# BOARD MEETING OF MARCH 11, 2010 C. Kent Conine, Chair



Gloria Ray, Vice-Chair Leslie Bingham Escareño, Member Tom Gann, Member Lowell Keig, Member Juan Muñoz, 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

AGENDA

8:30 a.m. March 11, 2010

Capitol Extension, E1.028 Congress Avenue Austin, TX

# CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

Kent Conine, Chairman

#### 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.

#### CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the consent agenda alter any requirements provided under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

### Item 1: Approval of the following items presented in the Board materials:

Executive:

a) Presentation, Discussion, and Possible Approval of Board Minute Summary for January 20, 2010

Tim Irvine Chief of Staff

#### Financial Administration

b) Presentation, Discussion, and Possible Approval of the Second Amendment to the FY2010 Operating Budget

David Cervantes Dir. Financial Administration

- c) Presentation of the Department's 1st Quarter Investment Report
- d) Presentation, Discussion, and Possible Approval of the Department's Investment Policy, Resolution No. 10-015

#### Multifamily Division Items - Housing Tax Credit Program:

e) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions

Robbye Meyer Dir. Multifamily

03406	Timber Oaks	Grand Prairie
060193	Villa Main Apartments	Port Arthur
060417	Artisan at Salado Falls	San Antonio
07249	Bluffs Landing Senior Village	Round Rock
08261	Towne Center Apartment Homes	Bryan

f) Presentation, Discussion, and Possible Action Relating to the Extension of the Placement in Service of Deadline for the Legacy Senior Housing of Port Arthur

#### **HOME**

g) Presentation, Discussion, and Possible Approval of the HOME Disaster Relief Award Recommendation

Jeannie Arellano Dir. HOME

Owner-Occupied Housing Assistance

2008-0167 Starr County Rio Grande City

 Presentation, Discussion, and Possible Approval of the HOME 2009 Single Family Programs NOFA Award Recommendations Owner-Occupied Housing Assistance

2009-0060 City of Albany Albany 2009-0062 City of Edgewood Edgewood 2009-0067 City of George West George West

Homebuver Assistance

2009-0059 City of Hillsboro Hillsboro 2009-0063 City of Carrollton Carrollton 2009-0071 Town of Combes Town of Combes

Presentation, Discussion, and Possible Approval of the HOME 2009 Single Family Housing Programs for Persons with Disabilities NOFA Award Recommendations

Tenant-Based Rental Assistance

2009-0066 Spindletop MHMR Beaumont

Presentation, Discussion, and Possible Approval of Requests for Amendments to HOME Program Contracts from the following list

1000767 The Gardens of Weatherford CHDO RHD

Community Affairs

Michael DeYoung Presentation, Discussion, and Possible Approval of the Investor Owned utility contract for El Paso Dir. Community Affairs Electric funds for Weatherization with Big Bend Community Action and El Paso Project Bravo

- Presentation, Discussion, and Possible Approval of awards for Low Income Home Energy Assistance Program (LIHEAP) and Department of Energy Weatherization Assistance Program for Program Year 2010
- m) Presentation, Discussion, and Possible Approval of the PY 2010 Draft Department of Energy (DOE) Plan
- Presentation, Discussion, and Possible Approval of the of the 2009 Community Services Block Grant (CSBG) State Discretionary Awards for Statewide, Migrant and Seasonal Farmworker, and Native American Applicants

Housina Trust Fund

Presentation, Discussion, and Possible Approval of the HTF Rural Housing Expansion Program Design, Notice of Funding Availability (NOFA), and authorization to issue a Request for Proposal

Neighborhood Stabilization Program

- Presentation, Discussion, and Possible Approval of a Notice of Funding Availability for Deobligated/Returned funds under the Neighborhood Stabilization Program
- Presentation, Discussion, and Possible Approval of Neighborhood Stabilization Program Amendments

77090000160 City of Lubbock Lubbock

**ACTION ITEMS** 

Item 2: Executive

a) Election of Board Secretary and Assistant Secretary

Item 3: Audit Committee Report

a) Report of Audit Committee and proposed acceptance of that Report

Item 4: Bond Finance

a) Presentation, Discussion, and Possible Approval of one or more firms to provide financial advisory services for the single family and multifamily mortgage revenue bond programs

Presentation, Discussion, and Possible Approval of one or more firms to provide reinvestment services for the Single Family Bond Program

**Sharon Gamble** Division Mgr. HTF

Robb Stevenson

Mgr. NSP

Tim Irvine Chief of Staff

Sandy Donoho Dir. Internal Audit **David Cervantes** 

Tim Nelson Dir. Bond Finance

Dir. Financial Admin.

