the restoration of critical infrastructure damaged by Rita. This \$42 million will be used solely for infrastructure projects where there is outstanding damage and no other sources of funding can be obtained. The Office of Rural Community Affairs (ORCA) will administer activities awarded under this program through a contract with TDHCA and approved by TDHCA's Governing Board.

Reserved Funds from the Restoration of Critical Infrastructure Program

As significant need for the following projects has already been clearly established, funding for these purposes has been accordingly reserved.

Memorial Hermann Baptist Orange Hospital

Funding in an amount of up to \$6 million will be provided in the form of a grant to the Memorial Hermann Baptist Orange Hospital. In order to provide emergency medical care in Orange County, the Memorial Hermann Baptist Orange Hospital, the only emergency care hospital in the county, should be restored and hurricane damage repaired. The hospital also serves the entire Southeast Texas region, which consists of eight counties covering over 6,800 square miles.

The hospital was severely affected by Hurricane Rita. The storm's powerful winds removed rooftops and destroyed HVAC, power and water supply systems, buildings and windows, and caused water damage throughout various hospital facilities. Exposure to wind and water caused costly medical and surgical equipment to rust, corrode, or mold. As a result, in addition to repairing structural damages, the hospital must replace an extensive amount of expensive, high tech equipment, restock supplies, and recreate a sterile environment. After reimbursement from insurance and FEMA assistance, it is estimated that the hospital suffered over \$20 million in uninsured damages from the storm. The Action Plan has established a budget priority of \$6 million to assist with necessary remaining repairs.

Many citizens in this region are poor and medically underserved. In Orange County, the 2005 unemployment rate stood at 8%¹, while the median household income was \$37,174². This compares to Texas statewide figures for the same period of 5.3% unemployment and median household income of \$42,139. Approximately 15.2% of individuals in Orange County were living below the poverty level. According to the U.S. Department of Health and Human Services, Hardin, Jefferson, and Orange Counties are the only places in Texas with both Medically Underserved Area (MUA) and Medically Underserved Population (MUP) designations.

Bridge City Water Infrastructure

Funding in an amount of up to \$3.8 million will be provided in the form of a grant to Bridge City for water, sanitary sewer, and drainage structure work. The funds will assist in the rebuilding and replacement of Ferry Drive, a major street in Bridge City connecting two main arteries (Highway 87 and FM 1442).

Hardin County Drainage Restoration Project

Funding in an amount up to \$10 million will be provided in the form of a grant to Hardin County. This funding will assist the County with removal of vast amounts of fallen timber and debris that resulted from Hurricane Rita. Currently, this debris is blocking ditches and drainage areas, especially in the Pine Island Bayou area, causing flooding with each subsequent storm event.

Unreserved Funds from the Restoration of Critical Infrastructure Program

The remaining unreserved funds from the Restoration of Critical Infrastructure Program will be provided in the form of grants in an amount up to \$5 million to help communities address unmet, critical infrastructure needs directly related to damage from Hurricane Rita. Following a not more than 120-day application period, ORCA will evaluate the requests based on priorities included in a NOFA announcing the availability of these funds.

Eligible activities include:

¹ U.S. Bureau of Labor Statistics

² U.S. Census 2000

- flood and drainage projects (including flood buyouts in which the property is converted into open, undeveloped land);
- repair of roads and bridges, utilities, water control facilities, water supply facilities, waste water facilities, buildings and equipment, hospitals and other medical facilities; and
- debris removal.

Ineligible activities include:

- reimbursement of entities for disaster related funding that has been previously expended.
- assistance for storm shelters that were not damaged by Hurricane Rita.

Evidence must be provided that all other options of financing have been explored and no other options are available.

Projects must be identified, approved, and underway within 12 months of approval of the Action Plan by HUD. Work must be substantially underway and drawing funds within 18 months. The TDHCA governing Board may reallocate any funds to HAP that have not been committed within 12 months or may deobligate committed funds where substantial progress has not been achieved within 18 months.

Eligibility Requirements

Infrastructure work must occur in one of the counties eligible for FEMA’s Public Assistance Program for Hurricane Rita. These counties include Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Cherokee, Gregg, Harrison, Houston, Marion, Panola, and Rusk.

Eligible applicants for these funds are local and county governments. Requests regarding utility reconstruction are limited to municipally owned entities

Adherences to Program Regulations

The following procedures will be followed to comply with HUD’s CDBG program regulations for this project. The State or its designee will:

- review the procurement process utilized in the hiring of an architect and/or engineer for the project and will verify and document that the person/firm hired is not listed on the federal Excluded Parties List;
- review the professional services contract to ensure that it includes all required supplemental clauses and conditions;
- review the project’s bid package and ensure inclusion of all required supplemental clauses and conditions, Federal Labor Standards Provisions, current wage decision(s), etc.;
- attend the pre-bid conference and the bid opening as necessary;
- obtain a copy of the bid tabulation and verify and document the eligibility of the contractor selected via the federal Excluded Parties List system;
- attend the pre-construction conference to ensure that all required Equal Opportunity forms and certifications are signed by the prime contractor and all subcontractors, as well as to provide these contractors with a list of eligible workers obtained from the State’s Department of Labor. This list will help the contractor in meeting the Section 3 hiring goals requirement. At this conference, the Labor Standards requirements of weekly payrolls and daily inspections reports will be explained;
- review submitted payrolls, new and existing employee forms, payroll deduction authorization forms, etc., as well as conduct employee interviews and make site visits to the project when necessary. During the review of the payrolls, it will be verified that Davis-Bacon and Contract Work Hours and Safety Standards Act (CWHSSA) requirements are being met and will ensure payment of restitution where needed;
- review and process Request for Payment forms and supporting documentation, and will review change orders for reasonableness of cost and consistency with the project’s scope of work; and
- prepare a Final Wage Compliance Report, accept clear liens, make final payments and issue Acceptance of Work

Certificates.

State Administration Funds

The state may use up to 5 percent of the funding, approximately \$21.1 million for the Departments' administrative expenses, including contract administration, compliance monitoring, and the provision of technical assistance.

GENERAL APPLICATION PROCESS

PREVIOUS PERFORMANCE

Each applicant's or respondents performance with previous state and federal funding assistance will be thoroughly reviewed to ensure they are in compliance with the program requirements. Specifically, they must be in compliance with both of the following sections of the Texas Administrative Code (TAC).

- As more thoroughly described in 10 TAC Sec. 1.3, "Delinquent Audits and Other Issues," applicants are ineligible to apply for Plan funds if they have any audits past due to TDHCA and are ineligible to receive funds until any unresolved TDHCA audit findings or questioned or disallowed costs are resolved.
- As more thoroughly described in 10 TAC Sec. 255.1(h)(6), an applicant that has one year's delinquent audit may apply for disaster funding but must satisfy all outstanding ORCA audits prior to award. A community with two years of delinquent audits may not apply for additional funding and may not receive a funding recommendation.

REGULATORY REQUIREMENTS

Contract awardees (applicants to NOFAs or respondents to an RFP that are awarded funds) must comply with relevant fair housing, nondiscrimination, labor standards, and environmental requirements applicable to the CDBG Program.

FAIR HOUSING

Each contract awardee will be required to take steps to affirmatively further fair housing. TDHCA will require that special emphasis be placed on those communities who both geographically and categorically consist of individuals who comprise "protected classes" under the Civil Rights Act of 1964 and the Fair Housing Act of 1978 as amended. The efforts will be recorded in an "Affirmative Marketing Plan" which will be part of the application or RFP response submitted to the Department. At all times, "Housing Choice" will be an emphasis of program implementation and outreach will be conducted in the predominate language of the region where funds will be spent.

NONDISCRIMINATION

Each contract awardee will be required to adhere to the Department's established policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis race, color, national origin, religion, sex, familial status, and/or physical and mental handicap under any program funded in whole or in part by Federal CDBG funds. Contract awardees will be required to document compliance with all nondiscrimination laws, executive orders, and regulations.

LABOR STANDARDS

Where required by CDBG regulations, the contract awardee will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of \$2,000, or residential construction or rehabilitation projects involving eight or more units be paid wages no less than those prescribed by the Department of Labor and in accordance with Davis Bacon Related Acts.

ENVIRONMENTAL

Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all contract awardees. Some projects will be exempt from the environmental assessment process, but all contract awardees will be required to submit the Request for Release of Funds and Certification (HUD Form 7015.15) for those activities requiring environmental review. Funds will not be released for expenditure until TDHCA is satisfied that the appropriate environmental review has been conducted if required. Contract awardees will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

PREVENTING FRAUD, ABUSE OF FUNDS, AND DUPLICATION OF BENEFITS

TDHCA will monitor all contract expenditures for quality assurance and to prevent, detect, and eliminate fraud, waste and abuse as mandated by Executive Order RP 36, signed July 12, 2004, by the Governor. TDHCA will particularly emphasize mitigation of fraud, abuse and mismanagement related to accounting, procurement, and accountability which may also be investigated by the State Auditor's Office. TDHCA will monitor the compliance of applicants, and HUD will monitor the Department's compliance with this requirement.

MONITORING STANDARDS AND PROCEDURES

TDHCA's monitoring procedures have been modified to specifically address the requirements of the CDBG Disaster Recovery Program. These procedures will ensure that all contracts funded under HUD disaster recovery allocation are carried out in accordance with federal and state laws, rules, regulations, and the requirements. The procedures will ensure that there are no duplication of benefits that have otherwise been covered by FEMA, private insurance, or any other federal assistance or any other funding source. Expenditures will be disallowed if the use of the funds is not an eligible CDBG activity, does not address disaster-related needs directly related to Hurricane Katrina or Hurricane Rita, or does not meet at least one of the three national CDBG objectives. In such case, contract awardees shall be required to refund the amount of the grant that was disallowed. To ensure that funds are spent promptly, contracts will be terminated if identified timetables/milestones are not met.

QUALITY ASSURANCE

Continual monitoring efforts will provide quality assurance. These efforts will be guided by both CDBG Program requirements and responsibilities to low income Texans. In determining appropriate monitoring of the Action Plan, TDHCA will consider prior CDBG grant administration, audit findings, as well as factors such as complexity of the project. TDHCA will determine the areas to be monitored, the number of monitoring visits, and their frequency. Any entity administering CDBG Disaster Recovery funding will be monitored not less than once during the contract period. The monitoring will address program compliance with contract provisions, including national objectives, financial management, and the requirements of 24 CFR Part 58 ("Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities") or 50 ("Protection and Enforcement of Environmental Quality.") as applicable. TDHCA will utilize the checklists specifically developed for monitoring activities under this Action Plan.

These monitoring efforts include:

- identifying and tracking program and project activities to ensure the activities address needs caused by Hurricane Katrina or Hurricane Rita;
- identifying technical assistance needs of applicants;

- ensuring timely expenditure of CDBG funds;
- documenting compliance with program rules;
- preventing fraud and abuse;
- identifying innovative tools and techniques that help satisfy established goals; and
- ensuring quality workmanship in CDBG funded projects

INVESTIGATION

Section 321.022(a) of the Texas Government Code requires that if the administrative head of a department or entity that is subject to audit by the State Auditor has reasonable cause to believe that money received from the State by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the State Auditor. TDHCA is responsible for referring suspected fraudulent activities to the State Auditor’s office as soon as is administratively feasible. The State Auditor reports directly to the Texas Legislature.

TDHCA has also established a strong working relationship with HUD’s Office of Inspector General during administration of the first supplemental CDBG Disaster Recovery funding. TDHCA anticipates that this partnership will be carried through to the Department’s administration of the second supplemental funding round.

INDEPENDENT INTERNAL AUDIT

TDHCA and contract awardee are subject to the Single Audit Act. A “Single Audit” encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant or by the State Auditors Office. Reports from the State Auditors Office will be sent to the Office of the Governor, the Legislative Audit Committee and to the TDHCA Governing Board.

Internal Audit staff at TDHCA perform independent internal audits of programs and can perform such audits on these programs and Applicants. The TDHCA Internal Auditor reports directly to TDHCA’s Governing Board.

INCREASING CAPACITY OF IMPLEMENTATION AND COMPLIANCE

TDHCA staff will be provided with all training necessary to ensure that activities funded under this Action Plan are correctly administered. As contracts are made, necessary efforts to increase the capacity of local governments, subrecipients, applicants, contractors and any other entity responsible for administering funding under this Action Plan will be implemented to ensure they have the specific skills needed to successfully oversee the activity.

CONTRACT ADMINISTRATION

AMENDMENTS

Action Plan Amendments

The following events would require a substantial amendment to the Action Plan:

- addition or deletion of any allowable activity described in the Action Plan;
- change in the allowable beneficiaries; or
- a change of more than five percent in the funding allocation between the activity categories described in the Action Plan (unless sufficient Applications are not received to meet the targeted percentages for each activity).

If a substantial amendment to the Action Plan is needed, then reasonable notice will be given to citizens and units of general local government to comment on the proposed changes [in accordance with state law.](#) ▼

Deleted: This notice must be provided to citizens in predominant languages of the region. Consistent with the desire to allocate these funds as quickly as possible, the public comment period will be the same as that utilized for the Action Plan. The Department’s public comment notification, receipt, and response processes will also follow those used to develop the Action Plan.

Contract Amendments

TDHCA will direct contract awardees to carefully plan projects that meet the stated requirements and to specify activities, associated costs, milestones/delivery dates, and proposed accomplishments and beneficiaries in order to reduce the need for amending contracts. ~~Contract amendments that vary more than 10 percent in budget categories or project deliverables must be approved by the TDHCA Governing Board.~~

Deleted: Two-year contracts will be awarded.

TDHCA will follow an established, consistent process for amendments. Contract awardees shall contact TDHCA prior to requesting an amendment or contract modification that affects the budget, activities, beneficiaries or timeframe for accomplishing the work. Should a proposed amendment result in the need for modification of this Action Plan, the State will follow the process required by HUD for this disaster recovery funding.

Substantial amendments may be cause to review the entire Application or Response submitted to determine if the project is meeting its stated goals and timelines.

CERTIFICATIONS REQUIRED

The use of the disaster funding is contingent upon certain requirements, and both TDHCA and contract awardees will be expected to certify that these requirements will be met or carried out. Applicable federal and state laws, rules and regulations are listed in the NOFA or RFP, and the designee authorized by the contract awardee will be required to certify in writing that the grant will be carried out in accordance with the stated requirements.

Anti-Displacement and Relocation

Each contract awardee must certify that they will minimize displacement of persons or entities and assist any persons or entities displaced in accordance with the Uniform Anti-Displacement and Relocation Act and local policy.

HUD Action Plan Certification

TDHCA has provided a fully executed copy of HUD Required Certifications for State Governments, Waiver and Alternative Requirement as in Appendix E.

CITIZEN COMPLAINTS

Each contract awardee must have adopted procedures for responding to citizens' complaints as is required under the Texas Small Cities Nonentitlement CDBG Program or Entitlement programs. Citizens must be provided with the address, phone numbers, and times for submitting such complaints or grievances. Contract awardee must provide a written response to every citizen complaint within 15 working days of the complaint, if practicable.

DOCUMENTATION AND REPORTING

Each contract awardee must submit or maintain documentation that fully supports the application submitted to TDHCA. Requirements relating to such documentation will be established in the Application Guide. Any recipient of public funds in Texas is subject to Texas Government Code Chapter 552, commonly called the Public Information Act. Records retention policies must meet federal Office of Management and Budget guidelines and/or other applicable state or local statute with regards to record retention.

Each contract awardee must report on a quarterly basis (on a form provided by TDHCA) on the status of the activities undertaken and the funds drawn. Quarterly status reports will be due to TDHCA within 15 calendar days following the end of the quarter. TDHCA will then report to HUD using the online Disaster Recovery Grant Reporting system.

More frequent reports may be required if the contract awardee has missed milestones/or has not met substantial elements of the Application.

MATCH REQUIREMENT

The provisions at 42 USC 5306(d) and 24 CFR 570.489(a)(1)(i) and (iii) will not apply to the extent that they cap State administration expenditures and require a dollar for dollar match of State funds for administrative costs exceeding \$100,000.

PROGRAM INCOME

Any program income earned as a result of activities funded under this grant will be subject to 24 CFR 570.489(e), [as waived by H.U.D.](#), which defines program income and provides when such income must be paid to the state.

TIMEFRAME FOR COMPLETION

Availability of funds provisions in 31 USC 1551-1557, added by section 1405 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), limit the availability of certain appropriations for expenditure. This limitation may not be waived. However, the Appropriations Act for these grants directs that these funds be available until expended unless, in accordance with 31 USC 1555, TDHCA determine that the purposes for which the appropriation has been made have been carried out and no disbursement has been made against the appropriation for two consecutive fiscal years. In such case, TDHCA shall close out the grant prior to expenditure of all funds. All grants will be in the form of a contract between the Applicant and TDHCA that adheres to the federal time limitation.

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
January 31, 2008**

Action Item

Presentation, Discussion and possible Approval of Amendment to the Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the City of Houston and Harris County Public Service and Community Development Program as approved on August 29, 2007 by the U.S. Department of Housing and Urban Development (HUD).

Requested Action

Approve the Amendment to the Amendment to the Partial Action Plan related to the City of Houston and Harris County Public Service and Community Development Program.

Background

The Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Plan) was approved by the U.S. Department of Housing and Urban Development (HUD) on April 13, 2007. The General Use of Funds and Funding Allocation under the Plan totaled \$428,671,849 including a line item activity for the City of Houston and Harris County Public Service and Community Development Program totaling \$60,000,000. On April 13, 2007, HUD approved line item activities totaling \$368,671,849; approval of the remaining \$60,000,000 set-aside for City of Houston and Harris County was subject to a Partial Action Plan Amendment detailing the specific use and distribution of funds, delivery mechanisms, how the programs would address Action Plan priorities, and other HUD requirements.

On August 29, 2007, HUD approved the Partial Action Plan Amendment #1 in the amount of **\$60 million** for the City of Houston and Harris County for public service, community development, and housing activities in areas (police districts, schools, apartment complexes, neighborhoods) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees.

On November 6, 2007, Harris County executed a contract with TDHCA to administer their portion of the funding priority totaling \$20,000,000, with the agreement that Harris County indemnified TDHCA. As such, TDHCA is a pass through agency pursuant to TDHCA's agreement with Harris County. Harris County has identified a need to amend their program as approved by HUD, and TDHCA as the grant recipient of funding from HUD is responsible for submitting this amendment request on behalf of Harris County to HUD for final approval.

As reflected in Table 1 (below), which is an excerpt from the final approved plan, Harris County originally proposed four projects including the provision of 33% of funds available for **Coordinated Housing Safety Program through the Sheriff's Office** to serve 20,000 persons at a cost of \$6,707,000, as well as the provision of 17% of funds available for Youth Offender Services through the Juvenile Probation Department to 700-800 youth at a cost of \$3,458,000.

Table 1 Funding Summary-Proposed Harris County Projects

Harris County Proposed Projects	National Objective	Proposed Accomplishments	Amount Allocated	Percent of Harris County Portion
Evacuee Public Services:				

Coordinated Housing Safety Program- Multi-Family Community Liaison Program (City-County Joint Program)	LMA	20,000 Persons	\$6,707,000	33%
Evacuee Medical Services (HCHD)	LMC/ Urgent Need	35,515 Persons	\$6,285,000	32%
Continuation of Katrina Crisis Counseling Program (MHMRA)	LMC	30,000- 40,000 Persons	\$3,550,000	18%
Youth Offender Services (HCJPD)	LMC	700 – 800 youth	\$3,458,000	17%
Harris County Total			\$20,000,000	

During contract negotiations with the Sheriff’s Office and the Juvenile Probation Department, it was determined that the programs for each would need to be re-evaluated to better meet the current needs of evacuees living within Harris County. In addition, an evaluation of those evacuees participating in HUD’s Disaster Housing Assistance Program revealed that additional services were needed.

Table 1 Funding Summary-Proposed Harris County Projects (Amended)

Harris County Proposed Projects	National Objective	Estimated Persons Served	Amount Allocated	Percent of Funds
Evacuee Public Services:				
Expanded Services to Hurricane Evacuees (HCSO)	LMC	1,200 Persons	\$6,707,000	33%
Evacuee Medical Services (HCHD)	LMC/ Urgent Need	35,515 Persons	\$6,285,000	32%
Continuation of Katrina Crisis Counseling Program (MHMRA)	LMC	30,000- 40,000 Persons	\$3,550,000	18%
Youth Offender Services (HCJPD)	LMC	212 youth	\$225,686	1%
DHAP Transportation Program (HCCEDD)	LMC	1,000 Persons	\$3,232,314	17%
Harris County Total			\$20,000,000	

Harris County now wishes to amend Table 1 as noted above to reduce the Youth Offender Services Project from \$3,458,000 originally allocated to \$225,686, to award the balance of \$3,232,314 to the new Disaster Housing Assistance Program (DHAP).

The Expanded Services to Hurricane Evacuees, provided through the Harris County Sheriff’s Office will include the provision of mental health and residential substance abuse treatment to evacuees while in the Harris County jail and after release. Services will also include housing and transportation assistance until benefits and/or employment is obtained. These services will assist in the stabilizing of evacuee inmates until they are able to access housing and gain employment.

It is estimated that twenty percent of the 5,000 families registered to date in the Harris County DHAP program are in need of transportation services. In addition to transportation services, Harris County is anticipating other needed services to be revealed as a part of the DHAP case management component. Transportation services will assist DHAP families in getting to their case management appointments as well as accessing other necessary resources.

The services provided under the DHAP Transportation Program will be restricted to only low-income persons currently participating in the DHAP Program and will be an expansion upon Harris County’s currently established centralized dispatching system for Non-Emergency Medical Transportation Program. Evacuees who receive DHAP case management services will be referred by their case managers who will initiate contact with Harris County Community & Economic Development Department’s Transit Services Division.

Harris County will conduct a public roundtable on January 28, 2008, the day after this agenda item is posted. The meeting will be held to receive public comment for the proposed Amendment #4 to the Partial Action Plan. In addition, the TDHCA Board meeting will also serve as a public hearing. Additionally, written comments on this amendment will be accepted by mail, e-mail, and facsimile through January 30, 2008.

Recommendation

Staff recommends Governing Board approval of the Partial Action Plan Amendment #4, as proposed.

Amendment to the Texas Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005 (Action Plan)

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Harris County and the City of Houston have prepared this amendment to the Partial Texas Action Plan for Disaster Recovery (Action Plan) approved by the Texas Department of Housing and Community Affairs (TDHCA) Board on February 1, 2007. The Action Plan proposed “that funding in the amount of \$60 million be included in this funding priority for public service, community development, and housing activities in areas (police districts, schools, apartment complexes, neighborhoods) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees.” As required by the Action Plan, this amendment details how the funding priorities will meet HUD’s NOFA’s requirements, the delivery mechanism, the distribution of funds and other HUD requirements.

The City of Houston and Harris County, under this amendment to the Action Plan, are proposing to fund projects that will meet the needs of persons who fled to and continue to reside in the Houston region as a result of Hurricanes Katrina and Rita. Under this amendment, the City of Houston will utilize \$40 million towards multi-family housing rehabilitation and housing safety services, and Harris County will utilize \$20 million to meet a variety of public services needs of the evacuee community including medical and case management services.

In summary, the Houston/Harris County plan will:

- Provide safe, sanitary affordable housing for displaced evacuees including evacuees with special needs;
- Implement a coordinated housing safety program to promote community development and decrease crime in communities where evacuees have resettled;
- Address costs incurred in providing necessary emergency and non-emergency medical services provided to evacuees immediately following the disasters and months thereafter;
- Provide necessary crisis counseling and case management to evacuees who continue to face extreme transition emergencies; and
- Address the public service needs of special populations.

BACKGROUND

In response to Hurricane’s Katrina and Rita, the Houston region received over 200,000 evacuees in September 2005. At first, evacuees were housed within shelters, homes, and hotels within the City of Houston. By December 31, 2005, approximately 160,000 evacuees remained. Those in organized shelters, churches, private homes, and hotels were moved into apartments, which housed by year-end some 37,000 households representing approximately 110,000 people (Attachment A). Other evacuees in the region found other types of shelter independent of the City-managed and FEMA-reimbursed housing program. In addition, the City and Harris County housed approximately 3,000 additional households who had existing Section 8 vouchers or had received or continue to receive federal housing assistance.

Based on postal change of address records, by December 31, 2006, the City of Houston remained a home for over 100,000 evacuees. Substantial portions of entire zip codes within Orleans Parish now were making their new lives in Houston. Since the United States and this region have encouraged able-bodied evacuees to seek work and students to attend school wherever they choose to live, and since little progress has been made on reconstructing the 204,000 housing units destroyed in Louisiana, Houston will be the home for a number of evacuees for the foreseeable future.

The City of Houston, Harris County and various social service agencies working with evacuees understand well the needs and priorities of evacuees who are reconstructing their lives in this community. The most critical needs are for affordable housing and safety.

According to periodic Zogby surveys of evacuees participating in FEMA-subsidized housing programs, tens of thousands of the evacuees still living in the region rented before the hurricanes, continue to rent, and will have difficulty affording housing after the end of FEMA assistance.

Houston and Harris County take some pride in our efforts to encourage evacuees back into the mainstream of our nation’s life, rather than segregating these citizens in particular apartment complexes or makeshift trailer camps. So, the most cost-effective use of CDBG funds is to address the incremental need for affordable rental units and

housing safety services caused by a rise in population in the areas where a high concentration of the evacuees have chosen to live.

**USE OF ACTION PLAN FUNDING
ANTICIPATED ACCOMPLISHMENTS**

Accomplishments resulting from this Action Plan will include enhanced safety, public services and sheltering in low- and moderate-income areas where it can be clearly demonstrated that the population has seen a dramatic population increase due to an influx of Katrina evacuees. Houston and Harris County anticipate that low to moderate income (LMI) individuals will be the primary beneficiaries of the program. Under HUD program guidelines, LMI beneficiaries are part of households that earn less than 80 percent of the area median family income.

NATIONAL OBJECTIVE

Under the Action Plan, all eligible activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, primarily benefit LMI persons). Pursuant to explicit authority in the Department of Defense Appropriations Act, 2006 (Public Law, 109=148, approved December 30, 2005), HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums and blight national objectives, rather than the 30 percent allowed in the annual CDBG program. The primary objective of Title I of the Housing and Community Development Act and of the funding program of each grantee is the “development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.” The state goes on to set the standard of performance for this primary objective at 70 percent of the aggregate of the funds used for support of activities producing benefit to low and moderate-income persons. Since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees even greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives. The National Objective that will be met with this spending will be the addressing of slum and blight, meeting an urgent need, as well as benefits accruing to low- to moderate- income persons making less than 80% of Area Median Income. The high priority of rehabilitation and reconstruction of affordable rental units and community development programs to increase the safety in those complexes and their surrounding areas is demonstrated by this plan amendment. All of the City of Houston spending will be allocated to affordable rental housing programs in areas where it can be demonstrated that the population has seen a dramatic population increase due to an influx of Katrina evacuees. Harris County programs will primarily target low- and moderate-income persons who are Katrina or Rita evacuees.

GENERAL USE OF FUNDS AND FUNDING ALLOCATION

The City of Houston and Harris County will use the following funding allocation to prioritize the use of funds based on the highest observed needs.

Activity	Primary National Objective	Additional <i>Federal Register</i>* Objectives	Available Funding for Activity	% Plan Funding
Neighborhoods To Standard Program	Address slum and blight, LMI Benefit	Rehabilitation of the affordable rental housing stock	\$20,000,000	33%
Multi-Family Apartment Community Liaison Program	Address slum and blight, LMI Benefit		\$20,000,000	33%
Evacuee Public Services: Housing Safety Program-Expanded public services to incarcerated evacuees Evacuee Medical Services Katrina Crisis Counseling Program Youth Offender Services	Urgent Need, LMI Benefit		\$20,000,000	33%
Total Plan Amendment Funding			\$60,000,000	

*As established by the “Action Plan additional elements” requirement included in the *Federal Register* notice, the activity addresses one or more of the identified additional elements below described.

“b. The grantee’s overall plan for disaster recovery will also include:

(i) *An explanation of how the State will give priority to the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisting housing, a description of the activities the State plans to undertake with grant funds under this priority, and a description of the unique challenges that individuals with disabilities face in finding accessible and affordable housing/*

(ii) *An explanation of how the State will give priority to infrastructure development and rehabilitation, and description of the infrastructure activities is plans to undertake with grant funds; and*

(iii) *An explanation of how the method of distribution or use of funds described in accordance with the applicable notices will result in the State meeting the requirement that at least 19.3311 percent of its allocation under this notice shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas."*

OVERARCHING ACTIVITY ELIGIBILITY REQUIREMENTS

This Action Plan Amendment outlines the City of Houston's and Harris County's framework for allocating funding as guided by the requirements published in the *Federal Register* (Vol. 71, No. 209) on October 30, 2006. Unless otherwise stated in the *Federal Register*, statutory and regulatory provisions governing the CDBG program, specifically 24 CDF Part 570 Subpart I, apply to the use of these funds. All activities must be eligible CDBG activities according to 24 CFT Part 570 Subpart I, except as waived by HUD, must meet requirements for disaster recovery funding cited throughout this document, and must meet at least one of the three national objectives.

As noted in the *Federal Register*, under the law "...the funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers. Further, none of the funds made available under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program." This will be a key requirement that will be monitored by TDHCA throughout every stage of the program.

ELIGIBLE ACTIVITIES UNDER THE SPECIFIC FUNDING PRIORITIES

As stated in the *Federal Register*, "the appropriations statute requires funds be used only for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005. The statute directs that each grantee will describe in its Action Plan for Disaster Recovery how the use of the grant funds gives priority to infrastructure development and rehabilitation and the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing." The following specific activities have been identified by the City of Houston and Harris County to be carried out to meet the priority needs of evacuees who reside in the Houston/Harris County area.

THE STRATEGY BEHIND HOUSTON'S REQUESTS

Housing

Houston's use of \$20 million in the CDBG funds for housing will be undertaken in the most cost-effective and market-driven manner. These funds will be plugged into an existing Apartment-to-Standard Program in an area where a large number of evacuees have chosen to live. The rehabilitation of existing multi-family housing stock at approximately \$20,000 per unit can be implemented much more quickly and cost-effectively than the construction of new apartments. By increasing the supply of affordable housing units in an area, we increase the availability of good quality housing at a reasonable price point available to evacuees.

The best way to target housing assistance for an evacuee population will be to concentrate this assistance in the geographical submarket within Houston where the highest concentration of evacuees have chosen to reside and get on with their lives. (See Attachment A) Specifically, Houston will target the funds in and around the Fondren/Southwest area, the geographical area south of IH 59 outside Loop 610, in the southwest part of the City. In that area, public school enrollment increased by 2,840 students between September 2005 and January 2006.

Housing Safety

The \$20 million intended for housing safety efforts in and around multi-family complexes is based on similar principles. Violent crime rose dramatically in multi-family complexes located within four Police Districts that contain the high percentages of evacuees. Murder rose 62%, rape rose 20 %, robbery rose 3%, and aggravated assault rose 20% in multi-family complexes in these districts. These figures do not include crime that spilled over into the neighborhoods near these hot zones. (Attachment B).

Recognizing the unusual and extraordinary nature of Houston's response to the evacuees, both FEMA and the Department of Justice funded programs to deploy overtime police officers in areas with high concentrations of evacuees. These special overtime programs funded by Department of Justice grants and FEMA have proven to be highly effective means for improving the safety of residents, as crime rates dropped sharply after the implementation of these programs. The housing safety program must be extended while evacuees remain since housing safety is a direct function of population and density.

Crime analysis by the Houston Police Department has shown that residents of lower-income, multi-family apartment complexes are disproportionately the victims of violent crime. This CDBG program will provide an officer liaison for fifty apartment complexes located primarily in Police Districts in the Fondren/ Southwest, west, and Greenspoint areas where a concentration of evacuees reside and a disproportionately high rate of violent crime has developed. The program is intended to decrease the number of crime incidents in and around multi-family apartment complexes in these districts. Overtime police programs previously funded by Justice and FEMA have allowed deployment of more officers into these hot spots, making numerous arrests, and heading off what would have been an even more shocking rise in the violent crime rate. Houston continues to shelter more than 100,000 persons displaced by Hurricane Katrina. *Safe* housing remains a need for these evacuees.

TIMING

Houston requests prompt action on the disbursement of these funds. For housing safety, prompt approval of this request and disbursement of these funds is necessary to continue overtime programs after July 1, 2007.

As described in the more detailed section of this request dealing with the multi-family program, request for proposals have already been made for apartment improvements in areas with high concentrations of evacuees. The City of Houston requested assistance from TDHCA, in writing, during the first 60 days of the evacuation, September-October 2005. We highlighted that construction timetables require prompt action to allow sufficient rehabilitation and repair of multi-family housing units. Since no assistance was forthcoming, many of the units with heavy evacuee populations have deteriorated significantly since that time. The reimbursement rates based on HUD Section 8 formulas did not provide sufficient incentive for many landlords to invest in the rehabilitation of this housing stock. Rising insurance rates and utility bills which could not be passed along to renters have further jeopardized the potential supply of habitable multi-family housing stock. Construction must begin as soon as possible.

Housing - Neighborhoods to Standard Program - Katrina Target Area

Funding in the amount of \$20,000,000 shall be made available to developers, both for- and not-for-profit, to rehabilitate apartment units in low-moderate income areas of the city. The City's Department of Housing and Community Development (HCD) opened a Request for Proposals (RFP) for the citywide Neighborhoods to Standard Program in February 2007. This RFP invited developers, both for- and not-for-profit, to rehabilitate apartment units in any low-moderate income area of the city. Under the Katrina component, extra credit will be given for units located in the Fondren/Southwest Freeway target area where the population has seen a particularly dramatic increase due to an influx of Katrina evacuees. (Attachment A shows, however, that the population of evacuees has significantly impacted several parts of the city besides the target area.)

The Neighborhoods to Standard program seeks to rehabilitate a substantial number of units in each target area. Assuming an average of \$20,000 invested per unit, this will improve 1,375 units and provide an opportunity for safer, more sanitary shelter including special needs. All approved projects will be subject to all HUD requirements for projects. This includes relevant fair housing, nondiscrimination, labor standards, special needs and environmental requirements.

Eligibility Requirements

The program is limited to developments that satisfy all of the following conditions.

1. Assisted units in areas where population within the area significantly increased due to an influx of Katrina evacuees.
2. A private sector partner with a 20-year useful life of the property following the rehabilitation.
3. A solid track record of accomplishment in real estate development and management.

Requirements for Receiving Assistance

In exchange for accepting funding assistance, each applicant must agree to the following requirements.

1. To assure that the assisted housing is as affordable as possible and is occupied by families with appropriate incomes, a land use restriction agreement must be recorded that establishes appropriate low to moderate

rent and income limits for the period of years required by HUD regulations. All assisted units will comply with rent restrictions for 15 years post-rehabilitation.

2. All construction will be in accordance with local municipal code.
3. Maintenance of 100 percent insurance coverage on replacement values of the property for all hazard types will be required.
4. All approved projects are subject to all HUD requirements for projects. This includes relevant fair housing, nondiscrimination, labor standards, and environmental requirements.

Grant Calculation

The amount and terms of the loan or grant shall be based on underwriting criteria established in the NOFA. The assistance amount shall be determined through an intensive review of the application by the City of Houston Department of Housing and Community Development as outlined in the existing Neighborhoods to Standards Request for Proposals (RFP). Among other items, this review will specifically assess each application's stated operating proforma, cost estimates, and area rental market conditions to develop the appropriate amount of and structure for the assistance. Applicants are encouraged to leverage other available resources to preserve affordable housing for low and very low-income residents. Primary consideration will be given to redevelopment plans that go beyond unit improvement to include community services, community facilities, area beautification, or school support (such as a community room for tutoring or computers).

Distribution of Funding

Funds will be distributed via contracts with developers approved by the Houston City Council following analysis and underwriting by HCD. Contracts typically call for a developer to be reimbursed for costs related to rehabilitation or reconstruction activities on a monthly basis, with an appropriate retainage withheld. Funds should be completely distributed within 24 months of the contract start date.

Funds under Neighborhoods to Standard are to be used for hard costs only. Interest, developer's fees, and other such "soft" costs will not be funded with this grant.

Housing Safety - Multi-Family Apartment Community Liaison Program

Funding in the amount of \$20 million will be provided to the Houston Police Department for establishment of a Multi-Family Apartment Community Program. The funds will be utilized to procure equipment and supplies to support the program and to staff the program with officers on overtime.

The Multi-Family Apartment Community Program is designed to address the needs of low to moderate income residents residing in multi-family apartment communities where it can be clearly demonstrated that the population within the area has seen a dramatic increase due to an influx of Katrina evacuees. Health, public safety and overall quality of life issues in these multi-family communities not only affect the residents who reside in the multi-family communities, many of whom are Katrina evacuees, but directly impact the surrounding neighborhoods and educational institutions. Through the program's direct involvement of residents within the designated multi-family communities, the Houston Police Department's goal is to reduce crime as well as fear of crime, and actively involve residents in the process of developing strong bonds to their community.

The objectives of the program are to:

- I. Develop a working team between apartment management, residents and law enforcement officers tasked with developing collaborative crime fighting strategies in multi-family communities.
- II. Create, implement and facilitate long-term strategies to address crime, housing safety, and quality of life issues affecting residents of multi-family residential properties in low to moderate income neighborhoods where it can be clearly demonstrated that the population within the area has seen a dramatic increase due to an influx of Katrina evacuees. Strategies will be tailored to individual complex needs and issues.

In order to achieve these objectives, the Program will be implemented across two distinct phases. In Phase I, liaison teams will be deployed to each of fifty multi-family residence properties that have been identified as housing a large proportion of evacuees from Hurricanes Katrina and Rita and having high levels of crime.

During Phase I of the ACLP housing safety program, officers will engage in community outreach, resident education, law enforcement and development of management strategies to lower crime rates and enhance housing safety and quality of life on the multi-family properties. The program will enlist the residents' active involvement in identifying, prioritizing and addressing housing safety and quality of life issues in their community.

Phase II will require property management and resident volunteers to assume responsibility for the on-property program and to coordinate with the HPD Citywide Apartment Community Liaison coordinator. The coordinator will provide organizational skills, direction, and analysis of crime trends and educational resources. In addition, the coordinator will schedule regular meetings in the affected multi-family communities to assess community needs and provide feedback to the department.

The Houston Police Department’s Multi-Family Administrative Unit will coordinate the Program.

Eligibility Requirements

Only multi-family apartment complexes in low to moderate income neighborhoods where it can be clearly demonstrated that the population within the area has seen a dramatic increase due to an influx of Katrina evacuees are eligible. Data from the FEMA Housing Assistance Program has been used to identify qualifying apartment complexes. Among the qualifying complexes, properties within Master Police Districts with concentrations of high violent crime will be designated for the ALP program. (See Attachment C)

Distribution of Funding

Funds will be distributed to the Houston Police Department for implementation of the program.

THE STRATEGY BEHIND HARRIS COUNTY’S REQUESTS

Harris County’s use of the CDBG recovery funding will address a myriad of public service needs for evacuees who remain in the area. Following the advent of the 2005 disasters, the area’s public service systems experienced extreme increases in demand for service. Most notably, the United Way reported a 56% increase in inquiries for services in 2005 over requests for services in 2004. Additionally, other programs expended significant resources in the provision of services to a significant number of evacuees while also continuing services to Harris County residents; specifically, MHMRA’s Katrina Crisis Counseling program served more than 39,000 evacuees through December 2006, the Harris County Hospital District opened more than 35,000 inpatient and outpatient cases for evacuees through December 2006, and the Harris County Juvenile Probation Department served more than 470 evacuee youth in its facilities through August 2006.

Published reports on the impact of the Gulf Coast hurricanes of 2005 on the Houston/Harris County area have stated that as many as 380,000 persons sought refuge following these storms in this area. While many stayed temporarily or had resources that allowed them to re-establish permanently in the area, a significant portion of this population continue to remain in the area because they have little or no resources to allow them to move elsewhere or return home. This is demonstrated by Census Bureau data that reported a decrease to Harris County’s median household income from 2005 to 2006 partially attributed to the influx of low-income persons who remain in the area. Furthermore, the home communities of many of these persons have not yet recovered to offer sufficient services and affordable housing to return to. Thus, Houston/Harris County continues to be the home of a low-income, disadvantaged, and displaced population who are in need of services and resources necessary to sustain a fair quality of life as well as address the myriad of issues that linger as a result of the initial disaster. Many of these persons have lost permanent housing and continue to be housed in the temporarily extended Federal Emergency Management Agency (FEMA) housing program

Houston and Harris County did not hesitate to provide services to meet the increased demand by evacuees. With this request, Harris County plans to expand services and continue to meet the increased demand while continuing its level of service for permanent Harris County residents. With this funding, the area’s capacity to serve will increase and more evacuee needs will be met. The County proposes funding four public service programs more fully described below.

Table 1 Funding Summary-Proposed Harris County Projects

Harris County Proposed Projects	National Objective	Estimated Persons Served	Amount Allocated	% Harris
Evacuee Public Services:				
Expanded Services to Hurricane Evacuees (HCSO)	LMC	1,200	\$6,707,000	33%
Evacuee Medical Services (HCHD)	LMC/ Urgent Need	35,515	\$6,285,000	32%
Continuation of Katrina Crisis Counseling Program (MHMRA)	LMC	30,000-40,000	\$3,550,000	18%
Youth Offender Services (HCJPD)	LMC	212 youths	\$225,686	1%

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The use of recovery funds for this purpose will require a waiver of the public services cap requirement. The County also requests that use of these funds be expedited to ensure gaps in service do not occur.

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DHAP Transportation Program (HCCEDD)	LMC	1,000	\$3,232,314	17%
Harris County Total			\$20,000,000	

Expanded Services to Hurricane Evacuees

Funding in the amount of \$6,707,000 will be used to provide expanded public services through the Harris County Sheriff's Office to evacuees arrested as a result of the increased security and public safety efforts in the identified target apartment complexes. The County will provide expanded services to such evacuees by contracting for additional bed space for treatment of substance abuse and mental health issues to reduce the recidivism rate of evacuees who are arrested and incarcerated. The County will add beds specifically for substance abuse and mental health treatment of inmates who are evacuees. Additionally, the County will utilize reintegration counselors to re-establish eligibility in Social Security Income (SSI) programs, Medicaid, Mental Health Mental Retardation Authority (MHMRA) programs, housing and other similar programs to ensure continuity of services upon release from jail. Based on 2006 statistics, the Harris County correctional facilities processed an estimated 3,600 evacuees through its system. It is anticipated that approximately 1,200 evacuees will receive services while being processed through the County jail as a result of the proposed Expanded Services to Hurricane Evacuees.

Table 2. Expanded Services to Hurricane Evacuees

	Activity
1)	Residential substance abuse treatment to stabilize inmates in the Harris County Jail.
2)	Inpatient mental health treatment to stabilize inmates in the Harris County Jail or Harris County Psychiatric Center.
3)	Case management to inmates to establish benefits, link with outside programs and provide counseling for up to 270 days.
4)	Substance abuse treatment to individuals after release from the Harris County Jail as needs arise and funds are available.
5)	Mental health treatment and medication assistance after release from the Harris County Jail until benefits established.
6)	Short-term housing subsidies to program participants until employment is obtained or benefits established.
7)	Transportation assistance (i.e. bus passes) to program participants until employment is obtained or benefits established.

National Objective

This activity will meet the CDBG National Objective of primarily benefiting low and moderate-income persons.

Eligibility Requirements

Evacuees who receive expanded services through Harris County under the Expanded Services for Hurricane Evacuees must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita;
- Evacuee must be assessed as a substance abuser and/or suffer with mental health issues.

Distribution of Funding

Funding under this program will go towards payment of contract services to provide additional substance abuse treatment, mental health treatment beds and reintegration counselors/case managers.

Evacuee Medical Services-Harris County Hospital District

Funding in the amount \$6,300,000 will be provided to the Harris County Hospital District (HCHD) to recover unreimbursed costs associated with the provision of emergency and non-emergency medical services to evacuees.

When news of Hurricane Katrina's approaching landfall in Louisiana broke in late August 2005, Texas became the main destination for hundreds of thousands of people fleeing the advancing storm. For many of those left behind in New Orleans, their only refuge was within the Louisiana Superdome. Following the storm's passing, Houston and Harris County's planned evacuation of more than 20,000 people during the renowned dome-to-dome transfer captured the nation's imagination and helped achieve a new level of local civic pride. More than 16 months later,

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more than 100,000 evacuees continue to call Texas home, and the impact of this mass exodus continues to be felt in our community and by the Harris County Hospital District.

The Harris County Hospital District's unprecedented two-week operation of the Astrodome Health Clinic at the Reliant Complex from September 1-15, 2005 was one of its proudest moments and remains a shining example of HCHD's employee and medical staff's can-do attitude. Marshalling the full extent of its resources, HCHD staff and physicians from its medical school partners established a fully operational field hospital within 18 hours, accepting its first patients during the early morning hours of September 1, 2005.

Clinical operations, staff and physical structure grew approximately four times in size during the first 72 hours while patient treatment continued. The clinic space expanded from its initial 20 exam rooms to 90 exam rooms by the fourth day. In all, the Astrodome Health Clinic operated by HCHD accounted for more than 11,000 patient visits, 10,000 prescriptions and 10,000 tetanus shots to Katrina's evacuees. Through December 2006, the Hospital District has provided health care for more than 35,000 evacuee patient visits in its facilities, including 507 admissions to its hospitals.

The cost of providing medical services to the evacuees was a significant expense for the Hospital District to bear. HCHD received only \$3 million in payments, less than 32.3 percent of its estimated costs.

Table 3 Harris County Hospital District-Katrina Patients

Service Type	Cases	Charges	Cost	Total Payments Received	Cost Less Total Payments Received
In-Patient	507	7,652,631	4,356,706	2,117,639	2,239,068
Out-Patient	24,754	6,869,482	3,311,980	660,791	2,651,188
Take Home Drugs	10,254	1,529,735	735,688	115,036	620,652
Total Patient Services	35,515	16,051,847	8,404,374	2,893,466	5,510,909
Astrodome Clinic			883,103	109,487 ¹	773,616
Grand Total	35,515	16,051,847	9,287,477	3,002,952	6,284,525

National Objective

At least twelve percent of costs associated with eligible activities will be documented as meeting the CDBG National Objective of Urgent Need, as these costs were expended on emergency medical services provided to evacuees during the critical hours immediately following the disaster on September 1-15, 2005. The remainder the costs associated with eligible activities will meet the CDBG National Objective of primarily benefiting low and moderate-income persons.

Eligibility Requirements

Since medical services may be necessary for evacuees of varying income levels, the services provided under this program to evacuees after September 15, 2005, will not be restricted to only low-income persons; however, at least 51 percent of all persons served through this program will be of low and moderate income. In general, evacuees who receive expanded medical services through the Harris County Hospital District must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding

Funding under this program will be used to reimburse the Harris County Hospital District for documented emergency and non-emergency medical costs.

Katrina Crisis Counseling Program

Funding in the amount of \$3,550,000 will be provided to the Mental Health Mental Retardation Authority of Harris County (MHMRA) for the continuation of the Katrina Crisis Counseling Program (KCCP) for a period of 19 months.

¹ Amount reimbursed by FEMA.

In September 2005, upon the arrival of the evacuees to the Harris County area, MHMRA immediately organized and provided leadership and staffing for emergency psychiatric services at the Mega Shelters (Reliant Center/Arena and George R. Brown Convention Center) and Disaster Recovery Centers (“DRC’s”), utilizing about 100 MHMRA employees. In addition to individuals with mental health needs, MHMRA served children, seniors, and individuals with mental retardation who were also particularly impacted. MHMRA coordinated emergency services with City, County, State and Federal officials, medical provider networks, Social Work schools, and other service providers.

This immediate local response grew into what became known as the Katrina Crisis Counseling Program that opened for operation in October 2005 with funding through the Texas Department of State Health Services. The KCCP was organized to provide longer term crisis counseling to Katrina survivors as temporary relocation grew into longer term displacement. KCCP staff assumed crisis counseling service provision at the Disaster Recovery Centers (DRC’s) and throughout the community immediately after they were hired and trained. Contract services include: Individual Crisis Counseling, Group Crisis Counseling, Outreach, Screening and Assessment, Grief and Loss Counseling, Stress Management, Education and Information, Referrals to longer term, more formal mental health and/or substance abuse treatment (Narcotics Anonymous and Alcoholics Anonymous), Referrals to other service agencies (FEMA help-line, Voluntary Organizations Active in Disaster, Salvation Army, Red Cross, Interfaith, Unmet Needs), Networking and Collaboration with community leaders and public officials, regarding the disaster.

During 2006, the KCCP delivered more than 35,000 crisis counseling sessions, provided more than 4,400 crisis counseling sessions by phone, and made more than 1,700 mental health referrals.

In December 2006, funds from the Texas Department of State Health Services ended and MHMRA agreed to continue the program through a phase-down plan that would end all services within six months and hopefully setup in-kind collaborations with other services providers for the benefit of evacuees still facing crisis. In lieu of phasing down the program, Harris County proposes to continue the program with CDBG recovery funds to assist between 30,000 to 40,000 individuals and provide the necessary emotional closure to set them on a path of to developing self-sufficiency and integration into the Houston/Harris County community or resettling back to their home communities. We anticipate this program continuing for another 19 months with full closure within 24 months of receipt of grant funds.

National Objective

This activity will meet the CDBG National Objective of primarily benefiting low and moderate-income persons.

Eligibility Requirements

Since crisis counseling may be necessary for evacuees of varying income levels, the services provided under this program will not be restricted to only low-income persons; however, at least 51 percent of all persons served through this program will be of low and moderate income. In general, evacuees who receive services through the Katrina Crisis Counseling Program must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding

Funding under this program will go towards payment of salaries, supplies, and professional fees and services necessary to continue services to evacuees served under this program.

Youth Offender Services

Approximately \$225,686 of Harris County’s funding will be used to provide expanded services to juvenile offenders who are evacuees and have been placed under the supervision of the Harris County Juvenile Probation Department.

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The Harris County Juvenile Probation Department (HCJPD) provides protection to the public and provision of services to youth referred for violations of the law. As mandated in the Texas Juvenile Justice Code, the department provides services including treatment, training, rehabilitation and incarceration while emphasizing responsibility and accountability of both parent and child for the child’s conduct and offering the most opportunities for those youth who demonstrate the greatest potential for positive change. In part to achieve this mission, HCJPD provides a variety of additional social services not mandated by law to youth offenders under their supervision. Such services include but are not limited to mental health assessments, crisis intervention, individual and family counseling, tutorials, educational workshops and residential treatment including acute psychiatric care services. Through August 2006, HCJPD had admitted to its facilities and provided services to 472 youth who were evacuees to Harris County

at a cost of approximately \$1.2 million. In addition to these services, HCJPD contracts for space at the Harris County Psychiatric Center (HCPC) for 16 service beds for youth that have acute psychiatric needs that cannot be addressed in other residential treatment facilities. In 2005, 124 Harris County youth received services at HCPC. With the advent of the disasters of late 2005, HCJPD had to give up critical bed space for Harris County youth at HCPC for eight youth who evacuated to the Harris County area. In an effort to meet the service needs of these youth while also maintaining the level of service required to serve Harris County youth, CDBG recovery funding will be set-aside to fund expanded HCJPD services to evacuate youth offenders in need of such services during the next 24 months.

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Eligibility Requirements

Since youth from households of varying income levels may need the services of the HCJPD, the services provided under this program will not be restricted to only low-income persons; however, at least 51 percent of all persons served through this program will be of low and moderate income. In general, evacuees processed through the HCJPD under this program must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding

Funding under this program will go towards payment of professional fees and services necessary to provide services to youth evacuees and to pay contract costs to reserve beds at the Harris County Psychiatric Center.

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DHAP Transportation Program

Funding in the amount of \$3,232,314 will be utilized by Harris County to provide public services, primarily transportation services, to the evacuee population that is being served through HUD’s Disaster Housing Assistance Program (DHAP). The Federal Emergency Management Agency (FEMA) and HUD have partnered to continue housing assistance and to provide case management services to the FEMA-eligible evacuee population for the next 16 months. It is estimated that twenty percent of the 5,000 families registered to date in the Harris County DHAP program are in need of transportation services. Of the requested \$3,232,314, an estimated \$3,037,500 will be utilized to provide County dispatched taxi rides while an estimated \$194,814 will be utilized for staffing, program oversight, equipment and supplies. The process by which clients will access the transportation services is as follows:

1. Case managers will refer clients to Harris County Community & Economic Development Department/Transit Services Division as eligible recipients;
2. The Transit Services Division will perform client intake and determine eligibility by working with case manager to collect necessary household income documentation;
3. Client will contact Harris County Community & Economic Development Department/Transit Services Division to schedule a round trip ride;
4. The dispatcher will dispatch a taxi to the client and transport the client from home to the scheduled appointment;
5. After the appointment (case management, other services, etc.) the client will contact the Transit Services Division and a taxi will be dispatched for the return home if not previously scheduled.

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In addition to transportation services, we are anticipating other needed services to be revealed as a part of the DHAP case management component. Transportation services will assist DHAP families in getting to their case management appointments as well as accessing other necessary resources.

The Harris County Community & Economic Development Department’s Transit Services Division will operate the taxi program to provide a total of 75,000 trips to an estimated 1,000 clients over the 16 months during which clients will receive DHAP assistance. The services will permit each family approximately four trips per month to access their individual services, whether job training, medical services or case management.

Eligibility Requirements

The services provided under this program will be restricted to only low-income persons participating in the DHAP Program. In general, evacuees who receive services through the DHAP Transportation Program must meet the following eligibility criteria:

- Evacuees must provide proof of household income;
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding

Funding under this program will go towards payment of transportation services necessary to provide services to evacuees participating in the DHAP Program.

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City/County Administration Funds

The City and County funds available for administrative activities are outlined in agreements with TDHCA.

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Implementation

Harris County and City of Houston will implement the activities of this Action Plan consistent with each jurisdiction's standard grants management policies and procedures used in management of CDBG entitlement funds. Contracts will include all required clauses. Each governmental entity shall implement a monitoring program to ensure that subrecipients of CDBG recovery funds carry out their activities in accordance with the respective regulations and agreements. Specific areas of subrecipient operations that will be reviewed include financial performance, project timeliness, record-keeping procedures and compliance with federal regulations and applicable program guidelines. Subrecipients will be continually assessed to determine organizational ability to carry out approved projects. Where potential problem areas are found, technical assistance and training will be provided.

On- Site Monitoring

Harris County will be responsible for on-site monitoring of its proposed projects and the City of Houston will be responsible for monitoring its projects proposed under this Action Plan. Site visits will be to monitor program progress. The purpose of an on-site monitoring program is to determine if a subrecipient is carrying out its program activities as described in the application for assistance and the written agreement. On-site monitoring is also used to ensure that required records are maintained to demonstrate compliance with applicable regulations. Subrecipients that present the greatest vulnerability to fraud, waste and mismanagement are monitored within the resources available. Risk factors that will be used to determine frequency of monitoring will include:

- Subrecipient experience with CDBG program or other federal grants;
- Subrecipient staffing, to include turnover and key staff experience;
- Previous compliance or performance problems;
- Nature of activity (housing, economic development; relocation, acquisition); and
- Scope of program.

Agencies are notified in writing of any findings resulting from monitoring visits and are given a date by which all findings are to be addressed, as well as corrective actions that must be taken to address the findings. The monitoring letter also addresses concerns and makes recommendations for improvement. Harris County and the City of Houston will use its established procedures and will incorporate any additional requirements on an as-needed basis.

Amendments

Each entity will follow for the requirements for amendments in the TDHCA Action Plan.

Citizen Participation

Citizen participation is critical to any successful planning effort. The City of Houston and Harris County have kept in close contact with citizens regarding the needs of evacuees. The City of Houston Mayor's Office initiated weekly Monday morning meetings at the George R. Brown Convention Center immediately following the disaster. Such meetings have continued on a periodic basis through the current date. This action plan was developed based on input from those meetings.

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The public was given an opportunity to review the Houston/Harris County Joint Action Plan for use of CDBG recovery funds during a 15-day public review period which began on April 4, 2007. The Joint Action Plan was made available via the City of Houston's and Harris County's websites. A public notice summary including a list of projects and proposed expenditures was placed in the Houston Chronicle on the April 4, 2007. The general public was notified of the public hearing and the availability of the draft document for public review. A public hearing is scheduled for April 16, 2007.¶

¶
A summary of any comments received during the public comment period, reasoned responses and any changes that resulted from such comments will be added to the Joint Action Plan. ¶

¶
Waivers Requested¶

During development of this Action Plan, the City of Houston and Harris County identified issues requiring waivers from HUD to address specific needs of the evacuee population. A copy of our waiver request is attached at Exhibit A to this Plan. ¶

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. Harris County's participation in the Coordinated Housing Safety Program, more fully described under the City of Houston's Multi-Family Community Liaison Program, will be limited to expanded services		
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Service Type	Beds	Annual Cost	Term	Total Estimated Cost
Substance Abuse Beds	96	293,500	2 years	587,000
Mental Health In-Patient	48	2,800,000	2 years	5,600,000
Case Management Reintegration Counselors (6)	-	260,000	2 years	520,000
Total	144	3,353,500		6,707,000

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Coordinated Public Safety Program

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Housing Tax Credit Amendments.

Requested Action

Approve, amend or deny the requests for amendments.

Background and Recommendations

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

The requests and pertinent facts about the affected developments are summarized below. The recommendation of staff is included at the end of each write-up.

Limitations on the Approval of Amendment Requests

The approval of a request to amend an application does not exempt a development from the requirements of Section 504 of the Rehabilitation Act of 1973, fair housing laws, local and state building codes or other statutory requirements that are not within the Board’s purview. Notwithstanding information that the Department may provide as assistance, the development owner retains the ultimate responsibility for determining and implementing the courses of action that will satisfy applicable regulations.

Penalties for Amendment Requests

§50.9(c), 2008 Qualified Allocation Plan and Rules, entitled, “Adherence to Obligations,” states in part:

If a Development Owner does not produce the Development as represented in the Application; does not receive approval for an amendment to the Application by the Department prior to implementation of such amendment; or does not provide the necessary evidence for any points received by the required deadline:

(1) The Development Owner must provide a plan to the Department, for approval and subsequent implementation, that incorporates additional amenities to compensate for the non-conforming components; and

(2) The Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must:

(A) Reduce the score for Applications for Competitive Housing Tax Credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by up to ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board.

(B) Prohibit eligibility to apply for Housing Tax Credits for a Tax-Exempt Bond Development that are [sic] submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for up to 24 months from the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.

(C) In addition to, or in lieu of, the penalty in subparagraph A or B of this paragraph, the Board may assess a penalty fee of up to \$1,000 per day for each violation.

HTC No. 94114, Villas of Rock Prairie

Summary of Request: The owner requested approval for a taking in eminent domain by the Texas Department of Transportation. The taking would result in the destruction of four one-bedroom units and the loss of a 0.38 acre strip of land from the current 14.0753 acre site. The taking consists of a strip of land that is approximately 40 to 45 feet wide along a run of approximately 385 feet that is the site's frontage on FM 2154. The taking also includes a small triangular parcel that is the tip of the corner of the subject site at the intersection of the site's frontage on FM 2154 with the site's frontage on Mortier Drive.

The units that would be lost comprise one building in the development that is attached on either of two sides to other buildings. The affected end wall of each of the two attached buildings, the fence along FM 2154, and all other improvements that will be affected by the taking will be replaced with new materials. The owner will be compensated for the loss of the four units which will be used to fund the completion of the work and be available to pay down debt associated with the lost units and address any potential recapture from the loss of the four units. The owner has not proposed to compensate the State for any long term affordability loss associated with the four units. Due to the change in the property, this must be reviewed by the Board.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan, a modification of the number of units or bedroom mix of units, a reduction of three percent or more in the square footage of the units or common areas, and any other modification considered significant by the board.

Owner: Cottages of Rock Prairie Limited Partnership

General Partner: Hearthside Development Corporation

Developers: Hearthside Development Corporation

Principals/Interested Parties: Deborah Griffin

Syndicator: SunAmerica

Construction Lender: PNC Bank

Permanent Lender: Multifamily Capital Markets, Inc./Resource Mortgage Capital, Inc.