- Presentation, Discussion, and Possible Approval of Resolution No. 10-018 authorizing the extension of the certificate purchase period for Residential Mortgage Revenue Bonds, 2009 Series A and Series B (Program 74)
- d) Presentation, Discussion, and Possible Approval of Resolution No. 10-019, a warehouse facility and interest rate setting mechanism primarily used in conjunction with the Department's First-Time Homebuyer Program
- e) Presentation, Discussion, and Possible Approval of Resolution 10-016 authorizing the issuance of Residential Mortgage Revenue Bonds, Series 2010A and conversion of first tranche of 2009C (Program 77)

#### Item 5: Housing Resource Center

a) Presentation, Discussion, and Possible Approval of the 2010 State of Texas Low Income Housing Plan and Annual Report (SLIHP)

Elizabeth Yevich Mgr. Housing Resource Center

#### Item 6: Rules

Presentation, Discussion, and Possible Approval to publish a proposed new rule for the Housing and Health Services Coordination Council, 10 TAC, Chapter 1, Subchapter A, §1.11, Definition of Service-Enriched Housing for public comment in the *Texas Register* 

Brooke Boston DED, Community Based Programs

b) Presentation, Discussion, and Possible Approval to publish proposed amendments to 10 TAC, Chapter 5, Subchapters A, B, C, D, and G for publication in the *Texas Register* for public comment

Michael DeYoung Dir. Community Affairs

c) Presentation, Discussion, and Possible Approval to publish in the *Texas Register* the adoption, on an emergency basis, of 10 TAC Subchapter I, §5.9, American Recovery and Reinvestment Act Weatherization Assistance Program Rule regarding Deobligation and Reobligation of Funds and to publish in the *Texas Register* a proposed new 10 TAC, Subchapter I, §5.9, American Recovery and Reinvestment Act Weatherization Assistance Program Rule regarding Deobligation and Reobligation of Funds for public comment

Brooke Boston DED, Community Based Programs

d) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* for public comment proposed new 10 TAC Chapter 54, §54.3 concerning Forms, Disaster Recovery Rules

Sara Newsom DED, Emergency Housing & Disaster

e) Presentation, Discussion, and Possible Action regarding possible revisions to the Department's Owner-Occupied Housing Assistance Program in 10 TAC, Chapter 53, HOME Program Rule

Jeannie Arellano Dir. HOME

#### Item 7: Appeals:

a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:

Robbye Meyer Dir. Multifamily

10023 Burkburnett Pioneer Crossing for Seniors 08182/09925 Suncrest Apartments Burkburnett El Paso

Appeals Timely Filed

b) Presentation, Discussion, and Possible Action for Tax Credit Assistance Program Appeals:

Tom Gouris DED Housing Programs

Appeals Filed Timely

c) Presentation, Discussion, and Possible Action for Exchange Program Appeals:

Tom Gouris DED Housing Programs

Appeals Filed Timely

d) Presentation, Discussion, and Possible Action for HOME Program Appeals:

Tom Gouris DED Housing Programs

Appeals Filed Timely

e) Presentation, Discussion, and Possible Action for Underwriting Appeals:

Brent Stewart Director, REA

Appeals Filed Timely

Presentation, Discussion, and Possible Action for Housing Trust Fund Program Appeals:

Sharon Gamble

08335

Meadow Park Village Apartments

**HTF Multifamily** 

Appeals Filed Timely

#### Item 9: Disaster Recovery:

 Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA Sara Newsom DED, Emergency Housing & Disaster

- b) Report on homes considered and reviewed by the Executive Director for services for municipal requirements that exceed the established cap of \$10,000
- c) Presentation and report on homes considered and reviewed by the Executive Director for costs exceeding the accessibility cap of \$15,000
- d) Presentation and report on homes considered and reviewed by the Executive Director for costs exceeding the elevation cap of \$30,000

#### Item 9: Multifamily Division Items - Housing Tax Credit Program:

a) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments

Robbye Meyer Dir. Multifamily

02120	Humble Memorial Gardens	Humble
04608	Trinity Gardens (fka Grove Village)	Dallas
04609	Creekside Villas (fka Pleasant Village)	Dallas
08151	Parkview Terrace	Pharr
08233	Heritage Park Vista	Dallas

- b) Presentation and Discussion of Challenges Made in Accordance with §50.(17)(c) of the 2010 Qualified Allocation Plan and Rules (QAP) Concerning 2010 Housing Tax Credit (HTC) Applications
- c) Presentation and Discussion of the Status of Applications Awarded Housing Tax Credit Exchange Funds and Possible Action for an Extension of Deadlines for the Housing Tax Credit Exchange Program
- d) Presentation, Discussion, and Possible Action to adopt Governing Board Policy regarding the Application and Award Process for Tax Credit Assistance Program (TCAP) Funds remaining after allocation to Round 1 and Round 2 applicants

Tom Gouris DED Housing Programs

#### Item 10: ARRA Accountability and Oversight:

 Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act) Brooke Boston DED Community Based Programs

Kent Conine, Chairman

#### REPORT ITEMS

1. TDHCA Outreach Activities, January/February 2010

#### **EXECUTIVE SESSION**

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

Kent Conine, Chairman

- 1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
- 2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al filed in federal district court.
  - b) M.G. Valdez Ltd. v. Texas Department of Housing and Community Affairs filed in District Court, Hidalgo County, and
  - c) The EEOC Claim of Don Duru.

- d) HUD Case No. 06-10-0410-8 (Fair Housing Act complaint of Texas Low Income Housing Information Service).
- 3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551
- 4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person

#### **OPEN SESSION**

Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

#### **ADJOURN**

To access this agenda & details on each agenda item in the board book, please visit our website at <a href="https://www.tdlnca.state.tx.us">www.tdlnca.state.tx.us</a> 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.