Other Funding: NA

City/County: College Station/Brazos County

Set-Aside: General

Type of Area: Urban

Type of Development: New Construction

Population Served: Elderly Population

Units: 92 HTC units and 40 Market Rate units

1994 Allocation: \$399,287

Allocation per HTC Unit: \$4,340

Prior Board Actions: 1994 – Approved award of tax credits

Underwriting Reevaluation: Pending

Staff Recommendation: **Staff recommends approving the request because the changes are mandatory under the right of eminent domain.**

Penalty Assessment: **No penalty assessment is recommended.**

HTC No. 01420, Park at Pineywoods

This request is one of several that have come before the board in recent months in which the Limited Partner (SunAmerica) was involved in the removal of the original general partner. The Department approved a transfer of the sole general partner interest to an affiliate of SunAmerica on September 11, 2001. SunAmerica later contracted an affiliate of Trammell Crow Residential (TCR) to develop the property. According to TCR the original proposed development was determined to be infeasible and the Department was asked to approve changes. Brent Stewart with TCR asserts that the Executive Director of the Department in 2002 (Edwina Carrington), met with Mr. Stewart, Chris Bergman (also with TCR), and Alan Fair of SunAmerica to discuss changes in the development. Mr. Stewart states in this amendment request that the result of the meeting was that the Department advised the owner to build the development and submit the changes to the Department at the time of cost certification. The sole record of the meeting found in the allocation file consisted of notes written by the Department's Compliance Manager at the time (Sara Newsom), on the cover page of a facsimile transmission received on September 13, 2002. It is not known if Ms. Newsom attended the meeting, nor is the source of the information in the notes known. Ms. Newsom's notes follow:

Met w/ Edwina & Sun
Rob Burchfield got Bond award -
TDHCA approved SunAmerica
Apr – May 01 Bonds closed
construction not started
100% stone, 100 garage – no way to Build under Bonds -
Sun asked Tram to step in as GP
not carrying the GP risk-
[word unknown] to subs GP - so they can start building -

TCR reported in its letter of request that approval has been requested now, not earlier, because of the Department's instruction to request approval at cost certification.

The changes made include changes in the number and design of the buildings; the number of units, unit mix, unit sizes and configuration of the residential units; and changes in the amenities. The development as proposed in the application and as built are compared in the table below. Due to several of these changes, this must be reviewed by the Board in accordance with statute. The table differs in some instances from the facts presented in the letter requesting the amendment because TCR did not have the complete file. The differences are noted in the applicant's letter by Department staff's handwritten edits.

	Application		Cost Cert	
Number of Residential Buildings		26		16
Common Area		3,546		4,046
Rentable Area		193,528		193,124
Units & Avg Size	208	930	188	1,027

Units	Application		Cost Cert	
	units	sq.ft.	units	sq.ft.
1BR/1Bath	48	668	8	684
	28	710		
total units & average size	76	676	8	684
1BR/1.5Bath	NA	NA	16	795
	NA	NA	4	826
total units & average size	NA	NA	20	801
2BR/1.5Bath	NA	NA	88	1027
total units & average size	NA	NA	88	1027
2BR/2Bath	56	950	24	1102
2BR/2Bath	24	983	4	1128
total units & average size	80	960	28	1106
3BR/2.5Bath	52	1246	44	1143
total units & average size	52	1246	44	1143
Grand Total Units & Avg Size	208	930	188	1027
Grand Total Rentable Area		193,528		193,124

Deficient Features	Application	Cost Cert
Garages	208	None
Exteriors	35% Stone/ 65% Cement-board	100% Cement-board
Microwaves	Yes	None
Tub Surround	Tile & Fiberglass	Fiberglass

Other Features		
25 year architectural shingles	None	Yes
R-15 walls/R-30 ceilings	None	Yes
Energy Star appliances	None	Yes
Computer facilities	None	Yes

Recreation Room	Fitness	Fitness
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Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan, a modification of the number of units or bedroom mix of units, and any other modification considered significant by the board.

Owner: Montgomery Trace Apartments, L.P.

General Partner: Montgomery Trace Apartments I, L.L.C.
Current Developer: Trammell Crow
Original Developer: Robert and Dorothy Burchfield
Current Principals Parties: Trammell Crow
Original Principals: Pro-Connection, Inc., Robert and Dorothy Burchfield, J. Craig Nelson)
Syndicator: AIG SunAmerica
Construction Lender: AIG SunAmerica
Permanent Lender: AIG SunAmerica
Other Funding: NA
City/County: Conroe/Montgomery
Set-Aside: Tax-Exempt Bond Financing (Lend Lease Mortgage – issuer)
Type of Area: Exurban
Type of Development: New Construction
Population Served: General Population
Units: 208 HTC units
2001 Allocation: \$682,327
Allocation per HTC Unit: \$3,280
Prior Board Actions: 4/01 – Approved award of tax credits
Underwriting Reevaluation: Pending
Staff Recommendation: **Staff recommends approving the request with the addition of microwaves in all the units.**
Penalty Assessment: **No penalty assessment is recommended because there were discussions with the Department prior to the implementation of the amendments.**

HTC No. 02040, Residences on Stillhouse Road

Summary of Request: The owner requests approval for changes from the original development proposal that have been built into the completed development. Changes were made in the number of parking spaces, building configuration and site plan. The change in parking reduced the number of spaces from 140 to 109. The development is for elderly tenants and consists of 68 one bedroom units and eight two bedroom units. The parking ratios are, therefore, approximately 1.4 parking spaces per unit and about 1.3 spaces per bedroom. The owner's letter (page 4) reports that the parking as-built is more than adequate based on industry standards but indicates that 31 more spaces can be built if the Board deems it to be necessary in order to grant approval of this request.

The building configuration was changed from fourplexes with in-line (side-by-side) units to fourplexes with the units all having one common corner and two common walls. According to Underwriting this would have had the effect of slightly reducing construction costs all else held constant. The net rentable area was increased from 51,400 square feet to 55,328 square feet. Conversely, the Underwriter indicates that this would have increased total costs, all else held constant. The revised site plan condensed the site improvements into a smaller area. The applicant stated that the final plan was superior to the original plan because it enabled tenants to park closer to the units and increased the green space.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan, a significant change in the architectural design and any other modification that is considered significant by the board.
Owner:	Housing Associates of Paris, Ltd.
General Partner:	Stillhouse Property, LLC (affiliate of syndicator replaced original GP)
Developers:	Housing Associates, Inc.; Texas Housing Associates, Inc. (now departed)
Principals/Interested Parties:	Mark Musemeche, Laura Musemeche, Dan Allgeier (former principal)
Syndicator:	MMA Financial
Construction Lender:	MMA Financial
Permanent Lender:	MMA Financial
Other Funding:	NA
City/County:	Paris/Lamar
Set-Aside:	General
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly Population
Units:	72 HTC units and 4 market rate units
2002 Allocation:	\$356,659
Allocation per HTC Unit:	\$4,954
Prior Board Actions:	7/02 – Approved award of tax credits
Underwriting Reevaluation:	REA found no net negative affect on feasibility and recommended no change in the credit amount.

Staff Recommendation: Staff recommends approving the request. The changes would not materially alter the development in a negative manner and would not have adversely affected the selection of the application.

Penalty Assessment: Staff recommends the assessment of appropriate penalties pursuant to §50.9(c) of the QAP. Although nonconformity was identified prior to December 1, 2006, the owner did not submit the appropriate fees and finalize the amendment request until recently and in so doing, avoided the potential for penalty points for his 2007 applications.

HTC No. 04447, Rosemont at Bethel

Summary of Request: The owner made a number of changes to the development and the descriptions follow. The application represented that the development would include 20 acres of leased land. The development was built on 16.399 acres of land. The owner stated that the 3.60 acres that were not used were returned to the owner/lessor, Bethel United Methodist Church, with no reduction in the amount paid (\$325,000) for the ground lease. The owner therefore requested to substitute other amenities as described below for the 3.60 acres of land that were not used. This change increased the density of the development from about 12.5 units per acre to about 15.2 units per acre, an increase of approximately 22%. Due to the change in density, this must be reviewed by the Board in accordance with statute.

Another change was that the original parking plan called for 515 open parking spaces and no other spaces. The development actually was built with 483 parking spaces, consisting of 273 carports and 210 open spaces. Therefore, 32 open parking spaces, that were proposed, were not built, but 273 cover covered spaces, that were not proposed, were built in substitution.

Other changes that were made from the original development proposal constitute improvements and are now proposed to compensate for any deficiencies. All of the additions that the owner named, and their costs, are as follow: 273 parking space covers (creating carports) that were added cost \$117,500 (as supported by the payment record to the installer); 611 square feet that were added to the original size (5,484 square feet) of the clubhouse cost \$36,226 (\$59.29 per square foot as estimated in the Department's cost estimate); and 17,924 square feet were added to the original gross building area (GBA) at a cost of \$395,582 (\$22.07 per square foot as estimated by the architect). With respect to the additional gross building area, the owner derived the figure (17,924 square feet) from the architect's figures for proposed and as-built areas including net rentable area, common area (net of the clubhouse), laundry/mail buildings, and boiler room. The architect stated that the area calculations for the proposed and as-built GBAs were based on the areas as defined by the building code.

The owner indicated the net cost for all of the additional features, amenities and areas was \$549,308.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan, a modification of the residential density of the development of at least five percent, and any other modification considered significant by the board.
Owner:	TX Acme A South Housing, L.P.
General Partner:	TX Acme A South Development, LLC
Developers:	Southwest Housing Development
Principals/Interested Parties:	Brian Potashnik
Syndicator:	Wachovia Affordable Housing Community Development Corporation
Construction Lender:	GMAC Commercial Holding Capital Corp.
Permanent Lender:	GMAC Commercial Holding Capital Corp.
Other Funding:	NA
City/County:	San Antonio/Bexar
Set-Aside:	Tax Exempt Bond Development (Bexar County HFC, issuer)

Type of Area: Urban
Type of Development: New Construction
Population Served: General Population
Units: 250 HTC units
2004 Allocation: \$844,329
Allocation per HTC Unit: \$3,377
Prior Board Actions: 9/04 – Approved award of tax credits
Underwriting Reevaluation: The underwriting re-evaluation confirms that the original credit amount is still justified as the gap of funds sourced by deferred developer fee is greater than the entire cost of the land as a result of increases in other development costs.

Staff Recommendation: **Staff recommends approving the request. The changes would not materially alter the development in a negative manner and would not have adversely affected the selection of the application.**

Penalty Assessment: **Staff recommends the assessment of appropriate penalties pursuant to §50.9(c) of the QAP because the amendment was requested after the implementation of the changes without prior notice to the Department.**

HTC No. 05026, Mesa Vista

Summary of Request: The owner previously (December 14, 2005 Board Meeting) received an amendment to increase the size of the site from four to six acres. The owner has now requested approval to change the site plan so that the final plan will contain six buildings on the six acres instead of five buildings on four acres as originally proposed. The new configuration would allow all 20 of the one-bedroom units to be on the ground level. Although the development targets families, some elderly tenants are anticipated and the proposed change would benefit these elderly tenants. Due to the changes in bedroom mix and site plan, this must be reviewed by the Board in accordance with statute.

Changes to the development also included restricting ten units, including all of the units at the 30% rent level, to be public housing.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan and any other modification considered significant by the board.

Owner: MV Housing, Ltd.

General Partner: Donna Housing Authority

Developers: M.V. Housing Development, LLC

Principals/Interested Parties: Donna Housing Authority; Rick Deyoe, Realtex Development Corporation; Apolonio Flores, Flores Residential, LLC

Syndicator: PNC Multifamily Capital

Construction Lender: PNC Multifamily Capital

Permanent Lender: PNC Multifamily Capital

Other Funding: Donna Housing Authority

City/County: Donna/Hidalgo

Set-Aside: General

Type of Area: Rural

Type of Development: New Construction

Population Served: General Population

Units: 76 HTC units

2005 Allocation: \$453,995

Allocation per HTC Unit: \$5,974

Prior Board Actions: 7/05 – Approved award of tax credits

Underwriting Reevaluation: Although the developer must increase its deferred fees, there is no change in the recommended amount of the award. REA's analysis also included considering the conversion of ten units to public housing, a change in the original development proposal which reduces potential income slightly but the development is still considered financially feasible.

Staff Recommendation: **Staff recommends approving the request because the final plan appears to be equivalent to the original plan.**

Penalty Assessment: **Staff recommends the assessment of appropriate penalties pursuant to §50.9(c) of the QAP because the amendment was requested after the implementation of the changes without prior notice to the Department.**

HTC No. 07177, Hamilton Senior Village

Summary of Request: The owner requests approval to change the site plan and take back approximately 2.6 acres from the original land area. The land to be removed from the development site is a strip approximately 120 feet wide along the entire length of the property's eastern boundary (approximately 997 feet). The owner states that the changes are proposed to address public concerns about the development that were expressed in public hearings and in letters to the Department and the City of Hamilton at the time of application.

As indicated by the Department's file, the concerns were stated about increased traffic on the public street that was originally proposed as the only access route to the property. The owner states that the new site plan, which provides access from a second street, directly addressed the concern about traffic. As shown by the new site plan, the buildings and other improvements on the site will be spread-out over a larger area than originally proposed so that the paved surfaces and landscaped areas become more extensive. The improvements will also be moved farther from the Williams Street entry, leaving a greenbelt between the neighborhood and the development. The developer states that the estimated off-site costs of approximately \$12,291 are equal to the prorated value of the 2.6 acres of land to be taken back.

The owner also proposes to build a privacy fence between the neighborhood and the development and to add amenities to the development that were not originally proposed in the application. The additional amenities proposed are R-19 wall insulation and R-30 ceiling insulation, the addition of a community laundry room in the clubhouse and the addition of two open parking spaces. The community laundry room will be in addition to the washer and dryer hook-ups in all units. In addition to the foregoing amenities, the buildings are proposed to be built in a configuration that staggers the units instead of the in-line configuration that was originally proposed.

The owner states that the new plan is superior in access, amenities and aesthetics to the original plan. The owner states that the 2.6 acres would be added to the adjacent tract already owned by an affiliate. The acreage of the subject site would change from about 11.04 acres to about 8.44 acres. The density of the development would change significantly, increasing by about 23%, from 3.3 units per acres to 4.3 units per acre. However, both the original density and the final density are low. Due to the change in density, this must be reviewed by the Board in accordance with statute.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a modification of the residential density of the development of at least five percent.
Owner:	Hamilton-Charger Senior Properties LP
General Partner:	Hamilton-Charger Affiliates LLC
Developers:	Hamilton-Charger Affiliates LLC
Principals/Interested Parties:	Louis and Bonita Williams
Syndicator:	Raymond James
Construction Lender:	Lancaster Pollard
Permanent Lender:	Lancaster Pollard
Other Funding:	HOME Funds from TDHCA
City/County:	Hamilton/Hamilton

Set-Aside: USDA Rural
Type of Area: Rural
Type of Development: New Construction
Population Served: Elderly Population
Units: 36 HTC units
2007 Allocation: \$339,782
Allocation per HTC Unit: \$9,438
Prior Board Actions: 7/07 – Approved award of tax credits
Underwriting Reevaluation: The changes have no material effect on the financial viability of the transaction and no effect on the originally recommended tax credit allocation.

Staff Recommendation: **Staff recommends approving the request. The changes would not materially alter the development in a negative manner and would not have adversely affected the selection of the application.**

Penalty Assessment: **No penalty assessment is recommended because the request was made prior to implementing the changes.**



Texas Department of Transportation

1300 N TEXAS AVE • BRYAN TX 77803-2760 • (979) 778-2165

October 22, 2007

FM 2154
Brazos County
8017-1-63
CSJ 0540-04-056
Limits: From 0.3 mile North of FM 2818
to 0.6 mile South of SH 40
Parcel 26/26TE

Cottages of Rock Prairie Limited Partnership
c/o Ms. Deborah A. Griffin
5757 Lovers Lane, Suite 360
Dallas, Texas 75209

Re: Administrative Settlement Approval

Dear Property Owner:

The Texas Department of Transportation Right of Way Administrative Settlement Evaluation Team has reviewed your counter offer and the accompanying documentation. Based on this information and other pertinent data, it has been determined that \$418,433.00 is an amount that can be supported and is offered to you in an attempt to settle this acquisition.

If improvements are retained, the retention value will be subtracted from the total settlement amount.

If this administrative offer to settle is rejected, a final offer letter will be forwarded to you in accordance with our procedures. The final offer will be made in the amount of the original offer.

We would like to thank you for your effort and cooperation in attempting to settle this acquisition in order to expedite this much needed project. If you have any questions, please contact Mr. Darrell Kolwes at (979) 778-9724.

Sincerely,

Samuel L. Wilson
Right of Way Administrator

MEMORANDUM OF AGREEMENT

Cottages of Rock Prairie Limited Partnership
c/o Ms. Deborah A. Griffin
5757 Lovers Lane, Suite 360
Dallas, Texas 75209

County: Brazos
Highway No.: FM 2154
Location: From 0.3 mile North of FM 2818
to 0.6 mile South of SH 40
CSJ: 0540-04-056
Parcel No.: 26/26TE

Dear Property Owner:

You have indicated a willingness to sign a deed for your property which consists of 0.38 acres of land and a temporary easement which consists of 0.136 acres of land located on FM 2154 in Brazos County, Texas.

It is important to confirm this agreement in order to avoid any possible misunderstanding as to the details of the purchase or the process by which the Texas Department of Transportation (TxDOT) will make payment. The payment of \$418,431.00 as herein agreed will constitute full payment to be made by TxDOT for the property to be conveyed to the State. The breakdown of this amount is as follows:

Temporary Easement	\$ 12,033.00
Part Acquired – Fee Acquisition	\$110,078.00
Net Damages	\$121,640.00
Cost to Cure	<u>\$174,680.00</u>
Total Compensation	\$418,431.00

TxDOT and the owner have agreed to the following provisions:

SAVE and EXCEPT, HOWEVER, it is expressly understood and agreed that Grantors are retaining title to the following improvement(s) located on the property described in said Exhibit "A" to wit: Metal Fencing

Grantors covenant and agree to remove the above-described improvement(s) from said land by the 1st day of May, 2008, subject, however, to such extensions of time as may be granted by Grantee, its successor and assigns, in writing; and if, for any reason, Grantors fail or refuse to remove same within said period of time prescribed, then, without any further consideration, the title to all or any part of such improvement(s) not so removed shall pass to and vest in the Grantee, its successors and assigns, forever.

SAVE and EXCEPT, HOWEVER, it is understood that Grantors are retaining title to the following listed bisected improvement(s): Wood Frame Building

Such improvement(s) shall be removed from the premises hereby conveyed by Grantors at their own expense on or before the 1st day of May, 2008, subject, however, to such extensions of time as may be granted by the State in writing, but in the event Grantors fail for any reason to remove said improvement(s) within the time herein provided for, title to that portion of said improvement(s) located upon the premises hereby conveyed shall immediately vest in the State of Texas, all for the same consideration herein above recited.

Grantors specifically understand and agree that in the event title to the aforesaid portion of the bisected improvement(s) passes to the State, the State will cut said bisected improvement(s) at the line of bisection and remove said portion of the bisected improvement(s) from the above-described property, and Grantors hereby authorize the State, its agents and assigns, to make such cut(s) and additionally, Grantors hereby authorize the State, its agents or assigns, to enter upon the Grantor's remaining property (out of which the above-described property was conveyed), for the purpose of making such cuts and removing said improvement(s) and Grantors expressly waive all damages or claims that may result to the remaining property of the Grantors or damages that may result to the remainder of said improvement(s) by reason of said entry, cutting, and removal of said improvement(s).

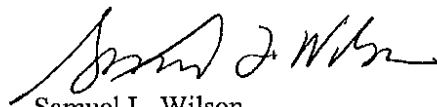
Until payment is made by TxDOT, title and possession of the property to be conveyed remains with you. You shall bear all risk of loss to any and all such property prior to such payment. Either you or TxDOT shall have the right to terminate this agreement.

The payment of the amount herein stated and the terms provided constitute the only promises, consideration and conditions of this purchase; and no other promises, consideration or conditions have been signified or implied, save and except any benefits which may accrue under the State's Relocation Assistance Program and the mutual benefits to be derived by you and TxDOT from the signing of this agreement.

The State, without cost to the owner, will pay the cost of recording all instruments conveying title to the State.

It is suggested that you carefully review the proposed Right of Way Deed and Temporary Easement and satisfy yourself as to its provisions. With your signing of this letter and the execution of the deed and temporary easement, the State will proceed with the issuance of a State warrant, which will be made out jointly to you and to Aggieldand Title Company, agent for Old Republic National Title Insurance Company. This company has been designated as the State's closing agent and is responsible to see that TxDOT obtains clear title. They will not endorse the warrant and make payment until clear title is secured. At the same time, you have the right to withhold endorsement of the warrant and not accept payment until you are fully satisfied on all details of the transaction.

Sincerely,



Samuel L. Wilson
Right of Way Administrator

I fully understand the Texas Department of Transportation proposal as contained in this agreement and hereby acknowledge receipt of the brochure entitled "*Relocation Assistance*".

I understand that relocation assistance benefits are handled entirely separate from and in addition to this transaction and agree that my execution of the Right of Way Deed is based on this understanding.

Cottages of Rock Prairie Limited Partnership

By: _____
Deborah Griffin, President
Hearthside Development Corp.,
General Partner of Cottages of
Rock Prairie Limited Partnership

FEI: _____

Date: _____

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your Social Security Number or your Driver's License Number.



Form ROW-N-14
Rev. 8/2003
Replaces Forms D-15-11, D-15-14, D-15-141, D-15-142,
ROW-N-12PT, ROW-N-14, ROW-N-141, and ROW-N-142
GSD-EPC
Page 1 of 3

DEED

THE STATE OF TEXAS

§

§

COUNTY OF BRAZOS

§

WHEREAS, the Texas Transportation Commission has been authorized under the Texas Transportation Code Chapters 203, 224, and 361 to purchase land and such other property rights (including requesting that counties and municipalities acquire highway right of way) deemed necessary and convenient to a state highway or turnpike project to be constructed, reconstructed, maintained, widened, straightened, or extended, or to accomplish any other purpose related to the location, construction, improvement, maintenance, beautification, preservation, or operation of a state highway or turnpike project, and including the acquisition of such other property rights deemed necessary for the purposes of operating a designated state highway or turnpike project, with control of access as necessary to facilitate the flow of traffic and promote the public safety and welfare on both non-controlled access facilities, as well as facilitating the construction, maintenance and operation of designated controlled access highways and turnpike projects;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That, Cottages of Rock Prairie Limited Partnership of the County of Dallas, State of Texas, hereinafter referred to as Grantors, whether one or more, for and in consideration of the sum of ten and 00/100-----Dollars (\$10.00) and other good and valuable consideration to Grantors in hand paid by the State of Texas, acting by and through the Texas Transportation Commission, receipt of which is hereby acknowledged, and for which no lien is retained, either expressed or implied, have this day Sold and by these presents do Grant, Bargain, Sell and Convey unto the State of Texas all that certain tract or parcel of land lying and being situated in the County of Brazos, State of Texas, more particularly described in Exhibit "A," which is attached hereto and incorporated herein for any and all purposes.

SAVE and EXCEPT, HOWEVER, it is expressly understood and agreed that Grantors are retaining title to the following improvement(s) located on the property described in said Exhibit "A" to wit: Metal Fencing

Grantors covenant and agree to remove the above-described improvement(s) from said land by the 1st day of May, 2008, subject, however, to such extensions of time as may be granted by Grantee, its successor and assigns, in writing; and if, for any reason, Grantors fail or refuse to remove same within said period of time prescribed, then, without any further consideration, the title to all or any part of such improvement(s) not so removed shall pass to and vest in the Grantee, its successors and assigns, forever.

SAVE and EXCEPT, HOWEVER, it is understood that Grantors are retaining title to the following listed bisected improvement(s): Wood Frame Building

Such improvement(s) shall be removed from the premises hereby conveyed by Grantors at their own expense on or before the 1st day of May, 2008, subject, however, to such extensions of time as may be granted by the State in writing, but in the event Grantors fail for any reason to remove said improvement(s) within the time herein provided for, title to that portion of said improvement(s) located upon the premises hereby conveyed shall immediately vest in the State of Texas, all for the same consideration herein above recited.

Grantors reserve all of the oil, gas and sulphur in and under the land herein conveyed but waive all rights of ingress and egress to the surface thereof for the purpose of exploring, developing, mining or drilling for same; however, nothing in this reservation shall affect the title and rights of the Grantee, its successors and assigns, to take and use all other minerals and materials thereon, therein and thereunder.

Grantors hereby acknowledge that their use of and access to the state highway facilities and/or turnpike project (hereafter called highway facility) to be constructed in conjunction with the highway facility of which the land hereby conveyed shall become a part, shall be and forever remain subject to the same regulation by legally constituted authority as applies to the public's use thereof; and Grantors further acknowledge that the design and operation of such highway facility requires that rights of ingress and egress and the right of direct access to and from Grantors' remaining property (if any) to said Highway facility, shall hereafter be governed by the provisions set out in said Exhibit "A", **SAVE AND EXCEPT** in the event access, or access points may be specifically allowed or permitted in said Exhibit "A", such access shall be subject to such regulation as is determined by the Texas Department of Transportation and/or the Texas Turnpike Authority Division to be necessary in the interest of public safety and in compliance with approved engineering principles and practices and subject to compliance with any applicable local municipal or county zoning, platting and/or permit requirements.

TO HAVE AND TO HOLD the premises herein described and herein conveyed together with all and singular the rights and appurtenances thereto in any wise belonging unto the State of Texas and its assigns forever; and Grantors do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to Warrant and Forever Defend all and singular the said premises herein conveyed unto the State of Texas and its assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, this instrument is executed on this the _____ day of _____, 2007.

Cottages of Rock Prairie Limited Partnership

By: _____
Deborah A. Griffin, President,
Hearthside Development Corp.,
General Partner of Cottages of Rock Prairie
Limited Partnership

Acknowledgment

State of Texas
County of Dallas

This instrument was acknowledged before me on _____ by Deborah A. Griffin, President of
Hearthside Development Corp. as General Partner of Cottages of Rock Prairie Limited Partnership.

Notary Public's Signature

EXHIBIT A

County: Brazos
Parcel No.: 26
Highway: FM Highway 2154
Limits: From: 0.3 Mile North of FM 2818
 To: 0.6 Mile South of SH 40
CSJ: 0540-04-056

PROPERTY DESCRIPTION FOR PARCEL 26

DESCRIPTION OF A 0.38 ACRE TRACT OF LAND LOCATED IN THE ROBERT STEVENSON LEAGUE, ABSTRACT No. 54 IN BRAZOS COUNTY, TEXAS, BEING A PORTION OF LOT 1, BLOCK 14, (14.0753 ACRES PER PLAT) OF EDELWEISS ESTATES, PHASE FIVE, A SUBDIVISION RECORDED IN VOLUME 2537, PAGE 67, OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS (O.R.B.C.TX.), CONVEYED TO COTTAGES OF ROCK PRAIRIE, LIMITED PARTNERSHIP (EXHIBIT "A"), AND RECORDED IN VOLUME 2257, PAGE 308, O.R.B.C.TX., SAID 0.38 ACRE TRACT, AS SHOWN ON A RIGHT-OF-WAY SKETCH PREPARED BY SAM, INC. FOR THIS PARCEL, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8-inch iron rod with a Texas Department of Transportation (TxDOT) aluminum cap set in the proposed northeast right-of-way line of F.M. Highway 2154, being 76.37 feet left of Survey Baseline 'G' Station 227+68.60, and being in the common line of said 14.0753 acre tract and a called 11.29 acre tract of University Industrial Center ~ Phase I, a subdivision recorded in Volume 456, Page 249, of the Deed Records of Brazos County, Texas (D.R.B.C.TX.), conveyed to Oceanography International Corporation, and recorded in Volume 449, Page 108, D.R.B.C.TX., and being a northeasterly corner of the tract described herein and the **POINT OF BEGINNING**, from which a 1/2-inch iron rod found in the common line of said 14.0753 acre tract and said 11.29 acre tract bears, N 41° 57' 54" E, a distance of 1169.17 feet;

1.) **THENCE** S 41° 57' 54" W, leaving said proposed northeast right-of-way line, with the common line of said 14.0753 acre tract and said 11.29 acre tract, a distance of 41.57 feet to a calculated point for the south common corner of said 14.0753 acre tract and said 11.29 acre tract, being in the curving existing northeast right-of-way line of said F.M. Highway 2154 as conveyed to the State of Texas and recorded in Volume 171, Page 181, D.R.B.C.TX., and being the southeasterly corner of the tract described herein;

THENCE with said existing northeast right-of-way line, same being the south line of said 14.0753 acre tract, the following two (2) courses and distances:

2.) with the arc of a curve to the left, a distance of 249.55 feet, through a central angle of 04° 54' 19", having a radius of 2914.79 feet and whose chord bears, N 44° 36' 21" W, a distance of 249.47 feet to a TxDOT Type I concrete monument found (broken), and being a southerly corner of the tract described herein, and

3.) N 47° 03' 29" W, a distance of 125.63 feet to a 1/2-inch iron rod found in the common line of said 14.0753 acre tract and the existing south right-of-way line of Mortier Drive, a 60 foot wide right-of-way, as described in Volume 2537, Page 67, O.R.B.C.TX., and being a southwesterly corner of the tract described herein;

4.) **THENCE** leaving said existing northeast right-of-way line of said F.M. Highway 2154, with the arc of a curve to the right, a distance of 38.66 feet, through a central angle of 88° 36' 22", having a radius of 25.00 feet and whose chord bears N 02° 27' 00" W, a distance of 34.92 feet to a 1/2-inch iron rod found in the common line of said 14.0753 acre tract and said existing south right-of-way line of Mortier Drive, being a southwesterly corner of the tract described herein;

5.) **THENCE** N 41° 57' 03" E, with the common line of said 14.0753 acre tract and said south right-of-way line of Mortier Drive, a distance of 52.56 feet to a TxDOT Type II concrete monument set 112.19 feet left of Survey Baseline 'G' Station 223+74.76, being in said proposed northeast right-of-way line, and being a northwesterly corner of the tract described herein, from which a ½-inch iron rod found in the common line of said 14.0753 acre tract and said south right-of-way line of Mortier Drive bears, N 41° 57' 03" E, a distance of 1376.83 feet;

THENCE through the interior of said 14.0753 acre tract, with said proposed northeast right-of-way line, the following three (3) courses and distances:

- 6.) S 08° 47' 00" W, a distance of 44.95 feet to a TxDOT Type II concrete monument set 75.00 feet left of Survey Baseline 'G' Station 224+00.00,
- 7.) S 46° 59' 56" E, passing a TxDOT Type II concrete monument set 74.88 feet left of Survey Baseline 'G' PC Station 225+27.86 feet at a distance of 127.86 feet, continuing at a distance of 176.82 feet for a total distance of 304.68 feet to a TxDOT Type II concrete monument set 80.00 feet left of Survey Baseline 'G' Station 227+00.00, and
- 8.) S 39° 59' 50" E, a distance of 70.55 feet to the **POINT OF BEGINNING**, and containing 0.38 acre of land, more or less.

All bearings are based on the Texas State Plane Coordinate System, Central Zone, NAD 83 (93).


This property description is accompanied by a separate plat.

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF TRAVIS §

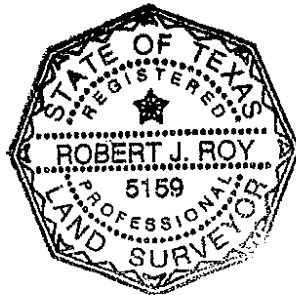
That I, Robert J. Roy, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas this the 5th day of December 2003 A.D.

SURVEYING AND MAPPING, Inc.
 5508 West Highway 290
 Building B
 Austin, Texas 78735



 Robert J. Roy
 Registered Professional Land Surveyor
 No. 5159 - State of Texas



CURVE TABLE

NO.	DELTA	RADIUS	LENGTH	CHORD	CHORD BEARING	TAN
C1	04° 54' 19"	2914.79'	249.55'	249.47'	N44° 36' 21" W	124.85'
[C1]	04° 54' 19"	2914.80'	249.54'	249.47'	N44° 36' 48" W	124.85'
C2	88° 36' 22"	25.00'	38.66'	34.92'	N02° 27' 00" W	24.40'
[C2]	89° 01' 48"	25.00'	38.85'	35.05'	S02° 33' 04" E	24.58'

LINE TABLE

LINE NO.	BEARING	DISTANCE
L1	S41° 57' 54" W	41.57'
L2	N41° 57' 03" E	52.56'
L3	S08° 47' 00" W	44.95'
L4	S39° 59' 50" E	70.55'
[L4]	S42° 58' 11" W	87.96'

OCEANOGRAPHY INTERNATIONAL CORPORATION
(11.29 AC. PER PLAT)
VOL. 449, PG. 108
D.R.B.C.TX.

LEGEND

- TYPE I CONCRETE MONUMENT FOUND
- TYPE II CONCRETE MONUMENT FOUND
- TYPE III CONCRETE MONUMENT SET
- 1/2" PIPE FOUND UNLESS NOTED
- 3/4" IRON ROD W/TXDOT ALUMINUM CAP SET UNLESS NOTED
- 1/2" IRON ROD FOUND UNLESS NOTED
- 'K' IN CONCRETE
- FENCE POST FOUND UNLESS NOTED
- 60 D NAIL SET UNLESS NOTED
- 60 D NAIL FOUND UNLESS NOTED
- ▲ CALCULATED POINT
- △ PROPERTY LINE
- ▬ CENTER LINE
- [] RECORD INFORMATION
- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCING
- P.O.R. POINT OF REFERENCE
- P.C. POINT OF CURVATURE
- P.T. POINT OF TANGENCY
- N.T.S. NOT TO SCALE
- RF IRON ROD FOUND
- RP IRON PIPE FOUND
- P.U.E. PUBLIC UTILITY EASEMENT
- O— OVERHEAD UTILITY
- O.P.R.B.C.TX. OFFICIAL PUBLIC RECORDS BRAZOS COUNTY, TEXAS
- D.R.B.C.TX. DEED RECORDS BRAZOS COUNTY, TEXAS
- P.R.B.C.TX. PLAT RECORDS BRAZOS COUNTY, TEXAS
- X— WIRE FENCE
- W— WOOD FENCE
- @— CHAIN LINK FENCE

GRAPHIC SCALE
1"=100'



BRAZOS COUNTY, TEXAS

ROBERT STEVENSON LEAGUE, A-54

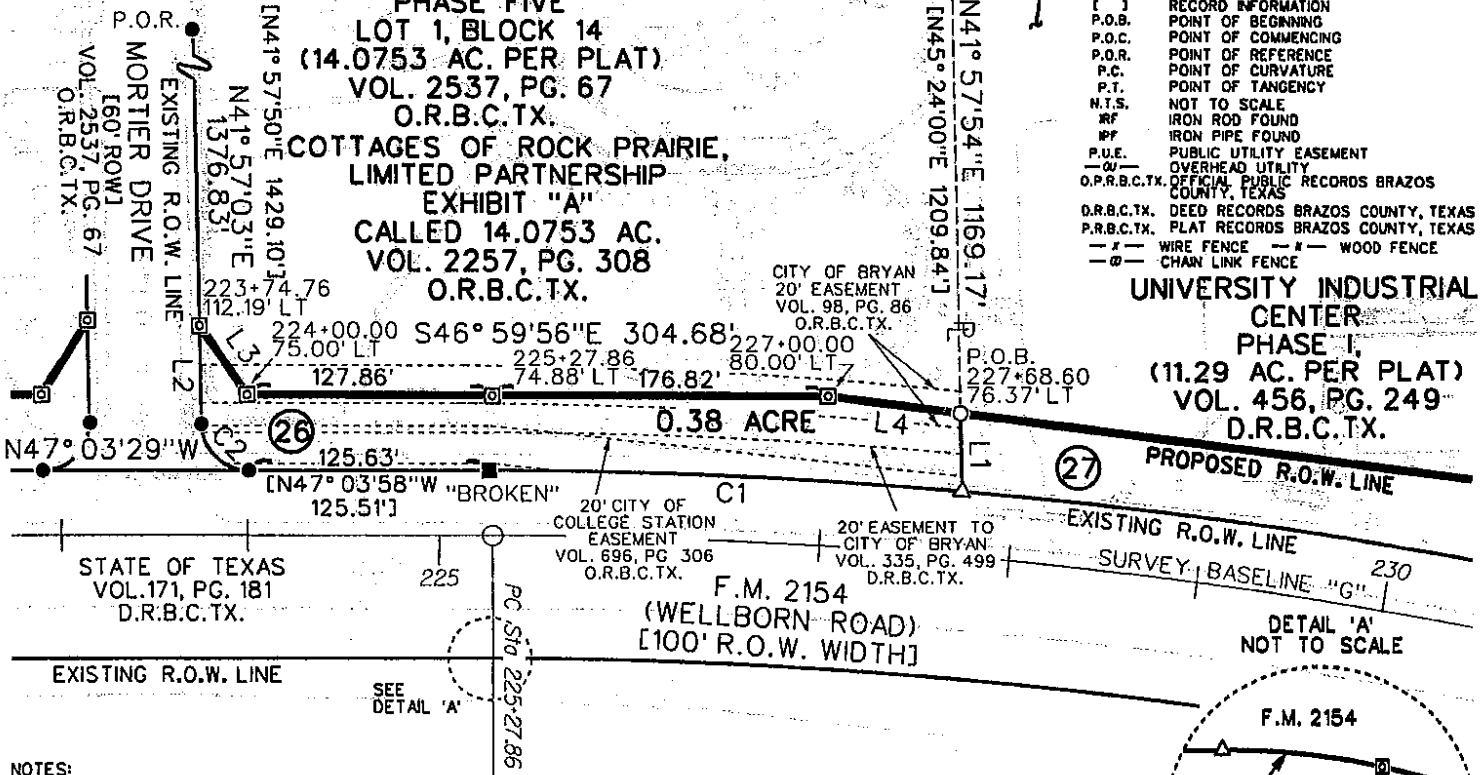
EDELWEISS ESTATES
PHASE FIVE

LOT 1, BLOCK 14
(14.0753 AC. PER PLAT)
VOL. 2537, PG. 67
O.R.B.C.TX.

COTTAGES OF ROCK PRAIRIE,
LIMITED PARTNERSHIP
EXHIBIT "A"
CALLED 14.0753 AC.
VOL. 2257, PG. 308
O.R.B.C.TX.

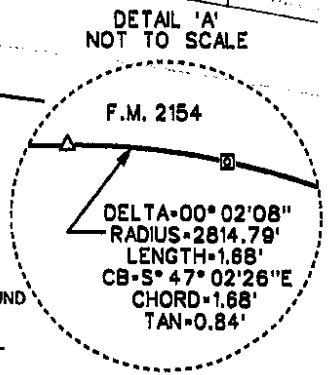
CITY OF BRYAN
20' EASEMENT
VOL. 98, PG. 86
O.R.B.C.TX.

UNIVERSITY INDUSTRIAL CENTER
PHASE I,
(11.29 AC. PER PLAT)
VOL. 456, PG. 249
D.R.B.C.TX.



NOTES:

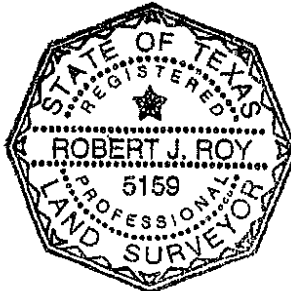
- RECORD INFORMATION ON THIS DRAWING IS BASED ON A PUBLIC RECORDS SEARCH BY THE SURVEYOR AND AGGIELAND TITLE COMPANY AND MAY NOT INCLUDE ALL EASEMENTS OR INSTRUMENTS PERTAINING TO THIS PROPERTY.
- ALL BEARINGS AND COORDINATES ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, NAD 83 (93). ALL DISTANCES AND COORDINATES SHOWN ARE SURFACE AND MAY BE CONVERTED TO GRID BY MULTIPLYING BY A COMBINED SCALE FACTOR OF 1.00012.
- IMPROVEMENTS SHOWN HEREON ARE BASED UPON TXDOT AERIAL SURVEY DIGITAL FILES, SUPPLEMENTED BY ON-THE-GROUND SURVEY BY SAM, INC. THERE MAY BE ADDITIONAL IMPROVEMENTS THAT ARE NOT SHOWN.
- VISIBLE UTILITIES SHOWN HEREON ARE BASED UPON VISIBLE EVIDENCE FOUND ON THE GROUND. THERE MAY BE ADDITIONAL UNDERGROUND UTILITIES THAT ARE NOT SHOWN.
- PROPERTY DESCRIPTION OF EVEN DATE ACCOMPANIES THIS PLAT.



I HEREBY CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION, AND THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert J. Roy
ROBERT J. ROY
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 5159, STATE OF TEXAS

12/05/03
DATE



PAGE 3 OF 3
REF. FIELD NOTE NO. 3046



5508 West Highway 280, Building B
Austin, Texas 78735
(512) 447-0575
Fax: (512) 328-3029

RIGHT-OF-WAY SKETCH
SHOWING PROPERTY OF
COTTAGES OF ROCK PRAIRIE
LIMITED PARTNERSHIP
CSJ NO. 0540-04-056
ACCT. NO. 8017-1-63

TCR Montgomery Partners Limited Partnership
10333 Richmond Avenue, Suite 400
Houston, Texas 77042

April 27, 2007

Brooke Boston
Deputy Executive Director for Programs
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

VIA OVERNIGHT MAIL

RE: Request for Application Amendment, Park at Piney Woods
(formally known as Montgomery Trace Apartments), Project No.
01420, Montgomery Trace Apartments, L.P. (the "Partnership")

Dear Ms. Boston:

On behalf of the Partnership, TCR Montgomery Partners Limited Partnership (the "Second Replacement General Partner") formally requests an amendment to the original tax credit application submitted in 2001 by Montgomery Trace Apartments I, LLC (the "Original General Partner").

Background:

The Park at Piney Woods is a qualified residential multifamily development financed with private-activity tax-exempt bonds issued in May 2001 by the Montgomery Housing Finance Corporation (the "Issuer"). The Issuer received a bond reservation for the development on January 3, 2001 after participating on the bond lottery allocation process in October of the prior year.

This request involves material alterations and changes to the development that was described in the original application. As outlined herein, the material alterations include a reduction to the total number of units in the development, a change in the unit-type composition and sizes, and changes to the amenity package. These changes were necessary because the original development as proposed in the application proved infeasible.

Upon determination by the investor limited partner that the development was not feasible as proposed, SunAmerica removed the original general partner and admitted an entity related to SunAmerica as a placeholder general partner allowing them to "workout" the deal, preserve their equity investment, limit their credit exposure on the bonds and preserve the volume cap for affordable housing use.

As part of the workout, SunAmerica sought a replacement general partner/developer and approached Trammell Crow Residential ("TCR") to serve in that capacity. After discussing the workout with TDHCA in September 2002 and after receipt

of approval from TDHCA in December 2002, a TCR affiliate was admitted as the replacement general partner. Throughout 2003, SunAmerica and TCR worked through the feasibility and structure issues and developed plans for a feasible development. Using these plans, construction started in February 2004 and the development was completed in August 2005.

For reference, the following outlines the chronology of events:

January 3, 2001	Texas Bond Review Board issued a bond reservation with an expiration date of May 3, 2001.
Date Unknown	Original general partner entered into a partnership agreement with Lend Lease Montgomery Trace, LLC as Investor Limited Partner. Lend Lease entities were referenced in the original application as equity investor, interim lender and permanent lender. They subsequently withdrew from the transaction.
April 26, 2001	Determination Notice based on the tax credit application issued by TDHCA
May 2, 2001	Partnership agreement executed between the original General Partner and SunAmerica Housing Fund 937 as the investor limited partner. Bonds closed.
September 11, 2001	TDHCA approves the transfer of the original general partner's interest to SLP Housing II, LLC, a SunAmerica entity (the "First Replacement General Partner").
September 13, 2001	Original general partner assigned all of its interest to the First Replacement General Partner and withdraws from the Partnership.
September 3, 2002	After being approached by SunAmerica to step in and build the development, representatives from SunAmerica and TCR meet with Edwina Carrington, Executive Director of TDHCA, to discuss the need for a proposed workout of the deal, the admission of TCR as the replacement general partner for SunAmerica and the need for changes to the development for feasibility purposes. TCR was advised to submit the development changes in conjunction with cost certification.
September 13, 2002	TCR formally requests TDHCA's approval for the transfer and assignment of the general partner's interest from the SunAmerica entity to the TCR entity.
December 19, 2002	TDHCA formally approves TCR entity as the second replacement general partner and is admitted to the Partnership.
February 9, 2004	Construction Start
August 8, 2005	Construction Complete

Amendments Requested:

The following summarizes the amendments requested:

	<u>Original Application</u>	<u>Amendments Requested</u>
Total # Units:	208	188
Product Type:	2-story Garden Flats	2-Story Townhome
# Residential Buildings:	26	16
Net Rentable Area:	193,528 190,618	193,124
Restricted Rentable Area:	190,618	193,124
Common Area:	3,500	4,046
<u>Unit Mix:</u>	<u>#</u> <u>Square</u>	<u>#</u> <u>Square</u>
	<u>Units</u> <u>Feet</u>	<u>Units</u> <u>Feet</u>
1-bedroom/1-bath	68 48 668	8 684
1-bedroom/1-bath	18 28 710	N/A
1-bedroom/1.5-bath	N/A	16 795
1-bedroom/1.5-bath	N/A	4 826
2-bedroom/1.5-bath	N/A	88 1,027
2-bedroom/2-bath	26 56 950	24 1,102
2-bedroom/2-bath	34 24 983	4 1,128
3-bedroom/2.5-bath	52 1,246	44 1,143
Average Square Feet	918 930	1,027
Garages:	208	0
Exterior Construction:	Stone Veneer/HardiBoard	HardiBoard
Roof:	Composition/Laminate Shingle	Composition Shingle
Microwaves:	Yes	No
Recreation Room:	No	Yes (Fitness Center)
Bathtub:	Fiberglass/Steel (both checked)	Fiberglass

Justification for Amendments:

As discussed with then Executive Director Edwina Carrington in 2002, one primary reason for working through this transaction was to preserve the volume cap for affordable housing use. Because the bonds had been issued, the public purpose of the volume cap would have been lost if the bonds had simply been redeemed. The resulting development provides for 188 townhome units that are currently providing affordable housing at the 50% area medium income rent level. While this represents a 20 unit

Ms. Brooke Boston
Texas Department of Housing & Community Affairs
April 27, 2007
Page 5 of 5

Attachments:
Auditors Cost Certification Report
Check #1098 for \$2,500 Amendment Processing

Cc: Cynthia L. Bast, Locke Liddell & Sapp LLP
Tom Gouris, TDHCA

Action Summary

Assigned by: **Edwina Carrington, Executive Director**

Date: 9-13-02

Assigned to: Sara Newson

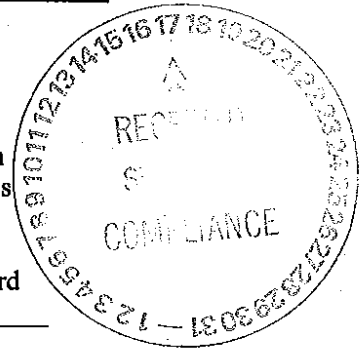
CC TO:

Anne Paddock
Aurora Carvajal
Bill Dally
Bobbie Hill
Brooke Boston
Byron Johnson
Charles Nwaneri
Chris Wittmayer
Curtis Howe

David Burrell
David Aldrich
David Gaines
Delores Groneck
Donna Schielack
Eddie Fariss
Elena Peinado
Eric Pike
Gina Esteves

Homer Cabello
Jesse Mitchell
JoAnn DePenning
John Gonzales
Keith Hoffpauir
Michael Lyttle
Nidia Gaston
Paul Smith
Peggy Colvin

Robert Onion
Ruth Cedillo
Sarah Anderson
Suzanne Phillips
Tom Gouris
Trisha Randow
Willie Faye Hurd



RE: 2 requests for change of gps - tax

ACTION TO BE TAKEN:

DUE DATE: 9-20-02 credits

For you Information only

For your Approval

For your Signature

Please handle

Please see me

Provide suggestions

Prepare response & return

Respond with copy to me

OTHER:

If follow-up is required, please fill out and return Action Taken to the Executive Office

ACTION TAKEN:

TASKS

FILE

transferred to allocation

Please copy any follow-up correspondence to the Executive Office, attention Delores, Groneck. TASKS will be kept OPEN until a copy is received.



MGROUP

Received

APR 16 2007

April 12, 2007

Mr. Ben Sheppard
Multi Family Finance and Production
Texas Department of Housing and Community Affairs
221 East 11th
Austin, Texas 78711-3941

via email & regular mail

RE: Amendment Request Residences on Stillhouse Road, TDHCA # 02040

Dear Ben,

Please accept this letter as our explanation regarding the site plan and building changes you identified in your email correspondence dated April 7, 2007 for Residences on Stillhouse Road.

You indicated that some of the items may be considered "significant changes" thus the changes would then be "material" and sent to the Board. As explained below, we respectfully disagree that any of the changes are significant in any way and none of the changes materially altered the development from the application. Further, none of the changes resulted in any threshold or scoring obligation not being met. The changes identified are 1) Site plan coverage; 2) Fourplex configuration; 3) Driveway location and 4) Parking. I will address these items in order as follows:

1) Site plan coverage

The preliminary site plan from the application represented a loop drive circulation system along the perimeter of the site boundary enclosing a central recreation area with adjacent clubhouse. Dwelling structures were shown to be located along the loop drive. The as-built condition has the same loop drive system with a central recreation area and clubhouse with all dwelling buildings located on the loop drive. The only difference on the constructed plan is that the loop drive does not extend into the remaining 200 feet +/- of the eastern property.

There are a couple of reasons the loop drive did not extend fully into the eastern most boundary of the site. The first reason is because the last 180' feet +/- of the east property has a low ponding area which is not suitable for buildings so it was incorporated into a drainage function for the development. A topographic survey was not available to the design team at application phase so this area was not known to be un-suitable for construction until well into the engineering phase of the development. The second reason the site did not extend fully into the eastern property is because the buildings were placed adjacent to the parking spaces to reduce the distance the seniors would have to travel from their parking to their units.

While the tightening of the loop drive system did not place a building on the eastern property line, the design intent of how the site would function did not change in any significant and certainly not in any material way. A loop drive is still a loop drive no matter if one leg is slightly shorter. The completed site plan also incorporated site features such as a community walking trail that was not shown on the application site plan.

2) Fourplex configuration

The application represented that 19 single story fourplexes would be constructed. The units were represented "in line". The project would contain 51,400 s.f of NRA. The dwelling building gross slab area was shown to be 64,059 s.f. What was actually built was 19 single story fourplexes but in a "quad" configuration with 55,328 s.f NRA. The actual constructed gross slab area for the dwelling buildings is 73,486 s.f. You indicated that perhaps this was done for apparent cost savings but clearly since we increased the NRA by 3,928 s.f and the slab area by 9,427 s.f., there was no cost savings whatsoever.

We tweaked the building design configuration to the benefit of and for the betterment of the seniors who would be living and utilizing the buildings. The plans from the application (if built) would have required the seniors to walk in excess of 30 feet from the parking area to their units. That is not desirable for seniors carrying groceries from their vehicles. The plan design that was built placed the parking immediately adjacent to the building so the tenants now walk 4 feet from their parking space to the covered porches to access their unit. The as built design also provided storage units for the tenants in one location which was neither an obligation nor requirement from the application. Additionally, the final building design allowed for a continuous and integrated walk system which

connected all unit entries in the building. The inline design that was proposed simply could not provide the same proximity to parking or the accessibility to all unit entries by covered porches. The as built design is superior in all respects to the preliminary plans from the application.

At issue is whether or not a change from "inline" fourplexes to "quad" fourplexes is considered a significant or material design change. In our opinion, a significant design change would have been if we changed the design from single story to multi-story, or vice versa, or if we changed from 19 buildings to 4 buildings or from elevator to non elevator structures or even worse, if we changed the unit mix. We represented and then built fourplexes in the same number of buildings and in the same single story building type from the application. We were obligated to build 19 fourplexes and we did just that. We exceeded and improved upon any representation in the application as evident by the larger units and larger slabs that were built.

3) Driveway location

The preliminary site plan from the application indicated a 300 foot long "flag lot" access from a to-be constructed street "by others" along the south side of the property. What was actually built was a flag lot access drive of 345 feet but on the west side of the property extending directly from Stillhouse Road into our development. Unfortunately, the land seller was not able to build the medical office park he envisioned within the timeframe we would have required access to our site so he provided a flag lot access from the only existing public street able to serve our development.

While we had no control over the construction of the proposed new road, the intent of a flag lot was still maintained from the application to the as built condition. It is in-material that the orientation of the flag lot is from the west instead of the south. This is not a significant design change.

4) Parking

The preliminary site plan represented 140 typical parking spaces. These spaces were proposed as typical 9 foot by 18 foot long spaces. What was built was 109 spaces but at a much larger size of 10 feet by 21 ½ feet. Even though there was a reduction in parking spaces the square footage represented from the application (22,680 s.f.) is actually less than the 23,435 s.f. built.

Page 4
April 12, 2007
Mr. Ben Sheppard
TDHCA #02040

Moreover, at the time the project was proposed, the site was in the county and not subject to any jurisdictional parking requirements. The conceptual site plan from the application was only an estimate of how many parking spaces should be provided. There are recognized senior housing parking standards of .75 spaces per unit. We actually built 1.44 spaces per unit almost double the industry standard. We exceeded the actual parking square footage from the application even though the physical number of parking spaces is less. The property has excess parking available with 109 spaces which validates the senior housing parking standard. Nevertheless, if it is the pleasure of staff and or the Board, we would be happy to demonstrate how we can place 31 additional parking spaces on the existing site if such spaces are necessary for any application obligation.

In summary, we believe that the changes outlined and justified above are in each and every case trivial and not significant design changes. None of the changes are material and none changed the threshold or scoring of the application. Any obligation required by the application has been met or exceeded. To expect that any development must be built in exact conformance to the conceptual plans in an application is not reasonable. In simplest terms, proposing a loop drive or single story fourplex or a flag lot access are not materially different just because the constructed loop drive has a shorter leg, or because an in line shape of a building is now a square shape. A fourplex is still a fourplex building type as long as it has four units!

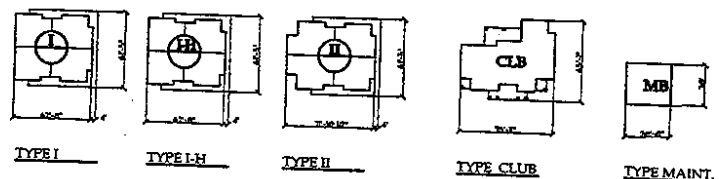
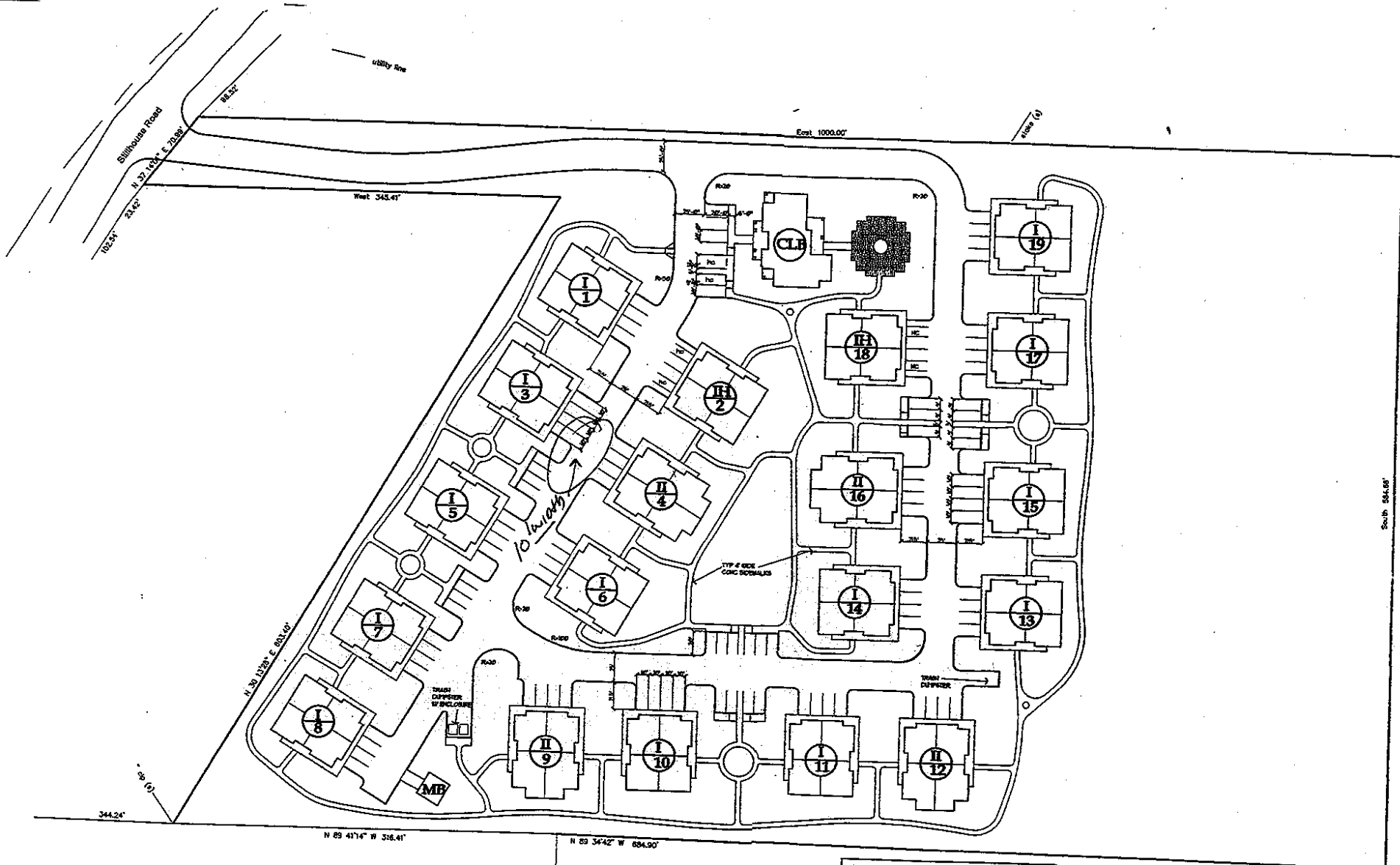
Thank you in advance for your consideration of our responses and justifications. Please let us know if we need to provide any additional documentation in order to assist you with your processing.

Sincerely,


~~MGROUP HOLDINGS, INC.~~

Mark D. Musemeche
Vice-President

/MDM



BUILDING KEY PLANS

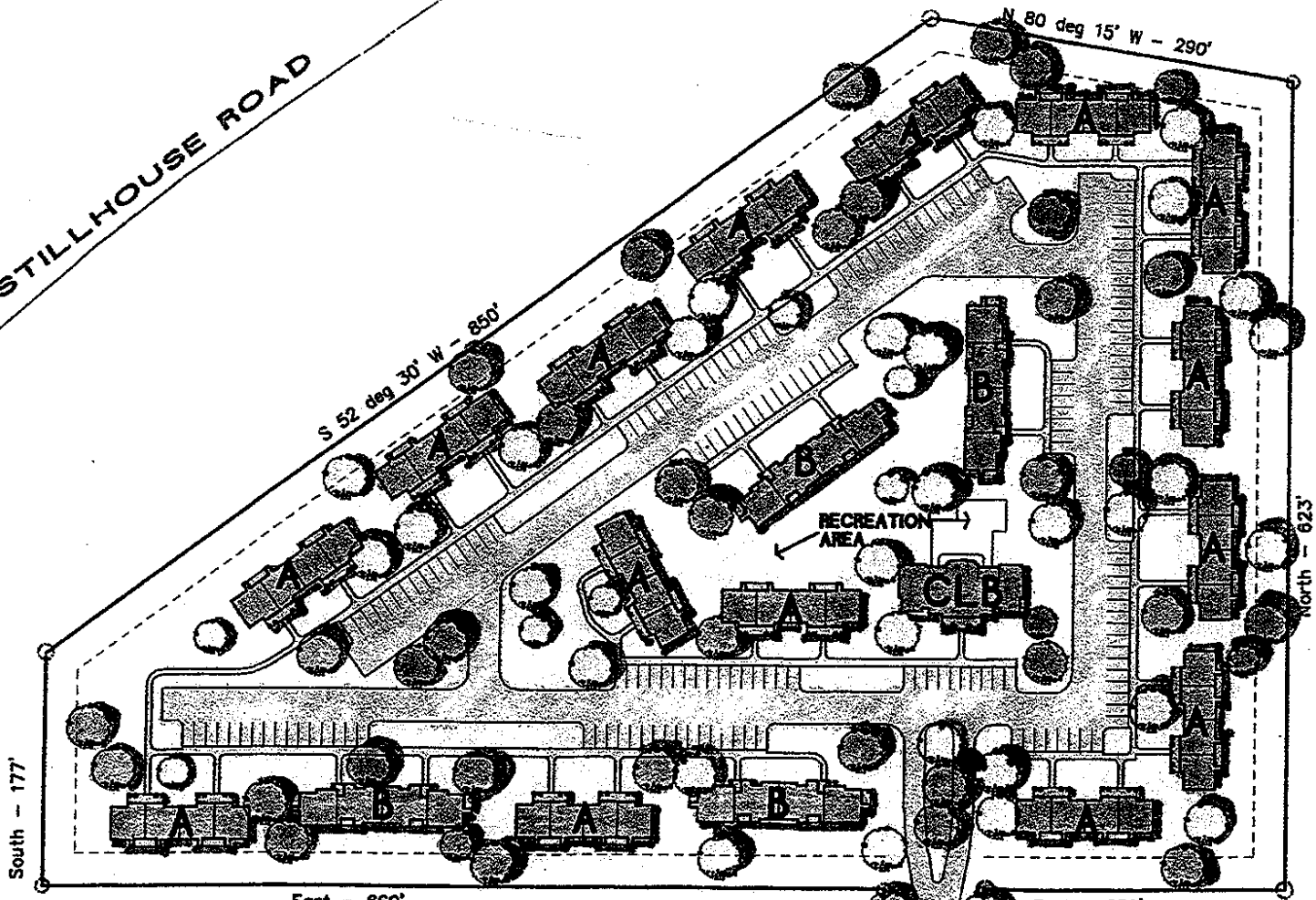
DEVELOPMENT PROGRAM

TYPE	DESCRIPTION	NUMBER	SQ. FT.	TOTAL SQ. FT.
E1	TYPE I BLDG	64	300	44800
E2	TYPE I-H BLDG	4	300	3600
E3	TYPE II BLDG	2	300	1200
TOTALS		70	4800	50320
OTHER BUILDING				
CB	CLUB BUILDING	1	3700	3700
MB	MAINT. BLDG	1	400	400
PARKING				
STANDARD OPEN PARKING SPACES PROVIDED				
CANTON COVERED PARKING				
BIKE CLUB ACCESSIBLE PARKING				
PARKING SPACES REQUIRED				
NOTE - CHESAPEAKE CITY ASSOCIATION				
.75 SPACES PER UNIT IS INDUSTRY STANDARD FOR ELDERLY				
TOTAL ALL PARKING SPACES PROVIDED			320	
PARKING SPACES PER UNIT			1.44	

11 SITE PLAN
SCALE 1" = 40'

1. SEE CIVIL PLANS PREPARED BY FISH ENGINEERS FOR ALL BUILDING LOCATIONS, PAVED LAYOUTS AND DRAINAGE.
 2. SEE LAYOUTS FOR PLUMBING, FIRE ALARMS, GAS, WATER AND SEWERAGE.
 3. ALL WALKS TO BE OF TRUCK CONCRETE WITH SURFACE ON CONTRACTOR PREPARED SUBGRADE.
 ALL WALKS AT REAR OF PARKING LOT ADJACENT TO BUILDING TO BE 4' WIDE. ALL OTHERS TO BE 4' WIDE. SEE DET.
 4. TRASH REMOVAL SHALL BE ACCOMPLISHED BY OPEN CONTAINERS ENCLOSED BY WOOD FENCES SEE CIVIL PLAN.
 5. ALL WALKS ON THIS SITE SHALL BE ACCESSIBLE FOR HANDICAPPED PERSONS. A CONTIGUOUS STRIP OF ACCESSIBLE WALKS SHALL BE PROVIDED TO ALL BUILDINGS INCLUDING ACCESSIBLE TRAMPOLIN INTO THE GROUND FLOOR STAIRS.

STILLHOUSE ROAD



South - 177'

S 52 deg 30' W - 850'

N 80 deg 15' W - 290'

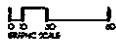
North - 623'

East - 660'

East - 236'

South - 300'

North - 300'



SITE DEVELOPMENT PLAN

THE RESIDENCES ON STILLHOUSE ROAD

BUILDING DISTRIBUTION

TYPE	QUANTITY	UNITS	
		1/1	2/1
A	15 BUILDINGS	60	
B	4 BUILDINGS	8	8

TOTALS 19 BUILDINGS 68 8
 76 UNITS
 140 PARKING SPACES
 75' Street ROW (Street by others)

CITY OF PARIS Proposed Medical Office Facility

140 spaces

SOUTHWEST HOUSING

January 7, 2008

Texas Department of Housing & Community Affairs
Attn: Ben Sheppard
2211 East 11th Street
Austin, TX, 78701

Re: TX Acme A South Housing, L.P. / Rosemont at Bethel Place -- 4% HTC - TDHCA #04447

Dear Mr. Sheppard,

As noted in the attached cost certification deficiency letter for the above-mentioned property, the original application reflected that the development site would consist of 20 acres and 515 uncovered parking spaces. However, upon completion, the project consisted of 16.399 acres and 483 parking spaces both covered and uncovered.

At the time of initial application the development contracted for a ground lease with Bethel United Methodist Church for 20 acres assuming it would need all of it to site plan 250 units. However, when the Architect site planned this development, it was discovered that only the 16.399 acres was required to adequately and efficiently fit all buildings and amenities. Therefore, the development gave back the remaining acreage (3.61 acres) to the Church with no reduction to the ground lease. However, the commitment to originally provide 20 acres has resulted in a 3.61 acreage variance to the original application. The audited certified cost of the ground lease was \$325K per schedule 10C of the TDHCA Cost Certification. While the Ground Lease amount did not change due to the reduction in acreage, it could be perceived that there is a reduction in value of \$16,250/acre or a total shortfall of \$58,662. We also provided 273 covered and 210 uncovered parking spaces as opposed to 515 uncovered spaces per the original application. The amount of parking spaces provided is in accordance with the City of San Antonio requirements.

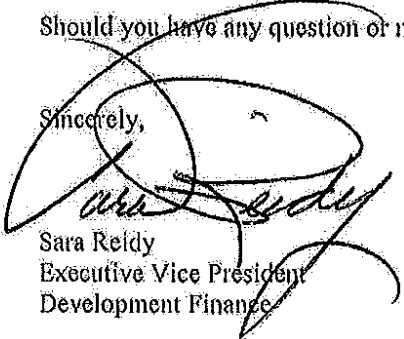
Please accept this letter as request to substitute the variances for the following additional amenities provided by the development. I have enclosed evidence by providing a copy of the Exhibit 5A: Development Summary with Architect Certification, invoice copies and a cost analysis for the additional Gross Building Area provided by our architect for your review.

- 273 carports - cost \$117,500
- 611 additional SF added to clubhouse - cost at \$59.29/SF - \$36,226
- 17,924 additional GBA - cost at \$22.07 - \$395,582

The total cost of the additional amenities per the attached documentation is approximately \$549,308 which well exceeds the perceived reduction in value. This change does not adversely affect the original application nor does it materially alter the quality of the development. Please note that we have cleared all other construction and cost certification deficiency items.

Should you have any question or need clarification, please feel free to call me at 214.891.7824.

Sincerely,



Sara Reidy
Executive Vice President
Development Finance

Encl/js

Affordable Housing Construction, Inc.

1301

National Carport Industries

DATE	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE	
9-30-06	SAA-SD01-S	117500.00	.00	117500.00	
CHECK DATE	10-23-06	CHECK NUMBER	37955	TOTAL >	117500.00
					.00
					117500.00

PLEASE DETACH AND RETAIN FOR YOUR RECORDS

Affordable Housing Construction, Inc.

1301

National Carport Industries

DATE	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE	
9-30-06	SAA-SD01-S	117500.00	.00	117500.00	
CHECK DATE	10-23-06	CHECK NUMBER	37955	TOTAL >	117500.00
					.00
					117500.00

PLEASE DETACH AND RETAIN FOR YOUR RECORDS

Affordable Housing Construction, Inc.

5910 North Central Expressway

Suite 1145

Dallas, Texas 75206

214-891-1402

Texas Capital Bank
Dallas, Texas

32-1797
1110

DATE	CHECK NO.	AMOUNT
October 23, 2006	37955	\$****117,500.00

Pay: *****One hundred seventeen thousand five hundred dollars and no cents

Plain Paper Stock

** VOID * VOID * VOID **

over \$2,500.00 requires two signatures

**** NOT NEGOTIABLE ****

PAY TO THE ORDER OF
National Carport Industries
P.O. Box 2323
Sherman, TX 76091-2323

boiler room

Sara Reidy

From: Buz Owens [buzowens@bgoarchitects.com]
Sent: Wednesday, January 02, 2008 2:10 PM
To: Sara Reidy
Subject: RE: Acme

A contractor just added up the unit prices on one of his projects built in about the same time frame for exterior covered space for the breezeway and balcony area and came up with \$22.07 per square foot.

Hope this helps

GBA - (B)

John N. "Buz" Owens
BGO Architects, Inc.
4245 N. Central Exp.
Dallas, TX 75205
214-520-8878

From: Sara Reidy [mailto:SReidy@Southwesthousing.com]
Sent: Friday, December 21, 2007 11:23 AM
To: Buz Owens
Cc: Jeannie Shipley
Subject: RE: Acme

Also, when Jeannie gets back in town I will have her forward you the appropriate TDHCA exhibit to sign that has the revised GBA.

Jeannie, make sure you send Buz the most current version with a corrected GBA of 300,019 as opposed to 298,502. Please put this on my desk prior to your vacation.

=====
Sara Reidy
Executive Vice President
Southwest Housing Development
6910 N. Central Expressway, Ste. 1145
Dallas, TX: 75206
214.891.7824 / direct
214.887.4032 / fax
Email: sreidy@southwesthousing.com
=====

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From: Buz Owens [mailto:buzowens@bgoarchitects.com]
Sent: Friday, December 21, 2007 7:51 AM
To: Sara Reidy
Subject: RE: Acme

If there is a question in there, I did not catch it. Here is an analysis of Gross Building Area:

Building Type	GBA	# of buildings	Total SF	Project Total
GBA				
A	24,408	7	170,856	
C	21,692	3	65,076	
I	21,973	1	21,973	
J	17,251	2	34,502	
Total Apartment buildings		13	292,407	292,407
Club Building				6,710

1/2/2008

Laundry/Mail
Boiler Room
Project Total GBA

582
320
300,019

These calculations use the building code definition of building area and the areas permitted are as listed on page 1.0 of the construction drawings except for the Laundry/Mail and Boiler room. When my staff added this up, they may have used the net area for the club. I apologize if the confusion on our part has caused any difficulty.

John N. "Buz" Owens
BGO Architects, Inc.
4245 N. Central Exp.
Dallas, TX 75205
214-520-8878

From: Sara Reidy [mailto:SReidy@Southwesthousing.com]
Sent: Thursday, December 20, 2007 10:01 AM
To: Buz Owens
Cc: Jeannie Shipley
Subject: Acme

We are in the process of seeking TDHCA board approval for a change at Acme. Ben with TDHCA wrote up the following. Can you review and then provide your comments.
Thank you

Notice that the architect certified in the cost certification that the development has 298,502 square feet of gross building area instead of the 245,484 square feet proposed. The architect's certification does not seem to be comparing like with like because the 245,484 square feet proposed in the application was 240,000 of NRA and 5,484 of common area (this should have been all heated and cooled space to fit our definition of NRA and common area but the common area might have included in the separate laundry building in the original plan) and the 298,502 square feet obviously includes something more than the 240,000 sf of NRA and the 6,095 sf of common area that the architect has certified as built. Nevertheless, there is a positive difference of 611 sf between the 5,484 sf proposed common area and 6,095 sf certified common area. Besides the 611 sf, there is another $(298,502 - 245,484 - 611 =) 52,407$ sf of GBA that has been certified and that was not in the application's "Square Footage and Applicable Fraction" exhibit (Volume 1, Exhibit 3, Part B). Even if the 52,407 sf includes porches and balconies, the application underwriting report only included the 36,000 square feet of these covered spaces as the application only represented 36,000 sf in the same "Square Footage and Applicable Fraction" exhibit just referenced (see page 2 of the exhibit). To make a long story short (as if that could still be done) the development has at least $(52,407 \text{ sf} - 36,000 \text{ sf} =) 16,407$ sf of GBA in excess of what was represented in the application. If the space is not enclosed, your architect would probably tell you that just the roof and floor is worth about \$25 per sf. So, the excess is worth maybe $(16,407 \text{ sf} \times \$25 =) \$410,000$.

=====
Sara Reidy
Executive Vice President
Southwest Housing Development
5910 N. Central Expressway, Ste. 1145
Dallas, TX 75205
214.891.7824 / direct
214.987.4032 / fax
Email: sreidy@southwesthousing.com
=====

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EXHIBIT 5A DEVELOPMENT SUMMARY WITH ARCHITECT'S CERTIFICATION

DEVELOPMENT NAME: ROSEMONT AT BETHEL PLACE FILE NUMBER: 04447

Indicate in **BOLD** any changes to the Development and provide documentation from the Department which acknowledges the changes, labeled as Exhibit 5B. If the Department did not receive prior notification, submit a letter with support documentation stating the reason for the changes. Unless prior approval was given, a reduction in the tax credit allocation may occur.

Set-Aside: Non-Profit General Rural/Prison Communities Other: (Specify)
 Does this development serve exclusively elderly households? No Yes

LOCATION

Development Address: 535 Acme Road
 City: San Antonio County: Bexar Zip: 78237

SITE ATTRIBUTES

Total Site Acreage: 16.399 # Units per Acre: 15.24
 Census Tract Number: 1716 Zoning Designation/Use: MF-25

The present use of the property is non-conforming under existing zoning restrictions. Yes No N/A

Federal Emergency Management Agency Flood Zone Designation(s): Zona(s) X

Site is entirely outside a designated 100 yr. Flood Hazard Area or Flood Plain? Yes No

Site is within Hazard Area but development is designed as required by program rules? Yes No

DEVELOPMENT ATTRIBUTES *Check all that apply*

Development is: New Construction Rehabilitation Only Acquisition & Rehabilitation
 Building/Unit Configuration: Detached Residence Duplex Triplex Fourplex
 Townhome >4 units per building Single Room Occupancy
 Maximum # of Floors: 3 Elevator-Served: No Yes

AT APPLICATION

Total # of residential buildings: 13
 Total # of nonresidential buildings: 1
 Total # of units: 230
 Gross Building Area (GBA): 245,484 + 36,000 (A)
 Net Rentable Area (NRA): 240,000
 Common area square footage: 5,484

PLACED IN SERVICE

Total # of residential buildings: 13
 Total # of nonresidential buildings: 2
 Total # of units: 230
 Gross Building Area (GBA): 300,019 18535-611 = 17924
 Net Rentable Area (NRA): 240,000
 Common area square footage: 6,095 611 @ 59.29 = 36,21

Gross Building Area (GBA): GBA includes interior corridors, lobbies, basements, mezzanines, utility chases, and elevator shafts. The GBA includes community rooms, swimming pool, bathhouses, mechanical rooms, maintenance shops, and storage rooms so long as such spaces are fully enclosed and available for use by or for the benefit of all tenants.

Net Rentable Area (NRA): To qualify as NRA the space must be available exclusively to the tenant and is typically heated and cooled by a mechanical HVAC system. NRA does not include common hallways, stairwells, elevator shafts, janitor closets, electrical closets, balconies, porches, patios, or other areas not actually available to the tenants for their furnishings, nor does NRA include the enclosing of such walls.

*** 17924 * 22.07 = 395,582.7**

DEVELOPMENT ATTRIBUTES (CONTINUED)

Check the box/enter the percentage make-up for each attribute found in the completed Development.

EXTERIOR The following elements are part of the completed Development:

Parking

- Surface 483 spaces
- Garages
- Attached _____ spaces
- Detached _____ spaces
- Carports 273 spaces

Roofs

- Built-Up Rook
- Comp. Shingle (25-year)
- Comp. Shingle (30-year)
- Wood Shingle/Shake
- Clay Tile
- Other (Describe)

Walls

- 10% Masonry/Brick
- _____ % Hardplank
- 10% Wood Siding
- 80% Stucco
- _____ % Other (Describe)

Amenities

- Full perimeter fencing
- Community laundry room and/or laundry hook-ups in Units
- Recreation facilities
- On-site daycare, senior center or community meals room
- Computer facilities
- Covered entries
- Use of energy efficient alternative construction materials w/wall insulation at a minimum of R-20
- Accessible walking path
- A service coordinator office
- Covered pavilion w/barbecue grills and tables
- Furnished fitness center
- Game/TV/Community room
- Enclosed sun porch or covered community porch/patio
- Senior Activity Room (Arts and Crafts)
- Secured Entry (elevator buildings only)
- Community Dining Room w/full or warming kitchen
- Gazebo with sitting area

- Controlled gate access
- Designated playground and equipment
- Furnished community room
- Public telephone (24 hrs.)
- Storage area/room or closet
- Covered patios or balconies
- Community gardens
- Barbecue grills and picnic tables - at least one for every 50 Units
- Service coordinator office in addition to leasing offices
- Equipped Business Center (computer & fax machine) or Equipped Computer Learning Center
- Library (separate from the community room)
- Swimming pool
- Horseshoes, lawn bowling courts, croquet courts, bocce ball courts, putting green or shuffleboard court
- Two Children's Playgrounds Equipped for 5 to 12 year olds, two Tot Lots, or one of each
- Furnished and staffed Children's Activity Center
- Sport Court (Tennis, Basketball or Volleyball)
- Health screening room

INTERIOR The following are items found in each Housing Tax Credit unit:

Kitchen

- Range/Oven
- Self cleaning or continuous cleaning
- Hood/Fan
- Garbage Disposal
- Dishwasher
- Refrigerator
- with Icemaker
- Microwave
- Energy Star or equivalently rated Kitchen Appliances

Floors

- 80% Carpet
- 20% Vinyl
- _____ % Tile
- _____ % Other (Describe)
- Ceramic tile floors in entry, kitchen and baths

Air System

- Central (12 SEER)
- Central (14 SEER)
- Heat Pump
- Evaporative Cooling
- Window Units
- Other (Describe)

Other Amenities

- Mini blinds or window coverings throughout
- Computer line/phone jack in each bedroom
- Laundry connections
- Washer and dryer included
- Ceiling fixtures in all rooms
- Nine foot ceilings
- High speed internet service to all Units at no cost to residents
- Fire sprinklers in all Units

ENERGY EFFICIENCY *The following energy saving devices were installed in each Low Income Housing Tax Credit unit:*

- Gas heating system with a minimum 80% fuel efficiency (if allocated in 2000);
- Gas heating system with energy factor of 0.59 (if allocated in 2001);
- A shading coefficient for windows of 0.4 provided in the form of solar screens or dual pane insulating, low-e windows (if allocated in 2000 or 2001);
- Utilization of appliances and residential light fixtures that qualify for the US EPA and the US Department of Energy's Energy Star Label. At a minimum, this shall include the installation of programmable thermostats, water heaters, refrigerators and dishwashers in each unit (if allocated in 2000 or 2001).
- Roof radiant barrier;
- Insulation values must meet the 2000 International Energy Conservation Code (IECC) for the region in which the development is located. Rehabilitation developments must also include soffit and ridge vents and storm windows;
- Energy Star rated heating and cooling systems, or in dry climates an evaporative cooling system may replace the Energy Star cooling system;
- All appliances installed to be Energy Star rated;
- Maximum 2.5 gallon/minute showerheads and maximum 1.5 gallon/minute faucet aerators;
- If used, natural gas heating systems must have a minimum energy factor of 0.85; and
- If recessed lighting is used, it must use either compact fluorescent lights or fluorescent tube lights
- Ceiling fans in living room and each bedroom;

The Undersigned, architect, hereby certifies that the Development Information as set forth in Exhibit 5A is, to the best of his/her knowledge, true and accurate for the subject property, ROSEMONT AT BETHEL PLACE.

BGO Architects, Inc.

Architect

By:

John N. Owens
Authorized Signature

Name: John N. Owens

Title: C.O.O.

Date: 1-2-08

MULTIFAMILY COMPARATIVE ANALYSIS
 Rosemont at Acme, San Antonio, 4% HTC, #04447

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
 Average Quality Multiple-Residence Units

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Basic Cost			\$49.83	\$10,519,200
Adjustments:				
Exterior Wall Finish	0.45%		\$0.20	\$47,338
Elderly/Fl. Ceilings	3.00%		1.81	315,578
Roofing			0.00	0
Subfloor			(0.68)	(182,400)
Floor Cover.			2.00	480,000
Porches/Balconies	\$18.00	35000	2.70	846,000
Plumbing	\$608	344	0.87	208,120
Built-in Appliances	\$1,650	250	1.72	412,500
Stairs	\$1,700	94	0.67	159,800
Floor Insulation			0.00	0
Heating/Cooling			1.63	367,200
Garages/Carpools			0.00	0
Comm &/or Aux Bldg	\$58,295	6,484	1.35	325,130
Other:			0.00	0
SUBTOTAL			65.50	13,320,482
Current Cost Multiplier	1.05		2.78	889,023
Local Multiplier	0.85		(8.33)	(1,988,069)
TOTAL DIRECT CONSTRUCTION COSTS			\$49.05	\$11,988,416
Plans, specs, survey, bid prep	3.50%		(\$1.95)	(\$467,548)
Interim Construction Interest	3.38%		(1.09)	(404,609)
Contractor's OH & Profit	11.50%		(5.74)	(1,378,868)
NET DIRECT CONSTRUCTION COSTS			\$40.67	\$9,737,691

PAYMENT COMPUTATION

Primary:	\$12,260,000	Term:	480
Int Rate:	6.75%	DCR:	1.02
Secondary:			
Int Rate:	0.00%	Subtotal DCR:	1.02
Additional:			
Int Rate:	\$8,023,498	Aggregate DCR:	1.02

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$8,119,408
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW:	\$81,546

Primary:	\$11,316,171	Term:	480
Int Rate:	6.75%	DCR:	1.10
Secondary:			
Int Rate:	0.00%	Subtotal DCR:	1.10
Additional:			
Int Rate:	\$8,023,498	Aggregate DCR:	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,886,676	\$2,026,676	\$2,086,343	\$2,146,834	\$2,213,702	\$2,665,939	\$2,874,627	\$3,446,408	\$4,834,372
Secondary Income	45,000	46,360	47,741	49,179	50,648	58,715	69,097	78,608	100,046
Other Support Income (lease)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,011,676	2,071,928	2,134,084	2,196,016	2,264,350	2,824,654	3,042,693	3,527,316	4,740,417
Vacancy & Collection Loss	(160,866)	(155,304)	(160,056)	(164,856)	(169,801)	(180,819)	(228,202)	(264,649)	(355,631)
Employee or Out of Non-Rent	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,860,710	\$1,918,624	\$1,974,028	\$2,031,248	\$2,094,248	\$2,427,805	\$2,814,491	\$3,262,767	\$4,384,886
EXPENSES at 4.00%									
General & Administrative	\$92,000	\$95,680	\$99,517	\$103,408	\$107,350	\$130,950	\$160,330	\$193,840	\$266,944
Management	93,000	95,827	98,701	101,662	104,712	121,380	140,728	163,138	219,244
Payroll & Payroll Tax	211,500	219,960	228,756	237,800	247,426	301,030	368,250	445,699	609,695
Repairs & Maintenance	103,251	107,081	111,076	116,143	120,789	146,958	178,797	217,533	322,003
Utilities	40,604	42,124	43,809	45,561	47,383	57,649	70,139	85,335	128,316
Water, Sewer & Trash	61,173	64,420	67,797	71,309	74,961	115,635	140,566	171,020	253,152
Insurance	60,000	62,400	64,896	67,492	70,192	85,389	103,001	126,411	167,110
Property Tax	181,224	187,873	194,380	201,355	208,610	229,472	279,188	339,675	502,802
Reserve for Replacement	60,000	62,000	64,080	66,243	68,483	71,166	88,684	105,342	155,933
Other	67,000	69,660	72,367	75,166	78,061	95,362	116,022	141,154	200,050
TOTAL EXPENSES	\$959,696	\$997,164	\$1,036,082	\$1,076,638	\$1,118,583	\$1,354,919	\$1,641,601	\$1,989,062	\$2,822,057
NET OPERATING INCOME:	\$901,014	\$919,378	\$937,946	\$956,710	\$975,663	\$1,072,886	\$1,172,891	\$1,273,705	\$1,482,828
DEBT SERVICE									
Fixed-Ten Financing	\$810,468	\$810,468	\$810,468	\$810,468	\$810,468	\$810,468	\$810,468	\$810,468	\$810,468
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$81,546	\$99,910	\$118,478	\$137,243	\$156,105	\$253,419	\$353,623	\$454,237	\$643,361
DEBT COVERAGE RATIO	1.10	1.12	1.14	1.17	1.19	1.31	1.43	1.55	1.79

LOCKE LIDDELL & SAPP PLLC

ATTORNEYS & COUNSELORS

100 CONGRESS
SUITE 300
AUSTIN, TX 78701-4042

AUSTIN • DALLAS • HOUSTON • NEW ORLEANS • WASHINGTON, D.C.

Phone: (512) 305-4700
Fax: (512) 305-4800
www.lockeliddell.com

Direct Number: (512) 305-4707
email: cbast@lockeliddell.com

August 20, 2007

VIA HAND DELIVERY

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Received

Re: **Amendment Request -- Site Plan Change**
Mesa Vista Apartments in Donna, Texas
TDHCA No. 05026

AUG 20 2007



Dear Ben:

We represent M V Housing, Ltd. (the "**Partnership**"), which is the owner of the Mesa Vista multifamily housing complex in Donna, Texas (the "**Property**"). The Partnership received low-income housing tax credits ("**Tax Credits**") for the construction of the Property in the 2005 application round.

Amendment Request

The purpose of this letter is to request approval of an amendment to the Property's site plan.

Detailed Description

The Tax Credit application for the Property contemplated that the Property would have five (5) buildings on approximately four (4) acres. In the application, TDHCA was also advised that the Mesa Vista Apartments were intended as replacement housing for the demolition and reconstruction of twenty (20) existing units of the Donna Housing Authority ("**DHA**"). Some of these existing units were occupied by senior citizens. Thus, although the Mesa Vista Apartments was being developed for the general population, DHA wanted to be able to accommodate the relocation of those senior citizens at the Property in the best possible manner. More specifically, DHA wanted all of the one-bedroom units on the Property to be on the ground floor.

As the Partnership completed the design phase of the Property, DHA and the Partnership determined that the site could be rearranged so that all of the one-bedroom units would be on the first floor. This involved the construction of one (1) additional building and the acquisition of two (2)

additional acres. The two (2) additional acres increased the purchase price for the land by \$30,000, which was accommodated by the contingency in the overall development budget.

The addition of a residential building was noted in TDHCA's property inspection, triggering the submission of this amendment request.

Please note the following about the revision of the site plan:

- The total net rentable square footage for the Property remains the same.
- The unit mix remains the same.
- The set-asides remain the same.
- There is no change in the amenities proposed for the Property.
- There is no change in the scoring of the Tax Credit application.
- The Property is actually less dense, with more green space, and is more desirable for the tenants in Donna.
- The overall development budget does not change, except for the \$30,000 increase in the purchase price for the land and a corresponding decrease in the contingency.
- The sources and uses and 30-year pro forma do not change.
- The rent schedule, utility allowances, and statement of annual expenses do not change.

To assist with your review of this request, the following attachments are provided:

- Exhibit A: Letter from DHA, indicating its desire for the site plan change to accommodate certain elderly tenants.
- Exhibit B: A copy of the original site plan, unit plan, and building plan, submitted with the Tax Credit application.
- Exhibit C: A copy of the revised site plan, unit plan, and building plan.
- Exhibit D: A copy of the General Warranty Deed by which the Partnership acquired approximately six (6) acres for the site.

Mr. Ben Sheppard
August 20, 2007
Page 3

Conclusion

Please provide approval for the change in site plan for Mesa Vista Apartments; approval should be communicated to the Compliance Division for inspection purposes. A check in the amount of \$2,500, payable to TDHCA, is enclosed to process this amendment. If this amendment requires Board approval, please include this amendment request for consideration at the next available TDHCA Board meeting. If you need additional information to process this request, please feel free to contact me or the Property owner. Thank you.

Sincerely,



Cynthia L. Bast

Enclosures

cc: Gavin Reid
TDHCA Compliance

Realtex Development Corp.

Donna Housing Authority

Exhibit A

To Amendment Request

Mesa Vista Apartments

Letter from DHA

THE HOUSING AUTHORITY OF THE CITY OF DONNA

August 17, 2007

Mr. Rick Deyoe
President
Realtex Development Corporation
912 South Capital of Texas Highway, Suite 200
Austin, Texas 78746

RE: TDHCA # 05026: Mesa Vista Apartments, Donna, Texas 78537

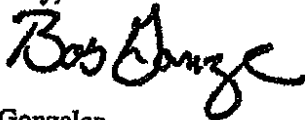
Dear Mr. Deyoe:

We have been made aware of the TDHCA inspection letter dated July 19, 2007 which describes Deficiency # 1 relating to the number of buildings on the Mesa Vista Apartments site. As you know, we at the Donna Housing Authority requested from the developer certain accommodations during the design process which impacted the site plan subsequent to the TDHCA application submittal. More specifically, the Mesa Vista Apartments included the replacement of several of our existing units on scattered sites; several of these units were occupied by seniors. It was our wish that, as these seniors were potentially relocated to the new Mesa Vista development, they would be able to relocate to first floor one bedroom units. Although we realize that the Mesa Vista application contemplated families, we sought to accommodate these seniors if possible.

As we progressed through the final design phase, and in numerous discussions with the design team, it became apparent that it would be possible to redesign so that additional one bedroom units were placed at first floor locations; however this required the addition of one building. The unit mix did not change. In addition, we were able to go to the landowner and expand the site so that the development density actually lowered and there was still plenty of parking and green space for the residents. All in all, with your help, we were able to accommodate these design revision with no negative impact to the development, and the Mesa Vista Apartments are now much more marketable and serve our residents much better than the original design.

We are extremely happy with the development and would hope that the Agency understands and concurs with the improvements that we made over and above the design reflected in the original application. Please let us know if you have any questions.

Sincerely,



Bob Gonzalez



EQUAL HOUSING
OPPORTUNITY

705 SILVER AVENUE * P.O. BOX 667 * DONNA, TEXAS 78537
PHONE: (956) 464-4478 * FAX: (956) 461-3798
E-MAIL: Txdha@valleyonline.com

Exhibit B

To Amendment Request

Mesa Vista Apartments

Original Site Plan, Unit Plan, and Building Plan

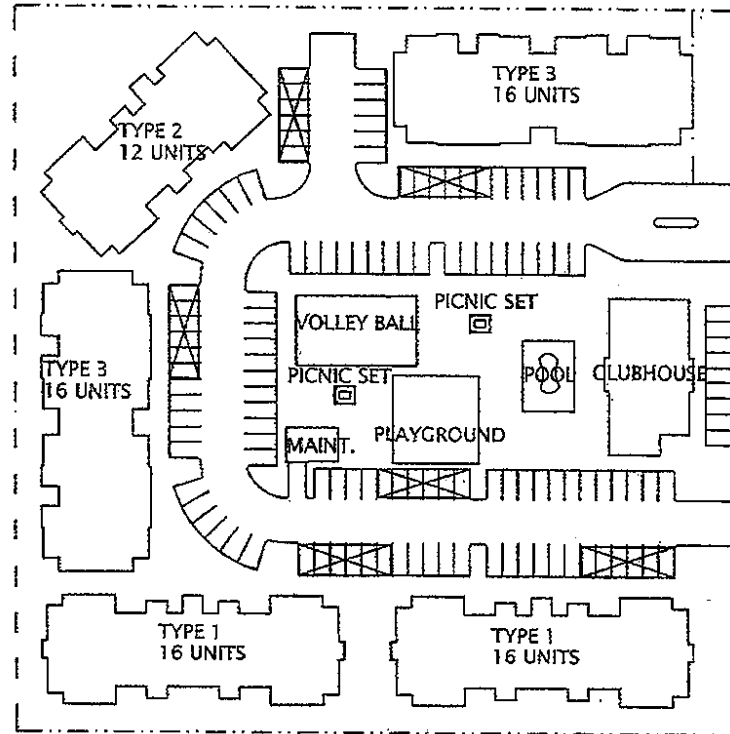
STITES STREET

NOTES:

PICNIC SETS WITH TABLES, GRILLS AND TRASH RECEPTACLES TO BE PLACED AT MULTIPLE LOCATIONS ACROSS SITE

CLUBHOUSE TO CONTAIN LEASING, FITNESS CENTER, MEDIA ROOM/ACTIVITIES CENTER, SUPPORTIVE SERVICES, BUSINESS CENTER, LAUNDRY ROOM AND EXTERIOR PUBLIC PHONE

SITE IS LOCATED IN SHADED ZONE B ON THE FLOOD INSURANCE RATE MAP, INDICATING THAT IT IS BETWEEN THE LIMITS OF THE 100 YEAR AND 500 YEAR FLOOD PLAINS; OR CERTAIN AREAS SUBJECT TO 100 YEAR FLOODING W/ AVERAGE DEPTHS LESS THAN ONE (1) FOOT OR WHERE THE CONTRIBUTING DRAINAGE AREA IS LESS THAN ONE SQUARE MILE; OR AREAS PROTECTED BY LEVEES FROM THE BASE FLOOD. (RATE MAP 480334 0425 C DATED 11/16/82)



SALINAS STREET



NDA

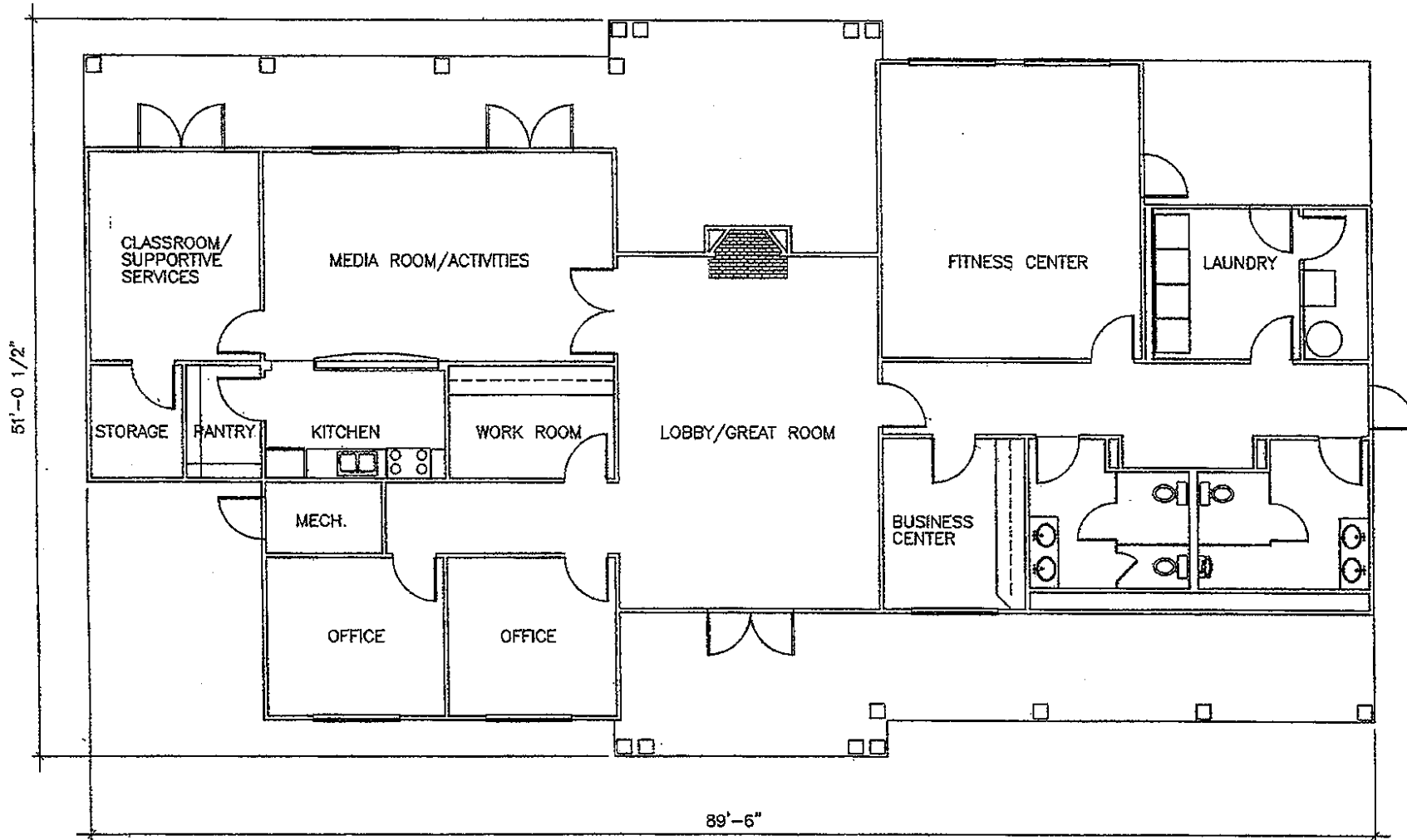
MESA VISTA APARTMENTS

01/05

SK-1

SITE PLAN

SCALE: 1"=100'-0"



NDA

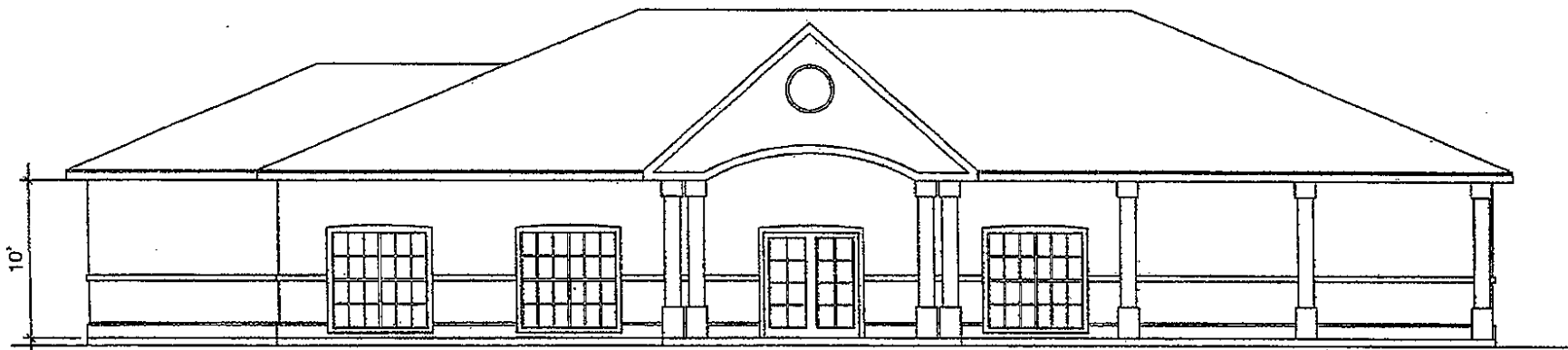
MESA VISTA APARTMENTS

01/05

SK-11

CLUBHOUSE/LEASING

SCALE: 1" = 10'-0"



NDA

MESA VISTA APARTMENTS

01/05

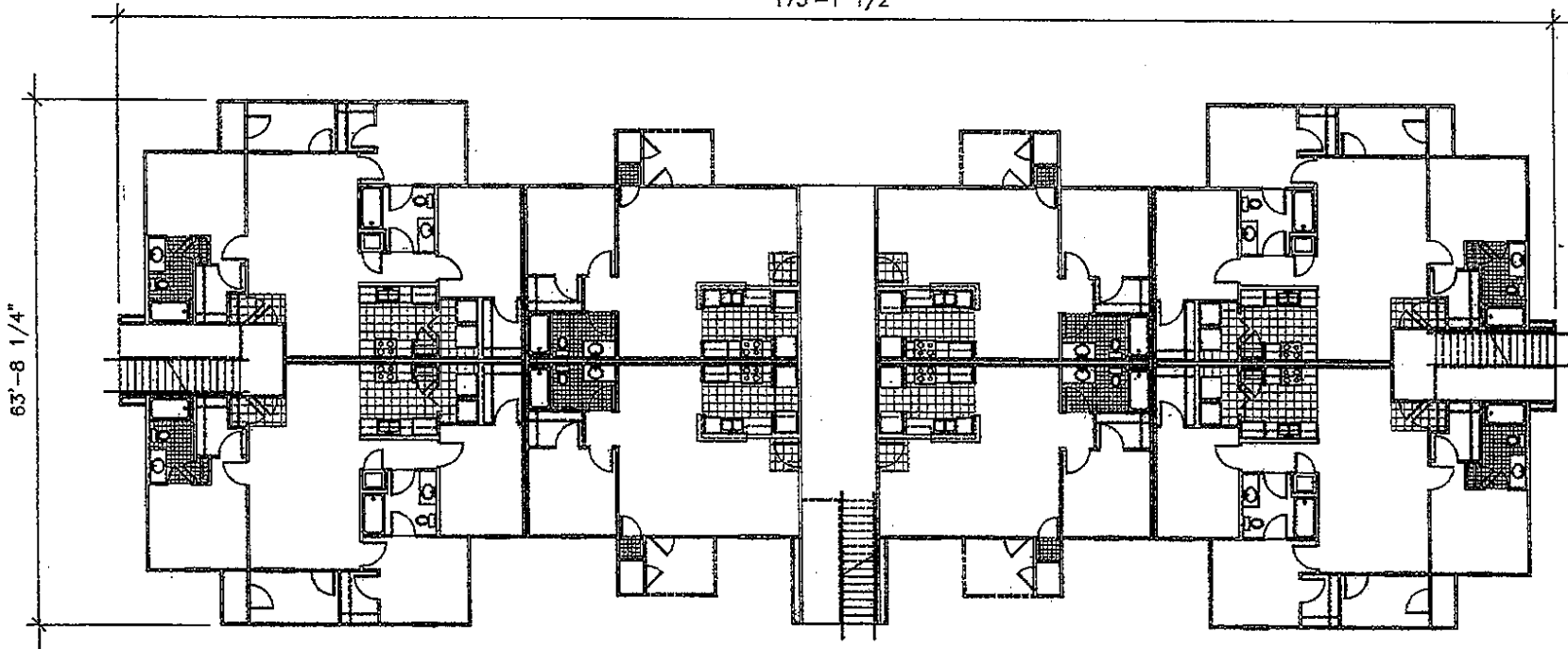
SK-12

CLUBHOUSE/LEASING 100% STUCCO

SCALE: 1" = 10'-0"

175'-1 1/2"

63'-8 1/4"



NDA

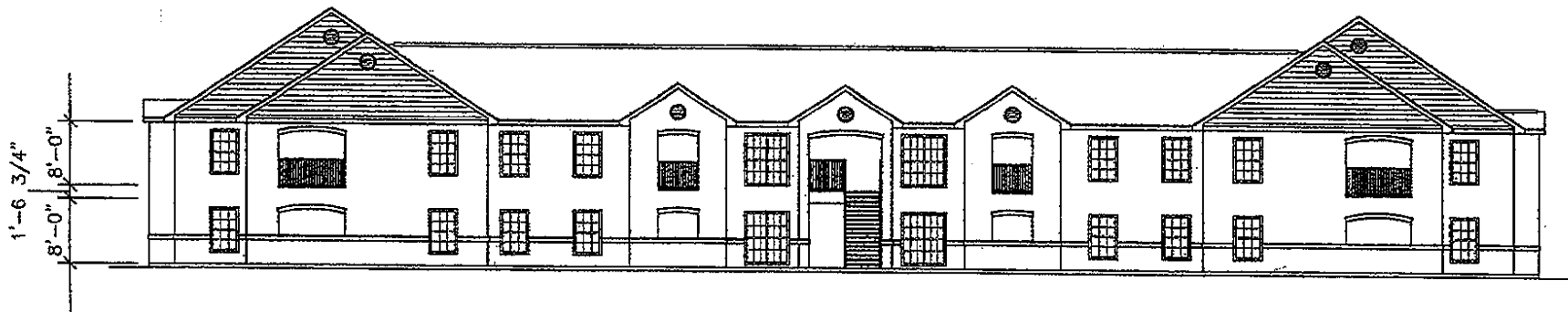
MESA VISTA APARTMENTS

01/05

SK-5

BUILDING TYPE 1 PLAN

SCALE: 1"=20'-0"



NDA

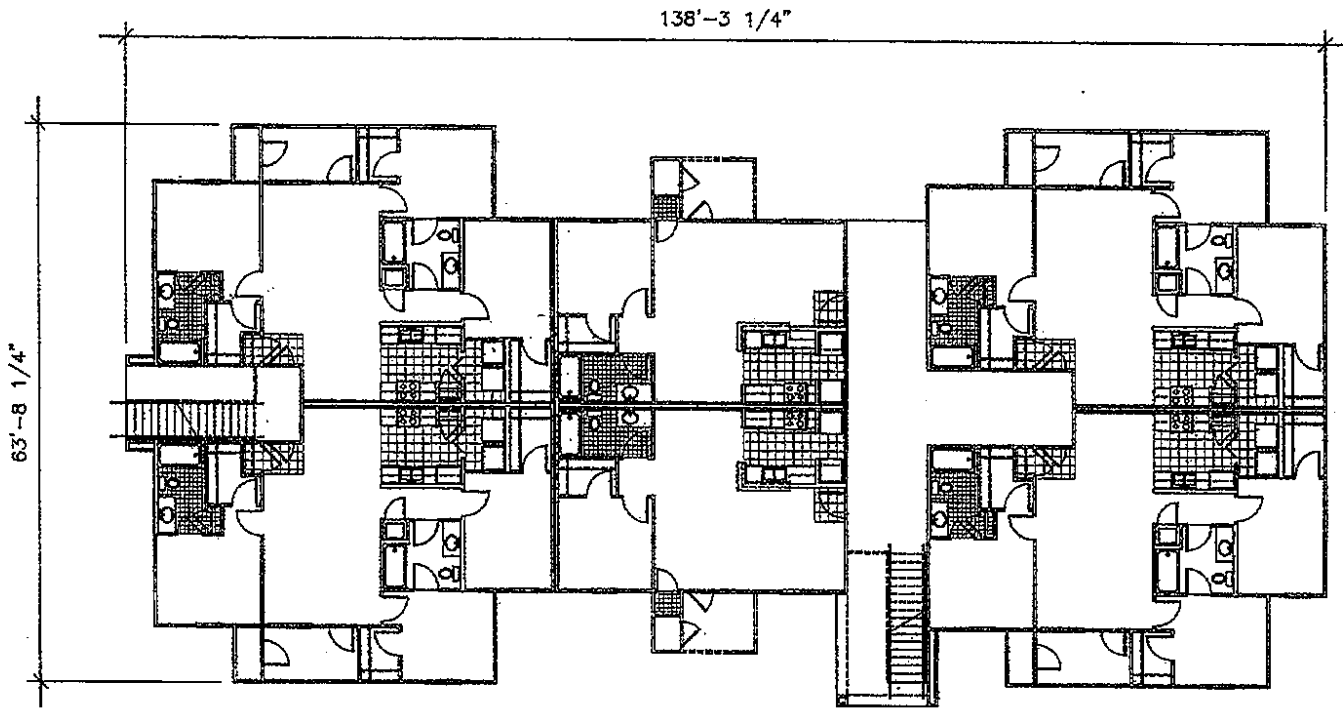
MESA VISTA APARTMENTS

01/05

SK-6

TYPE 1 - 50% STUCCO/50% HARDI-PLANK SIDING

SCALE: 1" = 20'-0"



NDA

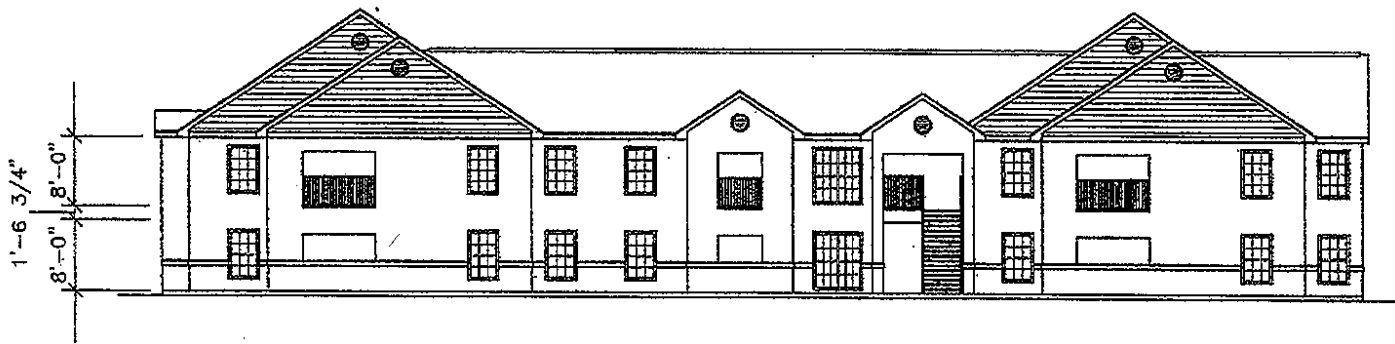
MESA VISTA APARTMENTS

01/05

SK-7

BUILDING TYPE 2 PLAN

SCALE: 1"=20'-0"



NDA

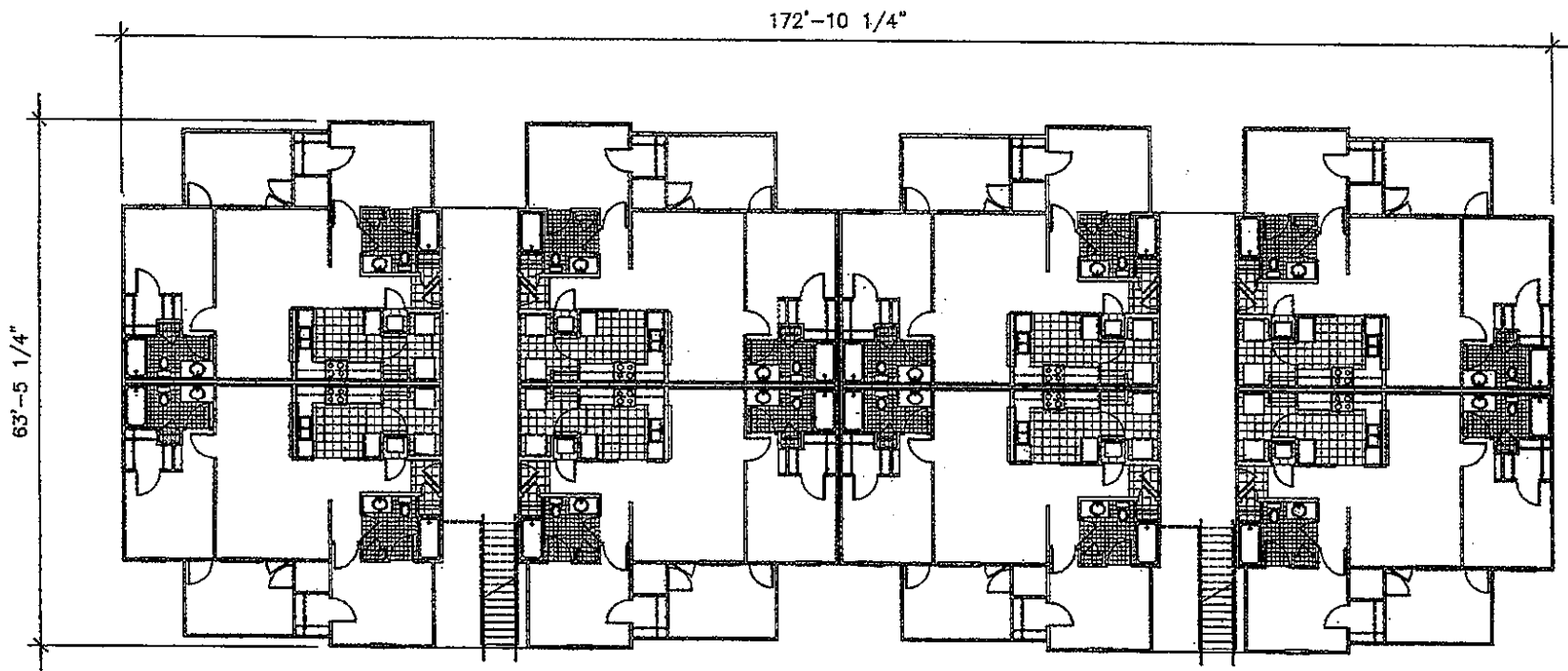
MESA VISTA APARTMENTS

01/05

SK-8

TYPE 2- 50% STUCCO/50% HARDI-PLANK SIDING

SCALE: 1" = 20'-0"



NDA

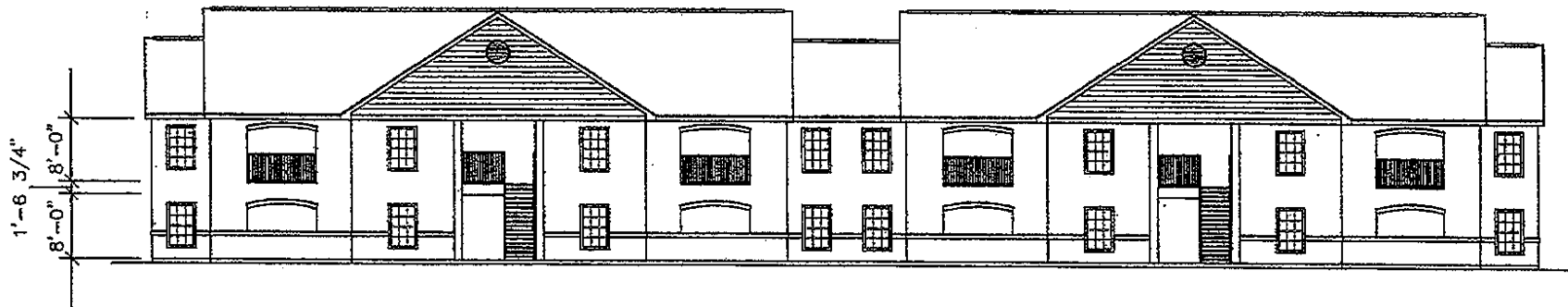
MESA VISTA APARTMENTS

01/05

SK-9

BUILDING TYPE 3 PLAN

SCALE: 1" = 20'-0"



NDA

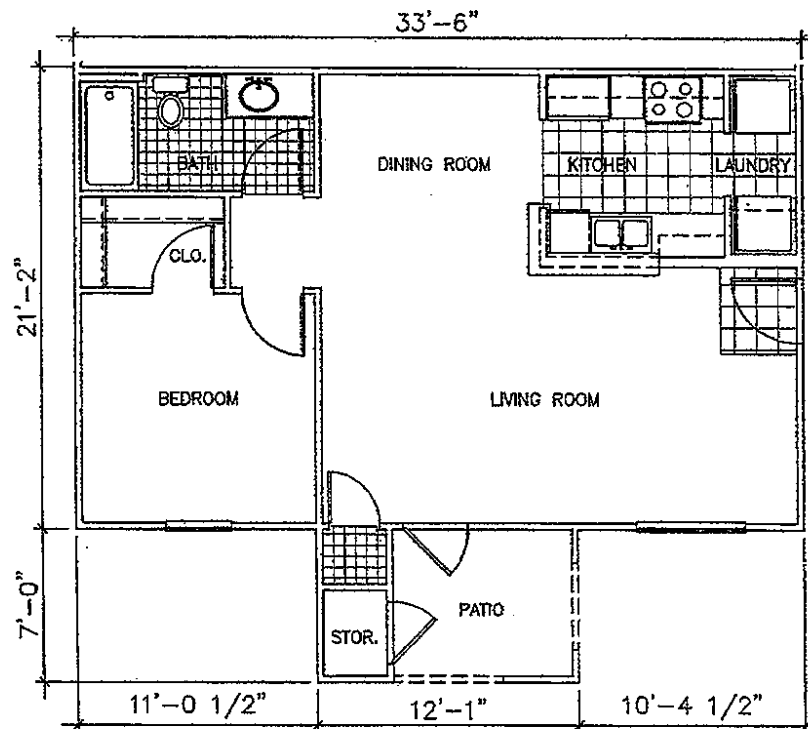
MESA VISTA APARTMENTS

01/05

SK-10

TYPE 3- 50% STUCCO/50% HARDI-PLANK SIDING

SCALE:1" = 20'-0"



NOTES:

ALL GROUND FLOOR UNITS TO BE CONSTRUCTED AS HANDICAPPED ADAPTABLE UNITS PER THE REQUIREMENTS OF THE FAIR HOUSING ACT

5% OF UNITS TO BE CONSTRUCTED AS ACCESSIBLE UNITS PER THE REQUIREMENTS OF T.A.S.

2% OF UNITS TO BE EQUIPPED FOR PERSONS WITH AUDIO/VISUAL IMPAIRMENTS

ALL UNITS TO MEET OR EXCEED THE REQUIREMENTS OF THE 2000 IECC AND ARE AIR-CONDITIONED.

NDA

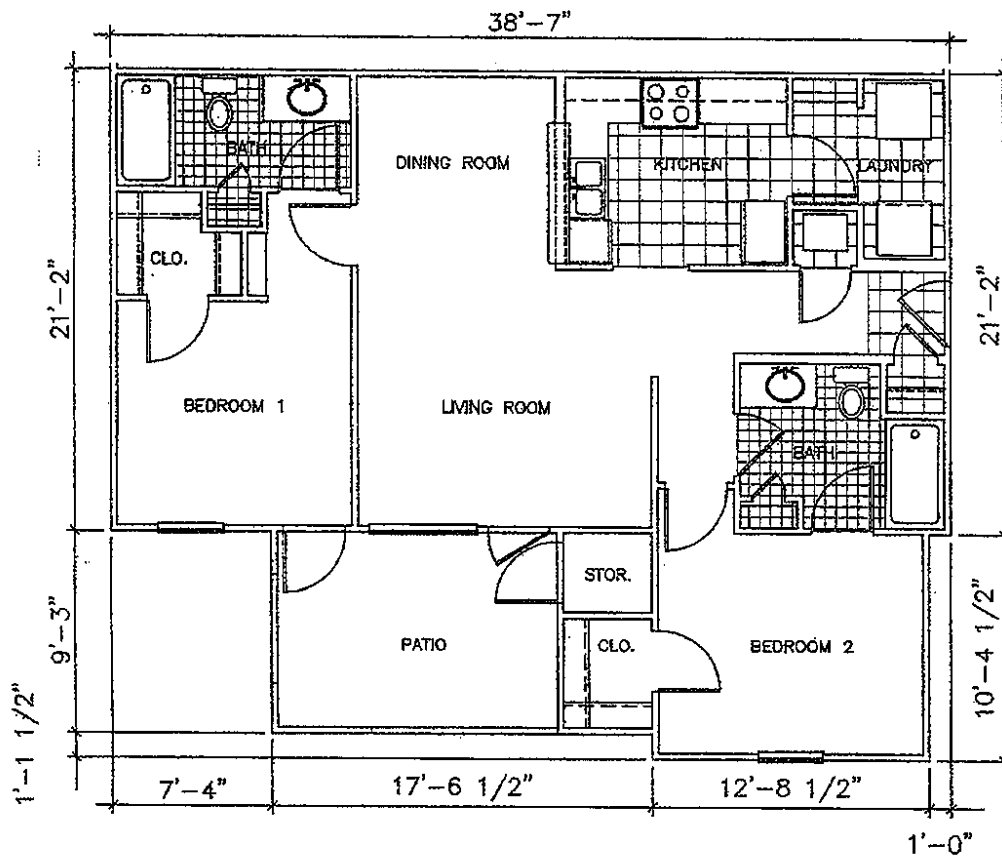
MESA VISTA APARTMENTS

01/05

SK-2

ONE BEDROOM/ONE BATH 709 SQ. FT.