### BOARD SECRETARY BOARD ACTION REQUEST MARCH 11, 2010

# **Action Items**

Presentation, Discussion, and Possible Approval of Board Meeting Minutes for January 20, 2010.

### **Required Action**

Review minutes for January 20, 2010 Board Meeting.

### **Background**

The Board is required to keep minutes of each of their meetings.

## Recommendation

Staff recommends approval of minutes, with any requested corrections.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS BOARD MEETING

January 20, 2010; 10:30 a.m.

International Cultural Center Hall of Nations 601 Indiana Avenue Lubbock, Texas

**SUMMARY OF MINUTES** 

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

The Board Meeting of the Texas Department of Housing and Community Affairs of January 20, 2010 was called to order by Dr. Juan Muñoz, at 10:36 a.m. It was held at the International Cultural Center, Hall of Nations, 601 Indiana Avenue, Lubbock, Texas. Roll call certified a guorum was present.

#### Members Present:

Kent Conine, Chair Gloria Ray, Vice Chair Leslie Bingham-Escareño, Member Tom H. Gann, Member Lowell Keig, Member Juan Muñoz, Member

#### 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.

John Henneberger, Texas Low-Income Housing Information Service, provided testimony.

Kathy Tyler, Motivation, Education and Training, Inc, provided testimony.

Irene Favila, MET, provided testimony.

Vicente Mireles', provided testimony.

<u>Diana Lopez</u>, Guadalupe Economic Services, provided testimony.

Carlos Chacon, McCord Development, provided testimony in support of Windfern Point.

Justin MacDonald, Kerrville, Texas, provided testimony regarding QAP criteria.

Granger MacDonald, TAAHP Policy Committee Chair, provided testimony regarding TCAP and Exchange closings.

Cynthia Bast, Locke Lord Bissell & Liddell, provided testimony.

Rainer Andrews, Summit Housing Partners, provided testimony in support of Elm Ridge Apartments.

Lewis Williams, representing Abilene Senior Village 09175, provided testimony in support.

<u>Terri Anderson</u>, Anderson Capital, provided testimony.

Following Public Comment, Chairman Muñoz relinquished the chair to Chairman Conine.

#### CONSENT AGENDA

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

#### Executive:

a) Presentation, Discussion, and Possible Approval of Minutes from December 17, 2009

#### Multifamily Division Items - Housing Tax Credit Program:

b) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions

	09013	Desert Villas	El Paso
	09019	Timber Village II	Marshall
	08261	Bryan Towne Center Apartments	Bryan
	09270	Northline Apartments	Houston
c)	Presentation, Disci	ussion, and Possible Approval of Housing Tax Cre	edit Amendments
	08261	Bryan Towne Center Apartments	Bryan
	09270	Northline Apartments	Houston

#### **HOME**

- d) Presentation, Discussion, and Possible approval of the HOME Rental Housing Development Program Notice of Funding Availability (NOFA)
- e) Presentation, Discussion, and Possible Approval of the HOME 2009 Single Family Programs NOFA Award Recommendations:

Owner-Occupied Housing Assistance

2009-0051	Village of Vinton	Vinton
2009-0052	City of DeKalb	DeKalb
2009-0053	City of Atlanta	Atlanta
2009-0054	City of Muleshoe	Muleshoe
2009-0056	Crane County	Crane
2009-0061	Town of Van Horn	Van Horn

Homebuyer Assistance

2009-0057 Temple Housing Authority Temple

Motion by Ms. Ray to approve Consent Agenda; seconded by Ms. Bingham-Escareño; passed unanimously.

ACTION ITEMS. At the Chair's discretion, Agenda Item 5a) was taken out of order.

#### AGENDA ITEM 5: MULTIFAMILY DIVISION ITEMS - HOUSING TAX CREDIT PROGRAM:

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

10400 Elm Ridge Apartments; City of Austin HFC is the Issuer; Requested Housing Tax Credit Amount: \$ 322,830 Motion made by Ms. Bingham-Escareño to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

At 11:55 a.m., the Board took a brief lunch recess.

#### OPEN SESSION

At 1:00 p.m. Mr. Conine reconvened the Open Session.

Dr. Muñoz recognized and introduced the Honorable Kent Hance, Chancellor, Texas Tech University.

The Honorable Kent Hance provided testimony.

#### AGENDA ITEM 2: HOUSING RESOURCE CENTER:

a) Presentation, Discussion, and Possible Approval of Authorization for the Executive Director to Procure a Provider to Perform an Analysis of Impediments to Fair Housing for the State of Texas

Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

#### AGENDA ITEM 3: RULES:

a) Presentation, Discussion, and Possible Approval to publish a draft of proposed rules for the Texas Neighborhood Stabilization Program, 10 Texas Administrative Code, Chapter 9, for comment in the *Texas Register* 

Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

b) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a repeal of 10 TAC Chapter 51, Housing Trust Fund Rule, and a proposed new 10 TAC Chapter 51, Housing Trust Fund Rule, for comment in the *Texas Register* 

Motion by Mr. Gann to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

Presentation, Discussion, and Possible Approval of direction to publish Proposed Rules in the *Texas* Register for the Recovery Act Weatherization Assistance Program, 10 Texas Administrative Code, Chapter 5, Subchapter I, for Public Comment

# Motion by Mr. Keig to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.

d) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a withdrawal of 10 TAC Chapter 54, concerning the Disaster Recovery Rules, and a proposed new 10 TAC Chapter 54, concerning the Disaster Recovery Rules

Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

#### AGENDA ITEM 4: APPEALS:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals
- b) Presentation, Discussion, and Possible Action for Tax Credit Assistance Program Appeals
- c) Presentation, Discussion, and Possible Action for Exchange Program Appeals
- d) Presentation, Discussion, and Possible Action for HOME Program Appeals
- e) Presentation, Discussion, and Possible Action for Underwriting Appeals
- f) Presentation, Discussion, and Possible Action for Housing Trust Fund Program Appeals

No appeals filed.

#### AGENDA ITEM 6: DISASTER RECOVERY:

a) Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA **No action taken**.

b) Report on homes considered and reviewed by the Executive Director for services for municipal requirements that exceed the established cap of \$10,000

No action taken.

#### AGENDA ITEM 7: ARRA ACCOUNTABILITY AND OVERSIGHT:

a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act) **No action taken.** 

#### AGENDA ITEM 8: COMPLIANCE AND ASSET OVERSIGHT:

a) Presentation, discussion and possible adoption of an agreed order assessing Administrative Penalties for Blue Lake at Marine Creek Apartments

Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

#### AGENDA ITEM 9: BOND FINANCE:

a) Presentation, Discussion, and Possible Approval of Resolution No. 10-012 authorizing application to the Texas Bond Review Board for reservation of the 2009 Carry Forward and H.R. 3221 single family private activity bond authority and presentation, discussion and possible approval of the Single Family Residential Mortgage Revenue Bonds Underwriting Team for Program 77

Motion by Dr. Muñoz to approve resolution 10-012; seconded by Mr. Gann; passed unanimously.

#### REPORT ITEMS

- 1. Report on release of Land Use Restriction Agreement for East Main Apartments
- 2. HOME Fund Balance Report
- 3. TDHCA Outreach Activities, December 2009

#### **EXECUTIVE SESSION**

An Executive Session was not held.

#### ADJOURN:

Since there was no other business to come before the Board, the meeting was adjourned at 2:07 p.m. on January 20, 2010.

Timothy K. Irvine, Board Secretary

NOTE: To view the full Transcript for this meeting, please visit the TDHCA website at: www.TDHCA.state.tx.us.

# Financial Administration Division Board Action Request March 11, 2010

#### **Recommended Action**

The Board approve the second amendment to the FY 2010 Operating Budget.

RESOLVED, that the second amendment to the FY 2010 Operating Budget, in the form presented to this meeting, is hereby approved.

#### **Background**

The Board approved an amended Operating Budget of \$34.7 million in December 2009. The budget included funding for base operations as well as supplementary funding to support new activities associated with Disaster Recovery, the Housing and Economic Recovery Act of 2008 (HERA), and the American Recovery and Reinvestment Act of 2009 (ARRA). Since the adoption of the budget, the Department has determined that additional resources are needed to support some of these activities.

The proposed amendment will increase the budget from \$34,770,971 to \$35,101,474 a change of \$330,503 or 1%. It is intended to add resources for the implementation of the Weatherization Program under the American Recovery and Reinvestment Act of 2009 (ARRA). The amendment will add five Article IX, Temporary Full Time Equivalents (FTEs), benefits and computer equipment (see table below for more information). These activities will be 100% federally funded. The Article IX Temporary FTEs will not add to the authorized permanent FTE Cap of 314.

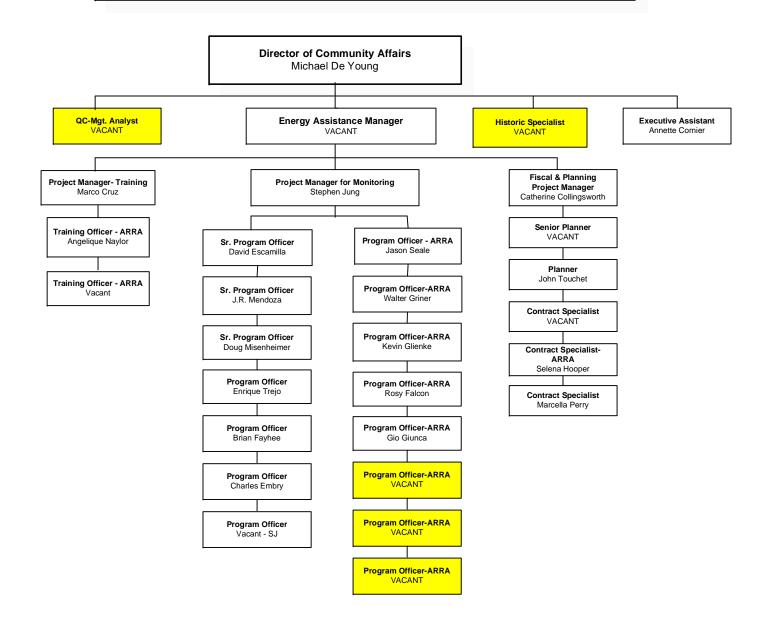
Three of the five FTEs will provide additional monitoring of subrecipients and will perform unit inspections in order to meet the Department of Energy's (DOE) requirements. One position will perform quality control for reporting, coordination efforts and tracking performance. The final position will assist with the Texas State Historic Preservation Office (SHPO) in its review processes. This position will also provide technical assistance to subrecipients as needed to comply with SHPO requirements.