SCALE: 1/8"=1'-0"



NOTES:

ALL GROUND FLOOR UNITS TO BE CONSTRUCTED AS HANDICAPPED ADAPTABLE UNITS PER THE REQUIREMENTS OF THE FAIR HOUSING ACT

5% OF UNITS TO BE CONSTRUCTED AS ACCESSIBLE UNITS PER THE REQUIREMENTS OF T.A.S.

2% OF UNITS TO BE EQUIPPED FOR PERSONS WITH AUDIO/VISUAL IMPAIRMENTS

ALL UNITS TO MEET OR EXCEED THE REQUIREMENTS OF THE 2000 IECC AND ARE AIR-CONDITIONED.

NDA

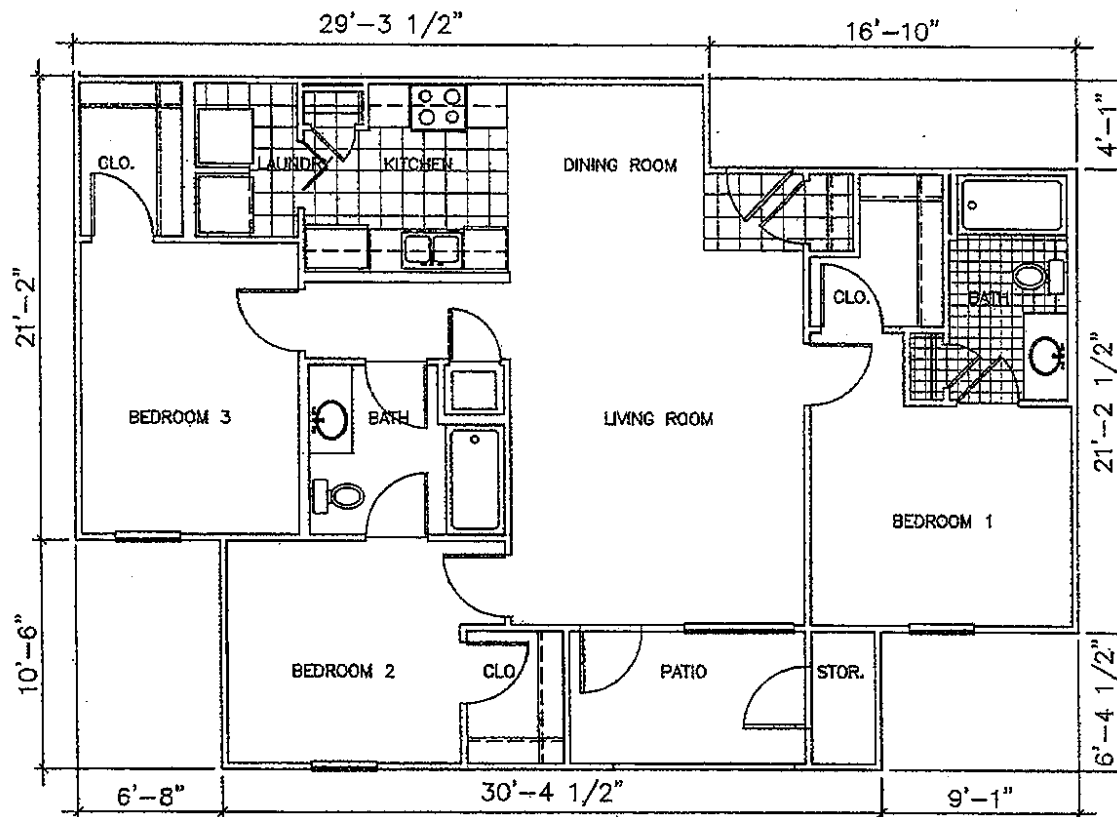
MESA VISTA APARTMENTS

01/05

SK-3

TWO BEDROOM/TWO BATH 962 SQ. FT.

SCALE: 1/8"=1'-0"



NOTES:

ALL GROUND FLOOR UNITS TO BE CONSTRUCTED AS HANDICAPPED ADAPTABLE UNITS PER THE REQUIREMENTS OF THE FAIR HOUSING ACT

5% OF UNITS TO BE CONSTRUCTED AS ACCESSIBLE UNITS PER THE REQUIREMENTS OF T.A.S.

2% OF UNITS TO BE EQUIPPED FOR PERSONS WITH AUDIO/VISUAL IMPAIRMENTS

ALL UNITS TO MEET OR EXCEED THE REQUIREMENTS OF THE 2000 IECC AND ARE AIR-CONDITIONED.

NDA

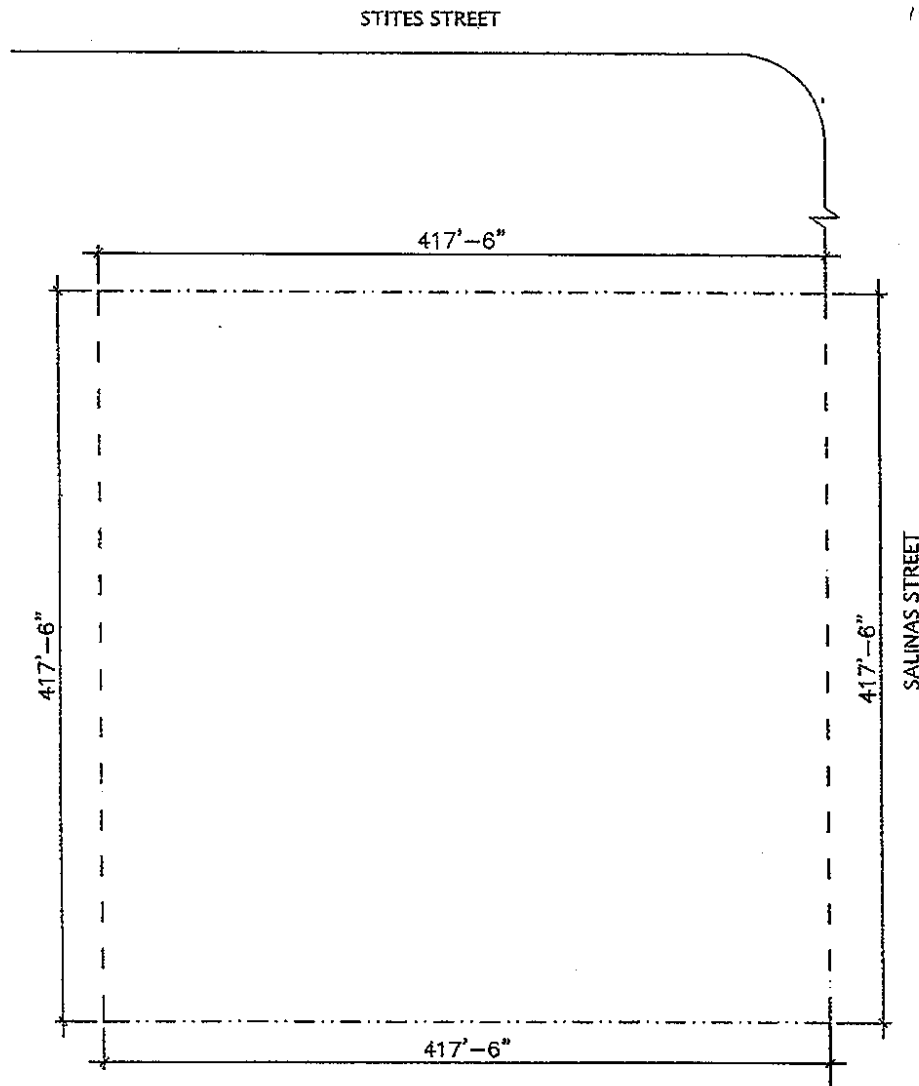
MESA VISTA APARTMENTS

01/05

SK-4

THREE BEDROOM/TWO BATH 1,162 SQ. FT.

SCALE: 1/8"=1'-0"



NDA

MESA VISTA APARTMENTS

01/05

SK-0.1

BOUNDARY SURVEY

SCALE: 1"=100'-0"

Exhibit C

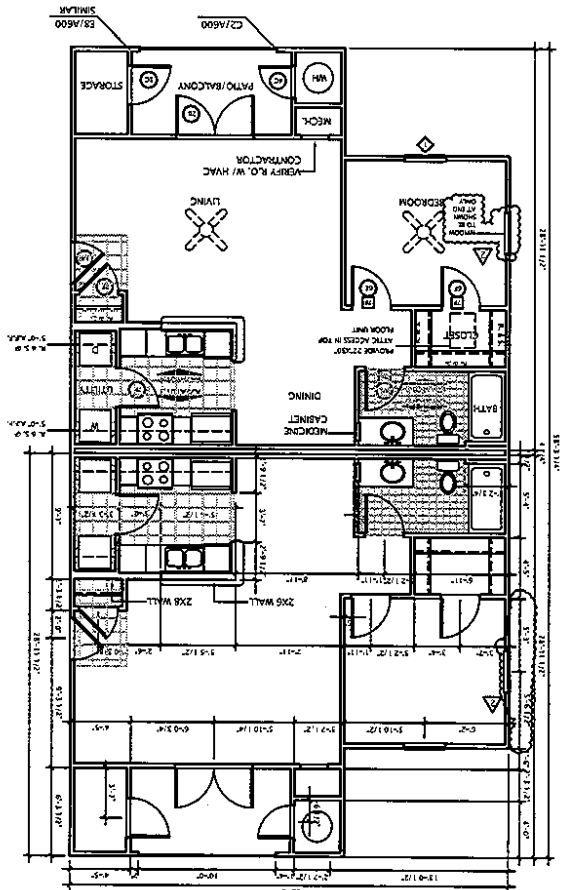
To Amendment Request

Mesa Vista Apartments

Revised Site Plan, Unit Plan, and Building Plan

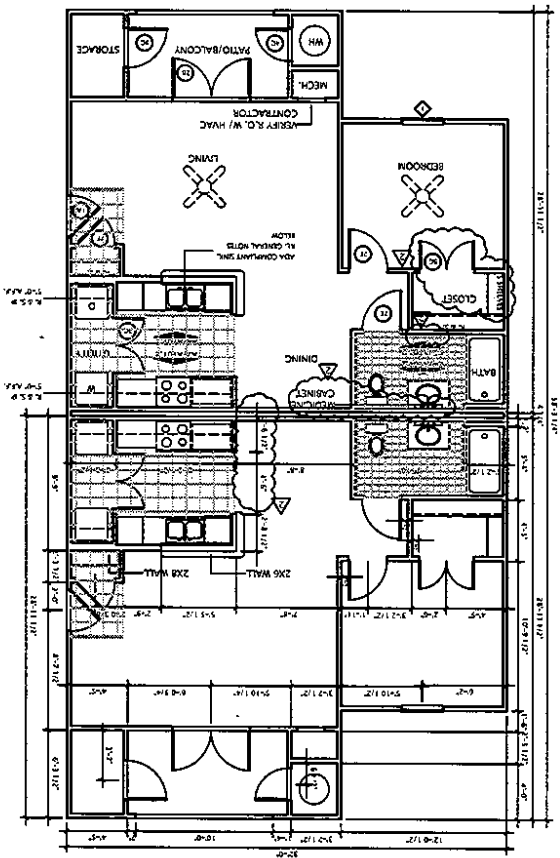
A1
A1 UNIT - PLAN
SCALE 1/4" = 1'-0"

- LEGEND:**
- ◇ WINDOW TYPE
 - ⊕ DOOR TYPE
 - ⊖ DOOR TYPE
 - ⊖ HARDWARE SET
 - ⊖ DOOR TYPE
 - ⊖ HARDWARE SET
 - ⊖ DOOR TYPE
 - ⊖ HARDWARE SET
- FRAMING NOTES:**
- ALL DIMENSIONS ARE TO ROUGH FRAMING OR CENTERLINE OF DOOR/WINDOW U.N.O.
 - STACKEO STUDS IN ALL PARTY WALLS.
 - REFER TO STRUCTURAL DRAWINGS FOR ALL FRAMING DETAILS.
 - ALL DOORS ARE EITHER 6" FROM NEAREST CORNER OR CENTERED ON WALL U.N.O.
- GENERAL NOTES:**
- RE SHEET A01 FOR DOOR, WINDOW, HARDWARE AND FINISH SCHEDULES.
 - ALL INTERIOR PASSAGE DOORS ON FIRST FLOOR, INCLUDING DOORS TO CLOSETS THAT ARE GREATER THAN 2'-0" DEEP, TO BE TYPE 7 (2'-10" DOOR).
 - CLOSETS TO HAVE ROD AND SHELF AT 5'-10" A.F.F. U.N.O.
 - PROVIDE ONE A.100C FIRE EXTINGUISHER IN KITCHEN, MOUNT UNDER SINK.
 - PROVIDE ONE A.100C FIRE EXTINGUISHER IN ACCESS IN EACH TOP FLOOR UNIT.



A6
A-HC UNIT - PLAN
SCALE 1/4" = 1'-0"

- LEGEND:**
- ◇ WINDOW TYPE
 - ⊕ DOOR TYPE
 - ⊖ DOOR TYPE
 - ⊖ HARDWARE SET
 - ⊖ DOOR TYPE
 - ⊖ HARDWARE SET
 - ⊖ DOOR TYPE
 - ⊖ HARDWARE SET
- FRAMING NOTES:**
- ALL DIMENSIONS ARE TO ROUGH FRAMING OR CENTERLINE OF DOOR/WINDOW U.N.O.
 - STACKEO STUDS IN ALL PARTY WALLS.
 - REFER TO STRUCTURAL DRAWINGS FOR ALL FRAMING DETAILS.
 - ALL DOORS ARE EITHER 6" FROM NEAREST CORNER OR CENTERED ON WALL U.N.O.
- GENERAL NOTES:**
- RE SHEET A01 FOR DOOR, WINDOW HARDWARE AND FINISH SCHEDULES.
 - CLOSETS TO HAVE ROD AND SHELF AT 4'-0" A.F.F. U.N.O.
 - PROVIDE ONE A.100C FIRE EXTINGUISHER IN KITCHEN, MOUNT UNDER SINK.
 - PROVIDE EXRAY MODEL LSAD322635 ADA COMPLIANT SINK IN KITCHEN.
 - VENT HOODS TO BE SWITCHED.



MESA VISTA APARTMENTS
DONNA, TEXAS

MV HOUSING, LTD.
NDA PROJECT # 2005-10

A100 UNIT PLANS
A AND A-HC UNITS

Issue	Date	Description
1	01/30/06	ISSUE FOR PERMIT
2	03/22/06	REV#1

nd northfield design associates, inc.

813-B WEST 11TH STREET
512/302-1458 V
512/302-1482 F
AUSTIN, TX 78701
nda@nda-austin.com

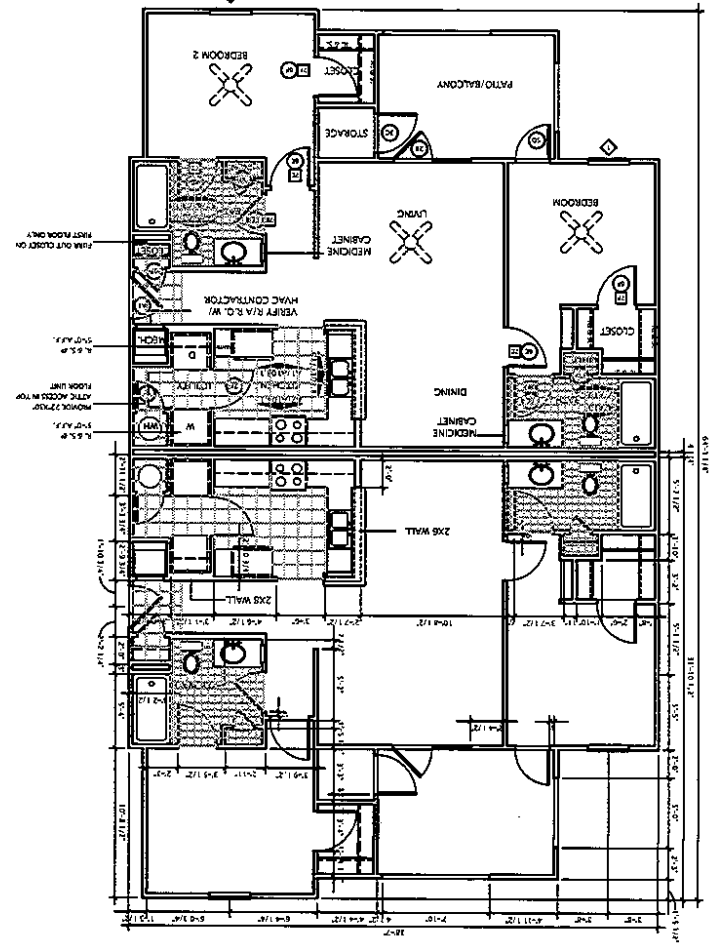
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A1 'B' UNIT - PLAN
SCALE 1/4" = 1'-0"

LEGEND:
 WINDOW TYPE
 DOOR TYPE
 HARDWARE SET
 DOOR KEY
 WINDOW TYPE
 DOOR TYPE
 HARDWARE SET
 DOOR KEY

FRAMING NOTES:
 ALL DIMENSIONS ARE TO FINISH FRAMING U.N.O.
 ALL INTERIOR PASSAGE DOORS ON FIRST FLOOR INCLUDING DOORS TO CLOSETS THAT ARE GREATER THAN 2'-0" DEEP, TO BE TYPE 7 (2'-10" DOOR)
 ALL INTERIOR PASSAGE DOORS ON FIRST FLOOR CLOSERS TO HAVE ROP AND SHELF AT 5'-10" A.F.F. U.N.O.
 PROVIDE ONE A-108C FIRE EXTINGUISHER IN KITCHEN, MOUNT UNDER SINK
 PROVIDE 22"x27" ONE-HOUR FIRE RATED ATTIC ACCESS IN EACH TOP FLOOR UNIT.

GENERAL NOTES:
 RE. SHEET A001 FOR DOOR, WINDOW, HARDWARE AND FINISH SCHEDULES.
 STACER STUDS IN ALL PARTY WALLS.
 REFER TO STRUCTURAL DRAWINGS FOR ALL FRAMING DETAILS.
 ALL DOORS ARE EITHER 6" FROM NEAREST CORNER OR CENTERED ON WALL U.N.O.

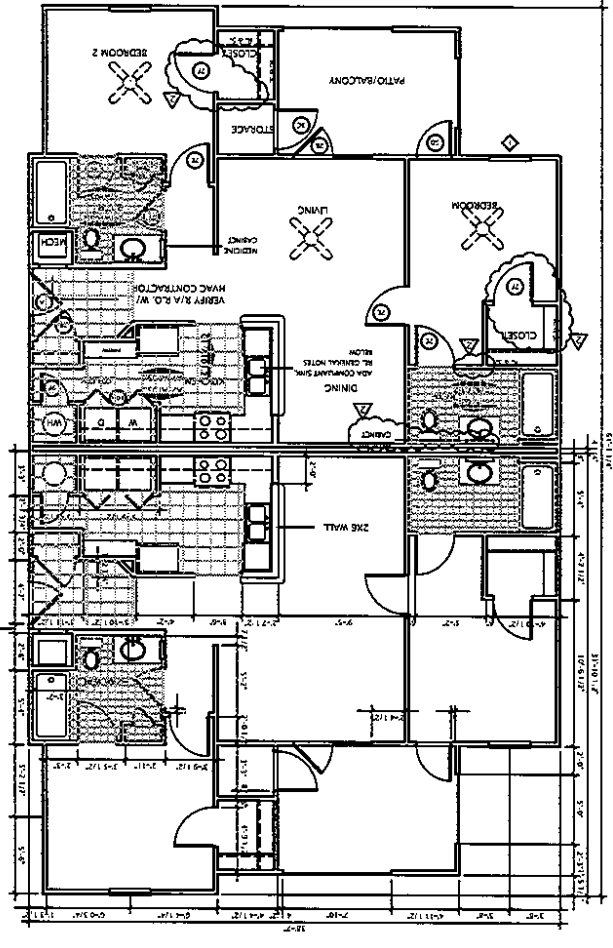


A6 'B-H-C' UNIT - PLAN
SCALE 1/4" = 1'-0"

LEGEND:
 WINDOW TYPE
 DOOR TYPE
 HARDWARE SET
 DOOR KEY
 WINDOW TYPE
 DOOR TYPE
 HARDWARE SET
 DOOR KEY

FRAMING NOTES:
 ALL DIMENSIONS ARE TO FINISH FRAMING U.N.O.
 ALL DIVISIONS ARE TO TOUCH FRAMING OR CENTERLINE OF DOOR/WINDOW U.N.O.
 STACER STUDS IN ALL PARTY WALLS.
 REFER TO STRUCTURAL DRAWINGS FOR ALL FRAMING DETAILS.
 ALL DOORS ARE EITHER 6" FROM NEAREST CORNER OR CENTERED ON WALL U.N.O.

GENERAL NOTES:
 RE. SHEET A001 FOR DOOR, WINDOW HARDWARE AND FINISH SCHEDULES.
 CLOSERS TO HAVE ROP AND SHELF AT 4'-0" A.F.F. U.N.O.
 PROVIDE ONE A-108C FIRE EXTINGUISHER IN KITCHEN, MOUNT UNDER SINK.
 PROVIDE ELAVY MODEL (A8D322653) ADA COMPLIANT SINK IN KITCHEN.
 VENT HOODS TO BE SWITCHED.



MESA VISTA APARTMENTS
 DONNA, TEXAS

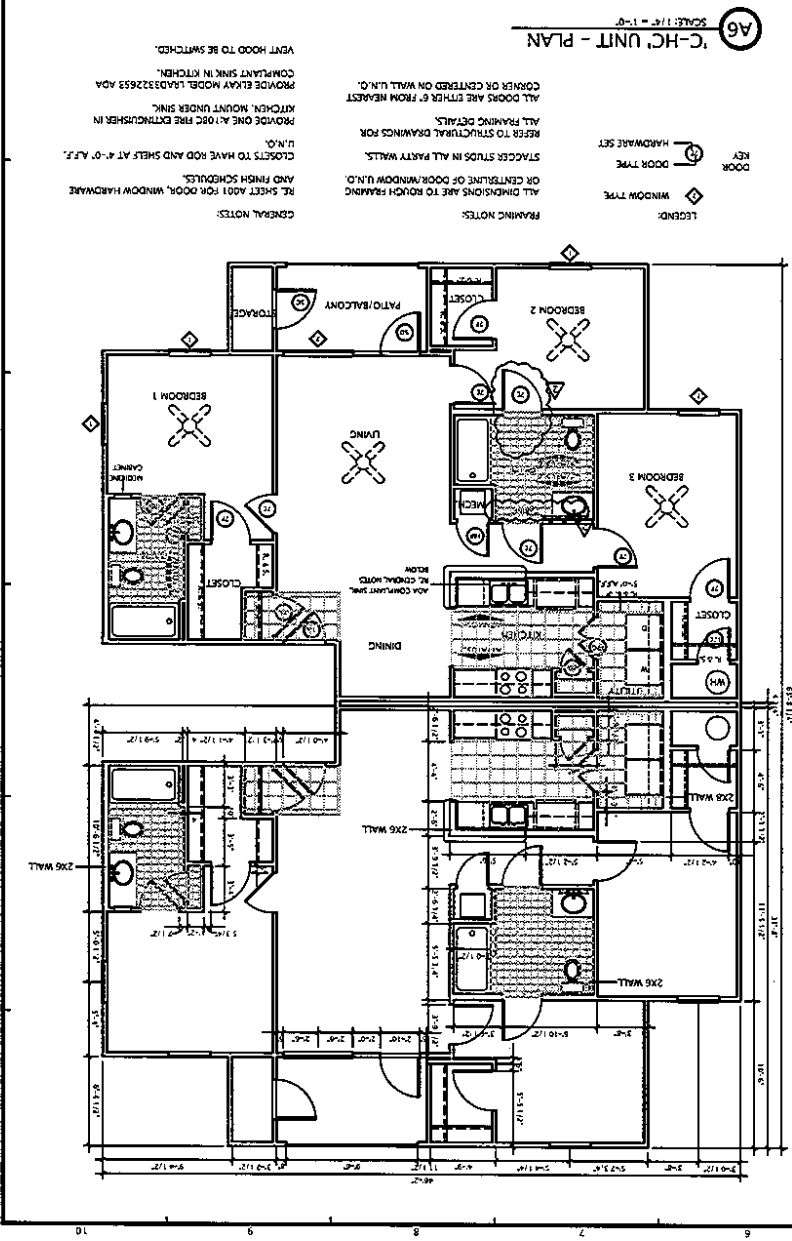
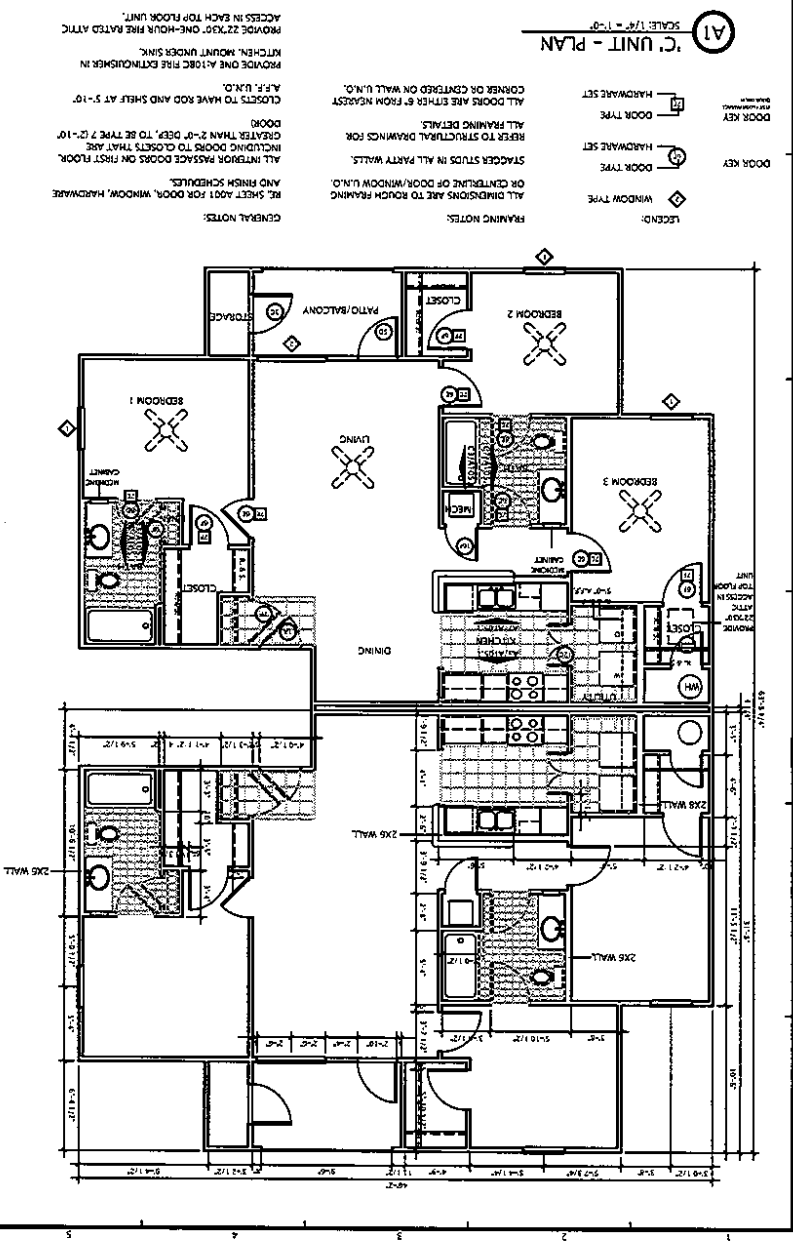
MV HOUSING, LTD.
 NDA PROJECT # 2005-10

A102 UNIT PLANS
 BAND B-H-C UNITS

Title	Date	Description
1	01/30/06	ISSUE FOR PERMIT
2	05/22/06	REV #1

Northfield design associates, Inc.
 813-B WEST 11TH STREET
 AUSTIN, TX 78701
 512/302-1458 v
 512/302-1482 f
 nda@nda-austin.com

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MESA VISTA APARTMENTS
 DONNA, TEXAS
 MV HOUSING, LTD.
 NDA PROJECT # 2005-10

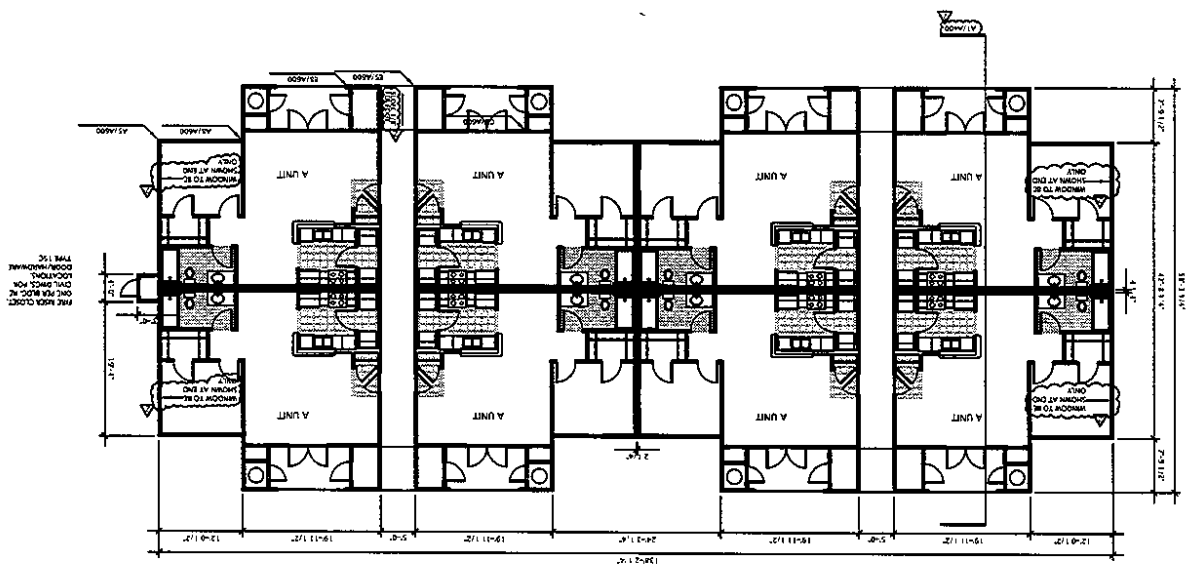
A104 UNIT PLANS
 C AND C-HC UNITS

Issue	Date	Description
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2	03/22/08	RIP #1

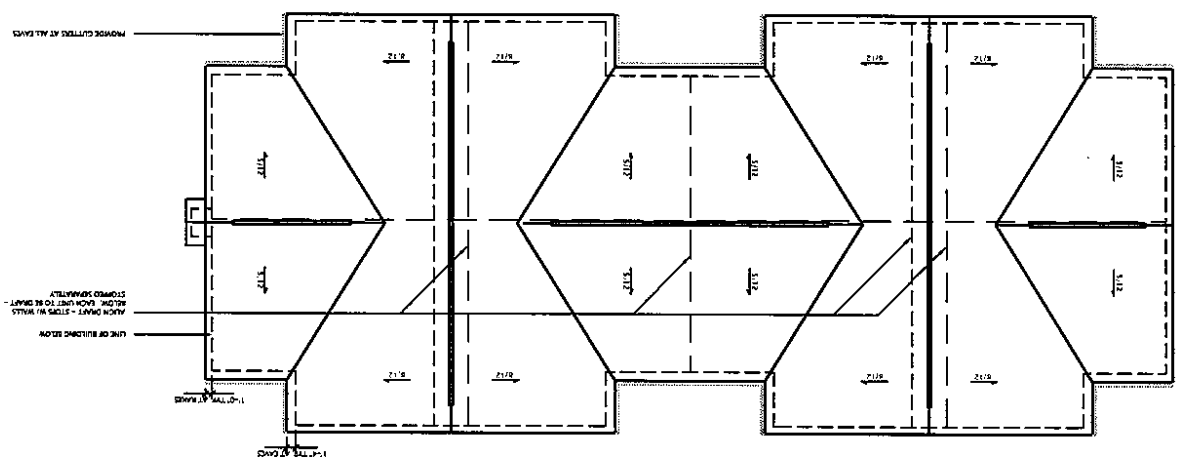
northfield design associates, inc.
 813-B WEST 11TH STREET
 512/302-1458 v
 512/302-1482 f
 AUSTIN, TX 78701
 nda@nda-austin.com

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A1 FIRST FLOOR PLAN
SCALE 1/8" = 1'-0"



D1 ROOF PLAN
SCALE 1/8" = 1'-0"



NOTES:
ALL DIMENSIONS ARE TO FACE UNLESS NOTED.
FOUNDATION PLANS AND FINISHING PLANS REFER TO STRUCTURAL AND FINISHING PLANS.
REFER TO SHEETS A-300 FOR ELEVATIONS.
REFER TO SHEET C-100 FOR UTILITIES.
REFER TO SHEET D-100 FOR BUILDING AND MECHANICAL UNIT LOCATIONS.
ALL BALCONIES TO BE LOCATED ON A SECOND FLOOR ACCESS LEVEL AT 200'.
DO NOT SCALE.

MESA VISTA APARTMENTS

DONNA, TEXAS

MV HOUSING, LTD.
NDA PROJECT # 2005-10

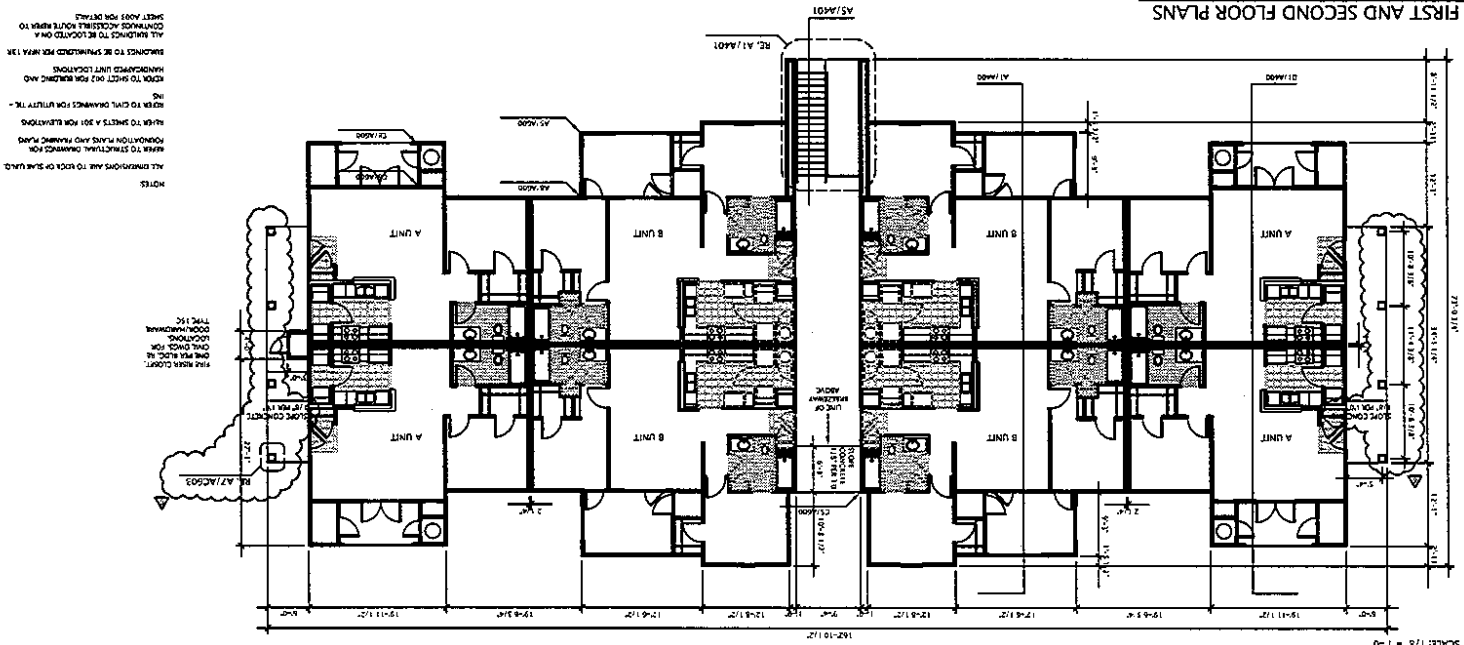
A200 PLANS
BUILDING TYPE 1

Issue	Date	Description
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2	05/22/06	REP #1

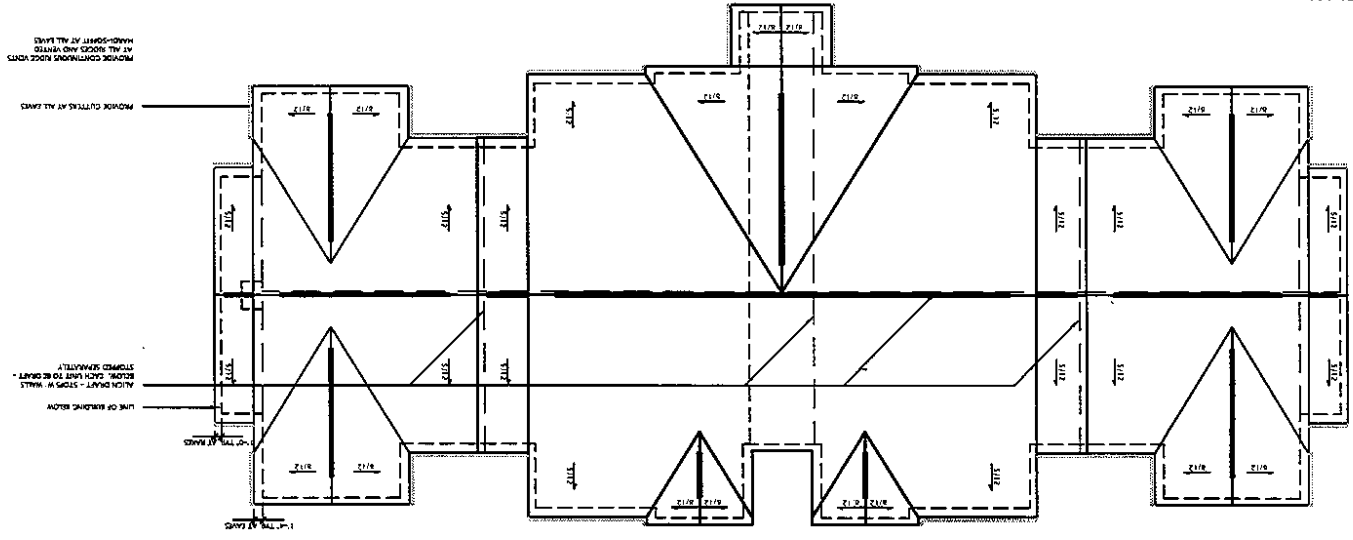
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813-B WEST 11TH STREET
512/302-1458 v
512/302-1482 f
AUSTIN, TX 78701
nda@nda-austin.com

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(A1) FIRST AND SECOND FLOOR PLANS
SCALE: 1/8" = 1'-0"



(D1) ROOF PLAN
SCALE: 1/8" = 1'-0"



MESA VISTA APARTMENTS

DONNA, TEXAS

MV HOUSING, LTD.
NDA PROJECT # 2005--10

A201 PLANS
BUILDING TYPE 2

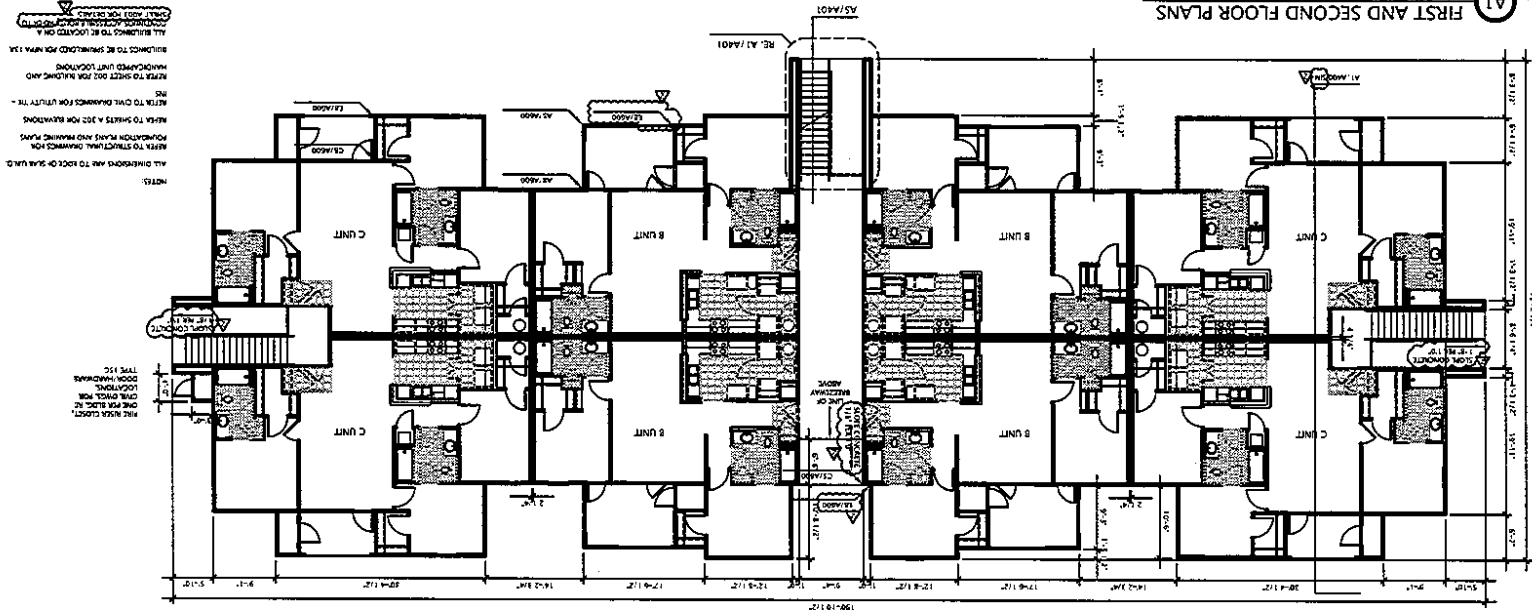
Date	Description
1 08/20/06	ISSUE FOR PERMIT
6 11/03/06	RP #5

ndc northfield design associates, inc.
813-B WEST 11TH STREET
512/302-1458 v
512/302-1482 f
AUSTIN, TX 78701
nda@nda-austin.com

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A1 FIRST AND SECOND FLOOR PLANS

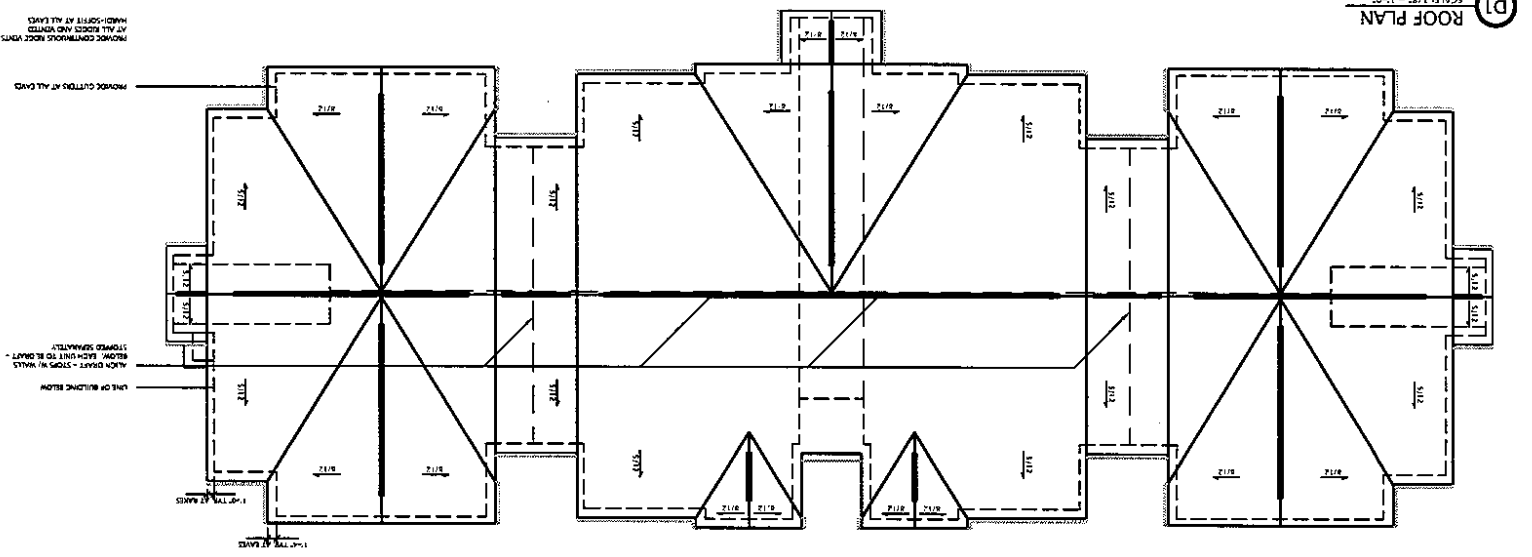
SCALE: 1/8" = 1'-0"



NOTES:
 ALL DIMENSIONS ARE TO FACE OF GRAV. UNLS.
 REFER TO STRUCTURAL DRAWINGS FOR FOUNDATION PLANS AND REINFORCING PLANS.
 REFER TO SHEETS A-202 FOR BUILDINGS AND MECHANICAL UNIT LOCATIONS.
 REFER TO CIVIL DRAWINGS FOR UTILITY TR -
 REFER TO SHEETS A-203 FOR BUILDINGS.
 REFER TO SHEET 002 FOR BUILDING AND MECHANICAL UNIT LOCATIONS.
 ALL BUILDINGS TO BE LOCATED ON A CONCRETE FOUNDATION (SEE SHEET A-202).
 SEE SHEET A-202 FOR DETAILS.

D1 ROOF PLAN

SCALE: 1/8" = 1'-0"



NOTES:
 FINISH CONCRETE ROOF DECK PER A-202.
 FINISH SLOPES AT ALL EAVES.
 FINISH SLOPES AT ALL EAVES.
 FINISH SLOPES AT ALL EAVES.

MESA VISTA APARTMENTS

DONNA, TEXAS

MV HOUSING, LTD.

NDA PROJECT # 2005-10

A202 PLANS
 BUILDING TYPE 3

Issue Date	Description
1 01/03/08	ISSUE FOR PERMIT
2 03/22/08	817P#1

no**h**ield design associates, Inc.

813-B WEST 11TH STREET
 512/302-1458 v
 512/302-1482 f
 AUSTIN, TX 78701
 nda@nda-austin.com

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Exhibit D

To Amendment Request

Mesa Vista Apartments

General Warranty Deed

Charge to: VLTC
GF# 92444

NOTICE OF CONFIDENTIALITY RIGHTS: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the real property and/or public records: (a) your social security number, and/or (b) your driver's license number.

GENERAL WARRANTY DEED

STATE OF TEXAS

1537899

COUNTY OF HIDALGO

§
§
§

KNOW ALL MEN BY THESE PRESENTS THAT:

Donna Economic Development Corporation ("Grantor"), does hereby GRANT, CONVEY, ASSIGN and DELIVER to **Housing Authority of the City of Donna** (collectively, "Grantee"), the real property described on **Exhibit A**, attached hereto and made a part hereof (the "Property").

This conveyance of the Property is made subject to all restrictions, easements and other encumbrances affecting the Property that are recorded in the Real Property Records of Hidalgo County, Texas, but only to the extent that they are still in effect on the date hereof (the "Permitted Encumbrances").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and its successors and assigns, forever, and Grantor does hereby bind itself and its successors to warrant forever defend all and singular the Property unto Grantee and its successors and assigns against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, subject, however, to the Permitted Encumbrances.

When the context requires, singular nouns and pronouns include the plural.

IN WITNESS WHEREOF, Grantor executes this General Warranty Deed to be effective as of October 27, 2005.

Grantor:

DONNA ECONOMIC DEVELOPMENT CORPORATION

By: Guadalupe Castillo
Name: Guadalupe Castillo
Title: Chairman

Grantor's Address:
307 South 12th Street
Donna, Texas 78537

ORIGINAL

STATE OF TEXAS

COUNTY OF Hidalgo

101
101
101

This Instrument was acknowledged before me on this 27th day of October, 2005, by Guadalupe Castille, Chairman of **DONNA ECONOMIC DEVELOPMENT CORPORATION**, on behalf of said economic development corporation.

SEAL



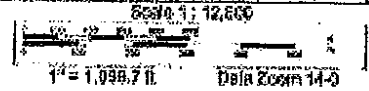
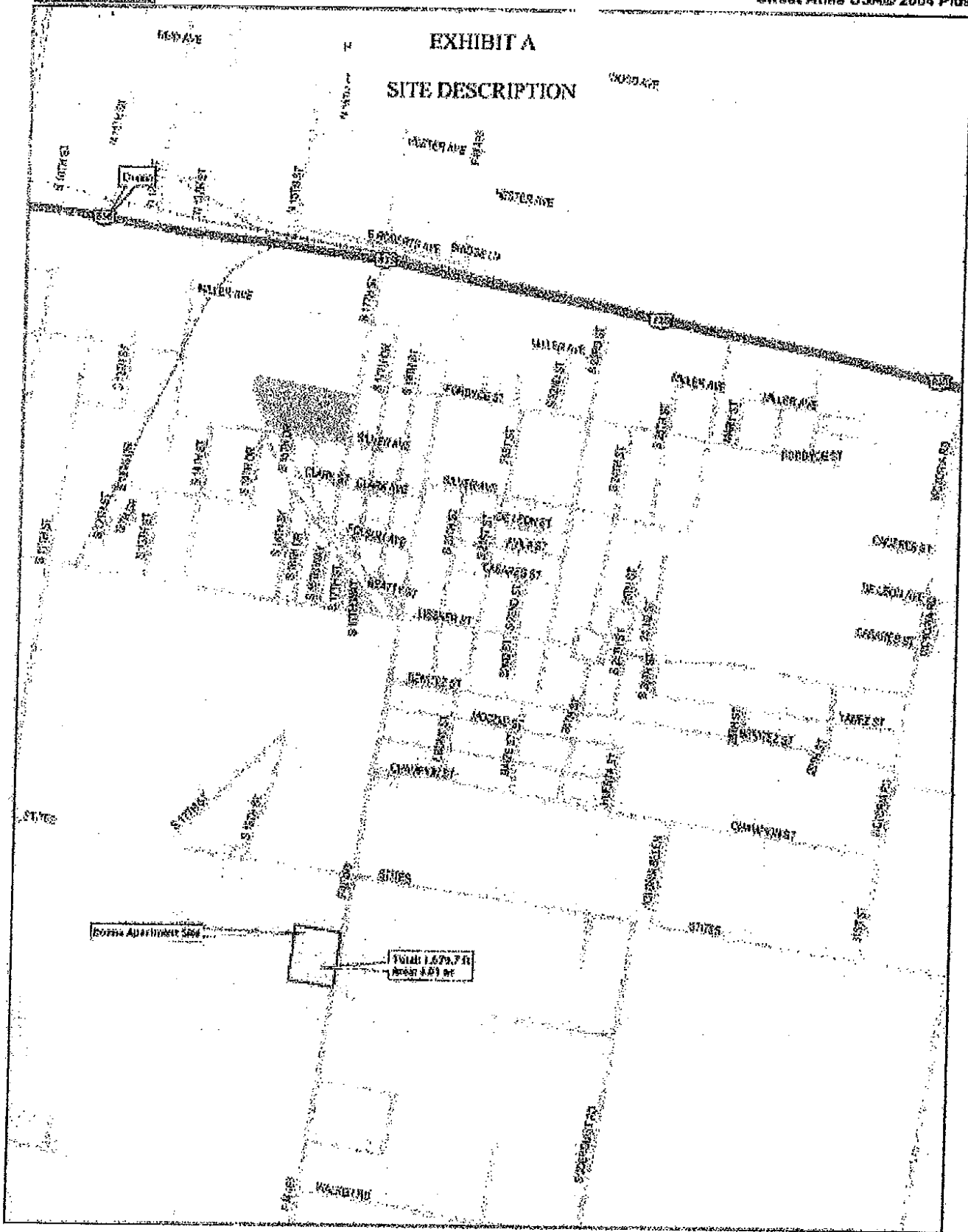
Martha Alvarado
Notary Public, State of Texas

ORIGINAL

Return to:

Richard D. Morrow, Esq.
Locke Liddell & Sapp LLP
100 Congress Avenue
Suite 300
Austin, Texas 78701

EXHIBIT A SITE DESCRIPTION



VASQUEZ SURVEYING INC.
5432 Amatista Drive
Brownsville, Texas 78521
(956) 541-9826 Fax (956) 541-9826

October 17, 2005
Job No. 646

Metes and Bounds Description

BEING A 6.11 ACRE TRACT OF LAND, MORE OR LESS, OUT OF THE NORTHEAST CORNER OF LOTS 1 AND 2, RESUBDIVISION OF BLOCK 115 AND 116, LOTT TOWN & IMPROVEMENT COMPANY SUBDIVISION ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2, PAGE 60 OF THE MAP RECORDS OF HIDALGO COUNTY, TEXAS, SAID 6.11 ACRE TRACT OF LAND BEING MORE PARTICULARLY LOCATED AND DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2" IRON ROD WITH A RED ID CAP FOUND AT THE NORTHEAST CORNER OF LOT 4, RESUBDIVISION OF BLOCKS 115 AND 116;

THENCE, CONTINGENT WITH THE EAST BOUNDARY LINE OF SAID RESUBDIVISION, NORTH 00 DEG., 07 MIN., EAST, A DISTANCE OF 292.70 FEET TO A POINT;

THENCE, NORTH 89 DEG. 58 MIN., WEST, A DISTANCE OF 10.96 FEET TO A 1/2" IRON ROD WITH A YELLOW ID CAP STAMPED "VASQUEZ RPLS 5739" SET FOR THE SOUTHEAST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE, NORTH 89 DEG. 58 MIN. WEST, A DISTANCE OF 468.00 FEET TO A 1/2" IRON ROD WITH A YELLOW ID CAP STAMPED "VASQUEZ RPLS 5739" SET FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE, NORTH 00 DEG. 22 MIN. 45 SEC., EAST, A DISTANCE OF 569.00 FEET TO A 1/2" IRON ROD WITH A YELLOW ID CAP STAMPED "VASQUEZ RPLS 5739" SET ON THE SOUTH RIGHT OF WAY LINE OF STITES AVE. (100 FT. R.O.W), FOR THE NORTHWEST CORNER OF THIS TRACT;

THENCE, CONTINGENT WITH THE SOUTH RIGHT OF WAY LINE OF SAID STITES AVE., SOUTH 89 DEG., 58 MIN., EAST, A DISTANCE OF 468.00 FEET TO A 1/2" IRON ROD WITH A YELLOW ID CAP STAMPED "VASQUEZ RPLS 5739" SET ON THE WEST RIGHT OF WAY LINE OF FM 493, (RIGHT OF WAY VARIES) FOR THE NORTHEAST CORNER OF THIS TRACT;

THENCE, CONTINGENT WITH THE WEST RIGHT OF WAY OF FM 493 SOUTH 00 DEG. 22 MIN. 45 SEC., WEST, A DISTANCE OF 569.00 FEET TO THE POINT OF BEGINNING OF THIS TRACT; CONTAINING 6.11 ACRES OF LAND, MORE OR LESS.

J. L. Vasquez
J.L. Vasquez
Registered Professional Land
Surveyor No. 5739



Filed for Record in
Hidalgo County
by Edda Trevino
County Clerk

On: Oct 28, 2005 at 03:21P

As a Recording

Document Number: 1537899
Total Fees: 32.00

Receipt Number - 716641
By Imelda Leal, Deputy

RECORDER'S MEMORANDUM
AT THE TIME OF RECORDATION, THIS
INSTRUMENT WAS FOUND TO BE INADEQUATE
FOR THE BEST PHOTOGRAPHIC REPRODUCTION
BECAUSE OF ILLEGIBILITY, CARBON OR
PHOTO COPY, DISCOLORED PAPER, ETC.

Louis Williams & Associates Inc.

410 County Road 198
Nacogdoches, TX 75965
936-560-5702
936-560-2636 fax
louisw@suddenlink

January 4, 2008

Ben Sheppard
TDHCA
221 East 11th Street
Austin, TX 78701

RE: Hamilton Senior Village (TDHCA # 07177)
Project Owner: Hamilton-Charger Senior Properties LP

Dear Ben,

I am providing you this letter and support documentation to follow up on our telephone conversations concerning site plan changes to Hamilton Senior Village (the Project). I have met with the Hamilton city manager and discussed items of concern that the residents of Williams Street had concerning the project. These items were:

1. Increased traffic on Williams Street because this was the only entrance into the Project.
2. Residents of Williams Street wanting a green belt between the neighborhood and the Project.

The following modifications address these items and make this a win/win situation. This project is my second tax credit project in Hamilton and I want to continue to have a good relationship with the city and its citizens.

The following modifications are proposed:

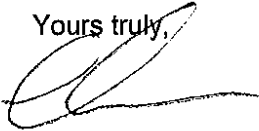
1. To decrease traffic on Williams Street, Barkley Street will be extended into the project. This will provide a second entrance into the Project for residents and emergency vehicles. This will cut the traffic on Williams Street in half. The developer will pay for the street extension resulting in approximately \$12,291.00 in offsite costs. See Volume 1, Tab 3 Activity Overview with the engineer's estimate. To compensate for this additional cost approximately 120 feet will be removed from the west side of the site. This is approximately 2.6 acres. The prorated cost of the 2.6 acres equals \$12,291.00 which makes this an even swap.
2. To provide a green belt between the neighborhood and the Project, the revised site plan moves the buildings closest to Williams Street back 35 feet to the south and establishes a green belt. A privacy fence will be added between the neighborhood and the apartment complex. Additional costs associated with these modifications are concrete for the extra street and sidewalk, increased sewer and water line costs and landscaping and fencing for the green belt.

Since these proposed changes decrease the total area of the Project the developer will add the following amenities: R15 wall/R30 ceiling insulation, the addition of a front loading washer and dryer in the community building and the addition of two extra parking spaces. Also, the exterior elevation of the one bedroom buildings will be changed from a row type layout to a staggered type layout for aesthetic reasons. This is illustrated on the "Layout # 2" plan. And finally, the

revised site plan spreads the building over a larger area and they are not nearly as congested as on the original plan.