	Description	Budget Category	Amount
1.	Add five Article IX, temp employees to support ARRA, Weatherization Program efforts Article IX, §§ 6.10(f) and (g) (SB 1, 81 <sup>st</sup> Legislature, regular session).	Salaries	\$262,604
2.	Funding for computer equipment for five new FTEs.	Furniture/ Equipment	7,500
	Subtotal		\$270,104
		Payroll Related Costs	60,399
	Total		\$330,503

If the Board approves the recommended amendment to the FY 2010 Operating Budget, the Department will:

- 1) Submit the amended budget to the LBB and Governor's Office;
- 2) And notify (by letter) the LBB, Governor's Office, Comptroller's Office and the State Auditor's Office of additional temporary FTEs under special provisions of Article IX to carry out these new programs.

## COMMUNITY AFFAIRS DIVISION Energy Assistance Section





# **DRAFT**

# FY-2010 SECOND AMENDMENT TO THE OPERATING BUDGET

(September 1, 2009 through August 31, 2010)

March 11, 2010

Prepared by the Financial Administration Division

#### Texas Department of Housing and Communty Affairs September 2009 thru August 2010 (Amended) Comparison by Expense Object

	Approved Budget (a)	Amended Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 19,324,565	\$ 19,587,169	\$ 262,604	1.4%
Payroll Related Costs*	4,444,650	4,505,049	60,399	1.4%
Travel In-State	1,232,420	1,232,420	-	0.0%
Travel Out-of-State	125,394	125,394	_	0.0%
Professional Fees	5,517,610	5,517,610	_	0.0%
Material and Supplies	637,743	637,743	-	0.0%
Repairs/Maintenance	668,855	668,855	-	0.0%
Printing and Reproduction	196,735	196,735	-	0.0%
Rentals and Leases	563,438	563,438	-	0.0%
Membership Fees	102,770	102,770	-	0.0%
Staff Development	386,372	386,372	-	0.0%
Insurance/Employee Bonds	94,997	94,997	-	0.0%
Employee Tuition	22,100	22,100	-	0.0%
Advertising	163,333	163,333	-	0.0%
Freight/Delivery	47,137	47,137	-	0.0%
Temporary Help	417,115	417,115	-	0.0%
Furniture and Equipment	368,130	375,630	7,500	2.0%
Communication and Utilities	329,887	329,887	-	0.0%
Capital Outlay	88,298	88,298	-	0.0%
State Office of Risk Management	39,423	39,423	-	0.0%
Total Department	\$ 34,770,971	\$ 35,101,474	\$ 330,503	1.0%
FTE's	314.00	319.00	5.00	1.6%
Method of Finance:*				
General Revenue	\$ 3,220,111	\$ 3,220,111	\$ -	0.0%
ARRA Stimulus Earned Federal Funds	790,065	790,065	-	0.0%
Federal Funds	6,145,744	6,145,744	-	0.0%
CDBG/FEMA Disaster Recovery	3,278,526	3,278,526	-	0.0%
ARRA Stimulus	6,259,193	6,589,696	330,503	5.3%
Neighborhood Stabilization Program	1,111,320	1,111,320	-	0.0%
Appropriated Receipts - Housing Finance	13,368,845	13,368,845	-	0.0%
Interagency Contracts	80,982	80,982	-	0.0%
Appropriated Receipts - Manufact. Housing	516,185	516,185	-	0.0%
Total, Method of Finance	\$ 34,770,971	\$ 35,101,474	\$ 330,503	1.0%

#### Texas Department of Housing and Community Affairs September 2009 thru August 2010 (Amended) Comparision by Division

Desire   Programs Division:		Approved Budget		Amended Budget	Variance		Percentage Change	Approved FTEs	Amended FTEs	Variance	
Since of Colonia Initiatives				_			<b>g</b> -			(e-d)	
Multifamily Finance Production   1.19.0193   1.90.0195   1.00   16.0   0.0     MOME Program   1.312.144   1.312.144   0.00%   18.0   18.0   0.0     Real Estate Analysis   817.433   817.433   0.00%   10.0   11.0   0.0     Real Estate Analysis   817.433   817.433   0.00%   10.0   11.0   0.0     Program Services   632.211   632.211   0.00%   60.0   60.0   0.0     Emergency Housing and Disaster Recovery   2.271.686   0.00%   28.5   28.5   0.0     Compilance and Asset Oversight   2.891.624   2.891.624   0.00%   38.0   38.0   0.0     Compilance and Asset Oversight   2.891.624   2.891.624   0.00%   30.0   33.0   0.0     Community Based Programs Division   320.421   320.421   0.00%   30.0   3.0   0.0     Community Affirs Administration   320.421   320.421   0.00%   19.0   19.0   0.0     Community Affirs Administration   46.99.936   6.550.040   270.104   4.3%   32.0   37.0   5.0     Section 8   459.944   4.99.944   0.00%   7.0   7.0   0.0     ARRA Accountability and Oversight   26.95.877   0.00%   3.0   8.0   0.0     ARRA Accountability and Oversight   203.539   203.539   0.00%   2.0   0.0     Housing Resource Center   46.99.877   659.857   0.00%   4.0   0.0     Housing Trust Fund   275.415   275.415   0.00%   4.0   0.0     Housing Trust Fund   275.415   275.415   0.00%   4.0   0.0     Footal, Community Based Programs Division   10.528473   10.798.777   270.104   2.6%   86.5   91.5   5.0     Executive Administration   487.248   487.248   0.00%   4.0   0.0     Based Agency Administration   275.415   275.415   0.00%   4.0   0.0     Dariand Audit   487.248   487.248   0.00%   6.0   6.0   0.0     Internal Audit   487.248   487.248   0.00%   6.0   6.0   0.0     Dariand Audit   487.248   487.248   0.00%   6.0   0.0     Dariand Agency Administration   715.851   715.851   0.00%   9.0   0.0     Dariand Public Affairs   487.248   487.248   0.00%   6.0   0.0     Dariand Program   443.390   443.990   0.00%   5.0   0.0     Dariand Program   443.390   443.990   0.00%   0.0   0.0     Dariand Program   443.390   443.990   0.00%   0.0	Housing Programs Division:										
BOME   Forgram   1312,144	Office of Colonia Initiatives	\$	517,670	\$ 517,670	\$	-	0.0%	6.0	6.0	0.0	
Real Estate Analysis   S17,433   S17,433   C	Multifamily Finance Production		1,190,193	1,190,193		-	0.0%	16.0	16.0	0.0	
Program Services	HOME Program		1,312,144	1,312,144		-	0.0%	18.0	18.0	0.0	
	Real Estate Analysis		817,433	817,433		-	0.0%	11.0	11.0	0.0	
Compliance and Asset Oversight   2,271,686   2,271,686   - 0,0%   28.5   28.5   0.0	Program Services		632,211	632,211		-		9.0	9.0	0.0	
Computing Reader Programs Division:	Total, Housing Programs Division		4,469,651	4,469,651		-	0.0%	60.0	60.0	0.0	
Community Based Programs Division:	Emergency Housing and Disaster Recovery		2,271,686	2,271,686		-	0.0%	28.5	28.5	0.0	
Community Affairs Administration   320,421   320,421   - 0.0%   3.0   3.0   0.0	Compliance and Asset Oversight		2,891,624	2,891,624		-	0.0%	38.0	38.0	0.0	
Community Services Programs	Community Based Programs Division:										
Energy Assistance	Community Affairs Administration		320,421	320,421		-	0.0%	3.0	3.0	0.0	
Section 8	Community Services Programs		1,489,402	1,489,402		-	0.0%	19.0	19.0	0.0	
Housing Resource Center						270,104					
ARRA   Accountability and Oversight   203,539   203,539   - 0.0%   2.0   2.0   0.0     Neighborhood Stabilization Program   840,408   840,408   - 0.0%   4.0   4.0   0.0     Total, Community Based Programs Division   10,528,473   10,798,577   270,104   2.6%   86.5   91.5   5.0     Executive Office   483,831   483,831   - 0.0%   4.0   4.0   0.0     Board   85,308   85,308   - 0.0%   4.0   4.0   0.0     Board   85,308   85,308   - 0.0%   4.0   4.0   0.0     Internal Audit   487,248   487,248   - 0.0%   7.0   7.0   0.0     Internal Audit   487,248   487,248   - 0.0%   7.0   7.0   0.0     Total, Executive Administration   3,414,243   3,414,243   - 0.0%   2.0   2.3   2.3   0.0     Total, Executive Administration   715,851   715,851   - 0.0%   8.0   8.0   0.0     Accounting Operations   867,663   867,663   - 0.0%   12.0   12.0   0.0     Financial Services   1.254,084   1.254,084   - 0.0%   1.0   12.0   0.0     Purchasing and Facilities Management   578,318   578,318   - 0.0%   5.0   5.0   0.0     Human Resources   466,820   466,820   - 0.0%   5.0   5.0   0.0     Board   1.533,091   1.533,091   1.533,091   1.533,091   0.0   0.0     Financial Exercise   443,390   443,390   - 0.0%   4.0   4.0   0.0     Board   1.533,091   1.533,091   1.533,091   0.0   0.0   0.0   0.0     Board   1.533,091   1.533,091   1.533,091   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0	Section 8			459,494		-					