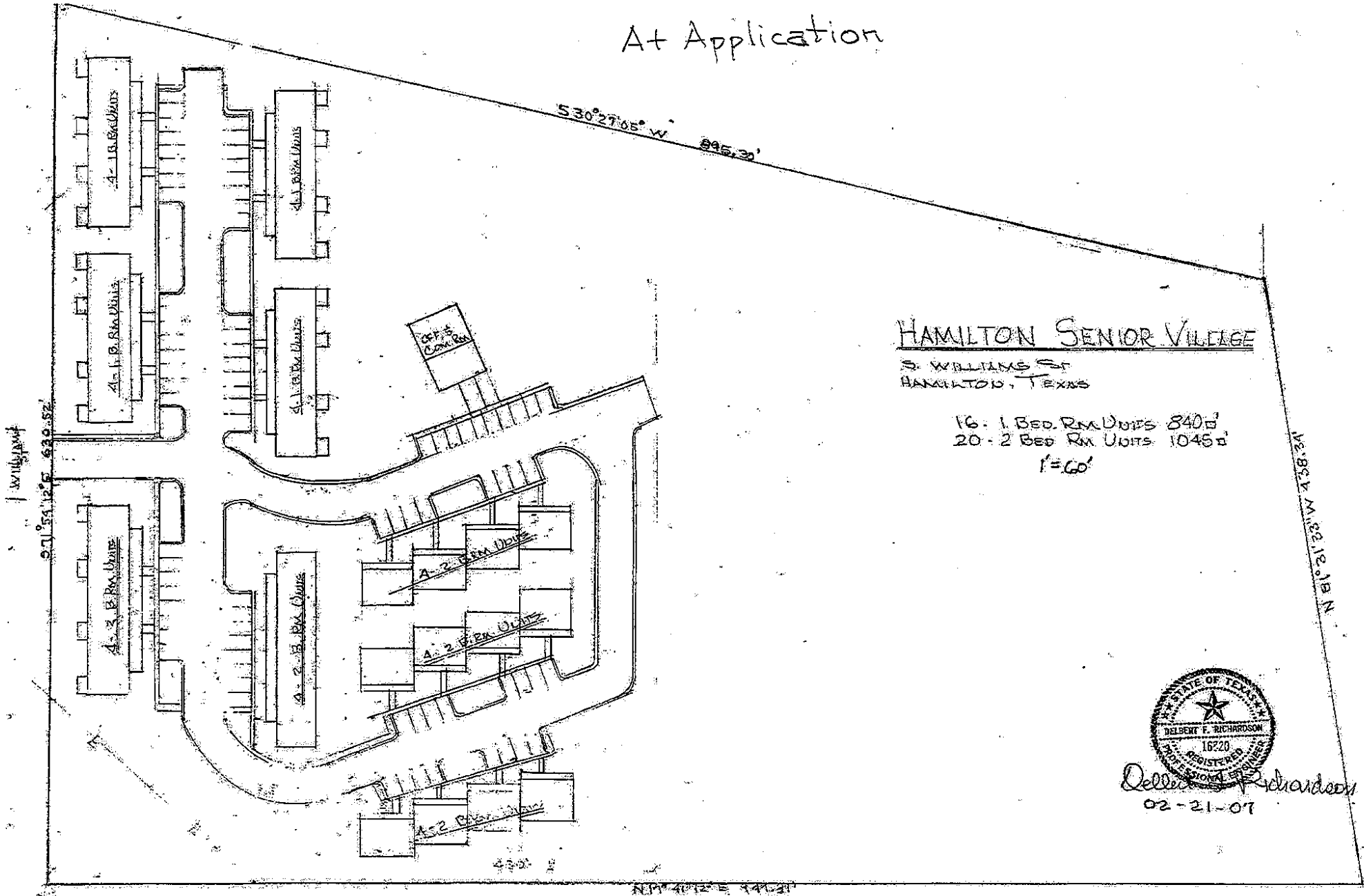
Ben, as you can see this is good for everybody. I have enclosed the \$2500.00 for the Amendment Request and all necessary documentation. Thank you very much for the review of this request. If you need any additional information please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to be 'Louis Williams', written in a cursive style with a long horizontal flourish at the end.

Louis Williams

At Application



HAMILTON SENIOR VILLAGE

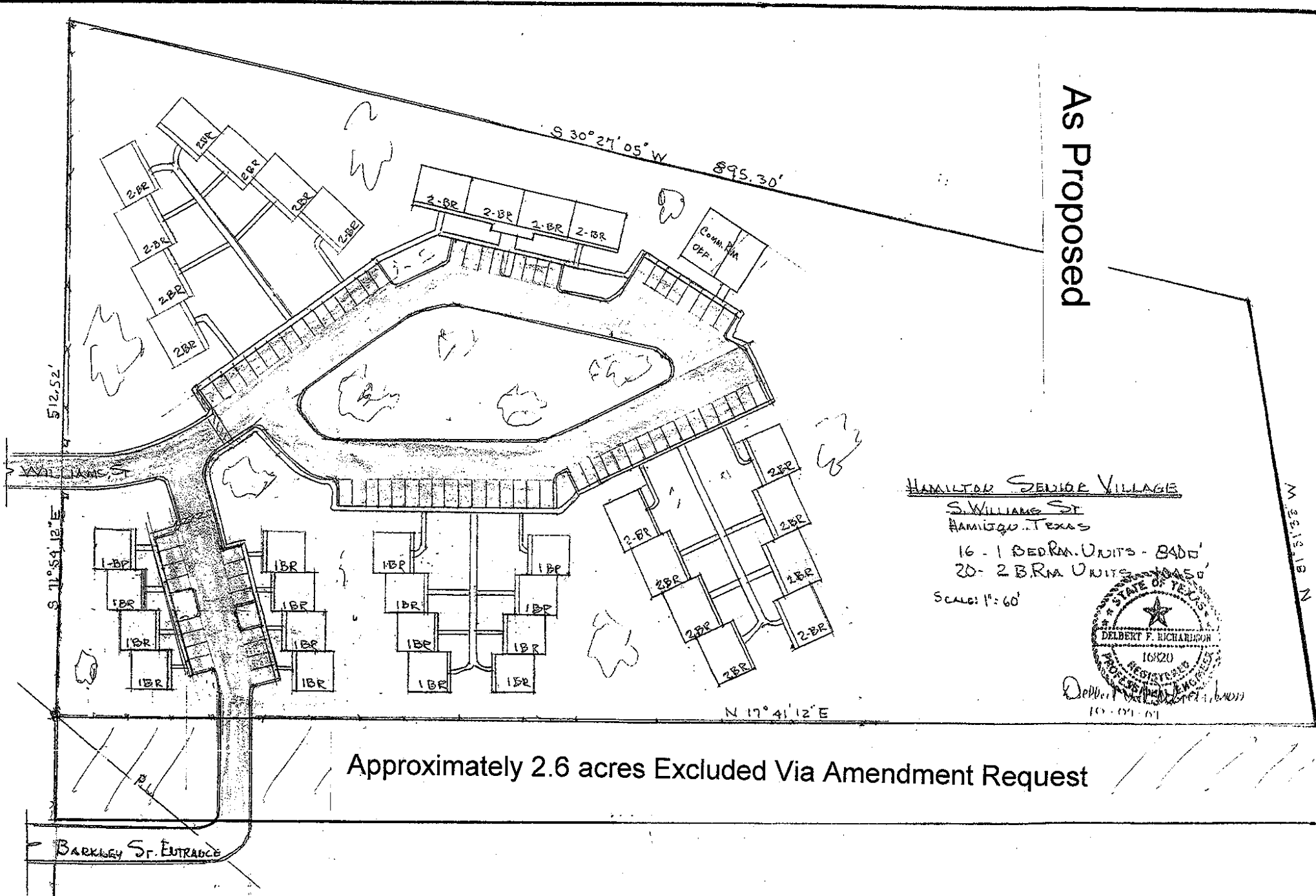
S WILLIAMS ST
HAMILTON, TEXAS

16 - 1 BED. RM UNITS 840'±
20 - 2 BED RM UNITS 1045'±
1" = 60'

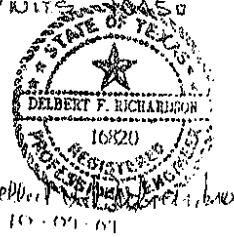


Delbert F. Richardson
02-21-07

As Proposed



HAMILTON SENIOR VILLAGE
S. WILLIAMS ST
HAMISGO, TEXAS
16 - 1 BEDRM. UNITS - 8400'
20 - 2 BRM. UNITS - 10,450'
SCALE: 1" = 60'



Approximately 2.6 acres Excluded Via Amendment Request



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division
Underwriting Report Addendum

REPORT DATE: 01/24/08 PROGRAM: 4% HTC FILE NUMBER: 01420

DEVELOPMENT

Park at Piney Woods (fka: Montgomery Trace Apartments)

Location: 2100 South Frazier Region: _____
 City: Conroe County: Montgomery Zip: 77301 QCT DDA
 Key Attributes: Family, New Construction, For Profit

ALLOCATION

	REQUEST AT COST CERTIFICATION			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$581,652			\$581,652		

CONDITIONS

- 1 Receipt, review, and acceptance, prior to release of 8609s, of a fully executed and recorded Land Use Restriction Agreement.
- 2 Receipt, review, and acceptance, prior to release of 8609s, of an acceptable title policy with the HTC LURA clearly identified.
- 3 Receipt, review, and acceptance, prior to release of 8609s, final inspection clearance from TDHCA compliance staff.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	50% of AMI	188

ADDENDUM SUMMARY

The subject development was originally underwritten during the 2001 4% housing tax credit cycle and was recommended for a tax credit allocation of \$682,327. The development also received an issuance of tax-exempt bonds from Montgomery Housing Finance Corporation. Subsequent to the TDHCA Board's approval of the transaction, the Limited Partner, SunAmerica, removed the original general partner and sought a replacement general partner and developer due to concerns about the feasibility of the development as proposed and approved by the TDHCA Board. Trammell Crow Residential was chosen and agreed to serve in this capacity. After meeting with TDHCA staff in late 2002, staff approved the ownership transfer for Trammell Crow Residential (TCR) as a replacement general partner. The Owner has indicated that SunAmerica and TCR worked through the feasibility and structure issues and developed plans for a feasible development in 2003. Construction on the restructured development began in February 2004 and was completed in August 2005.

While the ownership transfer was approved by the Department in December 2002, the substantial material changes to the originally proposed and approved development plan were not evaluated by TDHCA staff or approved by the TDHCA Board at that time. After completion of construction Mr. Brent Stewart (contact for the Owner and Developer) submitted a letter documenting the changes that were made to the original development plan and requesting approval of an amendment to the original application. In August 2007, the Owner submitted the final cost certification package for the development "as built."

This addendum fully evaluates the transaction in its final structure based on the documentation provided in the amendment request, cost certification package, and subsequent correspondence. The most substantial changes to the original approved development plan are size, unit mix, and characteristics of the development itself. These changes are documented in the following table. As a result of these changes and the replacement of key members of the development and ownership team, the operating proforma, development costs, and financing structure have also changed. This addendum discusses the impact of these changes on the long-term viability of the development and 4% housing tax credit recommendation. The cost certification process and release of the 8609s for the subject can only be completed once the amendment has been approved or otherwise resolved.

	Originally Approved	As Completed
Total # of Units	208	188
Restricted Units	208	188
Construction Style	2-story garden	2-story townhome
# Residential Buildings	26	16
Net Rentable Area	193,528	193,124
Common Area	3,546	4,046

Unit Mix	Sq Ft	Number	Sq Ft	Number
1BR/1Bath	668	48	684	8
1BR/1Bath	710	28	None	
1BR/1.5Bath	None		795	16
1BR/1.5Bath			826	4
2BR/1.5Bath			1,027	88
2BR/2Bath	950	56	1,102	24
2BR/2Bath	983	24	1,128	4
3BR/2.5Bath	1,246	52	1,143	44
Average Sq Ft	930		1,027	

Deficient Features

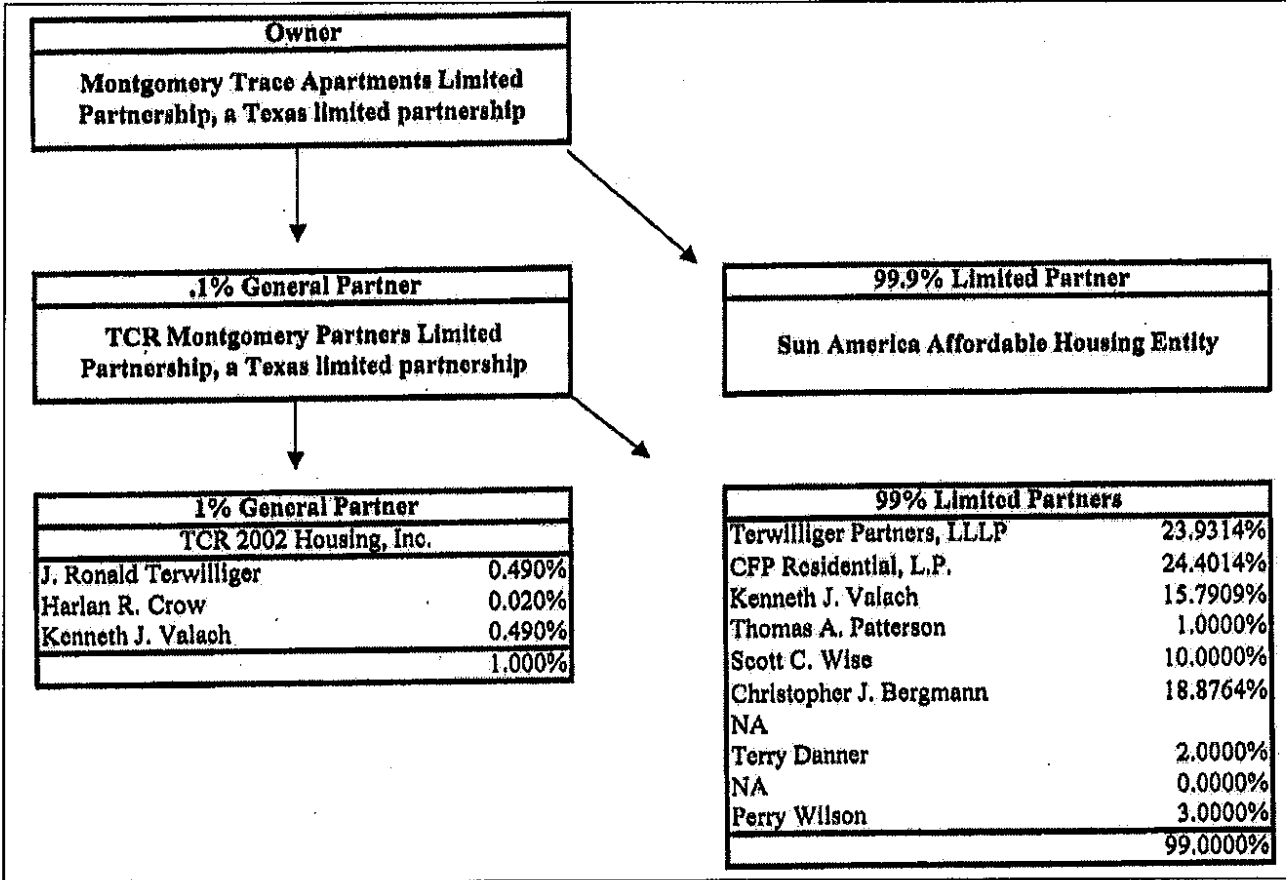
Garages	208	0
Exterior Materials	Stone/HardiBoard	100% HardiBoard
Roof Shingle Type	Composition/Laminate	Composition
Microwave in units	Yes	No
Bathtub type	Fiberglass & Steel	Fiberglass

Extra Features

25-Year Architectural Shingles	No	Yes
R-15 Walls/R-30 Ceilings	No	Yes
Energy Star Appliances	No	Yes
Computer Facilities	No	Yes

DEVELOPMENT TEAM

CURRENT OWNERSHIP STRUCTURE



CONTACT

Contact: Jana Daniel Phone: 713.781.5775 Fax: 713.706.1557
 Email: jdaniel@tcresidential.com

OPERATING PROFORMA ANALYSIS

Income:

The Owner's rent schedule submitted at cost certification reflects rents equal to the maximum gross program rent limits less the applicable utility allowances. The units are rent restricted at the 50% of AMI level; however, the property has elected to serve households with incomes up to the 60% of AMI level. The Owner's rents are set at the maximum 50% rents in accordance with the rent restrictions elected.

The most recent compliance report dated November 2007 indicates that the units leased recently are achieving rents that are 3% to 4% below the maximum levels. However, the property has maintained stabilized occupancy for over one year and it appears that during this time rent levels have increased. Units leased during 2006 were leased at rents that were as much as 10% below the current program maximums compared to the 4% difference more recently.

Therefore, while many of the units are achieving rents below the recently leased units, the Underwriter has used rent levels equal to the most recently leased units of \$485 for one-bedroom units, \$579 for two-bedroom units, and \$667 for three-bedroom units. As indicated above, these rents are 3% to 4% below the maximum achievable rents.

The Owner has estimated secondary income of \$25 per unit per year which is greater than the underwriting standard of \$15 per unit per year. The Underwriter has used \$15 per unit per year. The Owner's vacancy and collection loss of 7.5% is in line with Department standards. As a result of the differences described above, the Owner's effective gross income estimate is not within 5% of the Underwriter's estimate.

Expense:

The Owner's total operating expense estimate of \$3,429 per unit is not within 5% of the Underwriter's estimate of \$3,703 per unit derived from actual year-end 2006 and 2007 financial statements, the TDHCA database, IREM data, and other sources. However, several of the Owner's line item estimates differ significantly from the Underwriter's estimates and the actual operations of the property, particularly: general and administrative (\$38K); payroll (\$85K) and repairs and maintenance (\$58K).

Conclusion:

While the Owner's estimates of effective gross income and net operating income are each within 5% of the Underwriter's estimates, the Owner's NOI is not. Therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter's proforma results in a DCR of 1.06. This is discussed further in the section below.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains below 1.10 for the first 2 years of stabilized operations.

Based on the Underwriter's analysis, even with an initial DCR below the minimum, the entire amount of deferred developer fee can be repaid within 15 years of stabilized operations. Moreover, a 1.5% increase in the current rents would yield an acceptable DCR of 1.10. Based on the increase in rent levels during the recent past (described above) it may be possible for the property to continue raising rents as the market allows. The Underwriter has not been provided any information on which to determine the current market rents in the subject market.

COST SCHEDULE**Comments:**

As indicated above in the summary, the subject transaction has undergone significant structural changes and transitioned to a new development, ownership, and construction team during the development process. The final development costs and eligible basis have been certified by the Owner's Certified Public Accountant, The Reznick Group. A memo regarding evaluation of construction costs for this development was provided to the Underwriter to justify the inclusion of some of the costs that were not well documented.

According to this memo, Reznick had to utilize a different approach to test the costs incurred for the subject development due to the limited information maintained and provided by SunAmerica for the period of time in which Sun America acted as interim developer (May 2001 to December 2002). Line items for which support documentation was not provided include insurance payments, architect's fees, etc. Further, the memo states that Reznick tested for reasonableness for some of the larger cost amounts by confirming with the vendors the amount spent on the project. Reznick's opinion and cost certification concludes that the costs incurred by Sun America should be included in the total development and, to the extent that the costs are untested, will not be included in eligible basis.

Acquisition Value:

The Owner has indicated an acquisition cost of \$425,181, which is consistent with the originally underwritten acquisition cost and the closing statement provided in the cost certification package. The acquisition is considered a third-party transaction and is therefore considered to be reasonable.

Sitework Cost:

The development cost schedule certified by the CPA reflects sitework costs of \$385,047. However, none of the sitework costs have been claimed as eligible. Therefore, these costs have been shifted to the ineligible costs line item.

Direct Construction Cost:

The development cost schedule reflects direct construction costs of \$8,247,283. The Underwriter has evaluated the as built architectural plans and other information provided in the cost certification package in order to verify the direct construction costs based on the significantly revised development plan and development characteristics.

The Underwriter's typical Marshall and Swift derived cost estimate, based on current cost adjustment factors, resulted in a direct cost estimate significantly higher than the actual cost. As a result, the Underwriter has used a Marshall and Swift comparative adjustment factor to effectively back date the cost estimate to the second quarter of 2005 or the placed in service date for the last building. This method results in a cost estimate that is \$177K or 2% lower than the actual costs. Based on this analysis, the actual direct constructions costs appear to be reasonable.

Additionally, the Underwriter has confirmed that the construction costs reflected in the development cost schedule correspond with the Contractor's Application for Payment provided in the Cost Certification package.

Conclusion:

The total development cost as certified by the CPA is within 5% of the Underwriter's total cost estimate. It should be noted that while some costs were verified with closing documents or other support, staff has relied upon the CPA's evaluation and verification of the development costs. As indicated above, the CPA has not been able to verify the development costs to the same level of confidence that is generally sought as a result of the limited documentation available and the unique circumstances of the development process. However, based upon the expressed methodology for verifying the development's eligible basis, the CPA has applied reasonable standards and the Underwriter has relied upon the CPAs determination.

Based upon the Owner's CPA certified development costs, an eligible basis of \$13,040,198 supports annual tax credits of \$581,653. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES

Source: SunAmerica Housing Fund 937 Type: Permanent Financing

Principal: \$1,572,457 Interest Rate: 9.0% Fixed Amort: N/A months

Comments:

The subject funds have been structured as payable from available cashflow. Unpaid principal will accrue interest at 9%. This "Excess Cost" loan fills the gap in funding due to 100% of the developer fee already being deferred. Documents provided in the cost certification package indicate that the outstanding balance amounts to \$1,764,470 as of May 5, 2007, which indicates that the property has been unable to generate sufficient cashflow to make regular payments. Based on the current and projected performance of the property, the Underwriter believes it is unlikely that this source of funds will be repaid.

Do to the agreements made between the new general partner and SunAmerica, it is unlikely that any action will be taken against the general partner or property as a result of failure to repay this loan.

Issuer: Montgomery Housing Finance Corporation

Source: JPMorgan Chase Bank Type: Interim to Permanent Bond Financing

Tax-Exempt: \$7,500,000 Interest Rate: 7.00% Fixed Amort: 444 months

Source: SunAmerica Type: Syndication

Proceeds: \$5,097,593 Syndication Rate: 85% Anticipated HTC: \$ 577,900

Comments:

The above proceeds include \$185K in legal fees that SunAmerica has reimbursed the partnership for. SunAmerica generally includes these legal fee reimbursements as equity contributions above the equity generated from the tax credits. Therefore, the partnership will receive tax credit equity of \$4,943,548 plus reimbursement of \$185,934. This combined amount is slightly higher than reflected in the partnership agreement as a result of a higher HTC request than anticipated in the agreement.

Amount: \$287,878 Type: Interest Income

Comments:

The Applicant provided tax returns to confirm the amount of interest income accrued from housing the excess bonds during construction.

Amount: \$100 Type: GP Equity Contribution

Amount: \$1,700,000 Type: Deferred Developer Fees

Comments:

This amounts to 100% of the available developer fee.

CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.15. However, no reduction in the permanent debt at this point is feasible. The Tax-exempt bonds have already been closed on, 100% of the available developer fee has already been deferred, and the Limited Partner has provided a substantial Excess Cost loan to fill the remaining gap in funds. As a result, any expectation for debt reduction would require additional equity contributions. This is an unusual situation as the the original general partner, developer, and Applicant were removed and the property is effectively in a workout situation with the syndicator providing continuing support to the property in order to preserve the original equity investments. The gap method will not be used to determine the tax credit allocation due to the 100% deferral of developer fee and the additional Excess Cost cashflow loan used to fill the remaining gap.

Of the three possible tax credit allocations, Applicant's request (\$581,652), the gap-driven amount (\$777,920), and eligible basis-derived estimate (\$581,653), the Applicant's request of \$581,652 is recommended resulting in proceeds of \$4,943,548 based on a syndication rate of 85%.

The Underwriter's recommended financing structure indicates the need for \$1,668,111 in additional permanent funds. Deferred developer fees in this amount do not appear to be repayable from development cashflow within 15 years of stabilized operation.

As indicated above, even with an initial DCR below the minimum, the entire amount of deferred developer fee can be repaid within 15 years of stabilized operations and a 1.5% increase in the current rents would yield an acceptable DCR of 1.10. Based on the information available, the Underwriter cannot reasonably forecast such an increase in rents. However, the property's rent increases over the previous 12 months suggest the further increases may be possible. Moreover, the current rents remain approximately 4% below the program maximums, which indicates that the lack of increases in the program rents for many areas of the state and country will not prevent the subject from increases in rents should the market allow.

Additionally, the property is well occupied and the syndicator will likely continue to provide operating support until cashflow improves.

Underwriter:

Cameron Dorsey

Date: January 24, 2008

Reviewing Underwriter:

Raquel Morales

Date: January 24, 2008

Director of Real Estate Analysis:

Tom Gouris

Date: January 24, 2008

COST CERTIFICATION COMPARATIVE ANALYSIS

Montgomery Trace Apartments, Conroe, HTC#01420

Type of Unit	Number	Bedrooms	No. of Baths	Size In SF	Gross Rent Lmt.	Rent Collected	UW Net Rent	CC Net Rent	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC50%	8	1	1	684	\$571	\$485	\$601	\$503	\$3,880	\$0.71	\$68.00	\$34.00
TC50%	16	1	1.5	795	571	\$485	\$601	\$503	7,760	0.61	68.00	34.00
TC50%	4	1	1.5	826	571	\$485	\$501	\$503	1,940	0.59	68.00	34.00
TC50%	88	2	1.5	1,027	686	\$579	\$600	\$601	50,952	0.56	85.00	35.00
TC50%	24	2	2	1,102	686	\$579	\$600	\$601	13,896	0.53	85.00	35.00
TC50%	4	2	2	1,128	686	\$579	\$600	\$601	2,316	0.51	85.00	35.00
TC50%	44	3	2.5	1,143	793	\$667	\$691	\$691	29,348	0.58	102.00	36.00
TOTAL:	188		AVERAGE:	1,027	\$694	\$586			\$110,092	\$0.57	\$66.45	\$35.09

INCOME Total Net Rentable Sq Ft: **193,124**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: (describe)

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT
\$1,321,104	\$1,464,096	\$1,503,168	\$1,370,448
33,840	24,960	24,960	56,400
0	0	0	0
\$1,354,944	\$1,489,056	\$1,528,128	\$1,426,848
(101,621)	(111,679)	(114,612)	(107,016)
0	0	0	0
\$1,253,323	\$1,377,377	\$1,413,516	\$1,319,832

Comptroller's Region **6**

IREM Region **Houston**

\$25.00 Per Unit Per Month

\$0.00 Per Unit Per Month

-7.50% of Potential Gross Income

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	6.01%	\$400	0.39
Management	4.00%	267	0.26
Payroll & Payroll Tax	9.78%	652	0.63
Repairs & Maintenance	6.51%	434	0.42
Utilities	3.59%	239	0.23
Water, Sewer, & Trash	3.34%	223	0.22
Property Insurance	3.97%	265	0.26
Property Tax 2.4805	9.41%	627	0.61
Reserve for Replacements	3.00%	200	0.19
Other: Supportive service contract fee	2.16%	144	0.14
TOTAL EXPENSES	51.77%	\$3,451	\$3.36
NET OPERATING INC	48.23%	\$3,215	\$3.13

TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT
\$75,265	\$55,231	\$39,419	\$49,103
50,133	68,869	70,420	52,793
122,532	140,434	123,001	207,445
81,645	87,596	106,919	77,276
44,991	23,195	25,161	26,100
41,885	32,448	40,258	33,840
49,729	32,600	27,552	48,948
117,947	180,580	192,032	130,152
37,600	41,600	41,600	37,600
27,103	40,305	42,103	27,103
\$648,830	\$702,858	\$706,465	\$690,360
\$604,494	\$674,519	\$705,051	\$629,472

PER SQ FT	PER UNIT	% OF EGI
\$0.25	\$261	3.72%
0.27	281	4.00%
1.07	1,103	15.72%
0.40	411	5.85%
0.14	139	1.98%
0.18	180	2.56%
0.25	260	3.71%
0.67	692	9.66%
0.19	200	2.85%
0.14	144	2.05%
\$3.57	\$3,429	52.31%
\$3.28	\$3,348	47.69%

DEBT SERVICE

JP Morgan Chase Bank	45.31%	\$3,021	\$2.94
SunAmerica Housing Fund 937	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	2.92%	\$194	\$0.19

AGGREGATE DEBT COVERAGE RATIO 1.06

RECOMMENDED DEBT COVERAGE RATIO 1.07

TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT
\$567,928	\$615,171	\$612,548	\$576,498
0	0	0	0
0	0	0	0
\$36,566	\$59,348	\$92,503	\$52,974
1.06	1.10	1.16	1.09
1.07			

PER SQ FT	PER UNIT	% OF TOTAL
\$2.99	\$3,086	43.88%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.27	\$282	4.01%

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		2.65%	\$2,262	\$2.20
Off-Sites		0.00%	0	0.00
Sitework		0.00%	0	0.00
Direct Construction		50.25%	42,928	41.79
Contingency				
General Req'ts	6.00%	3.02%	2,576	2.51
Contractor's G & A	0.00%	0.00%	0	0.00
Contractor's Profit	5.84%	2.93%	2,507	2.44
Indirect Construction		3.85%	3,118	3.04
Ineligible Costs		16.30%	13,928	13.56
Developer's G & A	2.00%	1.39%	1,187	1.16
Developer's Profit	13.00%	9.03%	7,717	7.51
Interim Financing		9.63%	8,228	8.01
Reserves		1.14%	977	0.95
TOTAL COST	100.00%		\$85,428	\$83.16
Construction Cost Recap		56.20%	\$48,011	\$46.74

TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT
\$425,181	\$425,000	\$425,000	\$425,181
0	0	0	0
0	1,225,308	1,225,308	0
8,070,515	8,312,360	7,916,544	8,247,283
484,231	659,731	559,731	488,390
0	186,577	186,577	0
471,352	559,731	559,731	471,352
586,243	253,600	253,600	586,243
2,618,375	601,936	601,936	2,618,375
223,185	254,481	278,889	0
1,450,705	1,654,126	1,673,396	1,700,000
1,546,930	1,253,577	1,253,577	1,546,930
183,654	125,000	125,000	74,274
\$16,060,371	\$15,784,580	\$16,432,443	\$16,158,028
\$9,026,098	\$11,216,861	\$10,821,045	\$9,207,025

PER SQ FT	PER UNIT	% of TOTAL
\$2.20	\$2,262	2.63%
0.00	0	0.00%
0.00	0	0.00%
42.70	43,869	51.04%
2.53	2,598	3.02%
0.00	0	0.00%
2.44	2,507	2.92%
3.04	3,118	3.63%
13.56	13,928	16.20%
0.00	0	0.00%
8.80	9,043	10.52%
8.01	8,228	9.57%
0.38	395	0.46%
\$83.67	\$85,947	100.00%
\$47.67	\$48,974	56.98%

SOURCES OF FUNDS

JP Morgan Chase Bank	46.70%	\$39,894	\$38.84
SunAmerica Housing Fund 937	9.79%	\$8,364	\$8.14
SunAmerica HTC Equity	30.58%	\$26,126	\$25.43
Additional HTC Equity (Fee Reimburse)	1.16%	\$989	\$0.96
Interest Income	1.79%	\$1,531	\$1.49
GP Capital Contribution	0.00%	\$1	\$0.00
Deferred Developer Fees	10.59%	\$9,043	\$8.80
Additional (Excess) Funds Req'd	-0.61%	(\$519)	(\$0.51)
TOTAL SOURCES			

TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT
\$7,500,000	\$7,903,861	\$7,903,861	\$7,500,000
1,572,457	0	0	1,572,457
4,911,659	5,950,133	5,950,133	4,943,659
185,934	0	0	185,934
287,878	0	0	287,878
100	0	0	100
1,700,000	1,657,498	1,578,459	1,700,000
(97,657)	273,098	0	0
\$16,060,371	\$15,784,580	\$16,432,443	\$16,158,028

RECOMMENDED

Developer Fee Available **\$1,700,000**

% of Dev. Fee Deferred **98%**

15-Yr Cumulative Cash Flow **\$1,836,474**

Date: 1/24/08

5,097,593

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.23	\$10,472,793
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly/9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(1.24)	(238,508)
Floor Cover			2.43	469,291
Porches/Balconies	\$21.65	7,575	0.85	184,007
Plumbing	\$805	608	2.53	489,440
Built-In Appliances	\$1,850	188	1.80	347,800
Interior Stairs	\$1,485	180	1.38	267,300
Enclosed Corridors	\$44.31		0.00	0
Heating/Cooling			1.90	366,936
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$65.36	3,794	1.28	247,985
Rough-Ins	\$400.00	188	0.39	75,200
SUBTOTAL			65.57	12,662,244
Current Cost Multiplier	0.98		(1.31)	(253,245)
Local Multiplier	0.89		(7.21)	(1,392,847)
TOTAL CURRENT DIRECT COSTS			\$57.04	\$11,016,152
Comparative Multiplier	0.90		(\$5.59)	(\$1,080,154)
TOTAL DIRECT COSTS (2nd QUARTER 2005)			\$51.45	\$9,935,998
Plans, specs, survy, bld prmts	3.90%		(\$2.01)	(\$387,504)
Interim Construction Interest	3.38%		(1.74)	(335,340)
Contractor's OH & Profit	11.60%		(5.92)	(1,142,640)
NET DIRECT CONSTRUCTION COSTS			\$41.79	\$8,070,515

PAYMENT COMPUTATION

Primary	\$7,500,000	Amort	444
Int Rate	7.00%	DCR	1.06

Secondary	\$1,672,457	Amort	
Int Rate	9.00%	Subtotal DCR	1.06

Additional	\$4,911,669	Amort	
Int Rate		Aggregate DCR	1.06

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$565,998
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$38,495

Primary	\$7,500,000	Amort	444
Int Rate	7.00%	DCR	1.07

Secondary	\$1,672,457	Amort	0
Int Rate	9.00%	Subtotal DCR	1.07

Additional	\$4,911,669	Amort	0
Int Rate	0.00%	Aggregate DCR	1.07

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,321,104	\$1,360,737	\$1,401,559	\$1,443,808	\$1,486,914	\$1,723,741	\$1,998,288	\$2,316,564	\$3,113,268
Secondary Income	33,840	34,855	35,901	36,978	38,087	44,154	51,186	59,339	79,746
Other Support Income: (describe)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,354,944	1,395,592	1,437,460	1,480,584	1,525,001	1,767,895	2,049,474	2,375,903	3,193,014
Vacancy & Collection Loss	(101,621)	(104,669)	(107,810)	(111,044)	(114,375)	(132,592)	(153,711)	(178,193)	(239,476)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,253,323	\$1,290,923	\$1,329,651	\$1,369,540	\$1,410,626	\$1,635,303	\$1,895,764	\$2,197,710	\$2,953,538
EXPENSES at 4.00%									
General & Administrative	\$75,265	\$78,276	\$81,407	\$84,663	\$88,050	\$107,120	\$130,335	\$158,573	\$234,726
Management	50,133	51,637	53,186	54,782	56,425	65,412	75,831	87,908	118,142
Payroll & Payroll Tax	122,532	127,433	132,531	137,832	143,345	174,401	212,186	258,156	382,135
Repairs & Maintenance	81,645	84,911	88,307	91,839	95,513	116,206	141,382	172,013	254,621
Utilities	44,991	46,791	48,662	50,609	52,633	64,036	77,910	94,789	140,311
Water, Sewer & Trash	41,885	43,560	45,303	47,115	49,000	59,615	72,531	88,245	130,625
Insurance	49,729	51,718	53,788	55,938	58,175	70,779	86,114	104,771	155,086
Property Tax	117,947	122,666	127,571	132,674	137,981	167,875	204,246	248,497	367,836
Reserve for Replacements	37,600	39,104	40,668	42,295	43,987	53,517	65,111	79,218	117,281
Other	27,103	28,187	29,315	30,487	31,707	38,576	46,934	57,102	84,525
TOTAL EXPENSES	\$648,830	\$674,281	\$700,736	\$728,234	\$756,815	\$917,544	\$1,112,579	\$1,349,272	\$1,985,268
NET OPERATING INCOME	\$604,494	\$616,641	\$628,914	\$641,306	\$653,811	\$717,758	\$783,184	\$848,438	\$968,270
DEBT SERVICE									
First Lien Financing	\$565,998	\$565,998	\$565,998	\$565,998	\$565,998	\$565,998	\$565,998	\$565,998	\$565,998
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$38,495	\$50,643	\$62,916	\$75,308	\$87,813	\$151,760	\$217,186	\$282,440	\$402,272
DEBT COVERAGE RATIO	1.07	1.09	1.11	1.13	1.16	1.27	1.38	1.50	1.71

COST CERTIFICATION ANALYSIS - Date: 1/24/08

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$425,181	\$425,181		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work				
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$8,247,283	\$8,070,515	\$8,247,283	\$8,070,515
(4) Contractor Fees & General Requirements				
Contractor overhead				
Contractor profit	\$471,352	\$471,352	\$471,352	\$471,352
General requirements	\$488,390	\$484,231	\$488,390	\$484,231
(5) Contingencies				
(6) Eligible Indirect Fees				
	\$586,243	\$586,243	\$586,243	\$586,243
(7) Eligible Financing Fees				
	\$1,546,930	\$1,546,930	\$1,546,930	\$1,546,930
(8) All Ineligible Costs				
	\$2,618,375	\$2,618,375		
(9) Developer Fees				
Developer overhead		\$223,185		\$223,185
Developer fee	\$1,700,000	\$1,450,705	\$1,700,000	\$1,450,705
(10) Development Reserves				
	\$74,274	\$183,654	\$1,701,030	\$1,673,891
TOTAL DEVELOPMENT COSTS	\$16,158,028	\$16,060,371	\$13,040,198	\$12,833,161

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$13,040,198	\$12,833,161
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$16,952,257	\$16,683,110
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$16,952,257	\$16,683,110
Applicable Percentage		3.43%	3.43%
TOTAL AMOUNT OF TAX CREDITS		\$581,653	\$572,419

Syndication Proceeds	\$0.8499	\$4,943,560	\$4,865,072
Total Tax Credits (Eligible Basis Method)		\$581,653	\$572,419
Syndication Proceeds		\$4,943,560	\$4,865,072
Approved Tax Credits		\$682,327	
Syndication Proceeds		\$5,799,200	
Cost Certification Request		\$581,652	
Syndication Proceeds		\$4,943,548	
Gap of Syndication Proceeds Needed		\$6,611,659	
Total Tax Credits (Gap Method)		\$777,920	
Reconciled Tax Credits		\$581,652	
Syndication Proceeds		\$4,943,548	



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Ben Sheppard, Multifamily Finance Production
From: Raquel Morales, Real Estate Analysis
cc: File
Date: November 6, 2007
Re: Amendment Request for Residences on Stillhouse Road, #02040

I have reviewed the owner's request for approval for changes made to the development with respect to the number of surface parking spaces and building configuration and site plan. Specifically, the number of surface spaces decreased from 152 to 109. Additionally, the building configuration was changed from fourplexes with in-line (side-by-side) units to fourplexes with the units all having one common corner and two common walls.

The owner's change in building configuration was evaluated by the Underwriter as part of the Cost Certification review process. Based on the Underwriter's analysis of the development as built and reflected in the Cost Certification documentation, the changes made to the development do not materially affect the feasibility of the development in a negative manner and no change to the recommended credit amount is warranted prior to finalization of the Cost Certification review.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM**

DATE: January 16, 2008

PROGRAM: 4% HTC

FILE NUMBER: 04447

DEVELOPMENT NAME

Rosemont at Bethel Apartments

OWNER

Name: TX Acme A South Housing, L.P. **Type:** For Profit
Address: 5910 North Central Expressway, Suite 1145 **City:** Dallas **State:** TX
Zip: 75206 **Contact:** Sara Reidy **Phone:** (214) 891-7824 **Fax:** (214) 891-9124

PRINCIPALS of the OWNER/ KEY PARTICIPANTS

Name: TX Acme A South Development, LLC	(%): 0.01	Title: Managing General Partner
Name: TX Acme A South SLP, LLC	(%): 0.01	Title: Class B Limited Partner
Name: Housing Services Incorporated (non-profit)	(%): N/A	Title: 100% owner of MGP
Name: Brian Potashnik	(%): N/A	Title: 100% owner of TX Acme A South Development, LLC

PROPERTY LOCATION

Location: 535 Acme Road **QCT** **DDA**
City: San Antonio **County:** Bexar **Zip:** 78237

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$864,594	N/A	N/A	N/A
Comments:	The development was previously approved for \$844,329 in annual tax credits in 2004.		
Proposed Use of Funds:	New construction	Property Type:	Multifamily

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$864,594 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

ADDENDUM

On January 7, 2008 the Owner submitted a letter to the Department requesting an amendment to change development site acreage and the number of uncovered parking spaces. This addendum reevaluates the transaction based upon the changes requested and based upon the information submitted as part of the cost certification package.

At application, the owner proposed acquisition of 20 acres via a ground lease with the Bethel United Methodist Church for development of the subject property. During the final site planning for the development, it was determined that only 16.399 acres were needed to efficiently fit the buildings and amenities proposed in the application. Additionally, the development was to have a total of 515 uncovered

TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

parking spaces but ultimately was built with a total of 483 parking spaces, both covered and uncovered. Overall the number of units and net rentable square footage remained unchanged. Also, based on the owner's final cost certification documentation, it appears that the total gross building area and common area square footage has increased. At the time of this request, the property is 100% complete and the cost certification documentation has been submitted and is currently under review by TDHCA staff. Also of note, the owner of this development has submitted a request to the Department for approval to transfer ownership of this development and all other developments currently owned by Southwest Housing Development Corporation. Approval of these transfers is pending additional information from the proposed new owner.

OPERATING PROFORMA ANALYSIS

Income: The Owner has indicated net rents equal to the program gross 60% of AMI rent levels less the applicable utility allowances. The rent roll provided by the Owner indicates that the maximum 60% rent levels are being achieved, although the property is still in lease-up and remains unstabilized. The Underwriter has also utilized the gross rents less utility allowances to determine potential gross rent. The Owner's secondary income and vacancy and collection loss estimates are also in line with Department standards. Therefore, the Owner's estimate of effective gross income is within 5% of the Underwriter's estimate.

Expenses: The Owner's total expense estimate of \$3,312 per unit is within 5% of the Underwriter's estimate of \$3,438 per unit derived from the actual operations, TDHCA database, IREM data, and other sources. It should be noted that the Underwriter was provided with the lender's underwriting assumptions used when the bonds were converted to the permanent phase, as well as a DCR test conducted by the owner's CPA using actual operating expenses for a three-month period (May-June 2007). In both sets of information the property's DCR was at or above a 1.10. Additionally, both the Underwriter's and Owner's revised proformas reflect an overall reduction in expenses from the original underwriting. This is primarily the result of the Owner having secured a 50% property tax exemption. Documentation from the Bexar County Appraisal District was provided to support the exemption.

Conclusion: Due primarily to the difference in operating expenses and NOI, the Underwriter's projected debt coverage ratio (DCR) of 1.05 is less than the program minimum standard of 1.15. This would suggest that the amount of debt would need to be reduced to an amount necessary to achieve a 1.15 DCR. However, cost certification documentation and discussions with the owner have confirmed that the bonds have already converted to the permanent phase for this development, meeting the lender's required 1.10 DCR. In order to meet the lender's requirements, the permanent debt was re-sized at conversion to \$13,158,000 by a required pay-down of \$342K.

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The actual acquisition of the property occurred via a ground lease between the owner and the Bethel United Methodist Church. Originally the owner proposed to acquire a total of 20 acres for the subject development. Cost certification documentation reflects that the development site as built consists of 16.399 acres, with the remaining 3.61 acres returned to the church. It should be noted that the final acquisition price for the 16 acres, as documented in the cost certification and certified by the CPA is \$69K more than originally anticipated at application for the full 20 acres. The executed ground lease states a term of 75 years with an initial rent of \$325K and rent for the entire remaining term of the lease in the amount of \$443K. It should be noted that the gap of funds sourced by deferred developer fee is greater than the entire cost of the land as a result of increases in other development costs. Therefore, the Underwriter allowed the full acquisition price reflected in the development cost schedule and documented in the cost certification submission.

Offsite Costs: The Owner has indicated offsite costs of \$71K for offsite water and sewer. These costs have been documented in the Contractor's Application for Final Payment and by the Owner's CPA. Therefore, no further support is necessary.

Sitework Cost: The Owner has indicated eligible sitework costs amounting to \$9,916 per unit, which is

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

32% higher than originally anticipated (\$7,495 per unit). The Underwriter has assumed the Owner's actual incurred and CPA certified eligible sitework costs.

Direct Construction Cost: The Owner's actual direct construction costs of \$10,937,378 are 6% higher than originally anticipated at application. Moreover, the actual direct construction costs are 6% higher than the Underwriter's re-costing at today's costs using Marshall and Swift's *Residential Cost Handbook*.

Conclusion: The Owner's total development cost is within 5% of the Underwriter's current estimate. The development has been completed and the Contractor's Application for Final Payment, verifying the actual costs incurred, is dated August 14, 2006. Therefore, for the purpose of determining eligible basis and the gap in financing, the Owner's actual costs, as certified by an independent CPA, will be utilized. It should be noted that it was brought to the Underwriter's attention that an error occurred in the information provided to the CPA for purposes of certifying the actual costs incurred for this development. Specifically, the owner's costs include a total of \$154K in eligible indirect construction costs of which \$19,574 has been recently identified as not incurred and documented. An email from the owner's CPA verified that the total eligible basis will be corrected to reflect \$19,574 less than what was originally certified. The CPA is in the process of providing the Department with a revised auditor's report reflecting this correction. For purposes of this analysis, the Underwriter utilized the corrected eligible basis amount of \$19,190,778 resulting in a credit allocation of \$864,594 using the actual applicable percentages for the placed in service dates of each building. Of note, the reduction of the \$19K in eligible basis caused the developer fees to become slightly overstated. The resulting syndication proceeds will be used to compare to the Owner's request and to the gap of need using the Owner's costs to determine the recommended credit amount.

FINANCING STRUCTURE

Tax-Exempt Bonds: The Owner is utilizing bond proceeds totaling \$13,158,000 issued by the Bexar County Housing Finance Corporation and purchased by GMAC. The original amount of the bonds issued totaled \$13,500,000 at an interest rate of 6.66% and an amortization of 40 years. However, a letter dated November 1, 2007 from the lender states that in order to convert the bonds from the construction loan period to the permanent loan period, a pay-down of \$342K will be required. The Owner confirmed that the bonds have been converted and that they were able to meet the lenders 1.10 DCR requirement with the pay-down of these funds.

HTC Syndication: The Limited Partnership Agreement is consistent with the Owner's sources of funds.

Deferred Developer's Fees: The Owner's proposed deferred developer's fees of \$21K amount to 1% of the total fees. The amount reflected in the cost certification is prior to the required pay-down amount when the bonds converted to permanent. With the required pay-down, the deferred fees have increased to \$363K or 14% of the total fees.

Financing Conclusions: The Owner's total development cost less the tax-exempt bond amount of \$13,158,000 result in a gap in funding of \$7,909,972. A tax credit allocation of \$884,886 annually for 10 years would be needed to fill this gap. Of the three possible tax credit allocations, the Owner's cost certification request (\$865,608), the eligible basis derived estimate (\$864,594), and the gap-based amount (\$884,886), the eligible basis derived amount of \$864,594 is recommended resulting in proceeds of \$7,728,585. The recommended financing structure reflects the need for \$181,387 in additional permanent funds. Deferred developer fees in this amount appear to be repayable within 15 years of stabilized operation.

Manager of Real Estate Analysis:

Raquel Morales

Date: January 16, 2008

COST CERTIFICATION COMPARATIVE ANALYSIS

Rosemont at Bethel Place, San Antonio, HTC#04447

Reviewed by: Raquel Morales

Date: 1/16/2008

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	UW Net Rent	CC Net Rent	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trash
TC 00%	52	1	1	750	\$604	\$537	\$533	\$537	\$27,942	\$0.72	\$68.66	\$35.82
TC 60%	112	2	2	950	724	\$843	\$844	\$843	72,051	0.68	80.69	42.62
TC 80%	86	3	2	1,100	837	\$735	\$744	\$735	83,201	0.67	102.10	54.11
									\$0			
									\$0			
									\$0			
									\$0			
TOTAL:	250		AVERAGE:	960	\$738	\$653			\$163,194	\$0.68	\$85.14	\$45.16

INCOME				Total Net Rentable Sq Ft: 240,000		Comptroller's Region 9	
POTENTIAL GROSS RENT							
Secondary Income	Per Unit Per Month:	\$15.00					
Other Support Income: (describe)							
POTENTIAL GROSS INCOME							
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%					
Employee or Other Non-Rental Units or Concessions							
EFFECTIVE GROSS INCOME							
EXPENSES	% OF EGI	PER UNIT	PER SQ FT				
General & Administrative	2.91%	\$216	0.22				
Management	4.00%	296	0.31				
Payroll & Payroll Tax	11.64%	863	0.90				
Repairs & Maintenance	5.58%	413	0.43				
Utilities	2.12%	167	0.16				
Water, Sewer, & Trash	6.00%	445	0.46				
Property Insurance	3.23%	240	0.25				
Property Tax	2.700816	6,075	0.47				
Reserve for Replacements	2.70%	200	0.21				
Other: Supportive service contract	2.14%	168	0.17				
TOTAL EXPENSES	46.36%	\$3,438	\$3.68				
NET OPERATING INC	53.62%	\$3,974	\$4.14				
DEBT SERVICE							
GMAC Commercial Holding Capital	60.88%	\$3,770	\$3.93				
Additional Financing	0.00%	\$0	\$0.00				
Additional Financing	0.00%	\$0	\$0.00				
NET CASH FLOW	2.76%	\$204	\$0.21				
AGGREGATE DEBT COVERAGE RATIO				1.05	1.02	1.09	1.05
RECOMMENDED DEBT COVERAGE RATIO				1.08			

CONSTRUCTION COST											
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-CC	COST CERT	COST CERT	COST CERT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	1.72%		\$1,418	\$1.47	\$353,957	\$284,625	\$284,625	\$353,957	\$1.47	\$1,418	1.88%
Off-Sites	0.35%		288	0.30	71,465	0	0	71,465	0.30	288	0.34%
Sitework	12.02%		9,916	10.33	2,479,091	1,873,750	1,873,750	2,479,091	10.33	9,916	11.77%
Direct Construction	60.07%		41,285	43.02	10,323,767	9,737,591	10,354,200	10,937,378	45.67	43,760	51.91%
Contingency						580,567	611,398				
General Req'ls	6.00%	3.73%	3,073	3.20	768,171	696,680	733,677	773,728	3.22	3,095	3.67%
Contractor's G & A	2.00%	1.24%	1,024	1.07	256,057	232,227	244,559	257,909	1.07	1,032	1.22%
Contractor's Profit	6.00%	3.73%	3,073	3.20	768,171	696,680	733,677	773,727	3.22	3,095	3.67%
Indirect Construction		3.92%	3,232	3.37	808,123	1,073,900	1,073,900	808,123	3.37	3,232	3.84%
Ineligible Costs		7.03%	6,795	6.04	1,448,836	1,453,281	1,453,281	1,448,836	6.04	5,795	6.86%
Developer's G & A	2.00%	1.68%	1,265	1.34	321,221	312,727	0		0.00	0	0.00%
Developer's Profit	13.00%	10.13%	8,352	8.70	2,087,938	2,032,724	2,455,516	2,506,081	10.44	10,024	11.80%
Interim Financing		3.19%	2,631	2.74	657,677	744,943	744,943	657,677	2.74	2,631	3.12%
Reserves		1.32%	1,092	1.14	273,045	409,330	295,677	0	0.00	0	0.00%
TOTAL COST	100.00%		\$82,470	\$85.91	\$20,617,520	\$20,129,025	\$20,859,203	\$21,067,972	\$87.78	\$84,272	100.00%
Construction Cost Recap	70.78%		\$58,381	\$60.81	\$14,595,258	\$13,817,495	\$14,551,261	\$16,221,833	\$63.42	\$60,887	72.25%

SOURCES OF FUNDS								RECOMMENDED	
GMAC Commercial Holding Capital	63.62%	\$52,832	\$54.83	\$13,158,000	\$12,260,000	\$12,260,000	\$13,158,000	\$13,158,000	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0	0	\$2,503,145
HTC Syndication Proceeds	38.80%	\$30,187	\$31.44	7,546,685	6,923,498	6,923,498	7,546,685	7,728,585	% of Dev. Fee Deferred
Deferred Developer Fees	1.78%	\$1,453	\$1.51	363,287	1,675,705	1,675,705	363,287	181,387	7%
Additional (Excess) Funds Req'd	-2.18%	(\$1,802)	(\$1.88)	(450,452)	(730,178)	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$20,617,520	\$20,129,025	\$20,859,203	\$21,067,972	\$21,067,972	\$3,306,360

DIRECT CONSTRUCTION COST ESTIMATE
 Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$47.12	\$11,309,765
Adjustments				
Exterior Wall Finish	1.00%		\$0.47	\$113,098
Elderly/9-Ft. Ceilings	3.00%		1.41	339,293
Roofing			0.00	0
Subfloor			(0.82)	(197,600)
Floor Cover			2.43	583,200
Porches/Balconies	\$22.27	36,000	3.34	801,720
Plumbing	\$805	594	1.99	478,170
Built-In Appliances	\$1,850	250	1.93	482,500
Stairs/Fireplaces	\$1,800	94	0.71	169,200
Enclosed Corridors	\$37.20		0.00	0
Heating/Cooling			1.73	415,200
Garages/Carports	\$10.15	27,300	1.15	277,095
Comm &/or Aux Bldgs	\$92.25	6,095	1.58	379,414
Other:			0.00	0
SUBTOTAL			63.05	15,131,054
Current Cost Multiplier	0.98		(1.26)	(302,621)
Local Multiplier	0.88		(8.83)	(2,118,348)
TOTAL DIRECT CONSTRUCTION COSTS			\$52.96	\$12,710,088
Plans, specs, survey, bid prep	3.90%		(\$2.07)	(\$495,693)
Interim Construction Interest	3.38%		(1.79)	(428,965)
Contractor's OH & Profit	11.60%		(8.09)	(1,461,660)
NET DIRECT CONSTRUCTION COSTS			\$43.02	\$10,323,767

PAYMENT COMPUTATION

Primary	\$13,159,000	Amort	490
Int Rate	6.66%	DCR	1.05
Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.05
Additional	\$7,546,685	Amort	
Int Rate		Aggregate DCR	1.65

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	\$942,469
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$59,735

Primary	\$13,159,000	Amort	490
Int Rate	6.66%	DCR	1.05
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.05
Additional	\$7,546,685	Amort	0
Int Rate	0.00%	Aggregate DCR	1.05

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10
POTENTIAL GROSS RENT	\$1,958,328	\$2,017,075	\$2,077,688	\$2,139,815	\$2,204,113	\$2,655,171
Secondary Income	45,000	46,350	47,741	49,173	50,648	58,715
Other Support Income: (descr)	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,003,328	2,063,425	2,125,328	2,189,088	2,254,761	2,813,886
Vacancy & Collection Loss	(150,249)	(154,767)	(159,400)	(164,182)	(169,107)	(196,041)
Employee or Other Non-Rent	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,853,078	\$1,908,658	\$1,965,929	\$2,024,906	\$2,085,654	\$2,417,844
EXPENSES at 4.00%						
General & Administrative	\$53,876	\$56,031	\$58,272	\$60,603	\$63,027	\$76,882
Management	74,123	76,347	78,637	80,996	83,428	96,714
Payroll & Payroll Tax	216,676	224,303	233,276	242,606	252,310	308,974
Repairs & Maintenance	103,316	107,449	111,747	116,218	120,886	147,061
Utilities	39,340	40,914	42,550	44,252	46,022	55,993
Water, Sewer & Trash	111,132	115,677	120,200	125,008	130,009	158,176
Insurance	50,923	52,320	54,812	57,405	60,101	75,289
Property Tax	112,536	117,037	121,719	126,588	131,651	160,174
Reserve for Replacements	50,000	52,000	54,080	56,243	58,493	71,166
Other	39,822	41,207	42,855	44,569	46,352	56,394
TOTAL EXPENSES	\$859,544	\$893,184	\$928,148	\$964,488	\$1,002,257	\$1,214,612
NET OPERATING INCOME	\$993,532	\$1,015,484	\$1,037,780	\$1,060,419	\$1,083,396	\$1,203,232
DEBT SERVICE						
First Lien Financing	\$942,469	\$942,469	\$942,469	\$942,469	\$942,469	\$942,469
Second Lien	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0
NET CASH FLOW	\$51,063	\$73,015	\$65,311	\$117,950	\$140,927	\$280,763
DEBT COVERAGE RATIO	1.05	1.08	1.10	1.13	1.15	1.28

	YEAR 20	YEAR 30
	\$3,433,936	\$4,614,923
	78,908	108,045
	0	0
	3,512,844	4,720,968
	(283,483)	(354,073)
	0	0
	\$3,249,360	\$4,366,895
	\$113,509	\$168,020
	129,876	174,676
	464,397	672,618
	217,671	322,207
	82,883	122,688
	234,138	346,582
	128,248	186,878
	237,096	350,961
	105,342	155,903
	83,476	123,587
	\$1,784,738	\$2,824,129
	\$1,484,642	\$1,742,758
	\$942,469	\$942,469
	0	0
	0	0
	\$522,173	\$800,297
	1.55	1.85

COST CERTIFICATION ANALYSIS - Rosemont at Bethel Place, San Antonio, HTC#04447

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$353,957	\$353,957				
Purchase of buildings						
(2) Rehabilitation/New Construction Cost						
On-site work	\$2,479,091	\$2,479,091			\$2,479,091	\$2,479,091
Off-site improvements	\$71,465	\$71,465				
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$10,937,378	\$10,323,767			\$10,937,378	\$10,323,767
(4) Contractor Fees & General Requirements						
Contractor overhead	\$257,909	\$256,057			\$257,909	\$256,057
Contractor profit	\$773,727	\$768,171			\$773,727	\$768,171
General requirements	\$773,728	\$768,171			\$773,728	\$768,171
(5) Contingencies						
(6) Eligible Indirect Fees						
	\$808,123	\$808,123			\$808,123	\$808,123
(7) Eligible Financing Fees						
	\$657,677	\$657,677			\$657,677	\$657,677
(8) All Ineligible Costs						
	\$1,448,836	\$1,448,836				
(9) Developer Fees						
					\$2,503,145	
Developer overhead		\$321,221				\$321,221
Developer fee	\$2,506,081	\$2,087,938				\$2,087,938
(10) Development Reserves						
		\$273,045			\$2,503,145	\$2,409,159
TOTAL DEVELOPMENT COSTS	\$21,067,972	\$20,617,520			\$19,190,778	\$18,470,217

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS					\$19,190,778	\$18,470,217
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS					\$24,948,011	\$24,011,282
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS					\$24,948,011	\$24,011,282
Applicable Percentage					3.47%	3.47%
TOTAL AMOUNT OF TAX CREDITS					\$864,594	\$832,131

Syndication Proceeds	0.893897506				\$7,728,585	\$7,438,398
Total Tax Credits (Eligible Basis Method)					\$864,594	\$832,131
Syndication Proceeds					\$7,728,585	\$7,438,398
Approved Tax Credits					\$844,329	
Syndication Proceeds					\$7,547,436	
Cost Certification Request					\$865,608	
Syndication Proceeds					\$7,737,648	
Gap of Syndication Proceeds Needed					\$7,909,972	
Total Tax Credits (Gap Method)					\$884,886	
Reconciled Tax Credits					\$864,594	
Syndication Proceeds					\$7,728,585	



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

Date: January 7, 2008
To: Ben Sheppard, MFFP
From: Diamond Thompson, REA / Cameron Dorsey, REA
CC: Raquel Morales, REA
RE: Mesa Vista, 9%HTC #05026

The Owner, MV Housing, Ltd, submitted a revised site plan and development cost schedule. The increase in acreage from four acres to six acres was addressed in a memo dated November 21, 2005. The cost schedule reflects an increase in total sitework and direct construction costs and a subsequent decrease in contingency. Moreover, the revised site plan indicates the construction of one additional residential building. The tax credit allocation of \$453,995 recommended at application based on the Owner's request continues to be supported by the development costs and sources and uses. However, the developer will be required to defer fees totaling \$ 478,543, or 64%, of total developer fees. This amount appears to be repayable from development cashflow within 5 years of stabilized operation.

Also of note, subsequent to submission of the Amendment request, the Owner indicated that 10 units (inclusive of all 30% units) will be public housing units (PHUs) and will receive an operating subsidy. The inclusion of public housing units was not originally reflected in the application and therefore, the underwriter did not incorporate public housing units into the underwriting report. The Underwriter has reevaluated the transaction with the PHUs incorporated and has determined that the inclusion of 10 PHUs results in a \$1.5K reduction in the projected Net Operating Income. This nominal decrease in NOI has no material effect on the feasibility of the development. Therefore, the development continues to be feasible based on current Department rules. The current underwriting analysis indicates a continued recommendation of \$453,995 in annual tax credits.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Ben Sheppard, MFFP
From: Cameron Dorsey, REA
cc: Raquel Morales, REA
Date: 1/4/07
Re: Amendment request for Hamilton Senior Village (07117) dated 12/19/07

The Applicant for the subject development submitted an amendment request for the following changes: removal of 2.6 acre strip of western edge of site from the development site and LURA; addition of an off-site road extension to Barkley Street west of site to provide a secondary access point; reconfiguration of the siteplan with no changes to the building configuration or unit mix.