Neighborhood Stabilization Program   840,408   840,408   - 0,00%   11.5   11.5   0.0     Housing Trust Fund   275,415   275,415   - 0,00%   4.0   4.0   0.0     Total, Community Based Programs Division   10,528,473   10,798,577   270,104   2.6%   86.5   91.5   5.0     Executive Offfice   483,831   483,831   - 0,00%   4.0   4.0   0.0     Board   85,308   85,308   - 0,00%   - 0,00%   - 0,00     Legal Services   1,732,599   1,732,599   - 0,00%   - 0,00%   - 0,00   - 0,00     Policy and Public Affairs   625,257   625,257   - 0,00%   - 0,00   - 0,00     Policy and Public Affairs   625,257   625,257   - 0,00%   - 0,00   - 0,00     Policy and Public Affairs   715,851   715,851   - 0,00%   - 0,00   - 0,00     Recently Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinancial Administration   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinance   715,851   715,851   - 0,00%   - 0,00   - 0,00     Procent of Pinance   715,851   715,851   - 0,00%   - 0,00   - 0,00   - 0,00     Procent of Pinance   715,851   - 0,00%   - 0,00			659,857	659,857		-					
Protection   Pro				,		-					
Total, Community Based Programs Division   10,528,473   10,798,577   270,104   2.6%   86.5   91.5   5.0     Executive Administration:	Neighborhood Stabilization Program		840,408	840,408		-					
Executive Office			,			-					
Recutive Office	Total, Community Based Programs Division		10,528,473	10,798,577		270,104	2.6%	86.5	91.5	5.0	
Board	Executive Administration:										
Legal Services	Executive Office		483,831	483,831		-	0.0%	4.0	4.0	0.0	
Internal Audit	Board		85,308	85,308		-	0.0%				
Policy and Public Affairs         625,257         625,257         -         0.0%         6.0         6.0         0.0           Total, Executive Administration         3,414,243         3,414,243         -         0.0%         23.0         23.0         20.0           Agency Administration:         Use of the Counting Operations         867,663         867,663         -         0.0%         8.0         8.0         0.0           Accounting Operations         867,663         867,663         -         0.0%         12.0         12.0         0.0           Financial Services         1,254,084         1,254,084         -         0.0%         16.0         16.0         0.0           Purchasing and Facilities Management         578,318         578,318         -         0.0%         5.0         5.0         0.0           Human Resources         406,820         406,820         -         0.0%         5.0         5.0         0.0           Information Systems         1,533,091         1,533,091         1,533,091         -         0.0%         4.0         4.0         0.0           Bond Finance         443,390         443,390         4.3         4.0         0.0         4.0         0.0 <t< td=""><td>Legal Services</td><td></td><td>1,732,599</td><td>1,732,599</td><td></td><td>-</td><td>0.0%</td><td>6.0</td><td>6.0</td><td>0.0</td></t<>	Legal Services		1,732,599	1,732,599		-	0.0%	6.0	6.0	0.0	
Total, Executive Administration	Internal Audit		487,248	487,248		-	0.0%	7.0	7.0	0.0	
Director's Office of Financial Administration   715,851   715,851   - 0.0%   8.0   8.0   0.0	Policy and Public Affairs		625,257	625,257		-	0.0%		6.0	0.0	
Director's Office of Financial Administration   715,851   715,851   - 0.0%   8.0   8.0   0.0     Accounting Operations   867,663   867,663   - 0.0%   12.0   12.0   0.0     Accounting Operations   1,254,084   1,254,084   - 0.0%   16.0   16.0   0.0     Purchasing and Facilities Management   578,318   578,318   - 0.0%   9.0   9.0   0.0     Human Resources   406,820   406,820   - 0.0%   5.0   5.0   0.0     Information Systems   1,533,091   1,533,091   - 0.0%   19.0   19.0   0.0     Bond Finance   443,390   443,390   - 0.0%   4.0   4.0   0.0     Texas Homeownership Program   662,108   662,108   - 0.0%   5.0   5.0   0.0     Total, Agency Administration   6,461,324   6,461,324   - 0.0%   78.0   78.0   0.0     Capital Budget (Note: \$36,840 in MH 2010 budget)   289,320   289,320   - 0.0%     Payroll Related Costs   4,444,649   4,505,049   60,399   1.4%     Total, Department   \$3,220,111   \$3,220,111   \$ - 0.0%     ARRA Stimulus Earned Federal Funds   6,145,744   6,145,744   - 0.0%     Federal Funds   6,145,744   6,145,744   - 0.0%     CDBG/FEMA Disaster Recovery   3,278,526   3,278,526   - 0.0%     ARRA Stimulus   6,259,193   6,589,697   330,503   5,3%     Neighborhood Stabilization Program   1,111,320   1,111,320   - 0.0%     Appropriated Receipts - Housing Finance   13,368,845   13,368,845   - 0.0%     Appropriated Receipts - Manufact. Housing   516,185   516,185   - 0.0%	Total, Executive Administration		3,414,243	3,414,243		-	0.0%	23.0	23.0	0.0	
Accounting Operations	Agency Administration:										
Financial Services         1,254,084         1,254,084         -         0.0%         16.0         16.0         0.0           Purchasing and Facilities Management         578,318         578,318         -         0.0%         9.0         9.0         0.0           Human Resources         406,820         406,820         -         0.0%         5.0         5.0         0.0           Information Systems         1,533,091         1,533,091         -         0.0%         19.0         19.0         0.0           Bond Finance         443,390         443,390         -         0.0%         4.0         4.0         0.0           Texas Homeownership Program         662,108         662,108         -         0.0%         5.0         5.0         0.0           Total, Agency Administration         6,461,324         6,461,324         -         0.0%         78.0         78.0         0.0           Payroll Related Costs         4,444,649         4,505,049         60,399         1.4%         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4         1.4	Director's Office of Financial Administration		715,851	715,851		-	0.0%	8.0	8.0	0.0	