The Applicant has provided a third party engineer's estimate for the road extension reflecting a cost of \$12,291. This offsite cost is equal to the prorate value of the 2.6 acres being removed from the development site (the revised site is 8.4 acres). Therefore, the addition of the secondary access is a direct offset to the 2.6 acre reduction to the development site, and these changes have no material effect on the original underwriting or financial feasibility of the transaction.

Additionally, the Applicant has indicated that the reconfiguration of the site will have no impact on the original sitework or direct construction cost estimates. As indicated above, the reconfiguration does not change the unit mix or the number of buildings. Based upon the Underwriter's review, the changes have no effect on the Marshall and Swift derived direct cost estimate or total development cost in the original underwriting report.

The changes requested in the Applicant's amendment letter dated December 19, 2007 have no material effect on the financial viability of the transaction and no effect on the originally recommended tax credit allocation. Therefore, no further action is required.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Items

Presentation, Discussion and Possible Approval to Ratify Recommendation for Adjusted HTC Scoring and Census Tract Data

Required Action

Approve, Amend or Deny the Staff Recommendation.

Background

Each year, in preparation for the upcoming application year, staff revises the Department's uniform application and reference materials to incorporate changes in federal regulations, state statutes and Department rules and policies. As part of each year's Competitive Housing Tax Credit Application Round, applicants may participate in the optional Pre-Application process. Pre-Applications are submitted to the Department in early January, in advance of the submission of full applications in late February or early March. Pre-Applications include minimal requirements for the submission of information regarding the proposed development, a self-score that reflects points the applicant intends to substantiate with the submission of the full application, evidence of site control for the proposed development, and evidence that notifications required by the Qualified Allocation Plan and Rules (QAP) have been made. There are two major benefits to applicants associated with the submission of Pre-Applications: first, as a reward for submitting the Pre-Application, applicants may be eligible to receive six points on their full application score; and second, because the Department posts a list of all Pre-Applications submitted and the self-score for each Pre-Application, applicants can see who their competition may be when full applications are submitted to the Department. The Department does not verify whether point requests made at Pre-Application are able to be substantiated; rather self-scores provided by applicants are used. In addition to Pre-Applications, which are optional, applicants who intend to compete in the USDA or At-Risk Set-Aside must submit an *Intent to Request* form or a Pre-Application to the Department on or before the Pre-Application deadline. Evidence of site control and of notifications is not required to be submitted with the *Intent to Request* form, and an applicant may not receive any points on the full application as a result of having submitted an *Intent to Request* form.

On or before January 7, 2008, the Department received 168 Pre-Applications and thirty-one *Intent to Request* forms for 2008 Housing Tax Credits. The Department is required to post a list of all Pre-Applications received by the Department by January 21, 2008, and a final list of Pre-Applications received, including final score, by January 30, 2008. Department staff has reviewed all Pre-Applications against the requirements of the QAP at this time.

One of the references that is revised each year is the Housing Tax Credit Site Demographic Characteristics (Site Demographics) report, which contains data for applicants to use as reference material related to scoring and eligibility items when submitting Pre-Applications and Applications. On December 14, 2007, the Department published the 2008 version of the Site Demographics report.

Staff identified two errors in the published Site Demographics data on Friday, January 4, 2008:

1. **Affordable Housing Needs Score (AHNS).** The AHNS assigns up to six points to places throughout the state based on objective measures of housing need. Places identified as having the greatest housing need are assigned a greater number of points in order to provide incentives for the development of affordable housing in those places. The AHNS is approved by the Board annually and published on the Housing Resource Center webpage of the Department's website. Pursuant to §50.9(i)(12) of the QAP, applicants must rely on the Site Demographics report to obtain the AHNS. Staff made an error when reproducing the data to be published with the 2008 Site Demographics report, which caused the data to vary from the Board approved version. The public relied on the erroneous staff produced version in making application decisions. The incorrect Site Demographics report increased some scores and decreased others (a copy of the incorrect report and the correct report are included with this presentation). This error impacted twenty-nine of 168 Pre-Applications, with fourteen being positively impacted by the error, and fifteen being negatively impacted by the error. Four of the twenty-nine submitted a notice of intent for an At-Risk or USDA application.
2. **30% increase in eligible basis in specific Qualified Census Tracts (QCT).** This item does not affect the score of an application, but rather the amount of Housing Tax Credits the proposed development may be eligible for. The amount of tax credits that a development is eligible for is based on the development's eligible basis, which is depreciable development costs. Pursuant to §42(i)(3)(E) of Internal Revenue Code, the eligible basis may be increased by 30% if the development is located in a QCT. Pursuant to §50.6(h) of the 2008 Qualified Allocation Plan and Rules, developments in a QCT that have greater than 40% of households served by Housing Tax Credits are not eligible to receive the 30% increase in eligible basis. An error in the Department's database calculation resulted in incorrect information reflecting the eligibility for the increase in eligible basis; the incorrect data showed census tracts that were actually not eligible as eligible and visa versa (a copy of the incorrect published report and the corrected report are included with this presentation). Forty-nine of the 4,388 census tracts are affected by the error. Staff does not know how many actual applications will be affected at this time because the census tract designations are not submitted at the time of Pre-Application.

The deadline for Pre-Applications for the 2008 Competitive Housing Tax Credit Application Round was Monday, January 7, 2008. The Department had already received approximately forty applications when the errors in the Site Demographics report were identified.

Regarding the error in the Affordable Housing Needs Score, staff considered several options to minimize the impact of the scoring error:

1. Use of the Affordable Housing Needs Score approved in November:
This recommendation would negatively impact those developments in places whose AHNS was erroneously posted in the 2008 Site Demographics report as being higher than the AHNS approved by the Board. This would adversely affect 14 of 168 applicants who submitted Pre-Applications on or before January 7, 2008.

2. Use of the Affordable Housing Needs Score as posted in the December 14, 2007 version of the 2008 Site Demographics report:

This recommendation would negatively impact those developments in places whose AHNS was erroneously posted in the 2008 Site Demographics report as being lower than the AHNS approved by the Board. This would adversely affect 15 of 168 applicants who submitted Pre-Applications on or before January 7, 2008.

3. Assign the higher of the Affordable Housing Needs Score approved by the Board or the Affordable Housing Needs Score erroneously posted in the 2008 Site Demographics report to Pre-Applications affected by the error:

For Applications where the development is located in one of the areas affected by the incorrect data in the Site Demographics, the application will receive an adjusted score equal to the higher of the two Affordable Housing Needs Scores published to the Department's website, regardless of whether the higher score originated from the Board approved or erroneously published data. This adjusted score will be used for all scoring evaluations and adjustments throughout the remainder of the 2008 Application Round. Therefore, applications in those affected areas which should have had a lower score will not have reduction in score due to the error. This could adversely affect other applicants in the same region as those affected by the error; applicants who did not experience an increase to their score as a result of the error will be at a competitive disadvantage compared to those who did.

Staff believes that option three minimizes the negative impact to the applicants to the greatest extent possible. The Department published the Application Log on January 18th and January 30th in accordance to statutory requirements. The Application Logs included the adjusted scores subject to the Board's ratification of staff's resolution.

Staff recommends that, to minimize the impact to applicants, the correction of the error in the eligibility for the 30% increase in eligible basis be as follows:

- 30% Increase in Eligible Basis: For Applications where the development is located in one of the areas affected by the incorrect data for the eligibility of the 30% boost, the application will be allowed to receive the 30% increase in eligible basis if the incorrect Site Demographics report indicated that developments in the census tract in which the development is located were eligible for the increase. In addition, applications will be allowed to receive the 30% increase in eligible basis if the correct data indicates that developments in the census tract where the development is located are eligible for the increase. If this recommendation is approved, applications which were in QCT areas erroneously listed as eligible for the increase will be allowed to claim the increase for 2008 and therefore will not be negatively impacted by this error.

Recommendation

Staff recommends the Board ratify staff's suggested solution to release adjusted scoring for the AHNS and the eligibility for the 30% increase in eligible basis.

1. **Affordable Housing Needs Score:** For Applications where the development is located in one of the areas affected by the incorrect data in the Site Demographics, the application will receive an adjusted score equal to the higher of the two Affordable Housing Needs Scores published to the Department's website, regardless of whether the higher score originated from the incorrect Site Demographics report or the correct data.
2. **30% Increase in Eligible Basis:** For Applications where the development is located in one of the areas affected by the incorrect data for the eligibility of the 30% boost, the application will be allowed to receive the 30% increase in eligible basis if the incorrect Site Demographics report indicated that developments in the census tract in which the development is located were eligible for the increase. In addition, applications will be allowed to receive the 30% increase in eligible basis if the correct data indicates that developments in the census tract where the development is located are eligible for the increase.

Affordable Housing Needs Score - All Erroneously Posted Places

Region	Place	County	Area Type - Rural or Urban	AHNS Erroneously Posted Information	AHNS Board-Approved	Difference in Posted AHNS from Board-Approved AHNS
12	Big Lake	Reagan	Rural	3	5	-2
4	Big Sandy	Upshur	Rural	5	3	2
12	Big Spring	Howard	Rural	6	5	1
11	Big Wells	Dimmit	Rural	3	6	-3
9	Bigfoot	Frio	Rural	5	3	2
7	Camp Swift	Bastrop	Rural	6	3	3
11	Camp Wood	Real	Rural	5	6	-1
3	Campbell	Hunt	Rural	3	5	-2
3	Copper Canyon	Denton	Urban	4	6	-2
8	Copperas Cove	Coryell	Urban	6	4	2
4	De Kalb	Bowie	Rural	5	6	-1
2	De Leon	Comanche	Rural	4	5	-1
6	Deer Park	Harris	Urban	6	4	2
11	Del Mar Heights	Cameron	Rural	5	3	2
11	Del Rio	Val Verde	Rural	3	5	-2
10	Del Sol-Loma Linda	San Patricio	Rural	6	3	3
13	Dell City	Hudspeth	Rural	3	6	-3
4	East Mountain	Upshur	Rural	6	4	2
4	East Tawakoni	Rains	Rural	3	6	-3
4	Easton	Gregg	Rural	4	3	1
11	El Camino Angosto	Cameron	Rural	4	3	1
11	El Cenizo	Webb	Rural	6	4	2
6	El Lago	Harris	Urban	5	4	1
13	El Paso	El Paso	Urban	3	6	-3
11	El Refugio	Starr	Rural	4	6	-2
2	Elbert	Throckmorton	Rural	3	6	-3
12	Eldorado	Schleicher	Rural	4	3	1
2	Electra	Wichita	Rural	6	5	1
7	Elgin	Bastrop	Rural	6	4	2
4	Elkhart	Anderson	Rural	3	5	-2
11	Elm Creek	Maverick	Rural	4	3	1
9	Elmendorf	Bexar	Rural	5	4	1
9	Fair Oaks Ranch	Bexar	Urban	5	4	1
8	Fairfield	Freestone	Rural	4	5	-1
9	Garden Ridge	Comal	Rural	3	6	-3
12	Gardendale	Ector	Rural	6	3	3
3	Glen Rose	Somervell	Rural	5	4	1
3	Glenn Heights	Dallas	Urban	4	5	-1
3	Grand Prairie	Dallas	Urban	3	4	-1
4	Grand Saline	Van Zandt	Rural	5	3	2
12	Grandfalls	Ward	Rural	4	5	-1
3	Highland Village	Denton	Urban	4	5	-1
6	Highlands	Harris	Urban	5	4	1
11	La Feria	Cameron	Rural	5	6	-1
11	La Feria North	Cameron	Rural	4	6	-2
7	La Grange	Fayette	Rural	6	5	1
11	La Grulla	Starr	Rural	3	4	-1
11	La Joya	Hidalgo	Rural	6	4	2
6	La Marque	Galveston	Urban	6	5	1

Region	Place	County	Area Type - Rural or Urban	AHNS Erroneously Posted Information	AHNS Board-Approved	Difference in Posted AHNS from Board-Approved AHNS
11	La Paloma	Cameron	Rural	4	6	-2
10	La Paloma-Lost Creek	Nueces	Rural	3	6	-3
11	La Presa	Webb	Rural	6	3	3
11	La Pryor	Zavala	Rural	4	5	-1
11	La Puerta	Starr	Rural	6	3	3
11	La Rosita	Starr	Rural	4	5	-1
9	La Vernia	Wilson	Rural	4	6	-2
11	La Villa	Hidalgo	Rural	4	3	1
10	La Ward	Jackson	Rural	3	6	-3
9	Lackland AFB	Bexar	Urban	6	3	3
9	LaCoste	Medina	Rural	6	5	1
3	Ladonia	Fannin	Rural	4	3	1
11	Lago	Cameron	Rural	5	6	-1
11	Laguna Heights	Cameron	Rural	3	4	-1
11	Laguna Seca	Hidalgo	Rural	5	3	2
2	Lake Brownwood	Brown	Rural	3	6	-3
10	Lake City	San Patricio	Rural	6	4	2
3	Lake Dallas	Denton	Rural	3	5	-2
6	Lake Jackson	Brazoria	Urban	5	4	1
1	Lake Tanglewood	Randall	Rural	3	6	-3
11	Lake View	Val Verde	Rural	4	3	1
3	Lake Worth	Tarrant	Urban	3	5	-2
9	Lakehills	Bandera	Rural	5	6	-1
4	Lakeport	Gregg	Rural	6	4	2
10	Lakeshore Gardens-Hidden Acres	San Patricio	Rural	6	3	3
10	Lakeside (San Patricio)	San Patricio	Rural	4	3	1
3	Lakeside (Tarrant)	Tarrant	Urban	3	6	-3
2	Lakeside City	Archer	Urban	3	4	-1
7	Lakeway	Travis	Rural	5	4	1
3	Lakewood Village	Denton	Rural	4	6	-2
12	Lamesa	Dawson	Rural	3	5	-2
8	Lampasas	Lampasas	Rural	5	4	1
3	Lancaster	Dallas	Urban	6	3	3
11	Laredo	Webb	Urban	4	5	-1
11	Laredo Ranchettes	Webb	Rural	6	3	3
11	Larga Vista	Webb	Urban	5	6	-1
11	Las Colonias	Zavala	Rural	3	6	-3
11	Las Lomitas	Jim Hogg	Rural	6	3	3
11	Las Palmas-Juarez	Cameron	Rural	6	4	2
11	Las Quintas Fronterizas	Maverick	Rural	3	4	-1
11	Lasara	Willacy	Rural	5	4	1
5	Latexo	Houston	Rural	4	3	1
11	Laureles	Cameron	Rural	3	5	-2
3	Lavon	Collin	Rural	5	3	2
9	Leon Valley	Bexar	Urban	5	4	1
8	Leona	Leon	Rural	4	6	-2
3	Leonard	Fannin	Rural	6	5	1
12	Los Ybanez	Dawson	Rural	4	3	1
7	Lost Creek	Travis	Urban	3	4	-1
6	Magnolia	Montgomery	Rural	4	6	-2

Region	Place	County	Area Type - Rural or Urban	AHNS Erroneously Posted Information	AHNS Board-Approved	Difference in Posted AHNS from Board-Approved AHNS
4	Malakoff	Henderson	Rural	4	5	-1
7	Manor	Travis	Urban	5	4	1
6	Manvel	Brazoria	Urban	5	3	2
13	Marfa	Presidio	Rural	6	4	2
4	Marietta	Cass	Rural	6	3	3
6	Markham	Matagorda	Rural	5	3	2
8	Marlin	Falls	Rural	4	5	-1
8	Marquez	Leon	Rural	6	4	2
4	Marshall	Harrison	Rural	6	4	2
3	Marshall Creek	Denton	Rural	4	6	-2
8	Mart	McLennan	Rural	5	6	-1
12	Mason	Mason	Rural	4	5	-1
1	Matador	Motley	Rural	5	4	1
10	Mathis	San Patricio	Rural	4	6	-2
4	Maud	Bowie	Rural	5	6	-1
5	Mauriceville	Orange	Rural	6	4	2
3	Maypearl	Ellis	Rural	4	5	-1
11	McAllen	Hidalgo	Urban	4	5	-1
12	McCamey	Upton	Rural	6	4	2
3	McKinney	Collin	Urban	3	4	-1
1	McLean	Gray	Rural	4	5	-1
3	McLendon-Chisholm	Rockwall	Rural	3	6	-3
9	McQueeney	Guadalupe	Rural	3	4	-1
4	Mount Pleasant	Titus	Rural	3	4	-1
4	Mount Vernon	Franklin	Rural	6	3	3
7	Mountain City	Hays	Rural	4	6	-2
9	New Berlin	Guadalupe	Rural	6	3	3
4	New Boston	Bowie	Rural	5	6	-1
9	New Braunfels	Comal	Urban	3	5	-2
4	New Chapel Hill	Smith	Rural	4	3	1
1	New Deal	Lubbock	Rural	3	5	-2
1	New Home	Lynn	Rural	5	4	1
3	New Hope	Collin	Rural	4	3	1
4	New London	Rusk	Rural	4	5	-1
4	New Summerfield	Cherokee	Rural	6	4	2
6	New Territory	Fort Bend	Urban	6	4	2
3	Newark	Wise	Rural	3	6	-3
5	Newton	Newton	Rural	5	6	-1
11	North Escobares	Starr	Rural	4	6	-2
3	North Richland Hills	Tarrant	Urban	4	5	-1
9	Northcliff	Guadalupe	Rural	6	4	2
3	Northlake	Denton	Urban	5	4	1
3	Oak Leaf	Ellis	Rural	5	6	-1
3	Oak Point	Denton	Rural	6	5	1
3	Oak Ridge (Kaufman)	Kaufman	Rural	5	6	-1
6	Oak Ridge North	Montgomery	Urban	3	5	-2
3	Oak Trail Shores	Hood	Rural	5	3	2
3	Oak Valley	Navarro	Rural	4	5	-1
5	Oakhurst	San Jacinto	Rural	6	4	2
11	Palm Valley	Cameron	Urban	5	4	1

Region	Place	County	Area Type - Rural or Urban	AHNS Erroneously Posted Information	AHNS Board-Approved	Difference in Posted AHNS from Board-Approved AHNS
3	Palmer	Ellis	Rural	4	3	1
11	Palmhurst	Hidalgo	Urban	3	5	-2
6	Pine Island	Waller	Rural	3	4	-1
5	Pinehurst (Orange)	Orange	Rural	4	3	1
10	Port Lavaca	Calhoun	Rural	4	5	-1
11	Port Mansfield	Willacy	Rural	3	5	-2
5	Port Neches	Jefferson	Urban	5	4	1
6	Porter Heights	Montgomery	Rural	5	3	2
11	Rancho Viejo	Cameron	Urban	3	5	-2
11	Ranchos Penitas West	Webb	Urban	5	3	2
4	Red Lick	Bowie	Rural	5	6	-1
3	Red Oak	Ellis	Urban	3	5	-2
13	Redford	Presidio	Rural	6	3	3
5	Rose City	Orange	Rural	6	5	1
5	Rose Hill Acres	Hardin	Urban	4	6	-2
8	Rosebud	Falls	Rural	5	4	1
8	Salado	Bell	Rural	5	4	1
11	Salineno	Starr	Rural	5	3	2
1	Samnorwood	Collingsworth	Rural	5	3	2
5	San Augustine	San Augustine	Rural	4	5	-1
11	San Benito	Cameron	Urban	6	5	1
11	San Carlos	Hidalgo	Rural	3	6	-3
10	San Diego	Duval	Rural	6	5	1
13	San Elizario	El Paso	Urban	6	4	2
11	San Ignacio	Zapata	Rural	4	3	1
11	San Isidro	Starr	Rural	6	5	1
11	San Juan	Hidalgo	Urban	6	5	1
7	San Leanna	Travis	Urban	3	6	-3
6	San Leon	Galveston	Urban	4	6	-2
11	San Manuel-Linn	Hidalgo	Rural	5	3	2
7	San Marcos	Hays	Urban	3	6	-3
10	San Patricio	San Patricio	Rural	5	6	-1
8	San Saba	San Saba	Rural	6	4	2
3	Sanctuary	Parker	Rural	5	6	-1
12	Sanderson	Terrell	Rural	5	6	-1
10	Sandia	Jim Wells	Rural	6	3	3
10	Sandy Hollow-Escondidas	Nueces	Rural	3	4	-1
1	Sanford	Hutchinson	Rural	3	5	-2
3	Sanger	Denton	Rural	6	3	3
3	Sansom Park	Tarrant	Urban	4	5	-1
2	Santa Anna	Coleman	Rural	4	3	1
9	Santa Clara	Guadalupe	Rural	3	6	-3
11	Santa Cruz	Starr	Rural	3	6	-3
6	Santa Fe	Galveston	Urban	6	4	2
11	Santa Maria	Cameron	Rural	3	4	-1
11	Santa Monica	Willacy	Rural	5	3	2
11	Santa Rosa	Cameron	Rural	5	3	2
3	Savoy	Fannin	Rural	3	6	-3
9	Schertz	Guadalupe	Urban	4	5	-1
7	Schulenburg	Fayette	Rural	4	5	-1

Region	Place	County	Area Type - Rural or Urban	AHNS Erroneously Posted Information	AHNS Board-Approved	Difference in Posted AHNS from Board-Approved AHNS
11	Scissors	Hidalgo	Rural	5	3	2
4	Scottsville	Harrison	Rural	5	4	1
6	Seabrook	Harris	Urban	3	4	-1
10	Seadrift	Calhoun	Rural	3	5	-2
3	Seagoville	Dallas	Urban	5	3	2
12	Seagraves	Gaines	Rural	6	5	1
6	Sealy	Austin	Rural	4	3	1
11	Sebastian	Willacy	Rural	6	3	3
9	Selma	Bexar	Urban	3	6	-3
12	Seminole	Gaines	Rural	3	4	-1
7	Serenada	Williamson	Urban	4	6	-2
1	Seth Ward	Hale	Rural	4	5	-1
4	Seven Points	Henderson	Rural	6	3	3
2	Seymour	Baylor	Rural	5	4	1
7	Shady Hollow	Travis	Urban	3	4	-1
1	Shamrock	Wheeler	Rural	4	5	-1
9	Shavano Park	Bexar	Urban	5	3	2
6	Sheldon	Harris	Rural	5	3	2
5	Shepherd	San Jacinto	Rural	5	4	1
3	Sherman	Grayson	Urban	4	5	-1
10	Shiner	Lavaca	Rural	3	5	-2
6	Shoreacres	Harris	Urban	5	6	-1
6	Sienna Plantation	Fort Bend	Urban	6	5	1
13	Sierra Blanca	Hudspeth	Rural	6	4	2
11	Siesta Shores	Zapata	Rural	5	3	2
5	Silsbee	Hardin	Rural	3	5	-2
1	Silverton	Briscoe	Rural	5	6	-1
6	Simonton	Fort Bend	Rural	5	6	-1
1	Skellytown	Carson	Rural	6	3	3
10	Skidmore	Bee	Rural	4	5	-1
1	Slaton	Lubbock	Rural	6	5	1
10	Smiley	Gonzales	Rural	4	5	-1
7	Smithville	Bastrop	Rural	5	6	-1
1	Smyer	Hockley	Rural	6	4	2
2	Snyder	Scurry	Rural	5	4	1
13	Socorro	El Paso	Urban	3	5	-2
11	Solis	Cameron	Rural	3	6	-3
9	Somerset	Bexar	Rural	5	6	-1
8	Somerville	Burleson	Rural	3	5	-2
12	Sonora	Sutton	Rural	4	3	1
5	Sour Lake	Hardin	Rural	4	3	1
11	South Alamo	Hidalgo	Rural	6	5	1
11	South Fork Estates	Jim Hogg	Rural	6	3	3
6	South Houston	Harris	Urban	3	4	-1
8	South Mountain	Coryell	Rural	6	4	2
11	South Padre Island	Cameron	Rural	5	6	-1
11	South Point	Cameron	Rural	5	6	-1
5	South Toledo Bend	Newton	Rural	6	3	3
6	Southside Place	Harris	Urban	3	6	-3
1	Spade	Lamb	Rural	3	5	-2

Region	Place	County	Area Type - Rural or Urban	AHNS Erroneously Posted Information	AHNS Board-Approved	Difference in Posted AHNS from Board-Approved AHNS
13	Sparks	El Paso	Rural	4	5	-1
6	Splendora	Montgomery	Rural	4	6	-2
11	Spofford	Kinney	Rural	6	3	3
6	Spring	Harris	Urban	3	4	-1
6	Spring Valley	Harris	Urban	3	4	-1
9	St. Hedwig	Bexar	Rural	4	6	-2
10	St. Paul (San Patricio)	San Patricio	Rural	6	3	3
4	Sun Valley	Lamar	Rural	5	3	2
1	Sundown	Hockley	Rural	3	4	-1
3	Sunnyvale	Dallas	Urban	4	3	1
1	Sunray	Moore	Rural	3	4	-1
7	Sunrise Beach Village	Llano	Rural	4	5	-1
2	Sunset	Montague	Rural	5	3	2
7	Sunset Valley	Travis	Urban	3	5	-2
3	Tom Bean	Grayson	Rural	6	3	3
6	Tomball	Harris	Rural	3	6	-3
11	Val Verde Park	Val Verde	Rural	4	5	-1
8	Valley Mills	Bosque	Rural	5	3	2
3	Valley View	Cooke	Rural	3	4	-1
13	Van Horn	Culberson	Rural	3	6	-3
10	Vanderbilt	Jackson	Rural	6	3	3
6	West Columbia	Brazoria	Rural	3	6	-3
7	West Lake Hills	Travis	Urban	4	3	1
5	West Livingston	Polk	Rural	6	5	1
12	West Odessa	Ector	Urban	6	5	1
5	West Orange	Orange	Rural	5	4	1
9	West Pearsall	Frio	Rural	3	6	-3
11	West Sharyland	Hidalgo	Rural	3	4	-1
3	West Tawakoni	Hunt	Rural	5	6	-1
2	Westbrook	Mitchell	Rural	6	5	1
10	Westdale	Jim Wells	Rural	5	3	2
3	Westlake	Tarrant	Urban	5	3	2
3	Westminster	Collin	Rural	4	3	1
3	Weston	Collin	Urban	3	5	-2
4	White Oak	Gregg	Urban	3	5	-2
3	White Settlement	Tarrant	Urban	5	4	1
1	Whiteface	Cochran	Rural	5	3	2
4	Whitehouse	Smith	Rural	4	3	1
3	Whitesboro	Grayson	Rural	3	5	-2

Affordable Housing Needs Score - Affected Pre-Applications

Development #	Development Name	Development Address	Development City	Region	AHNS Erroneously Posted Information	AHNS Board-Approved
08101	Jackson Village Retirement Center	300 Abner Jackson Blvd.	Lake Jackson	4	5	4
08104	County Terrace Village	2500 E. Wallisville	Highlands	4	5	4
08118	Gardenwood Apts	102 Purvis St.	Magnolia	6	4	6
08128	Mid-Towne Apts	820 E. Carrell St.	Tomball	6	3	6
08143	Villages at Snyder	1001 37th St.	Snyder	4	5	4
08158	Villas at Beaumont	2200 Beaumont Ave.	McAllen	5	4	5
08159	Brooks Manor Apts	444 Jefferson St.	West Columbia	6	3	6
08160	Tres Palmas	Parcel at Rich Beem, Approx. 300' N. of Montana St.	El Paso	6	3	6
08161	Canutillo Palms	Parcel S. & Adjacent to Canutillo High School, 200' W. of I-10	El Paso	6	3	6
08162	Valle Vista Apts	170 Polo Inn Rd.	El Paso	6	3	6
08163	San Elizario Palms	13800 Blk of Socorro Rd. Near Herring Rd.	San Elizario	4	6	4
08167	Northcrest Apts	1002 N. Main St.	Big Spring	5	6	5
08170	Vaqueros Apts	305 W. 2nd St.	San Diego	5	6	5
08174	Oakleaf Estates	1195 Hwy 327 E. Tenneson Ln.	Silsbee	5	3	5
08182	Suncrest Apts	611 Rubin Dr.	El Paso	6	3	6
08183	Desert Villas	Approx. 0.5 Miles S.W. of Intersection of Alameda Ave. & Coronado Rd.	El Paso	6	3	6
08198	Highland Manor	300 Blk Newman Rd.	La Marque	5	6	5
08211	Wright Senior Apts II	1100 Blk S. Carrier Pkwy	Grand Prairie	4	3	4
08216	Chisum Trail Apts	1100 Austin	Sanger	3	6	3
08217	Merritt Homes	E. Side of N. Tennessee & W. White Ave.	McKinney	4	3	4
08240	Timber Village Apts II	2707 Norwood St.	Marshall	4	6	4
08246	Deer Park Senior Apts	E. Side of Glenwood Dr. & Holton Ave.	Deer Park	4	6	4
08248	Champion Townhomes- La Joya	+/- 10.1 Acres S.W. Corner of Alex & Hwy 77/83	La Joya	4	6	4
08257	Constitution Court	Constitution Dr. Off US Hwy 190	Copperas Cove	4	6	4
08268	Jefferson Gardens	N. 13th St. Btwn Intersection of Jefferson & Lamar	West Columbia	6	3	6
08272	Bridgeport	1250 Hanz Ln.	New Braunfels	5	3	5
08274	CIS Sunnyvale Beltline	3217 Beltline Rd.	Sunnyvale	3	4	3
08277	Manor Apts	1311 Central TX Expy.	Lampasas	4	5	4
8278	Fairview Estates	1300 W. Taylor St.	Sherman	5	4	5

Eligibility for 30% Increase in Eligible Basis - All Incorrect Census Tracts

Census Tract	County	Ineligible For 30% Basis Increase (CORRECT INFORMATION)	Ineligible for 30% Basis Increase (ERRONEOUSLY POSTED)	HTC Units / Occupied Housing Unit
48029121404	Bexar	No	Yes	34.82%
48029150800	Bexar	No	Yes	37.83%
48029151900	Bexar	Yes	No	46.59%
48029152000	Bexar	Yes	No	100.84%
48029161000	Bexar	No	Yes	36.28%
48029161200	Bexar	Yes	No	48.95%
48061012610	Cameron	Yes	No	53.49%
48061013106	Cameron	Yes	No	43.75%
48113001600	Dallas	No	Yes	30.73%
48113002100	Dallas	Yes	No	1360.00%
48113006301	Dallas	Yes	No	65.81%
48113007809	Dallas	No	Yes	30.42%
48113009304	Dallas	No	Yes	39.13%
48113010000	Dallas	Yes	No	115.68%
48113012208	Dallas	No	Yes	34.22%
48113012302	Dallas	Yes	No	42.63%
48113016100	Dallas	Yes	No	62.31%
48113016605	Dallas	Yes	No	140.17%
48201221400	Harris	No	Yes	31.05%
48201222200	Harris	No	Yes	30.78%
48201222600	Harris	No	Yes	31.79%
48201222700	Harris	Yes	No	63.83%
48201230600	Harris	No	Yes	32.56%
48201232500	Harris	No	Yes	31.94%
48201240200	Harris	Yes	No	92.55%
48201240300	Harris	No	Yes	32.99%
48201331000	Harris	Yes	No	12400.00%
48201331200	Harris	Yes	No	48.03%
48201331400	Harris	Yes	No	67.16%
48201340100	Harris	No	Yes	34.24%
48201422200	Harris	No	Yes	31.45%
48201550100	Harris	No	Yes	38.24%
48201551500	Harris	Yes	No	53.01%
48201552600	Harris	No	Yes	32.50%
48245001600	Jefferson	Yes	No	40.91%
48355000700	Nueces	No	Yes	30.49%
48355005000	Nueces	Yes	No	52.56%
48439103100	Tarrant	Yes	No	142.02%
48439106102	Tarrant	No	Yes	36.45%
48439106600	Tarrant	Yes	No	71.44%
48439110704	Tarrant	No	Yes	30.13%
48439111543	Tarrant	Yes	No	41.58%
48441010200	Taylor	No	Yes	30.68%
48453002110	Travis	Yes	No	43.01%

Census Tract	County	Ineligible For 30% Basis Increase (CORRECT INFORMATION)	Ineligible for 30% Basis Increase (ERRONEOUSLY POSTED)	HTC Units / Occupied Housing Unit
48453002201	Travis	Yes	No	46.99%
48453002202	Travis	Yes	No	46.72%
48453002312	Travis	Yes	No	61.80%
48453002413	Travis	No	Yes	36.85%
48479000400	Webb	Yes	No	66.00%

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Items

Presentation, Discussion and Possible Action for the Ownership Transfers of Housing Tax Credit and Bond Developments.

Required Action

Approve, Amend or Deny the Staff Recommendation.

Background

Cascade Affordable Housing, LLC (Cascade) is a non-profit entity that has requested the Department's approval to transfer the Southwest Housing ownership interest in forty-six properties. Southwest Housing (SWH) located in Dallas, Texas, has participated in the Department's housing programs since 1994. SWH has fifty-three developments in their portfolio with the Department. The Federal Bureau of Investigation (FBI) conducted an investigation into SWH practices resulting in several indictments. In 2007, the principal owner was indicted by the Department of Justice and is currently awaiting trial. In September 2007, the Department received the request to transfer the ownership of the developments that are currently owned in whole or in part by Southwest Housing. Thirteen of the forty-six developments received competitive housing tax credit allocations and the remaining thirty-three developments received tax-exempt bonds and housing tax credits. The Department was the issuer for eleven of the tax-exempt bonds developments. A list of the properties is included in this presentation.

Cascade was formed in 2004 with the primary purpose to acquire and invest in tax credit and other affordable housing properties throughout the United States. Cascade is affiliated with Pinnacle, an American Management Services, LLC (Pinnacle) that currently manages over 132,000 multifamily units which includes 289 affordable properties with over 31,000 units. Pinnacle has three offices located in Texas (Dallas, Houston and San Antonio).

Cascade owns three properties in Texas that are monitored by the Department. Through the transfer process, the Department has identified some serious but correctable compliance issues with one property owned by Cascade, The Dominion located in Houston. The property has been found to be in material non-compliance with the Department. The compliance issues include major violations of health, safety, and building codes; pattern of minor health, safety, and building codes; household income above the income limit upon initial occupancy; no evidence of provision of supportive services; owner failed to correctly complete or document tenant's annual income recertification; and violation of *UPCS* or local inspection standards. A copy of the compliance review summary containing specific issues is included with this presentation. Cascade has corrected all issues of non-compliance. However, the property will continue to have a material non-compliance score of thirty-two (32) for three years from the corrected date of non-compliance.

Violations of non-compliance are assigned specific points for each violation. Any development with a cumulative non-compliance score of greater than or equal to thirty (30) is considered to be in “material non-compliance”. A development may have points subtracted from the total cumulative score once a violation is corrected. However, the total score is not extinguished for three years. Depending on number and severity of the violations, a development may remain in “material non-compliance” even though all violations are corrected.

Pursuant to §60.122 of the Texas Administrative Code, the Department will not approve ownership transfers to proposed owners in material non-compliance. Due to the legal issues for the current owner, staff believes it is in the best interest of tenants, development and the Department to allow the properties to be transferred to Cascade. The transaction is complex and has been in process for several months. At this point, Cascade has run out of extensions on the purchase of the properties. Should the Board approve the transfer, the Board will need to waive the material non-compliance provision in §60.122. In addition, staff recommends the Department have the authority to require the removal of Pinnacle as the management company should the Department identify future issues of non-compliance with these properties.

The Board has the authority to waive the Department rules when necessary. In this situation, the new owner acquired the property in “material non-compliance” in late 2005 and has since corrected all the violations, though the compliance score exceeds the thirty (30) point non-compliance threshold.

Recommendation

Staff recommends the Board approve the transfer and acknowledge the waiver of 10 TAC §60.122.

Southwest Housing Portfolio of 9% HTC Developments

TDHCA #	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served
98032	9% HTC		1998	1998	Villas at Remond	3050 Remond Dr.	Dallas	Dallas	75211	\$807,313	131	131	Elderly
99118	9% HTC		1999	1999	Rosemont of Hillsboro / fka Hillsboro Gardens	800 S. Abbott St.	Hillsboro	Hill	76645	\$181,786	76	76	General
00003	9% HTC	99033	2000	2000	Villas of Greenville, The	5000 Joe Ramsey Blvd.	Greenville	Hunt	75401	\$796,630	128	128	Elderly
00027	9% HTC		2000	2000	Rosemont at Arlington Park	1700 Chattanooga Place	Dallas	Dallas	75235	\$558,136	100	75	General
01051	9% HTC		2001	07/31/01	Rosemont of Eldorado	185 Robindale	Brownsville	Cameron	78520	\$804,615	146	124	General
01057	9% HTC		2001	07/31/01	Rosemont at Timbercreek	801 Beckleymeade Avenue	Dallas	Dallas	75232	\$555,757	100	100	General
01058	9% HTC		2001	07/31/01	Rosemont of Highland Gardens	1902 E. Tyler	Harlingen	Cameron	78550	\$831,340	174	174	General
01143	9% HTC		2001	06/18/02	Laredo Vista	S. Of Cielito Lindo Blvd. &	Laredo	Webb	78046	\$299,256	160	136	General
02002	9% HTC	FC	2002	07/31/02	Primrose of Cedar Hill / fka Gates of Cedar Hill	201 S. Joe Wilson Rd.	Cedar Hill	Dallas	75104	\$385,791	132	132	Elderly
02073	9% HTC		2002	07/29/02	Rosemont at Williamson Creek	4503 St. Elmo	Austin	Travis	78744	\$1,027,062	163	130	General
02075	9% HTC		2002	07/29/02	Rosemont at Millers Pond Apt.	6300 Old Pearsall Rd.	San Antonio	Bexar	78242	\$1,068,403	176	140	General
03004	9% HTC	FC	2003	07/29/02	Rosemont at Lakewest / fka Arbor Woods	3000 N. Hampton Rd.	Dallas	Dallas	75212	\$1,078,956	151	120	General
04222	9% HTC		2004	07/28/04	Primrose at Highland Meadows	2100 Highland Avenue	Dallas	Dallas	75228	\$935,153	150	120	Elderly
TOTAL										\$9,330,198			

Southwest Housing Portfolio for 4% / Bond Developments

TDHCA #	Program Type	Year	Board Approval	Development Name	Development Address	Development City	County	ZIP	LIHTC Award Amount	Bond Amount	Units	Dev. Type
00029T	4% HTC	2000	2000	Primrose Park at Rolling Hills / fka Parks at Rolling Hills	2500 Bolton Boone Dr.	Desoto	Dallas	75115	\$792,898	\$9,990,000	250	Elderly
00014T	4% HTC	2000	2000	Primrose Oaks / fka The Oaks at Hampton	2999 S. Hampton Rd.	Dallas	Dallas	75224	\$806,081	\$10,060,000	250	Elderly
01406	4% HTC	2001	10/09/04	Rosemont at Pemberton Hill	220 Stoneport Dr.	Dallas	Dallas	75216	\$837,364	\$12,500,000	236	General
01408	4% HTC	2001	04/26/01	Rosemont @ Pecan Creek (fka Knollwood)	3500 E. McKinney	Denton	Denton	76205	\$932,246	\$13,750,000	276	General
01409	4% HTC	2001	04/26/01	Primrose @ Sequoia Park (fka Bluffview)	1400 E. University Dr.	Denton	Denton	76209	\$728,563	\$10,700,000	250	General
01424	4% HTC	2001	05/30/01	Primrose of Shadow Creek	1026 Clayton Lane	Austin	Travis	78723	\$525,100		176	Elderly
01435	4% HTC	2001	11/14/01	Rosemont of Oak Hollow	2965 E. Ledbetter	Dallas	Dallas	75216	\$588,062	\$8,625,000	153	General
02413	4% HTC	2002	08/08/02	Rosemont of Oak Valley / fka Pleasant Valley Villas	2800 Collins Creek Dr.	Austin	Travis	78741	\$874,826		280	General
02433	4% HTC	2002	09/12/02	Rosemont at Heather Bend	16600 Heatherwilde Blvd.	Pflugerville	Travis	78660	\$704,917		256	General
02438	4% HTC	2002	10/10/02	Rosemont at Hickory Trace / fka Hickory Trace	8410 S. Westmoreland Rd.	Dallas	Dallas	75237	\$762,750	\$11,920,000	180	General
02456	4% HTC	2002	12/17/02	Rosemont at Palo Alto / fka Primrose SA II	10127 Highway 16 South	San Antonio	Bexar	78242	\$1,044,394		280	General
02477	4% HTC	2002	04/10/03	Potter's House at Primrose	2515 Perryton	Dallas	Dallas	75224	\$857,388		280	General
03410	4% HTC	2003	08/14/03	Rosemont at Ash Creek / fka Ash Creek Apartments	2500 John West Rd.	Dallas	Dallas	75228	\$948,673	\$15,000,000	280	General
03424	4% HTC	2003	10/09/03	Rosemont at Mayfield Villas/ fka Arlington Villas (fka Hampton Villas)	2200 E. Mayfield Rd.	Arlington	Tarrant	76014	\$752,224	\$15,000,000	280	General
03432	4% HTC	2003	12/11/03	Primrose at Casa Bella / fka Primrose Skyline Apartments	5000 & 5100 Block of Airline Dr.	Houston	Harris	77022	\$882,436		280	Elderly
03433	4% HTC	2003	11/14/03	Rosemont at Meadow Lane / fka Southern Terrace Apartments	4701 Meadow St.	Dallas	Dallas	75215	\$1,043,740		264	General
03441	4% HTC	2003	11/14/03	Primrose at Monticello Park / fka Primrose at Jefferson Plaza	2719 Fredericksburg Road	San Antonio	Bexar	78201	\$616,285		248	Elderly
04405	4% HTC	2004	05/13/04	Primrose at Del Sol / fka Primrose at Aldine Bender Apartments	100 Aldine-Bender Road	Houston	Harris	77060	\$848,953		248	Elderly
04427	4% HTC	2004	06/28/04	Rosemont at Hidden Creek / fka Rosemont at Old Manor	9371 US Hwy 290 East	Austin	Travis	78724	\$906,289		250	General
04428	4% HTC	2004	08/19/04	Primrose at Pasadena Apartments	SWC of Pasadena Blvd. & Beltway 8	Pasadena	Harris	77503	\$775,030		248	Elderly
04447	4% HTC	2004	09/09/04	Rosemont at Bethel Place / fka Rosemont at Acme Apartments	529 Acme Road South	San Antonio	Bexar	78237	\$844,329		250	General
04460	4% HTC	2004	01/13/04	Primrose Park Place / fka Primrose at Crist	West Side of Belt Line Rd. at Crist Rd.	Garland	Dallas	75040	\$596,042		204	Elderly
04465	4% HTC	2004	01/07/05	Rosemont at Baytown / fka Rosemont at Garth	SE corner of Garth Rd. and Hunt Rd.	Baytown	Harris	77521	\$685,028		250	General
04467	4% HTC	2004	01/07/05	Primrose at Heritage Park / fka Primrose at Bammel	West side of Old Bammel Rd., north of Tomball Pkwy.	Houston	Harris	77086	\$612,346		210	Elderly
04476	4% HTC	2004	01/07/05	Rosemont at Mission Trails / fka Rosemont at Laureland	330 E. Camp Wisdom	Dallas	Dallas	75241	\$786,546		250	General
04482	4% HTC	2004	01/07/05	Rosemont at Sierra Vista / fka Rosemont at Scyene	9901 Scyene Road	Dallas	Dallas	75227	\$776,433		250	General
04490	4% HTC	2004	01/07/05	Primrose Park Villas / fka Cherrycrest Villas	North side of 2500 Block of John West Road	Dallas	Dallas	75228	\$857,883		232	Elderly
05414	4% HTC	2005	07/14/05	Rosemont at Highland Park / fka Clark Pointe	1303 Rigsby Ave	San Antonio	Bexar	78210	\$955,191		252	General
05437	4% HTC	2005	12/18/05	Primrose at Mission Hill / fka New Braunfels Gardens	6000 S. New Braunfels Avenue	San Antonio	Bexar	78223	\$1,049,358		252	General
04466	4% HTC	2004	12/13/04	Rosemont at University Park / fka Rosemont at Pleasanton	9900 Moursund Blvd.	San Antonio	Bexar	78221	\$840,926		240	General
02417	4% HTC	2002	08/08/02	Rosemont at Bluff Ridge	8125 Clark Rd.	Dallas	Dallas	75236	\$710,346	\$14,600,000	256	General
02479	4% HTC	2002	05/15/03	Rosemont at Lancaster / fka Primrose Houston School Apartments	1425 North Houston School Rd.	Lancaster	Dallas	75146	\$742,903	\$15,000,000	280	General
02446	4% HTC	2002	12/17/02	Rosemont at Cedar Crest / fka Southern Oaks Apartments	3303 Southern Oaks Blvd.	Dallas	Dallas	75216	\$943,763		256	General
TOTAL									\$26,629,313	\$137,145,000		

Cascade Affordable Housing
Pier 70
2801 Alaskan Way, Suite 200
Seattle, Washington 98121
Phone 206-215-9700
Fax 206-215-9777



January 17, 2008

Michael Gerber
Executive Director

Kevin Hamby
Board Secretary

Robbye Meyer
Director of Multifamily Programs

Wendy Quackenbush
Compliance Manager

Stan Harrelson and I appreciated your time last Friday. As we discussed, we have drafted a letter, including copies of letters supporting the transfer, which we would like the Board Members to receive prior to the meeting on the 31st. By the time this letter reaches you I hope that you will have reviewed all of the material that has been submitted for the Dominion Apartments.

This has been a very long road for our company. Southwest Housing engaged an investment advisor to seek suitable bidders for the company. We began our initial contacts with Southwest Housing in June of 2006. Our letter of intent was signed on October 16, 2006 and we then began the complex negotiations that resulted in our signing a definitive agreement April 30, 2007. As we discussed, our due diligence has been extensive. We engaged Novogradac to do file reviews, LandAmerica for environmental reviews and physical needs assessments, as well as ADA compliance surveys for each site. As promised at our meeting, we will forward the scope of work contract with Novogradac and a sampling of some of the more salient project specific reviews. Of course if you wish to have copies of all the reviews we are happy to provide them.

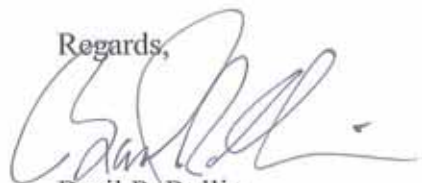
Prior to the submission of our application to you, we had to negotiate with each of the seven groups that represent the individual limited partners, lenders, non-profit partners and non-affiliated general partners, for their consent to this transaction. As discussed in our meeting, the protracted consent and closing process has required that we release a significant part of the purchase price to Southwest Housing in advance of closing and on a non-refundable basis.

While the Board will understandably make the final decision, we assume they will look to you for a recommendation. We are asking for your support of our request of the waiver. As the contract now stands, it is set to expire March 31st. While we have previously extended the closing date we are now in a position that our last extension expires March 31st. We are concerned that waiting until the March Board meeting will put a closing by month end at substantial risk.

Without your support of our application, and request for the waiver, we will lose over \$10,000,000 that has been invested to date. We are open to discussing conditions you may feel appropriate for this consent if you believe that it would make sense to do so.

We will contact you following receipt of these materials to discuss your further recommendations or questions.

Regards,

A handwritten signature in black ink, appearing to read 'Basil P. Rallis', written over a white background.

Basil P. Rallis
Director

Cascade Affordable Housing
Pier 70
2801 Alaskan Way, Suite 200
Seattle, Washington 98121
Phone 206-215-9700
Fax 206-215-9777



January 17, 2008

Ms. Elizabeth "Beth" Anderson
Dr. Juan Sanchez Muñoz
Mr. C. Kent Conine
Mr. Dionicio Vidal (Sonny) Flores
Mrs. Gloria L. Ray
Mr. Norberto Salinas

Dear Board Members:

We wish to thank the Executive Staff at TDHCA for their time January 11th, and for including this letter and attachments to the Board package. We look forward to meeting the members of the Board and to be available to answer questions at the meeting on the 31st.

The TDHCA staff has been very helpful during our application process for the transfer of interest and change of property manager for the acquisition of Southwest Housing's portfolio. This has been a large undertaking by our company. The Southwest portfolio comprises 53 properties in Texas and 1 property in Colorado. We are currently seeking your consent for 47 properties. There is pending litigation between Southwest and the NAPIC, the Limited Partner, on six of the Southwest partnership. When their litigation is resolved we will submit a separate application for transfer of assets and management.

Background:

The purpose of this letter is to provide you additional information on Cascade Affordable Housing, the party seeking approval of the transfer of General Partnership interests in the Southwest Housing portfolio, and Pinnacle, the property manager seeking approval of the transfer of property management responsibilities for the Southwest Housing portfolio.

The Southwest Housing portfolio was developed and owned by Brian and Cheryl Potashnik. There are 53 properties and 11,500 units that make up this mix of family and senior housing residences.

Who we are:

Cascade Affordable Housing is a privately owned company whose members include Stan Harrelson, John Goodman and the Public Employee Retirement System of Idaho (PERSI). Collectively this ownership controls over 45,000 housing units encompassing conventional and affordable apartments as well as privatized military family and bachelor housing. Cascade currently operates as the General Partner in properties located in Texas and twenty two other states.

Pinnacle is the nation's largest "third party" manager of residential real estate with a portfolio in excess of 160,000 units resulting in an overall valuation of \$16 Billion. Within the Pinnacle management portfolio there are over 40,000 affordable housing units similar to those whose transfer approval we are seeking.

Additionally Pinnacle utilizes a wholly owned subsidiary named Crest Compliance, to ensure ongoing compliance with and alignment to the requirements of the various housing assistance agencies, lenders, non-profit and limited partners.

To date Cascade and Pinnacle have spent over eight months and expended in excess of \$10 Million in funds paid to the seller and in soliciting and receiving the consent of lenders and bondholders, seven limited partnership investors, non profits and City and County agencies in trying to make this transfer a reality.

We earnestly believe are the only viable entity in whose hands the future of the properties can be entrusted. For a variety of reasons the existing general partner and his management group have lost their effectiveness and the operation of this portfolio is not their primary focus.

Cascade and Pinnacle, on the other hand, have offered extended operating deficit guarantees to ensure the financial viability of these properties into the future. The consents we have received to date are a reflection of the esteem and credibility others have found in us. They know we will take care of the properties and their residents in an exemplary manner. The residents will not have any disruption of this transfer since we have offered to hire all of the existing property staff and providers of social services to the residents.

Request for waiver:

In the interest of full disclosure Cascade and Pinnacle are currently considered non compliant with TDHCA and so we are seeking a waiver of any restriction on the transfer of these interests to us.

Our non compliance is the result of two distinct matters: one a property Cascade acquired and one a property Pinnacle manages for a third party:

Dominion Square was acquired by Cascade in November of 2005. Previously owned and operated by Bank of America the property had and has certain financial and physical compliance issues. We are pleased to report all outstanding issues have been rectified and we have submitted our documentation to TDHCA in support.

Robert E Lee is a historic tax credit property in San Antonio. A REAC inspection took place in May and some, but not all, matters were addressed timely. Unfortunately other items were not but have been subsequently resolved. In this case the property owners have been supportive in providing additional funding needed to cure outstanding physical issues at the property.

While these lapses are regrettable they are by no means the norm. In fact with over 40,000 affordable units under management these infractions represent a non-compliance rate of less than 1%. That is not meant to imply we are any less committed to eliminating these types of challenges in the future and we have taken internal steps to ensure against any problems in the future. We would also welcome any recommendations by the TDHCA staff to guard against less than timing responses to any issue should they arise. In anticipation of this acquisition Cascade has established a regional office in Dallas.

As we come before you now we have received approval from each party of interest in this important transaction. The Southwest portfolio is a quality housing option for many Texan families and seniors. As a company which has been doing business in and employing Texans for over 20 years, we are the right people to entrust with this responsibility. We have attached some of the letters we have received in support.

We neither believe the existing general partner nor any other potential replacement, would commit the time, energy, money and passion to make certain these apartments fulfill not only their current but future place in quality affordable housing.

We therefore respectfully request your waiver of our non-compliance status and allow this transfer of interests to take place. If necessary we would accept your consent today with conditions. Without a February Board Meeting, we face significant financial exposure. Without your consent, the \$10 Million that has been expended in this transaction will be lost if this proposed transfer does not close by March 31st.

We are available answer any questions you may further have of us.

Sincerely,


Stan Harrelson
President and CEO


Basil P. Rallis
Director

January 15, 2008



Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

RE: Southwest Housing Portfolio

To Whom It May Concern:

We urge the Members of the TDHCA Board to approve the pending request for the transfer of interest and change of property management company for the Southwest Housing Portfolio.

We have conducted our due diligence on Cascade Affordable Housing, and its Principals, Stan Harrelson and John Goodman, as well as their affiliated property management company, Pinnacle.

We believe that it is in the best interest of our ownership in four of these properties that Cascade acquire the Class B Limited Partner interest held by Southwest Housing and that Pinnacle provide property management services.

Your consent to this transfer will protect and enhance our investment and continue to provide quality service to the residents.

Regards,



Bradley J. Bullock
Senior Vice President



January 15, 2008

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

Re: Transfer of General Partner Interests from Southwest Housing to Cascade Affordable Housing

To the TDHCA Board Members:

Centerline Capital Group ("Centerline") is the fund manager for the investors who own the limited partnership interests in the Southwest Housing portfolio. We have worked closely with Cascade Affordable Housing ("Cascade"), and its principals, Stan Harrelson and John Goodman, as well as their affiliated property management company, Pinnacle and have found them to be of the highest character. Centerline has worked with Mr. Goodman and Mr. Harrelson on other affordable housing transactions and has found them to be skilled developers and property managers with the highest regard for the projects they build and their tenant base. We have underwritten Cascade and its principals and are extraordinarily comfortable with their financial strength and abilities as the substitute general partner and property manager of these projects. To that end, Centerline has provided internal approval for the requested transfers and we are preparing to seek consent from our investors.

We have had an excellent relationship with Southwest Housing and its principals and therefore, the quality of the replacement general partner and property manager is imperative to us. It is without hesitation that I recommend and support Cascade and its principals and I look forward to continuing the strong relationship that we have with them.

Should you have any questions, or if I can be of assistance, please feel free to contact me at (212) 521-6319.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Levy", is written over a horizontal line.

Joshua L. Levy
Senior Vice President

p: 212 917 9700
f: 212 750 3550
625 Madison Ave NY NY 10022
www.centerline.com

NYSE: CHC



MMA Financial, Inc.

101 Arch Street
Boston, Massachusetts 02110
T 617. 439.3911 F 617. 439.9978

A MuniMae Company

January 16, 2008

TDHCA Governing Board
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: Consent for the Southwest Transaction

Dear Board Members:

We urge the Members of the TDHCA Board to approve the pending request for the transfer of interest, and change of property management company, for the Southwest Housing Portfolio (see list of our properties attached).

We have conducted our due diligence on Cascade Affordable Housing, and its Principals, Stan Harrelson and John Goodman, as well as their affiliated property management company, Pinnacle. We have also engaged in other business with them and find them to be a first rate group.

We believe that it is in the best interest of our ownership in these properties that Cascade and Pinnacle acquire the interest held by Southwest Housing and that Pinnacle provide the Property Management services.

Your consent to this transfer will protect and enhance our investment and insure that quality service continues to be provided to the residents.

Regards,

A handwritten signature in cursive script that reads 'Michael H. Gladstone J.D.'.

Michael H. Gladstone
Principal

MMA Partnerships - Southwest to Cascade

New Braunfels Gardens	San Antonio, Texas
Palacio del Sol	San Antonio, Texas
Primrose at Highland	Dallas, Texas
Primrose at Pasadena	Pasadena, Texas
Primrose Casa Bella / Skyline	Houston, Texas
Rosemont at Lakewest / Arbor Woods	Dallas, Texas
Rosemont at Laureland / Mission Trails	Dallas, Texas
Rosemont at Scyene / Sierra Vista	Dallas, Texas
Rosemont at University Park / Pleasanton	San Antonio, Texas

SPECTRUM HOUSING

- A Non-Profit Multi-Family Redeveloper -

"We Invest In People"

John D. Mathews
Founder
Executive Director

Loni Jordan
Co-Founder
Associate Director

Board of Directors

Frederick D. Schurr
President

Van Burke
Vice-President

Gary Vaden
Secretary

Enterprise Foundation
Outreach Housing
Supporters

Chase Bank of Texas
Cal Fed Workforce
Krogers

Aspen Square
Management

CHDO Certified
City of Dallas

2004 Low Income
Housing Tax Credit
Certificate of
Experience

January 15, 2008

To The TDHCA Board,

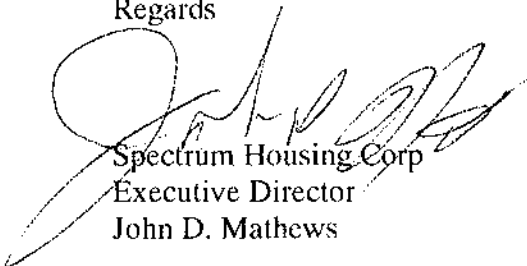
Spectrum Housing and its Board of Directors urges the Members of the TDHCA Board to approve the pending request for the transfer of interest, and change of Property Management Company for the Southwest Housing Portfolio.

We have conducted our due diligence of Cascade Affordable Housing and its Principals, Stan Harrelson and John Goodman, as well as their affiliated Property Management Company, Pinnacle.

As our position as the General Partner, we rely to a great extent to the financial strength and reputation of the guarantors and property managers. We are even more sensitive to the needs of the residents within our communities. We believe that it is within the best interest held by Southwest Housing and that Pinnacle will provide Property Management Services.

Your consent to this transfer will protect and enhance our investment and continue to provide quality service to the residents.

Regards



Spectrum Housing Corp
Executive Director
John D. Mathews



HARRIS COUNTY HOUSING AUTHORITY

8410 Lantern Point
Houston, Texas 77054
Tel: 713-578-2100 Fax: 713-578-2200

January 16, 2008

Board of Directors
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Dear Ladies and Gentlemen:

We urge the Members of the TDHCA Board to approve the pending request for the transfer of interests and change of property management company for the Southwest Housing portfolio.

In our position as the owner of the general partners of tax credit partnerships in which we participate, we rely to a great extent to the financial strength and reputation of the guarantors and property managers of our projects. We are even more sensitive to the needs of the residents within our communities. We have conducted our due diligence on Cascade Affordable Housing, and its principals, Stan Harrelson and John Goodman, as well as their affiliated property management company, Pinnacle. We believe that it is within the best interest of our project currently managed and developed by Southwest Housing that Cascade and Pinnacle acquire the interest held by Southwest Housing, and that Pinnacle provide the property management services.

We believe that this transfer will protect and enhance this project and continue to provide quality service to the residents.

Regards,

A handwritten signature in black ink, appearing to read "Guy Rankin, IV".

Guy Rankin, IV, Executive Director
Harris County Housing Authority

Compliance History of Dominion Square

Time Line	Noncompliance Event	Uncorrected Points	Corrected Points	Date corrected	Reportable to IRS (8823)
11/4/2005	Household income above limit upon initial occupancy	3	1	8/15/2007	Yes
	Failure to provide annual notification to local Public Housing Agency	5	2	6/29/2006	No
	Owner did not properly calculate Utility Allowances	3	1	1/23/2007	Yes
	No evidence of provision of Supportive Services	10	3	6/15/2007	No
	Failure to provide a Management Plan	3	1	7/1/2006	No
	Failure to provide Affirmative Marketing Plan	3	1	1/23/2007	No
12/14/2005	Major property condition violations	30	10	1/10/2008	Yes
	Pattern of minor property condition violations	10	5	1/10/2008	Yes
3/1/2006	Failure to submit part or all of the AORC	10	3	1/9/2008	Yes
1/23/2007	Household income above limit upon initial occupancy	3	1	11/5/2007	Yes
	Owner failed to correctly complete or document tenant's annual income recertification	3	1	3/1/2007	Yes
3/1/2007	Failure to submit part or all of the AOCR	10	3	1/9/2008	Yes
Total Compliance Score		93	32		

CENTRAL REGION PROPERTY LISTING

PROPERTY	ADDRESS	CITY/STATE	# of Units	TAKEOVER DATE	Type
8500 Harwood (fka Equestrian Pointe)	8500 Harwood Road	North Richland Hills, TX 76180	836	1/12/2007	CV
Applewood Vlg.	15455 Ella Blvd.	Houston, TX 77090	92	4/21/1997	CV
Arbor Cove*	2805 Arbor Cove Dr.	Donna, TX 78537	120	11/1/2005	TC
Arboretum Oaks	9617 Great Hills Trail	Austin, Texas 78759	252	6/23/1999	CV
Ashley Creek	9855 Shadow Way	Dallas, TX 75243	292	8/31/2007	CV
Aspen Chase	2447 Harry Wurzbach	San Antonio, TX 78209	143	5/7/2007	CV
Astoria	5636 Spring Valley	Dallas, TX 75254	169	12/7/2007	CV
Autumn Chase *	3500 South Riverside	Ft. Worth, TX 76119	184	7/28/2005	TC
Berkshire Square	7950 Cliffbrook Drive	Dallas, TX 75254	124	10/1/2003	CV
Blue Swan	11710 Parliament	San Antonio, TX 78213	285	12/15/2004	CV
Brentdale Apartments	1515 Rio Grande	Plano, TX 75075	408	9/13/2004	CV
Briarwood	1711 Bowie School Dr.	Baytown, TX 77520	184	4/21/1997	CV
Bristol Oaks	4777 Memorial Drive	The Colony, TX 75056	304	11/1/2000	CV
Champions at Valley Ranch *	10201 N. MacArthur Blvd.	Irving, TX 75063	524	8/15/1995	TC
Champions of North Dallas *	4912 Haverwood Lane	Dallas, TX 75287	550	4/7/1995	TC
Charleston	5616 Spring Valley Road	Dallas, TX 75254	192	5/25/2007	CV
Chesterfield	11735 South Glen	Houston, TX 77099	254	3/12/2007	CV
Citation North	411 Highland Cross Drive	Houston, TX 77073	236	5/1/2007	CV
Colonnade at Willow Bend	1100 Meredith Lane	Plano, TX 75093	338	9/1/2001	CV
Continental Chateau	5710 Glenmont	Houston, TX	188	3/1/2007	CV
Copperfield	11245 Sir Winston	San Antonio, TX 78216	258	10/3/2003	CV
Coronado Villas	113 Coronado Drive	Denton, TX 76209-0905	128	9/15/2006	TC
Country Bend	5608 Royal Lane	Benbrook, TX 76109	166	2/15/2007	TC
Country Park *	1606 E McKinney St.	Denton, TX 76209	120	2/15/2006	TC
Creek Hollow	6218 Finbro Drive	Fort Worth TX 76133	120	1/1/2008	TC
Creekside	3120 Decker Dr.	Baytown, TX 77520	250	4/21/1997	CV
Creekstone Ranch	5609 John Stockbauer	Victoria, TX 77904	160	7/28/2005	TC
Crescent Village I	13817 County Line Road	Elgin, TX 78621	76	8/31/2007	TC
Delta Estates*	Rt. 1, Box 319, Bldg. 1701, 300 South Mile 2 West	Eddouche, TX 78538	64	10/15/2001	TC
Dickinson Arms	3301 Hughes Ln.	Dickinson, TX 77539	96	4/21/1997	CV
Dominion Square*	1001 Pinemont	Houston, TX. 77018	136	11/4/2005	CV
Donna Lynn	1301 East Marshall Drive	Grand Prairie, TX 75051	126	4/3/2007	CV
Eastside Village I	1404 Vontress Drive	Plano, TX 75074	242	1/16/2007	CV
Eastside Village II	1404 Vontress Drive	Plano, TX 75074	250	1/16/2007	CV
English Village Townhomes	300 W Pioneer Parkway	Arlington, TX 76010	66	4/3/2007	CV
Evergreen Pointe	1307 Wilcrest	Houston, TX 77042	197	4/21/1997	CV
Glenmont Colony (Chateau is same)	5720 Glenmont	Houston, TX	188	3/1/2007	CV
Harwood Hills	2452 Highway 121	Bedford, TX 76021	240	1/11/2007	CV
Heritage Square	4753 Duncanville Road	Dallas TX 75236	112	1/1/2008	TC
Highlands	5655 UTSA Blvd.	San Antonio, TX 78249	208	12/16/2004	CV
Highlands	2359 Highland Road	Dallas TX 75228	136	1/1/2008	TC
Hillside Ranch	1350 No. LBJ Dr.	San Marcos, TX 78666	258	9/26/2005	CV
Hunters Ridge	11700 Fuqua Street	Houston TX 77034	256	1/1/2006	CV
Huntington Meadows*	7000 Decker Lane	Austin, TX 78724	200	10/3/2003	TC
Iron Rock Ranch	1215 W. Slaughter Ln	Austin, TX 78748	300	4/27/2007	CV
Lakeway Apartments	6011 Interstate Highway 30	Greenville, TX 75402	66	12/5/2007	CV
Las Cascadas (fka CPC)	9350 Skillman Street	Dallas, TX 75243	798	12/6/2005	CV
Marina Club	1200 Missouri St.	Baytown, TX 77520	148	4/21/1997	CV
Martha's Vineyard	7920 San Felipe Blvd	Austin, TX 78729	360	12/22/2005	CV
McKinney Park* (fka Pebble Brook)	191 Duchess Drive	Denton, TX 76208	250	1/17/2006	TC
Mesa Vista Apartments*	1301 S. Salinas Blvd.	Donna, TX 78537	76	4/25/2007	SC8
Newport Apts.	3800 Perrin-Central	San Antonio, TX 78217	258	11/12/1998	CV
Oak Forest	1370 Afton St	Houston, TX 77055	321	6/3/2003	CV

CENTRAL REGION PROPERTY LISTING

PROPERTY	ADDRESS	CITY/STATE	# of Units	TAKEOVER DATE	Type
Oak Ridge	1300 S Adelaide	Terrell TX 75160	120	7/2/2007	CV
Oak Run Manor	4100 Vista Road	Pasadena, TX 77504	160	11/1/2007	CV
Palms of Walnut Creek	8054 Exchange Drive	Austin, TX 78754	284	5/23/2006	CV
Park at Lakeside	10950 Briar Forest Dr.	Houston, TX 77042	592	4/21/1997	CV
Park at Ventana	3903 Barrington Court	San Antonio, TX 78217	319	5/7/2007	CV
Park Hill	9939 Fredericksburg Rd	San Antonio, TX 78240	288	8/17/2000	CV
Peppertree	1101 Dove Ave	McAllen, TX 78504	84	7/31/2006	CV
Players Club	2525 Players Court	Dallas TX 75287	320	1/1/2008	TC
River Glen	5707 Bellaire Drive South	Benbrook, TX 76109	176	1/5/2007	CV
Riverside Ranch (fka Village on the River)	1805 Aquarena Springs	San Marcos, TX 78666	268	5/13/2006	CV
Robert E. Lee*	111 West Travis St.	San Antonio, TX 78205	72	10/1/2001	TC
Rock Canyon	3902 Perrin Central	San Antonio, TX 78217	256	8/17/2000	CV
Roundhill	601 Cypress Station Dr.	Houston, TX 77090	131	3/21/1997	CV
Rudy Villarreal	309 N. Ninth Street	Alamo, TX 78516	100	4/25/2007	TC
Sahara Palms	1401 Morrison Rd	Ft. Worth, TX 76112	240	6/29/07	CV
San Pedro	4206 San Gabriel	Mission, TX 78572	268	10/1/2007	CV
Sandalwood	311 Highland Cross Drive	Houston, TX 77073	352	9/30/2006	CV
Sea Mist Townhomes*	2211 FM 3036	Rockport TX 78382	76	5/1/2005	TC
Sierra Vista	5500 El Camino Del Rey	Houston, TX 77081	533	9/18/2006	CV
Songbird	7667 Callaghan Road	San Antonio, TX 78229	262	10/3/2003	CV
St. James Place	9109 Fondren	Houston, TX 77074	323	4/21/1997	CV
St. John's Village*	7607 Blessings Avenue	Austin, TX 78752	156	10/3/2003	TC
Stone Ridge	600 E Arkansas Lane	Arlington TX 76014	204	1/1/08	TC
The Vinings at West Oaks	15250 Gray Ridge Road	Houston, TX 77082	512	12/21/2005	CV
Valencia Palms	7301 Ederville Road	Fort Worth, TX 76112-3507	263	06/29/07	CV
Valley View*	1401 W. Anaya St.	Pharr, TX 78577	128	3/1/2004	TC
Ventana at Valwood	14221 Heritage Circle	Farmers Branch, TX 75234	265	5/4/2007	CV
Villas at Oak Creste	5315 Fredericksburg Rd.	San Antonio, TX 78229	280	10/3/2003	CV
Villas at Ventana	2167 NE Loop 410	San Antonio, TX 78217	244	5/7/2007	CV
Warwick	3330 Webb Chapel Extension	Dallas, TX 75220	320	5/3/2005	CV
Waterford Court	14700 Marsh Lane	Addison, TX 75001	196	1/25/2006	CV
Waters at Champions	2431 F.M. 1960 West	Houston, TX 77068	354	10/5/2006	CV
Whispering Winds	2902 Whispering Winds Drive	Pearland, TX 44581	286	12/6/2007	CV
Woodside Village	2400 Hackett	Houston, TX 77008	196	4/21/1997	CV

Pinnacle Central Region Properties TOTALS	
Properties in Material Noncompliance	
Totals	2
Property Names	Champions at North Dallas Players Club
Properties with Uncorrected Issues	
Totals	8
Property Names	Pebble Brook Apartments Champions at Valley Ranch Champions of North Dallas Creek Hollow at Fort Worth Glenmont Colony Apts. Heritage Square Players Club Stone Ridge
Properties with Uncorrected UPCS Issues	
Totals	2
Property Names	Pebble Brook Apartments Players Club

Pinnacle Central Region Properties DETAILS						
Property Name	Property Score	Material NC?	Uncorrected Issues?	Uncorrected UPCS?	Date Began Management	Latest Uncorrected Violation Issue Date
Pebble Brook Apartments	25	N	Y	Y	1/17/2006	3/12/2007
Champions at Valley Ranch	20	N	Y	N	8/15/1995	6/29/2006
Champions of North Dallas	106	Y	Y	N	4/7/1995	1/10/2007
Creek Hollow at Fort Worth	4 AHDP	N	Y	N	1/1/2008	1/14/2005
Glenmont Colony Apts.	20	N	Y	N	3/1/2007	8/30/2007
Heritage Square	22 AHDP / 23 BOND	N	Y	N	1/1/2008	8/30/2007
Players Club	34 AHDP / 143 BOND	Y	Y	Y	1/1/2008	7/13/2007
Stone Ridge	9	N	Y	N	1/1/2008	11/15/2004

**Housing Tax Credit Program
Board Action Request
January 31, 2008**

Action Item

Request review and board determination of two (2) four percent (4%) tax credit applications with other issuers for tax-exempt bond transactions.

Recommendation

Staff is recommending that the board review and approve the issuance of two (2) four percent (4%) Tax Credit Determination Notices with **other issuers** for the tax-exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
08401	Artisan at San Pedro Creek	San Antonio	San Antonio HFC	252	252	\$28,262,898	\$14,400,000	\$1,149,825	\$1,149,825
07460	Woodland Park at Greenville	Greenville	North Central Texas HFC	120	120	\$10,902,844	\$7,136,345	\$373,689	\$364,632

**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST**

January 31, 2008

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendation for Artisan at San Pedro Creek Apartments, #08401.

Summary of the Transaction

Background and General Information: The application was received on August 20, 2007. The Issuer for this transaction is San Antonio HFC with a reservation of allocation that expires on May 31, 2008. The development is new construction and will consist of 252 total units targeting the general population and 100% of the units are proposed to be restricted at 60% AMFI. The proposed development will be located in San Antonio, Bexar County. The site is currently zoned for this type of development.

Organizational Structure and Compliance: The Borrower is ARDC San Marcos, Ltd. and the General Partner is ARDC San Marcos, Ltd., which is comprised of Las Varas Public Facility Corporation with 100% ownership interest. The Compliance Status Summary completed on January 12, 2008 reveals that the principals of the general partner have a total of sixteen (16) properties that have been monitored with no material non-compliance.

Census Demographics: The development is to be located at approximately the 1901 S San Marcos Street in San Antonio. Demographics for the census tract (1601.00) include AMFI of \$28,906; the total population is 5,731; the percent of population that is minority is 97.91%; the percent of population that is below the poverty line is 35.59%; the number of owner occupied units is 967; the number of renter units is 657 and the number of vacant units is 96. (Census information from FFIEC Geocoding for 2007).

Public Comment: The Department has received two letters of support from the community and no letters of opposition

Recommendation

Staff recommends the Board approve the issuance of a Determination Notice of \$1,149,825 in Housing Tax Credits for Artisan at San Pedro Creek Apartments.

Staff notes several concerns related to the site for the proposed development. The vehicular noise from Interstate 35 which is located directly east of the property was ruled "normally unacceptable" by HUD in their noise assessment; there are flooding concerns as a result of the San Pedro Creek which flows along the eastern portion of the property thereby causing this portion of the property to be designated in a AE flood zone; and cleanup of the site as approved by TCEQ (Texas Commission on Environmental Quality) is a condition of the Real Estate Analysis report. These concerns are explained in greater detail in the Real Estate Analysis report included in this presentation.



MULTIFAMILY FINANCE PRODUCTION DIVISION

January 31, 2008

**Development Information, Public Input and Board Summary
Artisan At San Pedro Creek, TDHCA Number 08401**

BASIC DEVELOPMENT INFORMATION

Site Address: 1901 S. San Marcos Development #: 08401
 City: San Antonio Region: 9 Population Served: Family
 County: Bexar Zip Code: 78207 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: San Antonio HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: ARDC San Marcos, Ltd.
 Owner Contact and Phone: Ryan Wilson (210) 694-2223
 Developer: Frankling Development Company
 Housing General Contractor: Frankling Construction Company
 Architect: RPGA Design Group
 Market Analyst: Butler- Burgher, Inc.
 Syndicator: MMA Financial
 Supportive Services: United Apartment Group
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	252	
0	0	0	252	0	52	112	88	0	0	Market Rate Units:	0	
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building											Owner/Employee Units:	0
<input type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence									Total Development Units:	252	
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy									Total Development Cost:	\$28,228,488	
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional									Number of Residential Buildings:	6	
<input type="checkbox"/> Townhome											HOME High Total Units:	0
											HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$1,149,825	\$1,149,825	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION
January 31, 2008
Development Information, Public Input and Board Summary
Artisan At San Pedro Creek, TDHCA Number 08401

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26	NC	US Representative: González, District 20, NC
TX Representative: Puente, District 119	NC	US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Phil Hardberger, Mayor, City of San Antonio - NC Resolution of Support from Local Government

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

The Department has received two letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

- Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
- Receipt, review, and acceptance of documentation identifying a plan to mitigate the noise related issues identified in the HUD noise study conducted on September 17, 2007.
- Receipt, review, and acceptance of documentation identifying a plan to mitigate the potential flood zone issues as a result of the easternmost portion of the site being located within Zone AE.
- Receipt, review, and acceptance by cost certification of documentation that the applicant has completed the cleanup guidelines as approved by TCEQ (Texas Commission on Environmental Quality) and proposed by Geo-Marine Incorporated for the site remediation and closure plans, providing remediation oversight, and revising and preparing the closure documents for the Swift Site Voluntary Cleanup Program Project.
- Receipt, review, and acceptance by cost certification of an executed ground lease with clear lease terms including, but not limited to the annual rent amount is a condition of this report.
- Should the terms and rates of the proposed debt or syndication change, the transaction should be evaluated and an adjustment to the credit and or allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION
January 31, 2008
Development Information, Public Input and Board Summary
Artisan At San Pedro Creek, TDHCA Number 08401

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$1,149,825
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$1,149,825 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division

Underwriting Report

REPORT DATE: 01/24/08

PROGRAM: 4% HTC

FILE NUMBER: 08401

DEVELOPMENT

Artisan At San Pedro Creek

Location: 1901 S. San Marcos Region: 9
 City: San Antonio County: Bexar Zip: 78207 QCT DDA
 Key Attributes: Family, New Construction, Urban/Exurban and Multifamily

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,149,825			\$1,149,825		

CONDITIONS

- 1 Receipt, review and acceptance of documentation identifying a plan to mitigate the noise related issues identified in the HUD noise study conducted on September 17, 2007.
- 2 Receipt, review and acceptance of documentation identifying a plan to mitigate the potential flood zone issues as a result of the easternmost portion of the site being located within zone AE.
- 3 Receipt, review and acceptance by cost certification that the applicant has completed the cleanup guidelines as approved by TCEQ (Texas Commission on Environmental Quality) and proposed by Geo-Marine Incorporated for the site remediation and closure plans, providing remediation oversight, and revising and preparing the closure documents for the Swift Site Voluntary Cleanup Program Project.
- 4 Receipt, review and acceptance by cost certification of an executed ground lease with clear lease terms including, but not limited to the annual rent amount is a condition of this report.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit and or allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	252

PROS

- The property has good proximity to downtown and will provide the opportunity to ignite revitalization of the area.

CONS

- The seller is related to the Applicant and is providing seller financing in the whole amount of the sales or lease price; however, this does not, in this instance overstate the tax credit recommendation.

CONS (Continued)

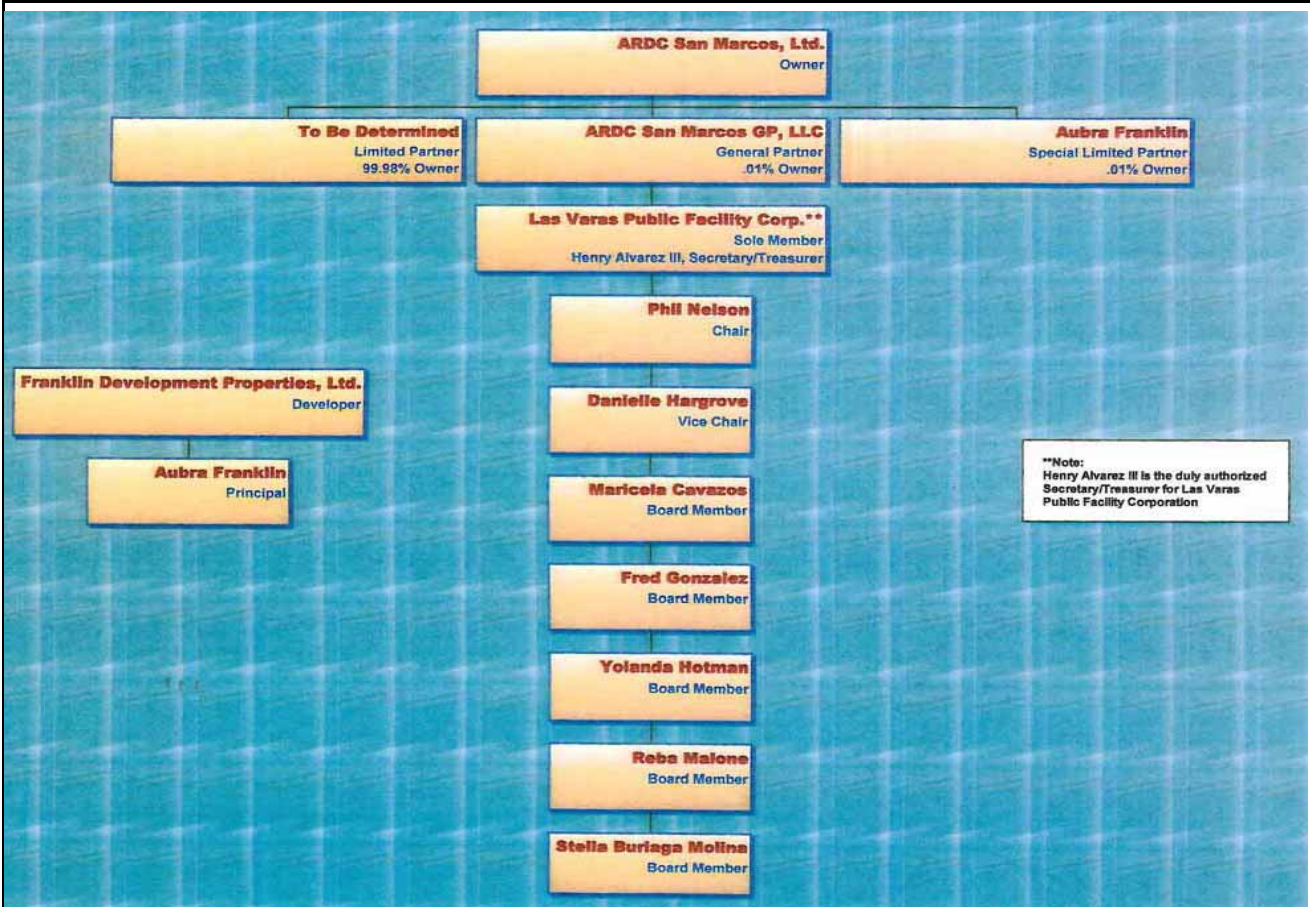
- The site has significant environmental issues that have been identified and are being mitigated to the extent possible, including noise created by IH-35, floodplain at the entrance and front portion of the site, and need to complete the site clean-up remediation program with TCEQ.
- The Underwriter's inclusive capture rate of 23% is just slightly below the Department's maximum of 25% but still within an acceptable range.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Ryan Wilson Phone: (210) 694-2223 Fax: (210) 694-4225
 Email: ryan@franklindevelopment

KEY PARTICIPANTS

Name	Net Assets	Liquidity ¹	# Completed Developments
Las Varas Corporation	\$4,034,546	\$3,106,201	4
Franklin Development	\$7,636,656	\$7,587,017	8
Aubra Franklin	Confidential	Confidential	Certificate of Experience

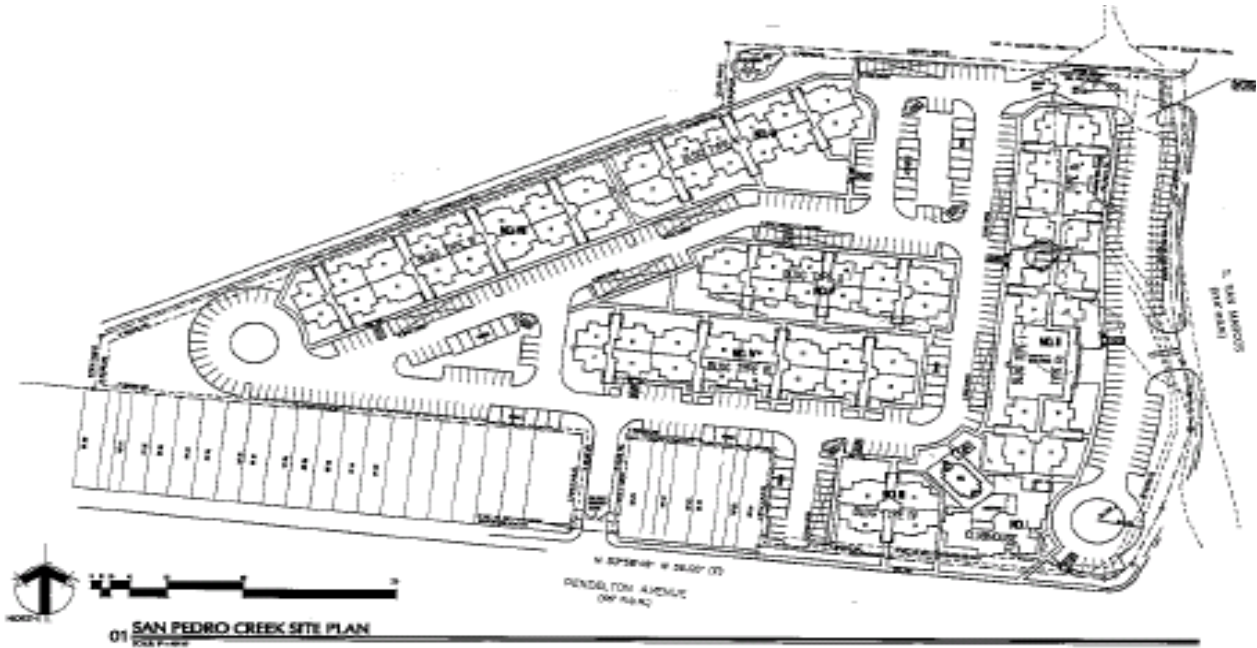
¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

- o The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.
- o The seller is regarded as a related party due to the proposed loan issued against the land proceeds by the seller. This issue is discussed further and has been reconciled in the development cost section of the report.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I(a&b)	II	III	IV	V							Total Buildings
Floors/Stories	4	3	3	3	3							
Number	1	1	2	1	1							6

BR/BA	SF	Units										Total Units	Total SF
1/1	750	16	12	6		12						52	39,000
2/2	985	40	12	24		12						112	110,320
3/2	1,160	20	8	18	12	12						88	102,080
Units per Building		76	32	48	12	36						252	251,400

SITE ISSUES

Total Size: 10.7 acres Scattered site? Yes No

Flood Zone: X and AE Within 100-yr floodplain? Yes No

Zoning: * IDZ Needs to be re-zoned? Yes No N/A

Comments:
 TDHCA staff is concerned with several issues related to the subject site. These issues will be discussed in further detail in the "TDHCA Site Inspection" section of this report.

* "IDZ" refers to Infill Development Zone, with uses permitted in MF-33 Multi-Family District and C-2 Commercial District.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff

Date: 8/29/2007

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

- North: Industrial Warehouse and Commercial beyond
- South: Residential Homes and Retail beyond.
- East: Commercial/Retail and Interstate 35 beyond
- West: Residential homes and Retail beyond.

Comments:

The site inspector noted the following comments: San Antonio stockyards are adjacent to the property even though the stockyards are now closed with several meat packing operations close by. A large drainage ditch is near the site. Interstate traffic is adjacent to the site also.

Due to the "Questionable" assessment made by the TDHCA site inspector and the environmental concerns noted in the environmental report, the Underwriter felt that a visual inspection of the subject property was necessary. A summary of which follows:

The subject property is located to the east of and beneath an elevated portion of Interstate 35 with no easy access to the site from north or south of the interstate. Additionally, the property's close proximity to the interstate creates the potential for noise related issues due to the roadway noise created by I-35. This concern has already been identified in a HUD noise study conducted on September 12, 2007. Receipt, review and acceptance of documentation identifying a plan to mitigate the noise related issues identified in the HUD noise study is a condition of this report.

Another concern relates to the proposed entrance into the development which is planned through S. San Marcos Street located in the easternmost portion of the site and adjacent to San Pedro Creek. This portion of the site is located within shaded X and AE flood zones due to the presence of the creek and causes concern that should the creek ever experience a flood, entrance into the development may be prohibited. As a result, receipt, review and acceptance of documentation identifying a plan to mitigate the potential flood zone issues is a condition of this report.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Integrated Testing and Engineering Company

Date: 8/31/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

- "The target property was the former location of the Swift Meat Company from 1904 until approximately 1995. Remediation of underground fuel storage tanks and removal of coal ash (the result of burning carcasses on-site) began in the early 1990's using Texas Commission on Environmental Quality (TCEQ) guidelines for cleanup. The buildings located on the target property were removed in the early 1990's.....The target property is part of a TCEQ Voluntary Cleanup Program (VCP)." (p. 16)
- "Geo-Marine Incorporated, an environmental consulting company, is currently working with the San Antonio Housing Authority on clean up of the target property. (p. 1) In a letter dated June 18, 2007 from Geo-Marine Incorporated (GMI) to San Antonio Housing Authority, GMI proposes to provide environmental consulting services to develop and prepare a work plan, specifications, and site diagrams for remediation and closure of the contaminated areas at the Swift voluntary Cleanup Program Site No. 190." (p. 13) (Appendix D)
- A noise assessment study was preformed by HUD on September 12, 2007 and the final site evaluation was determined "Normally Unacceptable" due to the roadway noise created by interstate 35 to the east of the subject property. Aircraft noise and railway noise was also tested and was found to be acceptable. The Underwriter recommends that the Applicant develop a plan and provide documentation that the plan will mitigate the noise concerns consistent with HUD guidelines and the conclusions of the report.

Comments:

TEC (Integrated Testing and Engineering Company) recommends that the client follow the cleanup guidelines as approved by TCEQ (Texas Commission on Environmental Quality) (p. 16) and proposed by Geo-Marine Incorporated for remediation and closure plans, providing remediation oversight, and revising and preparing the closure documents for the Swift Site Voluntary Cleanup Program Project. This will be a condition of this report.

MARKET HIGHLIGHTS

Provider: Butler Burgher, Inc. Date: 9/13/2007
 Contact: Mary Ann Barnett Phone: (214) 739-0700 Fax: (214) 361-8168
 Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 12.73 square feet (2.0 mile radius)

"The Primary Market Area is the area bounded by Culebra road on the north, U.S. Highway 90 on the south, S. Flores Street and IH 10 on the east, and 34th Street on the west." (p. 6)

Secondary Market Area (SMA):

A secondary market was not identified in the Market Study.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
San Juan Square	05159	143	137	N/A			

INCOME LIMITS						
Bexar						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	\$22,560	\$25,800	\$28,980	\$32,220	\$34,800	\$37,380

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/ 60% Rent Limit	1,226	98	0	1,324	52	28	6.04%
2 BR/ 60% Rent Limit	753	98	0	851	112	59	20.09%
3 BR/ 60% Rent Limit	1,127	98	0	1,225	88	50	11.27%

OVERALL DEMAND										
	Target Households	Household Size	Income Eligible	Tenure	Demand					
PMA DEMAND from TURNOVER										
Market Analyst p. 65	100%	24,629	100%	24,629	26%	6,465	42%	2,719	76%	2,072
Underwriter	100%	24,615	100%	24,615	24%	5,842	42%	2,457	69%	1,683
PMA DEMAND from HOUSEHOLD GROWTH										
Market Analyst p. 64/67	Annual Growth Demand based on 4.56% of SA MSA Job Growth *								98	
Underwriter		100%	-25	24%	-6	42%	-2	100%	-2	

* The subject PMA's population is 4.56% of the San Antonio MSA; therefore, it is reasonable to conclude that job growth within the PMA will be at least consistent with the San Antonio MSA Job estimated job growth.

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 65	252	137	0	389	2,170	17.93%
Underwriter	252	137	0	389	1,681	23.15%

Comments:

The Market Analyst used a turnover rate of 76% based on 2006 IREM data, which is on the high end of turnover rates generally used for HTC properties and is higher than the average turnover for Region 9 reflected in the Department's database of family properties (39.1%). However, the Department's database does not currently filter rural properties and properties with rental assistance, which often experience significantly lower turnover than unassisted urban properties.

Based on the Underwriter's demand analysis, a turnover rate greater than 64% must be used in order to support an inclusive capture rate less than 25% and within the Department's threshold for urban properties targeting families. The Underwriter updated the turnover rate to the IREM 2007 Edition data indicating a rate of 68.5%. The resulting capture rate of 23.15% is just slightly below the Department's threshold but is still acceptable.

Primary Market Occupancy Rates:

"Occupancy levels in the PMA have fluctuated over the last several years from a low of 92.1% occurring in 2003 to a high of 97.3%, which occurred in 2000. The current occupancy rate, as of June 2007, is at 96.5%." (p. 42)

Absorption Projections:

"During pre-leasing, an absorption rate of 5 to 15 units per month is anticipated, with absorption of 25 units per month after completion. The subject community should achieve stabilization by September 2009." (p. 71)

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market	
1 BR 750 SF 60%	\$532	539	\$675	539	\$136	
2 BR 985 SF 60%	\$638	646	\$801	646	\$155	
3 BR 1,160 SF 60%	\$729	739	\$1,009	739	\$270	

Market Impact:

"The subject market area is centrally located west of the San Antonio CBD. The PMA's central location relative to supportive development ensures future growth as economic conditions improve. Overall, the long-term prospects for the primary market area are good." (p. 50)

Comments:

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

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 11/30/2007

The Applicant's rent projections are slightly lower than the maximum rents allowed under HTC guidelines. The Underwriter's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of June 2006, maintained by the City of San Antonio Housing Assistance Office, from the 2007 program gross rent limits. The maximum program rents are supported by the market rents determined by the Market Analyst. Tenants will be required to pay for electricity and gas.

In addition to secondary income from normal operation, the Applicant projects income from garages and carports at \$2,670 per month for 10 garages and 60 carports. While the Applicant did deduct the cost for construction of these optional amenities from eligible basis, documentation to support the estimated additional rent was not provided. Traditionally, the Department has not accepted carport income and has heavily discounted garage rental income. Given that the Applicant maximized other secondary income and provided no support for garage rental income, the underwriting analysis assumes only the maximum of \$15 per unit per month in secondary income from normal operation.

The Applicant's vacancy and collection loss assumptions are in line with current underwriting guidelines and the effective gross income assumption is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 11/30/2007

The Applicant's total annual operating expense projection at \$3,214 per unit is within 4% of the Underwriter's estimate of \$3,357, derived from the TDHCA database. The Applicant's budget reflects one line item estimate that deviates significantly when compared to the Underwriter's estimate. Specifically, the Applicant's general and administrative expense is \$47K lower than the Underwriter's estimate.

The Applicant is also projecting a 100% property tax exemption as a result of the Public Facility's control of the general partner. It is anticipated that the Applicant will enter into a ground lease with the Public Facility in order to secure such an exemption. Receipt, review and acceptance by cost certification of an executed ground lease with clear lease terms including, but not limited to, the annual rent amount is a condition of this report.

Conclusion:

The Applicant's estimated income is consistent with the Underwriter's expectations, total operating expense is within 5% of the database-derived estimate, and the Applicant's net operating income (NOI) estimate is within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. The Year One proforma results in a DCR within the Department's current guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Butler Burgher, Inc</u>	Date:	<u>9/13/2007</u>
Number of Revisions:	<u> 0 </u>	Date of Last Applicant Revision:	<u> N/A </u>
Land Only:	10.7 acres	<u>\$1,160,000</u>	As of: <u>8/11/2007</u>
Existing Buildings: (as-is)		<u>\$0</u>	As of: <u>8/11/2007</u>
Total Development: (as-is)		<u>\$1,160,000</u>	As of: <u>8/11/2007</u>

Comments:

The subject site contains 10.7 acres of land and is owned by San Antonio Housing Authority. The site is currently vacant.

The analysis to determine the appraised value for the subject property was based upon the sales data of five (5) similar properties. The Appraiser researched to locate land sales that were comparable to the subject in size, location and zoning. They were described by the Appraiser as transactions within or near the subject's market area that were purchased for multifamily developments. The land is being valued on an adjusted per unit mean value basis of \$4,600 times 252 units rounded to a total value of \$1,160,000.

The comparability of the properties used in the analysis is questionable due to the distance of each from the subject site. The subject property is located in southwest central San Antonio and one of the comps was located in far northwest San Antonio and one was located in far southwest San Antonio. The other three (3) comps were located east of Interstate 35 in a different market area all together. None of the five (5) comps used were in the subject's defined market area as determined in the market study. However, as discussed below, the Underwriter used the original purchase price plus a reasonable rate of return to determine the Underwriter's acquisition cost.

ASSESSED VALUE

Land Only:	10.7 acres	\$869,370	Tax Year:	2007
Existing Buildings:		\$0	Valuation by:	Bexar CAD
Total Assessed Value:		\$869,370	Tax Rate:	2.666775

EVIDENCE of PROPERTY CONTROL

Type: <u>Option Agreement</u>	Acreage: <u>10.7</u>
Contract Expiration: <u>8/15/2008</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$1,160,000</u>	Other: <u>The Purchase Price was established by the appraised value of the property.</u>
Seller: <u>San Antonio Housing Authority</u>	Related to Development Team? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 11/30/2007

Acquisition Value:

The Applicant has an identity of interest with the seller but has provided documentation of the property's original acquisition value (in the form of a closing statement dated January 21, 1994) and an appraised value as required by the QAP. The contracted sales price is the same as the appraised value, but the Underwriter calculated a value of \$1,125,590 using an annual rate of return of 4% times the original purchase price of \$650,000 for the fourteen year holding period. As discussed above, it is anticipated that Las Varas Public Facility's Corporation or an affiliate thereof will take title to the land and the Applicant will enter into a ground lease with that entity in order to secure a 100% property tax exemption. The Applicant did not provide a ground lease; however, this report has been conditioned upon receipt of a ground lease with terms from the Applicant.

Generally, an adjustment to the acquisition price would result in an equivalent adjustment to the gap in funds, which could decrease in gap based credit determination; however, the Underwriter's reduction in the acquisition price will cause an equivalent adjustment to the amount of the seller note and no net affect to the development's gap in funding.

Sitework Cost:

The Applicant's claimed sitework costs of \$6,949 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$1,028,041 or 8.1% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$374,300 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Contingency & Fees:

The Applicant's developer fee and contractor fee (general requirements, overhead, and profit) are all within the maximums allowed by TDHCA guidelines; however, the Applicant's contingency exceeds the maximum allowed by HTC guidelines by a total of \$140,986 based on their own construction costs. Consequently, the Applicant's eligible basis has been reduced by the same amount with the overage effectively moved to ineligible costs.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$24,900,827 supports annual tax credits of \$1,168,596. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

Issuer: San Antonio HFC
Source: MMA Financial Type: Interim to Permanent Bond Financing
Tax-Exempt: \$14,400,000 Interest Rate: 6.00% Fixed Amort: 540 months

Comments:
The rate on both the construction and permanent loan will be comprised of the 17-year AAA tax exempt municipal bond rate (BMA/SIFMA rate) currently at 4.35% plus 1.65%.

Source: San Antonio Housing Authority Type: Seller Financing
Principal: \$1,160,000 Terms: Repayable out of available cash flow after deferred developer fees

Comments:
The seller note will carry an interest rate equal to the applicable federal rate which is currently 4.5% and amortized over 40 years. As indicated above, payments will be made from available cashflow after deferred developer fee. Based on the long-term proforma, the property will generate sufficient cashflow to repay both the deferred developer fee and seller note.

Source: MMA Financial Type: Syndication
Proceeds: \$10,691,232 Syndication Rate: 93% Anticipated HTC: \$ 1,149,825
Amount: \$2,011,663 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$14,400,000 and the SAHA seller note of \$1,125,590 indicates the need for \$12,702,898 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,366,176 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$1,149,825), the gap-driven amount (\$1,366,176), and eligible basis-derived estimate (\$1,168,596), the Applicant's request of \$1,149,825 is recommended resulting in proceeds of \$10,691,232 based on a syndication rate of 93%.

MULTIFAMILY COMPARATIVE ANALYSIS

Artisan At San Pedro Creek, San Antonio, 4% HTC #08401

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%	52	1	1	750	\$604	\$539	\$28,019	\$0.72	\$65.18	\$35.82
TC 60%	112	2	2	985	\$724	646	72,299	0.66	78.47	42.62
TC 60%	88	3	2	1,160	\$837	739	64,997	0.64	98.40	54.11
TOTAL:	252		AVERAGE:	998		\$656	\$165,315	\$0.66	\$82.69	\$45.23

INCOME				Total Net Rentable Sq Ft:	251,400	TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT						\$1,983,778	\$1,959,264	Bexar	San Antonio	9
Secondary Income		Per Unit Per Month:	\$15.00			45,360	72,864	\$24.10	Per Unit Per Month	
Other Support Income:						0	0	\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME						\$2,029,138	\$2,032,128			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%			(152,185)	(152,412)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions						0	0			
EFFECTIVE GROSS INCOME						\$1,876,952	\$1,879,716			
EXPENSES				% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.43%	\$479	0.48			\$120,713	\$73,740	\$0.29	\$293	3.92%
Management	4.07%	303	0.30			76,457	75,189	0.30	298	4.00%
Payroll & Payroll Tax	12.69%	945	0.95			238,222	240,000	0.95	952	12.77%
Repairs & Maintenance	6.53%	486	0.49			122,514	115,000	0.46	456	6.12%
Utilities	2.12%	158	0.16			39,762	47,825	0.19	190	2.54%
Water, Sewer, & Trash	4.59%	342	0.34			86,193	80,385	0.32	319	4.28%
Property Insurance	3.05%	227	0.23			57,170	70,000	0.28	278	3.72%
Property Tax	2.88207	0.00%	0	0.00		0	0	0.00	0	0.00%
Reserve for Replacements	3.36%	250	0.25			63,000	65,000	0.26	258	3.46%
TDHCA Compliance Fees	0.54%	40	0.04			10,080	10,785	0.04	43	0.57%
Other: Cable TV	1.70%	127	0.13			31,979	31,979	0.13	127	1.70%
TOTAL EXPENSES	45.08%	\$3,357	\$3.37			\$846,090	\$809,903	\$3.22	\$3,214	43.09%
NET OPERATING INC	54.92%	\$4,091	\$4.10			\$1,030,862	\$1,069,813	\$4.26	\$4,245	56.91%
DEBT SERVICE										
MMA Financial	49.37%	\$3,677	\$3.69			\$926,700	\$925,874	\$3.68	\$3,674	49.26%
SAHA	0.00%	\$0	\$0.00			0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00			0	0	\$0.00	\$0	0.00%
NET CASH FLOW	5.55%	\$413	\$0.41			\$104,163	\$143,939	\$0.57	\$571	7.66%
AGGREGATE DEBT COVERAGE RATIO						1.11	1.16			
RECOMMENDED DEBT COVERAGE RATIO							1.15			

CONSTRUCTION COST					TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		4.18%	\$4,467	\$4.48	\$1,125,590	\$1,160,000	\$4.61	\$4,603	4.10%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		6.50%	6,949	6.97	1,751,065	1,751,065	6.97	6,949	6.20%
Direct Construction		47.08%	50,309	50.43	12,677,881	13,705,922	54.52	54,389	48.49%
Contingency	5.00%	2.68%	2,863	2.87	721,447	913,835	3.63	3,626	3.23%
Contractor's Fees	13.85%	7.42%	7,932	7.95	1,998,780	1,998,780	7.95	7,932	7.07%
Indirect Construction		6.50%	6,948	6.96	1,750,960	1,750,960	6.96	6,948	6.20%
Ineligible Costs		4.50%	4,805	4.82	1,210,890	1,210,890	4.82	4,805	4.28%
Developer's Fees	15.00%	11.53%	12,317	12.35	3,103,909	3,128,661	12.44	12,415	11.07%
Interim Financing		6.66%	7,113	7.13	1,792,590	1,792,590	7.13	7,113	6.34%
Reserves		2.95%	3,157	3.16	795,637	850,195	3.38	3,374	3.01%
TOTAL COST		100.00%	\$106,860	\$107.12	\$26,928,749	\$28,262,898	\$112.42	\$112,154	100.00%
Construction Cost Recap		63.68%	\$68,052	\$68.21	\$17,149,174	\$18,369,602	\$73.07	\$72,895	65.00%

SOURCES OF FUNDS				RECOMMENDED			
MMA Financial	53.47%	\$57,143	\$57.28	\$14,400,000	\$14,400,000	\$14,400,000	Developer Fee Available
SAHA	4.18%	\$4,467	\$4.48	1,125,590	1,160,000	1,125,590	\$3,128,661
HTC Syndication Proceeds	39.70%	\$42,426	\$42.53	10,691,232	10,691,232	10,691,232	% of Dev. Fee Deferred
Deferred Developer Fees	7.47%	\$7,983	\$8.00	2,011,663	2,011,663	2,011,666	64%
Additional (Excess) Funds Req'd	-4.83%	(\$5,158)	(\$5.17)	(1,299,736)	3	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$26,928,749	\$28,262,898	\$28,228,488	\$4,816,241

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Artisan At San Pedro Creek, San Antonio, 4% HTC #08401

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.19	\$13,372,589
Adjustments				
Exterior Wall Finish	4.40%		\$2.34	\$588,394
Elderly			0.00	0
9-Ft. Ceilings	3.55%		1.89	474,727
Roofing			0.00	0
Subfloor			(2.47)	(620,958)
Floor Cover			2.43	610,902
Breezeways/Balconies	\$22.27	62,528	5.54	1,392,499
Plumbing Fixtures	\$805	600	1.92	483,000
Rough-ins	\$400	504	0.80	201,600
Built-In Appliances	\$1,850	252	1.85	466,200
Exterior Stairs	\$2,100	84	0.70	176,400
Elevator	\$81,250	1	0.32	81,250
Heating/Cooling			1.90	477,660
Garages/Carports	\$11.40	14,000	0.63	159,600
Comm &/or Aux Bldgs	\$62.87	5,562	1.39	349,697
Other: fire sprinkler	\$2.10	251,400	2.10	527,940
SUBTOTAL			74.55	18,741,500
Current Cost Multiplier	0.98		(1.49)	(374,830)
Local Multiplier	0.86		(10.44)	(2,623,810)
TOTAL DIRECT CONSTRUCTION COSTS			\$62.62	\$15,742,860
Plans, specs, survy, bld prn	3.90%		(\$2.44)	(\$613,972)
Interim Construction Interes	3.38%		(2.11)	(531,322)
Contractor's OH & Profit	11.50%		(7.20)	(1,810,429)
NET DIRECT CONSTRUCTION COSTS			\$50.86	\$12,787,138

PAYMENT COMPUTATION

Primary	\$14,400,000	Amort	540
Int Rate	6.00%	DCR	1.11

Secondary	\$1,160,000	Amort	0
Int Rate	4.50%	Subtotal DCR	1.11

Additional	\$10,691,232	Amort	
Int Rate		Aggregate DCR	1.11

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	\$926,700
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$143,114

Primary	\$14,400,000	Amort	540
Int Rate	6.00%	DCR	1.15

Secondary	\$1,125,590	Amort	0
Int Rate	4.50%	Subtotal DCR	1.15

Additional	\$10,691,232	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

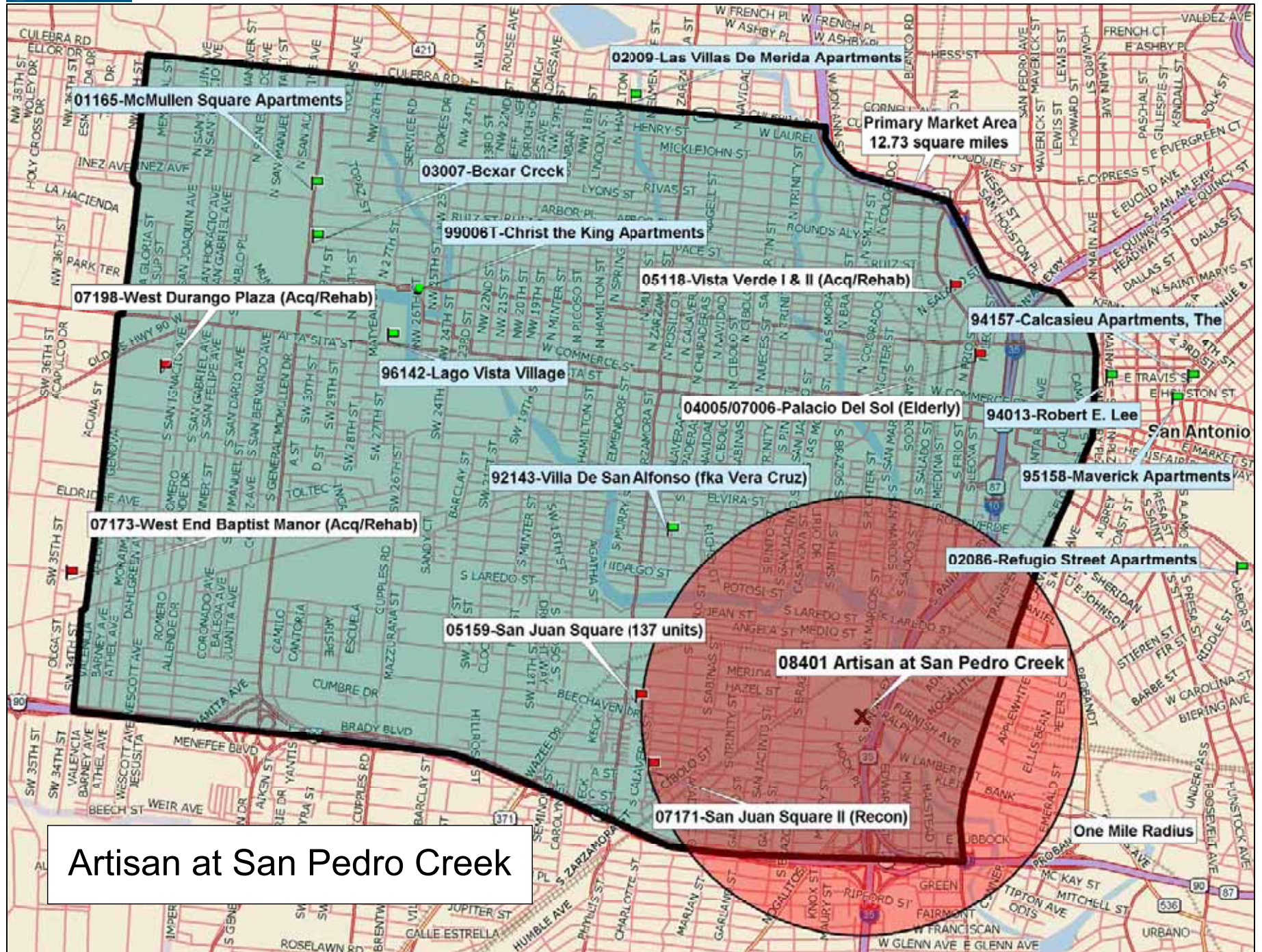
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,959,264	\$2,018,042	\$2,078,583	\$2,140,941	\$2,205,169	\$2,556,395	\$2,963,563	\$3,435,581	\$4,617,134
Secondary Income	72,864	75,050	77,301	79,620	82,009	95,071	110,213	127,767	171,709
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,032,128	2,093,092	2,155,885	2,220,561	2,287,178	2,651,466	3,073,776	3,563,349	4,788,843
Vacancy & Collection Loss	(152,412)	(156,982)	(161,691)	(166,542)	(171,538)	(198,860)	(230,533)	(267,251)	(359,163)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,879,716	\$1,936,110	\$1,994,193	\$2,054,019	\$2,115,640	\$2,452,606	\$2,843,243	\$3,296,098	\$4,429,680
EXPENSES at 4.00%									
General & Administrative	\$73,740	\$76,690	\$79,757	\$82,947	\$86,265	\$104,955	\$127,694	\$155,359	\$229,969
Management	75,189	77,445	79,768	82,161	84,626	98,104	113,730	131,844	177,187
Payroll & Payroll Tax	240,000	249,600	259,584	269,967	280,766	341,595	415,602	505,644	748,476
Repairs & Maintenance	115,000	119,600	124,384	129,359	134,534	163,681	199,143	242,288	358,645
Utilities	47,825	49,738	51,728	53,797	55,948	68,070	82,817	100,760	149,150
Water, Sewer & Trash	80,385	83,600	86,944	90,422	94,039	114,413	139,201	169,359	250,693
Insurance	70,000	72,800	75,712	78,740	81,890	99,632	121,217	147,479	218,306
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	65,000	67,600	70,304	73,116	76,041	92,515	112,559	136,945	202,712
Other	42,764	44,475	46,254	48,104	50,028	60,867	74,053	90,097	133,366
TOTAL EXPENSES	\$809,903	\$841,547	\$874,434	\$908,614	\$944,137	\$1,143,831	\$1,386,017	\$1,679,776	\$2,468,504
NET OPERATING INCOME	\$1,069,813	\$1,094,563	\$1,119,759	\$1,145,405	\$1,171,502	\$1,308,775	\$1,457,226	\$1,616,322	\$1,961,175
DEBT SERVICE									
First Lien Financing	\$926,700	\$926,700	\$926,700	\$926,700	\$926,700	\$926,700	\$926,700	\$926,700	\$926,700
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$143,114	\$167,863	\$193,059	\$218,705	\$244,803	\$382,075	\$530,526	\$689,622	\$1,034,476
DEBT COVERAGE RATIO	1.15	1.18	1.21	1.24	1.26	1.41	1.57	1.74	2.12

HTC ALLOCATION ANALYSIS -Artisan At San Pedro Creek, San Antonio, 4% HTC #08401

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,160,000	\$1,125,590		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,751,065	\$1,751,065	\$1,751,065	\$1,751,065
Construction Hard Costs	\$13,705,922	\$12,677,881	\$13,705,922	\$12,677,881
Contractor Fees	\$1,998,780	\$1,998,780	\$1,998,780	\$1,998,780
Contingencies	\$913,835	\$721,447	\$772,849	\$721,447
Eligible Indirect Fees	\$1,750,960	\$1,750,960	\$1,750,960	\$1,750,960
Eligible Financing Fees	\$1,792,590	\$1,792,590	\$1,792,590	\$1,792,590
All Ineligible Costs	\$1,210,890	\$1,210,890		
Developer Fees				
Developer Fees	\$3,128,661	\$3,103,909	\$3,128,661	\$3,103,909
Development Reserves	\$850,195	\$795,637		
TOTAL DEVELOPMENT COSTS	\$28,262,898	\$26,928,749	\$24,900,827	\$23,796,632

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$24,900,827	\$23,796,632
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$32,371,076	\$30,935,622
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$32,371,076	\$30,935,622
Applicable Percentage			3.61%	3.61%
TOTAL AMOUNT OF TAX CREDITS			\$1,168,596	\$1,116,776

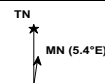
Syndication Proceeds	0.9298	\$10,865,766	\$10,383,937
Total Tax Credits (Eligible Basis Method)		\$1,168,596	\$1,116,776
Syndication Proceeds		\$10,865,766	\$10,383,937
Requested Tax Credits		\$1,149,825	
Syndication Proceeds		\$10,691,232	
Gap of Syndication Proceeds Needed		\$12,702,898	
Total Tax Credits (Gap Method)		\$1,366,176	



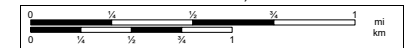
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Scale 1 : 37,500



1" = 3,125.0 ft

Data Zoom 12-4

Applicant Evaluation

Project ID # **08401**

Name: **Artisan at San Pedro Creek**

City: **San Antonio**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other
 No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 16

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 12

Yes No

Projects not reported Yes
in application No

Projects grouped ten to nineteen: 4

monitored with a score less than thirty: 16

by score twenty to twenty-nine: 0

not yet monitored or pending review: 7

of projects not reported 0

Contract Monitoring

Single Audit

Monitoring review not applicable
 Review found no unresolved issues
 HOME RHD outstanding monitoring issues
 Audit finding or questioned/disallowed costs -
 in corrective action period
 Unresolved audit finding or questioned/
 disallowed costs (comments attached)

Single audit review not applicable
 Single audit review found no unresolved issues
 Late certification (comments attached)
 Past due single audit or unresolved single
 audit issue (comments attached)

Reviewer: Wendy Quackenbush Date 12/21/2007

Multifamily Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer Shannon Roth
 Date 1/2/2008

HOME

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer Lora Lange
 Date 1/12/2008

Real Estate Analysis (Workout)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer D. Burrell
 Date 12/21/2007

Community Affairs

No relationship
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer AMO
 Date 12/21/2007

Office of Colonia Initiatives

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer RAUL GONZALES
 Date 1/2/2008

Financial Administration

No delinquencies found
 Delinquencies found
 (Comments attached)

Reviewer Melissa M. Whitehead
 Date 1/15/2008

May 9, 2007

Ryan Wilson
Franklin Development
21260 Gathering Oaks, Suite 101
San Antonio, TX 78258 08401

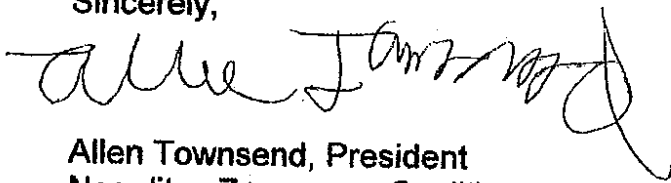
Dear Ryan:

#07455

I am writing in reference to Franklin Development's proposal to develop the Swift Property at 1901 S. San Marcos. You discussed your ideas at the April 16, 2007 meeting of the Nogalitos Zarzamora Coalition. As you know, the Coalition has actively sought development of the Swift property for the past two years. We feel that the ideas you put forward at our April meeting are good ones. Of course, the plans are not complete, and we hope to continue to work with Franklin Development to realize a 252-unit residential complex with some retail establishments and a fair amount of green space. We are also eager to hear about your negotiations with VIA to make this development accessible by bus as well as automobile.

Nevertheless, based on our understanding at this time, we support Franklin Development's plan for the Swift property. We will do what we can to help you, and we hope you will continue to keep us informed as you have done to date. This property has a great deal of potential.

Sincerely,



Allen Townsend, President
Nogalitos Zarzamora Coalition
143 Walton Avenue
San Antonio, TX 78225


COLLINS GARDEN NEIGHBORHOOD ASSOCIATION

08401
#07455

To: San Antonio Zoning Commission

In response to Mr. Ryan G. Wilson, Franklin Development, request for support of development the Swift property located on 1901 South San Marcos Street, Lot 13, NCB 9644. After meeting with Mr. Wilson on July 10, 2007 at which time he explained his project with visual aids of finished project and Q &A. We the members of the CGNA on July 10, 2007 monthly meeting, through a majority consensus are in support rezoning the property to allow Residential and Commercial Development. Additionally we find the said property is consistent with our Nogalitos/South Zarzamora Community Plan.

Sincerely,

X 

Sarah M. Valadez
CGNA, Secretary

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
January 31, 2008

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendation for Woodland Park at Greenville Apartments, #07460.

Summary of the Transaction

Background and General Information: The application was received on October 12, 2007. The Issuer for this transaction is North Central Texas HFC with a reservation of allocation that expires on February 17, 2008. The development is new construction and will consist of 120 total units targeting the elderly population with all units affordable. The proposed development will be located in Greenville, Hunt County. The site is currently zoned for this type of development.

Organizational Structure and Compliance: The Borrower is Woodland Park at Greenville, LP and the General Partner is Hersh Associates, LLC, which is comprised of Hersh Development Company with 100% ownership interest. The Compliance Status Summary completed on January 12, 2008 reveals that the principals of the general partner have no properties that have been monitored.

Census Demographics: The development is to be located at 2100 Trader Road in Greenville. Demographics for the census tract (9611.00) include AMFI of \$68,976; the total population is 5,316; the percent of population that is minority is 7.88%; the percent of population that is below the poverty line is 4.06%; the number of owner occupied units is 1,776; the number of renter units is 195 and the number of vacant units is 199. (Census information from FFIEC Geocoding for 2007).

Public Comment: The Department has received no letters of support or opposition.

Recommendation

Staff recommends the Board approve the issuance of a Determination Notice of \$364,632 in Housing Tax Credits for Woodland Park at Greenville Apartments.



MULTIFAMILY FINANCE PRODUCTION DIVISION

January 31, 2008

Development Information, Public Input and Board Summary

Woodland Park At Greenville, TDHCA Number 07460

BASIC DEVELOPMENT INFORMATION

Site Address: 2100 Traders Road Development #: 07460
 City: Greenville Region: 3 Population Served: Elderly
 County: Hunt Zip Code: 75042 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: Northwest Central Texas HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Woodland Park at Greenville, LP
 Owner Contact and Phone: Mark E. Feaster (785) 286-0642
 Developer: Hersh Development Corp.
 Housing General Contractor: Brasha Builders
 Architect: Architettura, Inc.
 Market Analyst: Apartment Market Data Research Services, LLC
 Syndicator: NEF Assignment Corp.
 Supportive Services: TBD
 Consultant: The Youngs Company

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	120	
0	0	0	120	0	48	72	0	0	0	Market Rate Units:	0	
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building											Owner/Employee Units:	0
<input type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence									Total Development Units:	120	
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy									Total Development Cost:	\$10,902,844	
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional									Number of Residential Buildings:	14	
<input type="checkbox"/> Townhome											HOME High Total Units:	0
											HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$373,689	\$364,632	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION
January 31, 2008
Development Information, Public Input and Board Summary
Woodland Park At Greenville, TDHCA Number 07460

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$364,632
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$364,632 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		



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

REPORT DATE: 01/24/08 PROGRAM: 4% HTC/MRB FILE NUMBER: **07460**

DEVELOPMENT

Woodland Park at Greenville

Location: 2100 Traders Road Region: 3
 City: Greenville County: Hunt Zip: 75402 QCT DDA
 Key Attributes: Seniors; New Construction, Urban/Exurban

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Private Activity Mortgage Revenue Bonds	\$7,136,345	6.00%	40/17	\$6,107,396	N/A	N/A
Housing Tax Credit (Annual)	\$373,689			\$364,632		

CONDITIONS

- 1 Receipt, review, and acceptance of a commitment from the contractor to defer fees up to \$180,856.
- 2 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	120

PROS

- The subject represents the second elderly tax credit development in Greenville in 7 years and will be one of only three elderly developments in Hunt County.

CONS

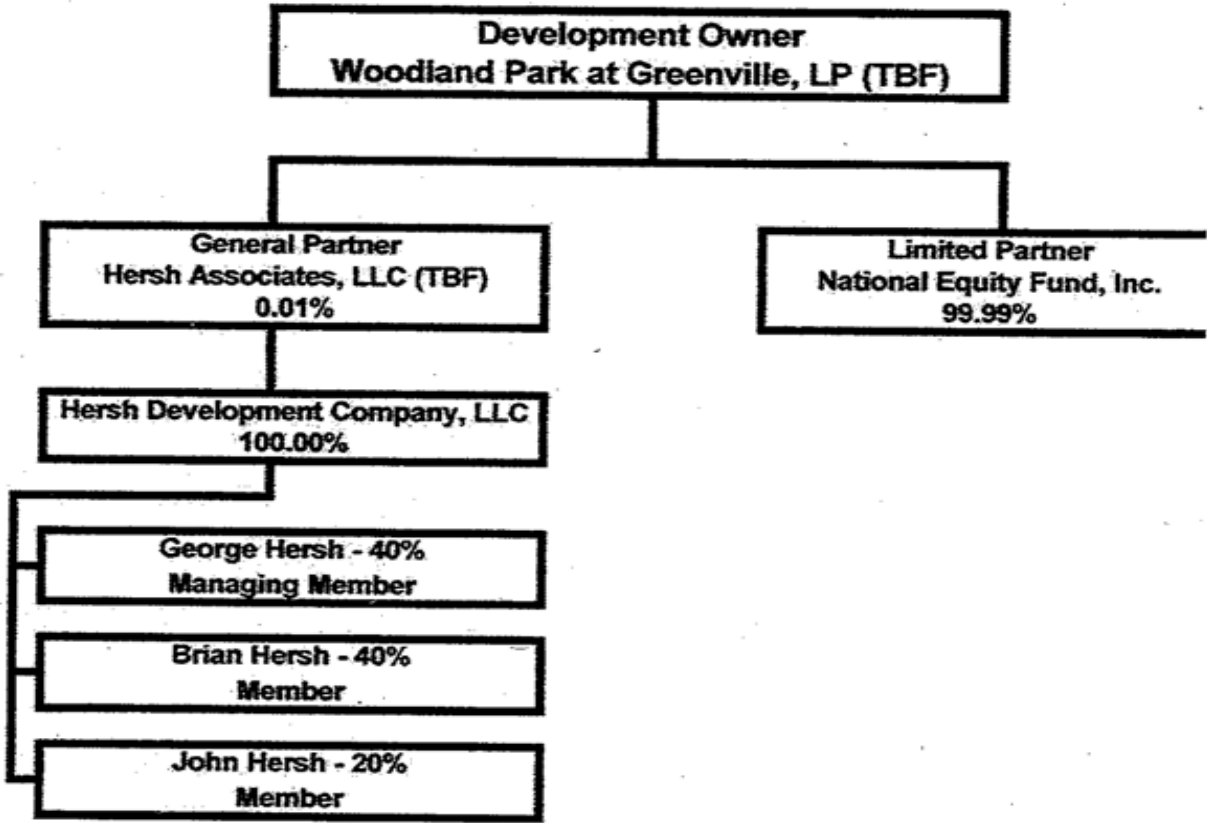
- The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).
- The recommended financing structure requires an extraordinarily tight arrangement such that the Development will need to defer 100% of it's developer fee and obtain a related party contractor commitment to defer contractor fees.
- The Applicant is anticipating a syndication price of \$0.905 per \$1.00 tax credit, which in the current market, is at the high end of expectations and any drop in price would increase the needed amount of deferred contractor fee.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Mark Feaster Phone: (578) 286-0642 Fax: (785) 286-0645
 Email: mfeaster@hershdevelopment.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity ¹	# of Complete Developments
John Hersh	CONFIDENTIAL		N/A
George & Marcia Hersh	CONFIDENTIAL		N/A

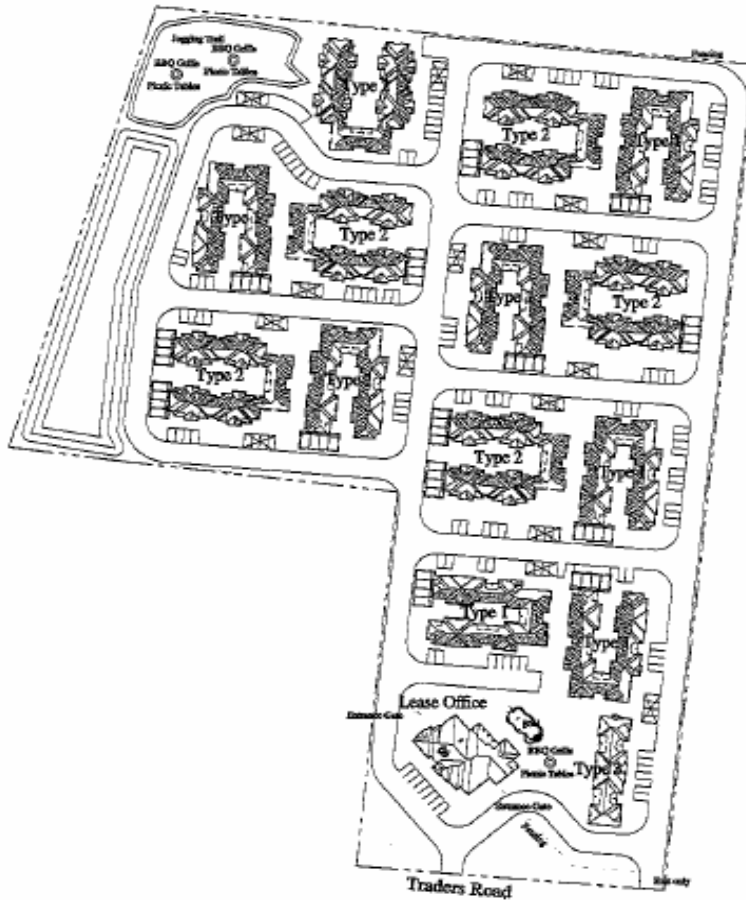
¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

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

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III																Total Buildings
Floors/Stories	1	1	1																
Number	7	6	1																14

BR/BA	SF	Units										Total Units	Total SF		
1/1	728		8											48	34,944
2/1	840	6	2											54	45,360
2/2	937	2		4										18	16,866
Units per Building		8	10	4										120	97,170

SITE ISSUES

Total Size: 14 acres Scattered site? Yes No

Flood Zone: Zone X Within 100-yr floodplain? Yes No

Zoning: MF-1, Multifamily Needs to be re-zoned? Yes No N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 10/19/2007

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: undeveloped land and Home Depot.
 South: Traders Road and undeveloped land.
 East: Traders Parkway and undeveloped land.
 West: Walmart

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Environmental Consultants Date: 10/29/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

▪ None.

MARKET HIGHLIGHTS

Provider: Apartment MarketData, LLC Date: 11/15/2007

Contact: Darrell Jack Phone: (210) 530-0040 Fax: (210) 340-5830

Number of Revisions: 1 Date of Last Applicant Revision: 1/13/2008

Primary Market Area (PMA): 1,956 square miles ~25 mile radius

"For this analysis, we utilized a 'primary market area' consisting of all of Hunt, Delta, and Hopkins County, encompassing 1,954.7 square miles." (p. 32)

Secondary Market Area (SMA):

The Market Analyst did not define a secondary market for the subject development.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS				
PMA				SMA
Name	File #	Total Units	Comp Units	No secondary market.
Churchill at Commerce	04118/07032	100	Family	

INCOME LIMITS						
Hunt						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	\$27,960	\$31,920	\$35,940	\$39,900	\$43,080	\$46,260

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/60% Rent Limit	170	8		178	48		27%
2 BR/60% Rent Limit	88	3		91	72		79%

OVERALL DEMAND									
	Target Households	Household Size	Income Eligible	Tenure	Demand				
PMA DEMAND from TURNOVER									
Market Analyst p. 55	16,986	100%	16,986	3%	550	100%	550	65%	355
Underwriter	24% 18,749	100%	18,749	3%	600	100%	600	25%	150
PMA DEMAND from HOUSEHOLD GROWTH									
Market Analyst p. 55			452	3%	15	100%	15	100%	15
Underwriter		100%	395	3%	13	100%	13	100%	13

The Market Analyst included demand from turnover at a rate of 65% based upon IREM data, which is a much higher than normal turnover rate for senior properties. The Market Analyst indicates that the IREM turnover rate is justified in this market for a number of reasons. First, he believes that tenants are not coming from other affordable projects where the turnover rate would be expected to be much lower. Secondly, the Market Analyst indicated that people really don't have other alternatives, so with the construction of properties such as the subject, more people would be willing to move.

Moreover, the Market Analyst believes that the subject development is more likely to follow closely Terrell Senior Terraces in Kaufman County; a study showed that 50% of the people that moved to the property came from within Terrell, while the other 50% came from Dallas or other counties. Given this information, coupled with data drawn from other places the Market Analyst admitted could not be quantified, he was comfortable with concluding that the 65% IREM turnover rate would apply to the subject.

The Underwriter utilized a turnover rate of 25% based upon information collected for HTC elderly developments in this region. As a result, the Underwriter calculated a capture rate of 73.82%, which is slightly below the Department's maximum of 75% for elderly developments.

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 58	120	98	0	218	370	58.97%
Underwriter	120	0	0	120	163	73.82%

Primary Market Occupancy Rates:

"The current occupancy of the market area is 95.1% as a result of growing demand. Affordable communities report 94.0% occupancy, and properties constructed since 1990 report 97%+ average occupancy. According to the household growth and employment growth methodologies, the forecast demand for new rental apartment units is considered to be growing." (p. 106)

Absorption Projections:

"We estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction." (p. 102)

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market		
1 BR 728 SF 60%	\$585	\$614	\$596	\$596	\$0		
1 BR 728 SF 60%	\$605	\$614	\$617	\$614	\$3		
2 BR 840 SF 60%	\$700	\$728	\$697	\$697	\$0		
2 BR 840 SF 60%	\$720	\$728	\$805	\$728	\$77		
2 BR 937 SF 60%	\$710	\$728	\$716	\$716	\$0		

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Existing "affordable" housing projects in Greenville have an overall occupancy of 94.0% and the one senior "affordable" project is 99% occupied. This demonstrates that the demand for affordable rental housing is high, and that there is a shortage of affordable housing in this market." (p. 103)

Comments:

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

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 0 Date of Last Applicant Revision: N/A

The Underwriter utilized the lesser of the Market Analyst's market rent conclusion or the projected rents collected per unit calculated by subtracting tenant-paid utility allowances as of January 1, 2008, maintained by the City of Greenville, from the 2007 program gross rent limits. Tenants will be required to pay electric, water, sewer and trash utility costs. Tenants paying water sewer and trash is not typical of senior affordable developments funded by the Department. It should be noted, the Applicant utilized slightly lower rents for the one bedroom units and thirty-eight of the two bedroom units. In addition, the Applicant chose to utilize rents that were higher than the maximum tax credit rents for the twelve 935 square feet two bedroom units and rents that were slightly (\$3) above the Market Analyst's estimated market rents. The Applicant indicated that the inclusion of carports and the timing in which these units will reach the market, keeps them at a competitive rent level and justifies using nominally higher than market rents.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines; however, secondary income assumptions are not, as the Applicant included an additional \$25 per unit over the \$15 guideline. The Applicant indicated that this revenue would be from a cable/internet package that they will pass on to the tenants. However, at the request of the Applicant's equity provider and other financing participants, this income is offset in the operating expenses.

The Underwriter's secondary income amount is within the Department maximum of \$15 per unit. Despite the differences in secondary income and rent, effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 1/13/2008

The Applicant's total revised annual operating expense projection at \$3,391 per unit is not within 5% of the Underwriter's estimate of \$3,749, derived from the TDHCA database and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, specifically: General & Administrative (\$15K lower), Payroll and Payroll Tax (\$41K lower), Repairs & Maintenance (\$31K lower), Utilities (\$24K lower), Water, Sewer & Trash (\$10K higher), and Property Insurance (\$12K higher). The Applicant also included a \$43K asset management fee, presumably for the lender, as part of the operating expense instead of considering it below the line as debt service. The Underwriter discussed these differences with the Applicant but was unable to reconcile them completely.

Conclusion:

The Applicant's operating expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one proforma will be used to determine the development's debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) below the current underwriting minimum guideline of 1.15. Therefore, the recommended financing structure reflects a decrease in the permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the "Financing Structure Analysis" section (below).

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the **Underwriter's** base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 14 acres	\$255,670	Tax Year:	2007
Existing Buildings:	N/A	Valuation by:	Hunt CAD
Total Assessed Value:	\$255,670	Tax Rate:	2.72381

EVIDENCE of PROPERTY CONTROL

Type:	Settlement Statement dated December 6, 2007		Acreage:	14
Contract Expiration:	N/A	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Acquisition Cost:	\$450,000	Other:		
Seller:	Greenville Development, LLC	Related to Development Team?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 1/13/2008

Acquisition Value:

The site cost of \$32,143 per acre or \$3,750 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs of \$8,971 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$123K or 2% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

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

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$10,100,617 supports annual tax credits of \$364,632. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. It should be noted that the Applicant's requested credit amount was calculated using a 4% applicable percentage rate rather than the current underwriting rate of 3.61% and that results in \$9,057 less in credits than requested.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A

Issuer: North Central Texas HFC

Source: America First Tax Exempt Investors, LP Type: **Interim to Permanent Bond Financing**

Tax-Exempt: \$7,136,345 Interest Rate: 6.00% Fixed Amort: 480 months

Comments:
This is the lender's fifth transaction in Texas.

Source: National Equity Fund, Inc. Type: **Syndication**

Proceeds: \$3,523,337 Syndication Rate: 90% Anticipated HTC: \$ 389,358

Comments:
The syndication price is at the high end of current market prices and a decrease in rate could increase the amount of deferred developer and contractor fee.

Amount: \$377,011 Type: **Deferred Developer Fees**

CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.15. The current underwriting analysis assumes a decrease in the permanent loan amount to \$6,107,396 based on the terms reflected in the application materials. As a result the development's gap in financing will increase.

The Applicant's total development cost estimate less the adjusted permanent loan of \$6,107,396 indicates the need for \$4,795,448 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$529,937 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$373,689), the gap-driven amount (\$529,937), and eligible basis-derived estimate (\$364,632), the eligible basis-derived estimate of \$364,632 is recommended.

The Underwriter's recommended financing structure indicates the need for \$1,495,856 in additional permanent funds. This is 114% of the amount of deferred fee available. As a result, this report will be condition upon receipt, review and acceptance of a commitment from the contractor to defer fees up to \$180,856. Deferred developer and contractor fees do not appear to be repayable from development cashflow within 10 years of stabilized operation; however it is repayable within 15 years.

Underwriter: _____ Date: 1/24/2008

Diamond Unique Thompson

Reviewing Underwriter: _____ Date: 1/24/2008

Raquel Morales

Director of Real Estate Analysis: _____ Date: 1/24/2008

Tom Gouris

MULTIFAMILY COMPARATIVE ANALYSIS

Woodland Park at Greenville, Greenville, 4% HTC/MRB #07460

Type of Unit	Other	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%		36	1	1	728	\$748	\$596	\$21,456	\$0.82	\$134.38	\$63.50
TC 60%		12	1	1	728	\$748	614	7,363	0.84	134.38	63.50
TC 60%		22	2	1	840	\$898	697	15,334	0.83	169.76	78.60
TC 60%		32	2	1	840	\$898	728	23,304	0.87	169.76	78.60
TC 60%		6	2	2	937	\$898	716	4,296	0.76	169.76	78.60
TC 60%		12	2	2	937	\$898	728	8,739	0.78	169.76	78.60
TOTAL:		120		AVERAGE:	810		\$671	\$80,492	\$0.83	\$155.61	\$72.56

INCOME

Total Net Rentable Sq Ft: 97,170

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.85%	\$369	0.46	\$44,333	\$29,100	\$0.30	\$243	3.10%
Management	5.00%	381	0.47	45,672	48,252	0.50	402	5.13%
Payroll & Payroll Tax	12.39%	943	1.16	113,132	72,000	0.74	600	7.66%
Repairs & Maintenance	6.32%	481	0.59	57,756	26,600	0.27	222	2.83%
Utilities	3.27%	249	0.31	29,897	6,000	0.06	50	0.64%
Water, Sewer, & Trash	0.41%	31	0.04	3,773	13,385	0.14	112	1.42%
Property Insurance	3.13%	238	0.29	28,545	40,600	0.42	338	4.32%
Property Tax	2.72381	9.30%	708	84,983	90,000	0.93	750	9.57%
Reserve for Replacements	3.28%	250	0.31	30,000	30,000	0.31	250	3.19%
TDHCA Compliance Fees	0.53%	40	0.05	4,800	4,800	0.05	40	0.51%
Other: cable, asset management fee	0.76%	58	0.07	6,936	46,200	0.48	385	4.91%
TOTAL EXPENSES	49.25%	\$3,749	\$4.63	\$449,828	\$406,937	\$4.19	\$3,391	43.28%
NET OPERATING INC	50.75%	\$3,863	\$4.77	\$463,614	\$533,227	\$5.49	\$4,444	56.72%

DEBT SERVICE

America First	51.58%	\$3,927	\$4.85	\$471,182	\$463,680	\$4.77	\$3,864	49.32%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	-0.83%	(\$63)	(\$0.08)	(\$7,568)	\$69,547	\$0.72	\$580	7.40%
AGGREGATE DEBT COVERAGE RATIO				0.98	1.15			
RECOMMENDED DEBT COVERAGE RATIO				1.15				

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		4.18%	\$3,750	\$4.63	\$450,000	\$450,000	\$4.63	\$3,750	4.13%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		10.00%	8,971	11.08	1,076,500	1,076,500	11.08	8,971	9.87%
Direct Construction		51.38%	46,085	56.91	5,530,249	5,653,720	58.18	47,114	51.86%
Contingency	2.04%	1.25%	1,122	1.39	134,605	134,605	1.39	1,122	1.23%
Contractor's Fees	8.46%	5.19%	4,659	5.75	559,057	559,057	5.75	4,659	5.13%
Indirect Construction		6.46%	5,795	7.16	695,415	695,415	7.16	5,795	6.38%
Ineligible Costs		0.98%	876	1.08	105,061	105,061	1.08	876	0.96%
Developer's Fees	15.00%	12.07%	10,828	13.37	1,299,322	1,315,000	13.53	10,958	12.06%
Interim Financing		6.19%	5,553	6.86	666,320	666,320	6.86	5,553	6.11%
Reserves		2.30%	2,060	2.54	247,166	247,166	2.54	2,060	2.27%
TOTAL COST		100.00%	\$89,697	\$110.77	\$10,763,695	\$10,902,844	\$112.20	\$90,857	100.00%
Construction Cost Recap		67.82%	\$60,837	\$75.13	\$7,300,411	\$7,423,882	\$76.40	\$61,866	68.09%
					2006 QAP \$49.9(i)(8) points awarded for costs less than		\$0.00	per square foot	

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
America First	66.30%	\$59,470	\$73.44	\$7,136,345	\$7,136,345	\$6,107,396	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$1,315,000
HTC Syndication Proceeds	31.48%	\$28,238	\$34.87	3,388,582	3,388,582	3,299,592	% of Dev. Fee Deferred
Deferred Developer Fees	3.50%	\$3,142	\$3.88	377,011	377,011	1,495,856	114%
Additional (Excess) Funds Req'd	-1.28%	(\$1,152)	(\$1.42)	(138,243)	906	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$10,763,695	\$10,902,844	\$10,902,844	\$1,945,884

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Woodland Park at Greenville, Greenville, 4% HTC/MRB #07460

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$56.78	\$5,517,449
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	3.00%		1.70	165,523
9-Ft. Ceilings	3.00%		1.70	165,523
Roofing			0.00	0
Subfloor			(2.47)	(240,010)
Floor Cover			2.34	227,378
Patios	\$39.11	16,807	6.76	657,320
Plumbing Fixtures	\$805	36	0.30	28,980
Rough-ins	\$400		0.00	0
Built-In Appliances	\$1,850	120	2.28	222,000
Exterior Stairs	\$1,800		0.00	0
Enclosed Corridors	\$46.86		0.00	0
Heating/Cooling			1.90	184,623
Garages/Carports	\$21.33	24,000	5.27	511,920
Comm &/or Aux Bldgs	\$64.12	4,621	3.05	296,287
Other: fire sprinkler	\$1.95		0.00	0
SUBTOTAL			79.62	7,736,994
Current Cost Multiplier	0.98		(1.59)	(154,740)
Local Multiplier	0.90		(7.96)	(773,699)
TOTAL DIRECT CONSTRUCTION COSTS			\$70.07	\$6,808,555
Plans, specs, survy, bld prmts	3.90%		(\$2.73)	(\$265,534)
Interim Construction Interest	3.38%		(2.36)	(229,789)
Contractor's OH & Profit	11.50%		(8.06)	(782,984)
NET DIRECT CONSTRUCTION COSTS			\$56.91	\$5,530,249

PAYMENT COMPUTATION

Primary	\$7,136,345	Amort	480
Int Rate	6.00%	DCR	0.98

Secondary	\$0	Amort	
Int Rate		Subtotal DCR	0.98

Additional	\$3,388,582	Amort	
Int Rate		Aggregate DCR	0.98

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$403,245
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$60,369

Primary	\$6,107,396	Amort	480
Int Rate	6.00%	DCR	1.15

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional	\$3,388,582	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

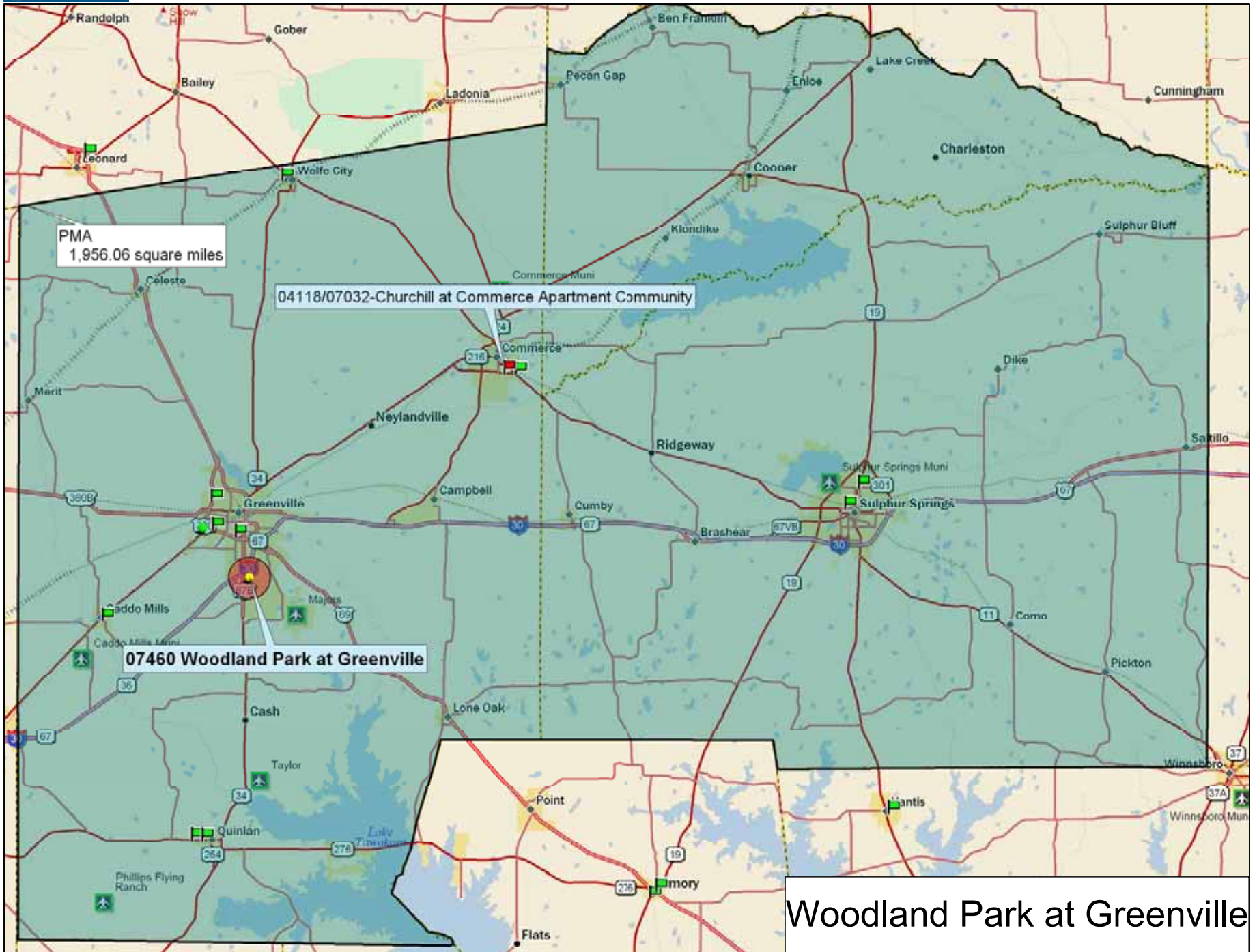
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$965,904	\$994,881	\$1,024,728	\$1,055,469	\$1,087,133	\$1,260,286	\$1,461,016	\$1,693,719	\$2,276,216
Secondary Income	21,600	22,248	22,915	23,603	24,311	28,183	32,672	37,876	50,902
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	987,504	1,017,129	1,047,643	1,079,072	1,111,444	1,288,469	1,493,688	1,731,594	2,327,118
Vacancy & Collection Loss	(74,063)	(76,285)	(78,573)	(80,930)	(83,358)	(96,635)	(112,027)	(129,870)	(174,534)
Employee or Other Non-Rental Units or Concess	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$913,441	\$940,844	\$969,070	\$998,142	\$1,028,086	\$1,191,834	\$1,381,662	\$1,601,725	\$2,152,584
EXPENSES at 4.00%									
General & Administrative	\$44,333	\$46,107	\$47,951	\$49,869	\$51,864	\$63,100	\$76,771	\$93,404	\$138,260
Management	45,672	47,042	48,453	49,907	51,404	59,592	69,083	80,086	107,629
Payroll & Payroll Tax	113,132	117,657	122,363	127,258	132,348	161,021	195,907	238,351	352,818
Repairs & Maintenance	57,756	60,066	62,469	64,968	67,566	82,205	100,015	121,683	180,121
Utilities	29,897	31,093	32,337	33,630	34,976	42,553	51,772	62,989	93,239
Water, Sewer & Trash	3,773	3,924	4,081	4,244	4,414	5,370	6,533	7,949	11,766
Insurance	28,545	29,687	30,875	32,110	33,394	40,629	49,431	60,141	89,023
Property Tax	84,983	88,382	91,917	95,594	99,418	120,957	147,163	179,046	265,032
Reserve for Replacements	30,000	31,200	32,448	33,746	35,096	42,699	51,950	63,205	93,560
Other	11,736	12,206	12,694	13,202	13,730	16,704	20,323	24,726	36,601
TOTAL EXPENSES	\$449,828	\$467,364	\$485,588	\$504,527	\$524,209	\$634,831	\$768,950	\$931,581	\$1,368,049
NET OPERATING INCOME	\$463,614	\$473,481	\$483,482	\$493,615	\$503,877	\$557,003	\$612,712	\$670,144	\$784,535
DEBT SERVICE									
First Lien Financing	\$403,245	\$403,245	\$403,245	\$403,245	\$403,245	\$403,245	\$403,245	\$403,245	\$403,245
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$60,369	\$70,236	\$80,237	\$90,370	\$100,632	\$153,758	\$209,467	\$266,899	\$381,290
DEBT COVERAGE RATIO	1.15	1.17	1.20	1.22	1.25	1.38	1.52	1.66	1.95

HTC ALLOCATION ANALYSIS -Woodland Park at Greenville, Greenville, 4% HTC/MRB #07460

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$450,000	\$450,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,076,500	\$1,076,500	\$1,076,500	\$1,076,500
Construction Hard Costs	\$5,653,720	\$5,530,249	\$5,653,720	\$5,530,249
Contractor Fees	\$559,057	\$559,057	\$559,057	\$559,057
Contingencies	\$134,605	\$134,605	\$134,605	\$134,605
Eligible Indirect Fees	\$695,415	\$695,415	\$695,415	\$695,415
Eligible Financing Fees	\$666,320	\$666,320	\$666,320	\$666,320
All Ineligible Costs	\$105,061	\$105,061		
Developer Fees				
Developer Fees	\$1,315,000	\$1,299,322	\$1,315,000	\$1,299,322
Development Reserves	\$247,166	\$247,166		
TOTAL DEVELOPMENT COSTS	\$10,902,844	\$10,763,695	\$10,100,617	\$9,961,468

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$10,100,617	\$9,961,468
High Cost Area Adjustment			100%	100%
TOTAL ADJUSTED BASIS			\$10,100,617	\$9,961,468
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$10,100,617	\$9,961,468
Applicable Percentage			3.61%	3.61%
TOTAL AMOUNT OF TAX CREDITS			\$364,632	\$359,609

Syndication Proceeds	0.9049	\$3,299,592	\$3,254,135
Total Tax Credits (Eligible Basis Method)		\$364,632	\$359,609
Syndication Proceeds		\$3,299,592	\$3,254,135
Requested Tax Credits		\$373,689	
Syndication Proceeds		\$3,381,547	
Gap of Syndication Proceeds Needed		\$4,795,448	
Total Tax Credits (Gap Method)		\$529,937	

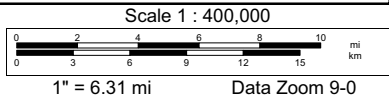


Woodland Park at Greenville

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Applicant Evaluation

Project ID # **07460**

Name: **Woodland Park at Greenville**

City: **Greenville**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

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

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 0

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 0
 grouped ten to nineteen: 0
 by score twenty to twenty-nine: 0

Yes No

monitored with a score less than thirty: 0

Projects not reported Yes
 in application No

not yet monitored or pending review: 0

of projects not reported 0

Contract Monitoring

Single Audit

Monitoring review not applicable
 Review found no unresolved issues
 HOME RHD outstanding monitoring issues
 Audit finding or questioned/disallowed costs -
 in corrective action period
 Unresolved audit finding or questioned/
 disallowed costs (comments attached)

Single audit review not applicable
 Single audit review found no unresolved issues
 Late certification (comments attached)
 Past due single audit or unresolved single
 audit issue (comments attached)

Reviewer: Wendy Quackenbush Date 12/21/2007

Multifamily Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer Shannon Roth
 Date 1/2/2008

HOME

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer Lora Lange
 Date 1/12/2008

Real Estate Analysis (Workout)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer D. Burrell
 Date 12/21/2007

Community Affairs

No relationship
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer AMO
 Date 12/21/2007

Office of Colonia Initiatives

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer RAUL GONZALES
 Date 1/2/2008

Financial Administration

No delinquencies found
 Delinquencies found
 (Comments attached)

Reviewer Monica C Guerra
 Date 12/28/2007



REQUEST FOR BOARD ACTION Multifamily Finance Production

Private Activity Bond Program – Waiting List

1 Priority 1C Application for 2008 Waiting List

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation – January 31, 2008
TAB 2	Summary of Applications
TAB 3	Inducement Resolution
TAB 4	Prequalification Analysis Worksheet
TAB 5	Map of Development Site

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

January 31, 2008

Action Item

Presentation, Discussion and Possible Approval of an Inducement Resolution for Multifamily Housing Revenue Bonds and Authorization for Filing Applications for Private Activity Bond Authority – 2008 Waiting List.

Requested Action

Approve the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2008 Private Activity Bond Program for one (1) application.

Background

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$440 million is set aside for multifamily until August 7th for the 2008 bond program year. TDHCA has a set aside of approximately \$89 million available for new 2008 applications. If the Board approves the Waiting List application listed below it will be submitted to the Texas Bond Review Board.

Inducement Resolution 08-008 includes one (1) application that was received on or before December 27, 2007. The application will reserve approximately \$14 million in 2008 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2008 Waiting List. Board approval of the inducement resolution allows the Department to submit the application to the Bond Review Board to await a reservation of allocation. The Board has previously approved seven (7) applications for the 2008 program year.

Staff notes that this application, West Oaks Seniors Apartments, was previously induced at the November 8, 2007 Board meeting and initially requested \$11,500,000 in volume cap; however, due to the current conditions in the market the applicant is requesting an increase in their bond amount to \$14,000,000 and is therefore being placed back on the agenda for approval. After initial Board approval in November the application was never submitted to the Bond Review Board; the intention was to wait and submit in January, at the beginning of the 2008 program year.

West Oak Seniors Apartments, App. #08603– The proposed new construction development will consist of 232 units and will target the elderly population. It will be located at the southeast corner of FM 1093 and Caseta Dr., Houston, Harris County. Demographics for the census tract (4543.00) include AMFI of \$57,431; the total population is 10,834; the percent of the population that is minority is 60.31%; the number of owner occupied units is 2,231; number of renter occupied units is 1,769; and the number of vacant units is 589. (Census Information from FFIEC Geocoding for 2007).

Public Comment: The Department has received no letters of support or opposition.

Recommendation

Approve the Inducement Resolution as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

Texas Department of Housing and Community Affairs

2008 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
08603	West Oaks Senior Apartments SE Corner of FM 1093 and Caseta Dr.	224	\$ 14,000,000	2007 Houston Development, LLC Kenneth Cash	Recommend
Priority 1C	City: Houston County: Harris <i>New Construction</i>	Elderly	Score = 65	16000 Barkers Point Lane, Ste. 225 Houston, Texas 77079 (281) 493-0700	
Totals for Recommended Applications		224	\$ 14,000,000		

RESOLUTION NO. 08-008

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

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

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 103 and Section 142 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance qualified residential rental projects shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 142(d) of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State for calendar year 2007 is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372 Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act provides that the Texas Bond Review Board (the "Bond Review Board") may designate as carryforward the amount of the State Ceiling that is not reserved before December 15 and any amount of the State Ceiling that was reserved before December 15 and becomes available on or after that date because of the cancellation of a reservation ("Carryforward"); and

WHEREAS, the Allocation Act requires the Department, in order to apply for a Carryforward designation, to file an application for carryforward (the "Application for Carryforward") with the Bond

Review Board, stating the amount of the carryforward sought, describing the project, stating which priority classification is applicable and any other information that the Bond Review Board by rule may require; and

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

WHEREAS, each Owner has made not more than 60 days prior to the date hereof, payments with respect to its respective Development and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with each respective Development from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, each Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of its Development will be occupied at all times by eligible tenants, as determined by the Governing Board of the Department (the "Board") pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that its Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

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

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

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for each Development an Application for Allocation of Private Activity Bonds or an Application for Carryforward for Private Activity Bonds (collectively, the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the state to issue private activity bonds; and

WHEREAS, the Board intends that the issuance of Bonds for any particular Development is not dependent or related to the issuance of Bonds (as defined below) for any other Development and that a separate Application shall be filed with respect to each Development; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to each Owner to finance its Development on the terms and conditions hereinafter set forth; provided that the total amount of any carryforward requested may not exceed \$50,000,000; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD THAT:

Section 1--Certain Findings. The Board finds that:

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

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to each Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to each respective Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of each respective Development") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of its Development; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of each Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse each Owner for the costs of its respective Development will not exceed the amount set forth in Exhibit A which corresponds to its Development.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of its Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing each Owner for the costs of its Development and each Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to each Owner to provide financing for the Owner's Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, each of which is to be occupied entirely by Eligible Tenants, as determined by the Department, and each of which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse each Owner for costs of its Development.

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under each Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for each Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2008 program year or Application for Carryforward for the 2008 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application other than an Application for Carryforward that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of each Development may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the respective Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of each respective Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of each respective Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of each Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute each Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 19--Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the

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

PASSED AND APPROVED this 31st day of January, 2008.

[SEAL]

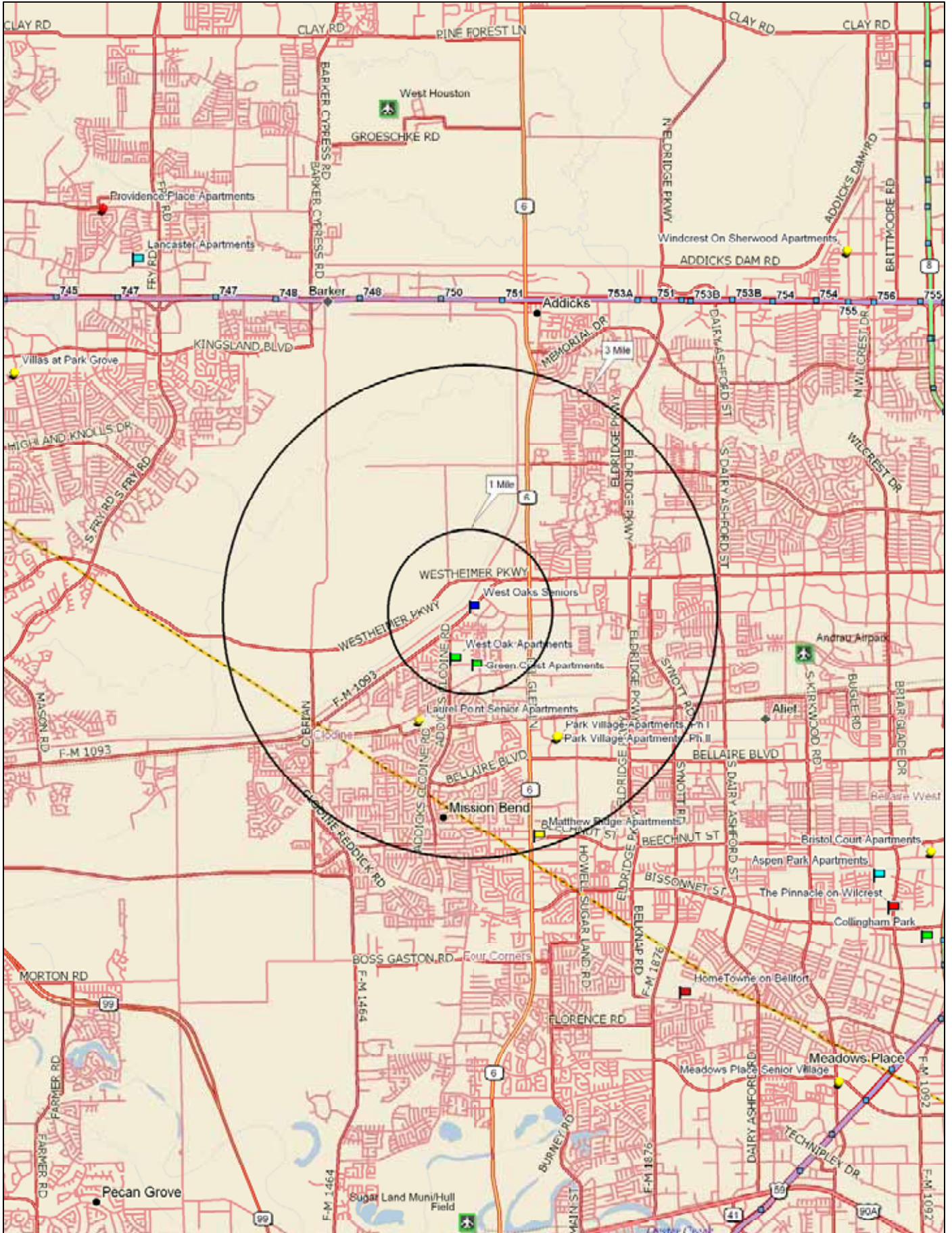
By: /s/ C. Kent Conine
C. Kent Conine, Chairman

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT "A"

Description of each Owner and its Development

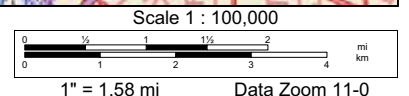
Project Name	Owner	Principals	Amount Not to Exceed
West Oaks Senior Apartments	2007 Houston Development, LLC, or other entity	The Managing Members may be David W. Russell and/or Kenneth G. Cash, or other entity	\$14,000,000
<p>Costs: (i) acquisition of real property located at approximately 15300 Caseta Drive, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 232-unit or senior multifamily residential rental housing development, in the amount not to exceed \$14,000,000.</p>			



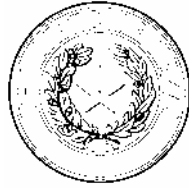
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REPORT ITEMS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Michael Gerber
From: Gordon Anderson
cc: Brooke Boston, Michael Lyttle
Date: January 23, 2008
Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for December 2007. The information provided focuses primarily on activities Executive and staff has taken on voluntarily, as opposed to those mandated by the Legislature (i.e., tax credit hearings, TEFRA hearings, etc.). This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, December 2007

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
2008 Tax Credit Application Workshop	Dallas	December 4	Multifamily	Training
KAKW- TV (Univision) Weatherization Assistance Program promotion	Austin	December 4	Public Affairs	Interview
Farmworker Housing Summit	Austin	December 4-6	HOME, Housing Resource Center	Presentation, Participant
HOME Wednesday Workshop	Austin	December 5	HOME	Training
First Thursday Income Eligibility Workshop	Austin	December 6	Portfolio Management & Compliance	Training
Disability Advisory Workgroup	Austin	December 7	Housing Resource Center	Participant
High Ground of Texas Economic Development Tour	Austin	December 11	Housing Resource Center	Presentation
Mental Health Transformation Workgroup	Austin	December 12	Housing Resource Center	Participant
TSAHC Board Meeting	Austin	December 14	Public Affairs	Monitoring
Mortgage Brokers' Holiday Networking Event	Dallas	December 20	Homeownership	Exhibitor

TEXAS HOMEOWNERSHIP DIVISION

**SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM
DELINQUENCY REPORT ITEM
JANUARY 31, 2008**

Due to the increase nationally in delinquencies and foreclosures, the TDHCA Board requested a quarterly report item on the Single Family Mortgage Revenue Bond ("MRB") Portfolio. Attached are reports summarizing the delinquency figures for calendar year 2005, 2006 and the final quarter of 2007 for MRB Programs 52 – 70. Countrywide Home Loans, Inc. is the Master Servicer for each of these programs. In addition to listing the total number of 30 day to 120 day delinquencies by program, a separate column reflects the quarterly net change over time from quarter to quarter.

As reflected on the report, delinquencies averaged 14.66% for 2005, 14.42% for 2006 and has fallen to 13.92% over the last quarter of 2007. Since our portfolio consists primarily of Federal Housing Administration ("FHA") mortgage loans, the percentage continues to be in line with their industry standards. Please note that the majority of loans listed are categorized as 30 days delinquent and historically these tend to cure on their own.

In an effort to help reduce the number of delinquencies, TDHCA is implementing a Housing Trust Fund ("HTF") funded foreclosure prevention rescue program. At the Board's direction, the program's Master Servicer has entered into an agreement with a third party counseling provider to assist borrowers that are between 60 days and 90 days delinquent. On a monthly basis as new borrowers reach this threshold, a notification letter available in English and in Spanish (see attached) will be sent on behalf of TDHCA urging the borrower to contact the counseling provider. If it is determined that the borrower meets the eligibility distress criteria established by the Board (two years of successful loan history, change of life event such as medical or temporary financial hardship due to loss of job and high probability for future success of payback), rescue funds will be advanced to help salvage the delinquent loan.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Single Family MRB Portfolio Bond Programs 52 - 70 Delinquency Summary
Master Servicer: Countrywide Home Loans

<u>SECURITIZED LOAN PORTFOLIO</u>	Loan						TOTAL
Bond Programs 52 - 70	Count	CURRENT	1 mo	2 mo	3 mo	4+ mo	DELINQ *
Sep-07	12,601	10,855 86.14%	929 7.37%	413 3.28%	170 1.35%	234 1.86%	1,746 13.86%
Oct-07	0	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Nov-07	13,033	11,262 86.41%	941 7.22%	397 3.05%	160 1.23%	273 2.09%	1,771 13.59%
Dec-07	13,210	11,319 85.69%	980 7.42%	407 3.08%	200 1.51%	304 2.30%	1,891 14.31%
Quarterly Average	12,948	11,145 86.08%	950 7.34%	406 3.13%	177 1.36%	270 2.09%	1,803 13.92%

<u>SECURITIZED LOAN PORTFOLIO</u>	Loan						TOTAL
Bond Programs 52 - 70	Count	CURRENT	1 mo	2 mo	3 mo	4+ mo	DELINQ *
First Quarter 2006	9,733	8,613 88.49%	584 6.00%	217 0.71%	69 2.23%	250 2.57%	1,120 11.51%
Second Quarter 2006	9,972	8,563 85.87%	754 7.56%	303 3.04%	109 1.09%	243 2.44%	1,409 14.13%
Third Quarter 2006	9,993	8,440 84.46%	846 8.47%	311 3.11%	135 1.35%	261 2.61%	1,553 15.54%
Fourth Quarter 2006	9,963	8,327 83.58%	869 8.72%	368 3.69%	138 1.39%	261 2.62%	1,636 16.42%
Annual Average	9,915	8,486 85.58%	763 7.70%	300 3.02%	113 1.14%	254 2.56%	1,430 14.42%

<u>SECURITIZED LOAN PORTFOLIO</u>	Loan						TOTAL
Bond Programs 52 - 70	Count	CURRENT	1 mo	2 mo	3 mo	4+ mo	DELINQ *
First Quarter 2005	0	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Second Quarter 2005	8,475	7,354 86.77%	575 6.78%	249 2.94%	83 0.98%	214 2.53%	1,121 13.23%
Third Quarter 2005	8,772	7,450 84.93%	699 7.97%	275 3.13%	113 1.29%	235 2.68%	1,322 15.07%
Fourth Quarter 2005	9,181	7,750 84.41%	751 8.18%	320 3.49%	126 1.37%	234 2.55%	1,431 15.59%
Annual Average	8,809	7,518 85.34%	675 7.66%	281 3.19%	107 1.22%	228 2.58%	1,291 14.66%



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Noberto Salinas

PREVENT FORECLOSURE BY TAKING ACTION NOW **TDHCA CAN HELP YOU TO KEEP YOUR HOME**

Dear Homeowner,

The Texas Department of Housing and Community Affairs ("TDHCA") First Time Homebuyer Program takes great pride in helping people achieve the dream of homeownership. It's more than just our business; it's our passion. We are equally passionate about keeping hard working Texans in their homes when they face a crisis that makes it difficult for them to make their monthly loan payments.

Sometimes things happen beyond anyone's control that make it difficult, if not impossible, for homeowners to meet their obligations. Whatever the cause of a financial setback, TDHCA is committed to working with homeowners to find solutions. There are ways to preserve the dream of homeownership but you have to take the first step.

By working with Countrywide Bank, the servicer for all TDHCA loans, you are encouraged to contact Kimberly Miller with **CCCS of North Central Texas at 800-856-0257** if you are experiencing a hardship and are worried about making your monthly loan payments.

As a HUD approved housing counseling agency in Texas, they are available to discuss ways to help you keep your home, as well as to help you better understand your rights, options and obligations.

We want to help you find a solution. Yet, delaying your call may limit the options available. TDHCA and Countrywide Bank are eager to assist you in maintaining the dream of homeownership and avoiding foreclosure. If you need help, please call today.

Sincerely,

Eric Pike
Director Texas Homeownership Division



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PREVENGA LA EJECUCIÓN DE SU HIPOTECA TOMANDO ACCIÓN IMEDIATAMENTE TDHCA PUEDE AYUDARLE A GUARDAR SU VIVIENDA

Estimado Propietario,

El Programa First Time Homebuyer del Departamento de Viviendas Y Asuntos Comunitarios (TDHCA) se orgulloso en ayudar a personas alcanzar el sueño de ser propietario de vivienda. Significa más que solo nuestra misión; es nuestra pasión. Somos igualmente apasionados para mantener Texans que trabajan duros a conservar sus hogares cuando se enfrentan a una crisis que hace difícil cumplir con sus pagos mensuales.

De vez en cuando suceden cosas fuera de su control lo cual hacen difícil, si no imposible, para propietarios de viviendas cumplir con sus obligaciones. Cualquiera que sea la causa del retraso financiero, TDHCA está comprometido a colabora con los propietarios para encuentra soluciones. Hay vares maneras de conservar su sueño de ser dueño su vivienda pero usted tiene que tomar la primera medida.

Trabajando con Countrywide Bank, el servidor del los hipotecarios de TDHCA, les sugerimos a usted que se comuniqué con Kimberly Miller de **CCCS de North Central Texas al número gratuito al 1-800-856-0257** si usted esta pasando por una situación financiera difícil y si esta preocupado como va hacer sus siguiente pagos de préstamo mensuales.

Como una del las agencia aprobadas por HUD para provee consensos de vivienda en Texas ellos están disponibles para informarle sobra maneras de conservar su hogar, para ayudarle mejor entender sus derechas, opciones y obligaciones.

Queremos ayudarle a encontrar una solución. Sin embargo, posponer su llamada puede limitar las opciones disponibles. TDHCA y Countrywide Bank esperan ansiosamente en mantener su sueno de ser propietario de vivienda y evitar ejecución de su hipotecario. Si usted necesita ayuda, llame hoy.

Sinceramente,

Eric Pike
Director Texas Homeownership Division

HOME DIVISION
EXECUTIVE DIRECTOR'S REPORT ITEM
January 31, 2008

Report Item

In order to provide effective oversight of the HOME contracts that previously received a Board-approved amendment, this report item is prepared by staff to provide a status update on the progress of each contract amendment.

Summary of the HOME Amendment Process

HOME Contract Administrators may request amendments to existing contracts; however, in order for a request to be considered, the Contract Administrator must:

- submit justification, extenuating circumstances, or compelling reasons for the request; and
- submit a request that would still have resulted in an award of HOME funds if the original application had been submitted according to the requested changes; and
- be in compliance with monitoring and auditing requirements for all Department programs.

Extensions will only be recommended for active projects that have been set-up (committed) in the Department's Contract System. Any funds not committed to a project by the contract end date will be deobligated. Amendment requests will be rescored under the original application criteria. Amendments that would have resulted in an application not being originally funded will not be considered. Amendment requests must be submitted in writing and signed by the person with signature authority on the contract at least thirty (30) days prior to the contract end date. Requests submitted after the contract end date will not be considered.

All of the amendments included in the attached report were awarded in 2006 or earlier and are subject to the amendment requirements in the 2006 HOME Program Rules, Texas Administrative Code, Title 10, Part 1, Chapter 53. Section 53.62(b)(3) states that modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever, is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval. Additionally, any subsequent amendment requests from a Contract Administrator who has previously received Board approval for an amendment request, must be approved by the Board.

Board-Approved Contract Amendments Status Report

The HOME Division's Performance Team is now providing oversight and technical assistance to the Contract Administrators for these 24 contracts that received amendments approved by the

Board. Of these 24 contracts, eight have completed the required number of activities, six have been and/or are to be terminated and deobligated for insufficient progress, eight contracts are making substantial progress and are expected to meet contract deadlines and the remaining two contracts are still being evaluated to determine the recommended action.

The attached report provides detailed information on the status of these 24 contracts including the performance requirements and the current status.

Board-Approved Contract Amendments Status Report

Board Approval Date	Contract Number	Contract Administrator	Begin Date	End Date	Amended Date	Amendment Type	Activity Type	Total Funded	Total Committed	Total Drawn	# of Units Req'd by Contract	# of Set-Ups	# of Units Completed	% Time Expired	Notes
5/4/2006	1000341	Affordable Caring House	10/1/2004	3/31/2007	9/30/2007	Match elimination	TBRA	242,643	222,927	231,532	35	48	48	100%	All activities, with the exception of two, have been complete and closed. Staff is awaiting refund checks for the last two activities. Once the refund checks are rec'd, the activities will be closed out and a COC will be mailed out and contract closed.
5/4/2006	1000342	Affordable Caring House	10/1/2004	3/31/2007	9/30/2007	Match elimination	TBRA	181,010	139,969	143,522	20	34	32	100%	All activities, with the exception of two, have been complete and closed. Staff is awaiting refund checks for the last two activities. Once the refund checks are rec'd, the activities will be closed out and a COC will be mailed out and contract closed.
10/12/2006	1000327	City of Mesquite	10/1/2004	9/30/2006	9/30/2007	Time Extension	OCC	205,920	149,453	157,530	3	3	3	100%	All required activities have been completed. The Department is in process of sending out a COC for completion and deobligating the remaining funds and closing out contract.
12/14/2006	1000604	San Augustine County	4/17/2006	4/17/2007	10/31/2007	Time Extension	OCC-Rita	187,200	0	0	3	0	0	100%	Contract has been terminated and funds deobligated. Perf Spec determined that sufficient progress had not been made to ensure that contract requirements and milestones would be met.
10/12/2006	1000156	Val Verde County	9/1/2003	8/30/2005	12/31/2007	Time Extension	OCC	336,000	330,000	272,000	6	6	5	100%	All activities have been completed and the CA is in the process of closing out the 6th and final activity and submitting docs for final draw in the amount of \$64,000 (\$4,000 Admin and \$60,000 project).
5/10/2007	1000533	Travis County Housing Finance Corporation	10/3/2005	9/28/2007	12/31/2007	AMFI Modification (increase)	HBA/ADDI	214,240	214,240	206,000	29	29	29	100%	All activities have been completed. CA is in the process of submitting final admin draw in the amount of \$6,440. Once the final draw is released, the CA will be sent a COC for completion and contract close out.
8/23/2007	1000290	City of Granger	10/1/2004	9/30/2006	12/31/2007	Time Extension	OCC	57,075	54,880	32,750	1	1	1	100%	Activity has been completed. CA is in the process of submitting final draw in the amount of \$24,325 (\$2,195 in admin and \$22,130 in project). Once final draw is released, CA will be sent a COC for completion and contract close out.

Board-Approved Contract Amendments Status Report

Board Approval Date	Contract Number	Contract Administrator	Begin Date	End Date	Amended Date	Amendment Type	Activity Type	Total Funded	Total Committed	Total Drawn	# of Units Req'd by Contract	# of Set-Ups	# of Units Completed	% Time Expired	Notes
3/20/2007	1000596	Jefferson County	4/17/2006	4/17/2007	1/31/2008	Time Extension	OCC-Rita	2,246,400	2,160,00	1,177,400	36	35	16	89% of ext.	Currently, 16 activities have been completed; four are pending project completion and the remaining 16 are in final stages of being completed. Board action may be necessary to extend the contract date to complete these activities.
11/9/2006	1000253	City of Lewisville	10/1/2004	9/30/2006	3/28/2008	Reduction in units and Time ext	OCC	334,759	321,884	239,212	6	6	5	50% of ext.	Board approved time extension on 12/20/2007 for final activity to be completed. The amendment will be processed once delinquent match documentation is provided. Perf Spec will monitor to ensure activity is completed <u>within the time allotted.</u>
12/20/2007	1000192	Midland CDC	10/1/2003	9/30/2007	3/28/2008	Time Extension	HBA	425,000	420,000	418,500	6	28	27	50% of ext.	Board approved this amendment on December 20, 2007. Perf Spec assigned to this contract has been in contact with CA and is ensuring contract progress.
12/20/2007	1000189	Edinburg Housing Opportunities	10/1/2003	9/30/2007	3/28/2008	Time Extension	HBA	300,000	200,000	150,000	30	20	15	50% of ext.	Board approved this amendment on December 20, 2007. Perf Spec assigned to this contract has been in contact with CA and is ensuring contract progress.
11/9/2006	1000301	Alpha Concepts	10/1/2004	9/30/2006	4/30/2008	Time Extension	HBA	364,000	0	0	29	0	0	50% of ext.	Perf Spec has attempted several contacts with CA to discuss lack of progress and failure to meet milestones. Staff has also requested a progress report. The Department is in process of sending out termination and deobligation of funds letter and COC to close-out contract.
11/9/2006	1000299	City of Pearsall	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	520,000	0	0	10	0	0	79% of ext.	Perf Spec has made contact with CA and has not rec'd the requested documentation. CA has been unresponsive and termination and deobligation of funds is anticipated.

Board-Approved Contract Amendments Status Report

Board Approval Date	Contract Number	Contract Administrator	Begin Date	End Date	Amended Date	Amendment Type	Activity Type	Total Funded	Total Committed	Total Drawn	# of Units Req'd by Contract	# of Set-Ups	# of Units Completed	% Time Expired	Notes
11/9/2006	1000302	City of Presidio	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	466,802	0	0	9	0	0	79% of ext.	Perf Spec has made contact with CA and has not rec'd the requested documentation. CA has been unresponsive and termination and deobligation of funds is anticipated.
11/09/2006	1000308	Frio County	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	520,000	239,110	0	10	5	0	79% of ext.	Perf Spec has contacted the CA and based on the information the CA has provided, only five homeowners will be assisted. The CA has been advised to officially notify the Department of the decrease in units. The Perf Spec is in contact with the CA and is ensuring contract progress with the five identified households and deobligation of the balance of funds is anticipated.
11/9/2006	1000298	Town of Anthony	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	187,546	0	0	4	5	0	79% of ext.	Perf Spec assigned to this contract has made contact with the CA and has assisted in completing the Env Clear and is assisting CA in gathering the correct elig documentaiton for five identified homeowners. The Perf Spec has scheduled a TA visit with CA in January 2008.
11/9/2006	1000297	Zapata County	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	520,000	0	0	10	0	0	100%	Contract has been terminated and funds deobligated. Perf Spec determined that sufficient progress had not been made to ensure that contract requirements and milestones would be met.
12/14/2006	1000607	Angelina County	4/17/2006	4/17/2007	4/30/2008	Time Extension	OCC-Rita	312,000	298,000	302,200	5	5	5	75% of ext.	All activities have been completed and the Administrator is in the process of submitting docs for final draw in the amount of \$9,800. Once the final draw is released, a COC will be sent for completion and contract close out.

Board-Approved Contract Amendments Status Report

Board Approval Date	Contract Number	Contract Administrator	Begin Date	End Date	Amended Date	Amendment Type	Activity Type	Total Funded	Total Committed	Total Drawn	# of Units Req'd by Contract	# of Set-Ups	# of Units Completed	% Time Expired	Notes
11/9/2006	1000300	City of Balmorhea	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	520,000	0	0	10	0	0	50% of ext.	Perf Spec assigned to this contract has had very little response from the CA. Termination and deobligation of funds is anticipated due to insufficient progress being made by CA.
11/9/2006	1000303	Town of Combs	10/1/2004	9/30/2006	4/30/2008	Time Extension	OCC	228,962	0	0	5	0	0	50% of ext.	Perf Spec assigned to this contract has made contact with CA. The CA has provided information that only two units will be assisted. Env Clear, income elig and contractor procurement has been achieved for two activities. Dept staff will be scheduling an on-site TA visit in January 2008 to verify and establish whether requirements have been met to move the two activities forward to completion and deobligation of the remaining balance is anticipated.
4/12/2007	1000529	City of Bay City	10/3/2005	9/28/2007	6/30/2008	Time Extension and add'l HH with add'l funds	HBA/ADDI	426,400	320,000	267,000	41	32	26	89% of ext.	Perf Spec assigned to this contract has been in contact with the CA and is providing assistance to ensure the contract progresses and meets contractual obligations by contract end date.
12/14/2006	1000360	Accessible Community Inc.	2/1/2005	7/31/2007	10/31/2008	Time Extension	TBRA	752,264	622,203	595,561	65	119	62	69% of ext.	Perf Spec assigned to this contract has been in contact with CA and ensures that contract is progressing and meeting milestone requirements.
3/20/2007	1000223	ARCIL, Inc	8/1/2004	1/31/2007	10/31/2008	Time Extension	TBRA	225,986	208,780	170,198	20	27	16	58% of ext.	Perf Spec assigned to this contract has been in contact with CA and ensures that contract is progressing and meeting milestone requirements.
7/12/2006	1000541	Midland Habitat	10/3/2005	9/28/2007	N/A	AMFI Modification (increase)	HBA	41,600	40,000	41,600	4	4	4	100%	All required activities have been complete and all funds have been drawn. The Department is in process of sending out a COC for completion and closing out contract.