Purchasing and Facilities Management   578,318   578,318   - 0.0%   9.0   9.0   0.0	Accounting Operations		867,663	867,663		-	0.0%	12.0	12.0	0.0	
Human Resources	Financial Services		1,254,084	1,254,084		-	0.0%	16.0	16.0	0.0	
Information Systems	Purchasing and Facilities Management		578,318	578,318		-	0.0%	9.0	9.0	0.0	
Bond Finance   443,390   444,390   -   0.0%   4.0   4.0   0.0     Texas Homeownership Program   662,108   662,108   -   0.0%   5.0   5.0   0.0     Total, Agency Administration   6,461,324   6,461,324   -   0.0%   78.0   78.0   0.0     Capital Budget (Note: \$36,840 in MH 2010 budget)   289,320   289,320   -   0.0%   -   0.0%     Payroll Related Costs   4,444,649   4,505,049   60,399   1.4%     Total, Department   \$34,770,971   \$35,101,474   \$330,503   1.0%   314.0   319.0   5.0      Method of Finance:   General Revenue   \$3,220,111   \$ -   0.0%     ARRA Stimulus Earned Federal Funds   790,065   790,065   -   0.0%     Federal Funds   6,145,744   6,145,744   -   0.0%     CDBG/FEMA Disaster Recovery   3,278,526   3,278,526   3 -   0.0%     ARRA Stimulus   6,259,193   6,589,697   330,503   5,3%     Neighborhood Stabilization Program   1,111,320   1,111,320   -   0.0%     Appropriated Receipts - Housing Finance   13,368,845   13,368,845   -   0.0%     Interagency Contracts   80,982   80,982   -   0.0%     Appropriated Receipts - Manufact. Housing   516,185   516,185   -   0.0%	Human Resources		406,820	406,820		-	0.0%	5.0	5.0	0.0	
Texas Homeownership Program         662,108         662,108         -         0.0%         5.0         5.0         0.0           Total, Agency Administration         6,461,324         6,461,324         -         0.0%         78.0         78.0         0.0           Capital Budget (Note: \$36,840 in MH 2010 budget)         289,320         289,320         -         0.0%         -         -         -         0.0%         -	Information Systems		1,533,091	1,533,091		-	0.0%	19.0	19.0	0.0	
Total, Agency Administration         6,461,324         6,461,324         - 0.0%         78.0         78.0         0.0           Capital Budget (Note: \$36,840 in MH 2010 budget)         289,320         289,320         - 0.0%	Bond Finance		443,390	443,390		-	0.0%	4.0	4.0	0.0	
Capital Budget (Note: \$36,840 in MH 2010 budget)   289,320   289,320   -   0.0%	Texas Homeownership Program		662,108	662,108		-	0.0%	5.0	5.0	0.0	
Payroll Related Costs	Total, Agency Administration		6,461,324	6,461,324		-	0.0%	78.0	78.0	0.0	
Method of Finance:         Sadara Stimulus Earned Federal Funds         3,220,111         3,220,111         -         0.0%           Federal Funds         6,145,744         6,145,744         -         0.0%           Federal Funds         6,145,744         6,145,744         -         0.0%           CDBG/FEMA Disaster Recovery         3,278,526         3,278,526         -         0.0%           ARRA Stimulus         6,259,193         6,589,697         330,503         5.3%           Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	Capital Budget (Note: \$36,840 in MH 2010 budget)		289,320	289,320		-	0.0%				
Method of Finance:           General Revenue         \$ 3,220,111         \$ 3,220,111         \$ - 0.0%           ARRA Stimulus Earned Federal Funds         790,065         790,065         - 0.0%           Federal Funds         6,145,744         6,145,744         - 0.0%           CDBG/FEMA Disaster Recovery         3,278,526         3,278,526         - 0.0%           ARRA Stimulus         6,259,193         6,589,697         330,503         5.3%           Neighborhood Stabilization Program         1,111,320         1,111,320         - 0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         - 0.0%           Interagency Contracts         80,982         80,982         - 0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         - 0.0%	Payroll Related Costs		4,444,649	4,505,049		60,399	1.4%				
General Revenue         \$ 3,220,111         \$ 3,220,111         \$ -         0.0%           ARRA Stimulus Earned Federal Funds         790,065         790,065         -         0.0%           Federal Funds         6,145,744         6,145,744         -         0.0%           CDBG/FEMA Disaster Recovery         3,278,526         3,278,526         -         0.0%           ARRA Stimulus         6,259,193         6,589,697         330,503         5.3%           Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	Total, Department	\$	34,770,971	\$ 35,101,474	\$	330,503	1.0%	314.0	319.0	5.0	
General Revenue         \$ 3,220,111         \$ 3,220,111         \$ -         0.0%           ARRA Stimulus Earned Federal Funds         790,065         790,065         -         0.0%           Federal Funds         6,145,744         6,145,744         -         0.0%           CDBG/FEMA Disaster Recovery         3,278,526         3,278,526         -         0.0%           ARRA Stimulus         6,259,193         6,589,697         330,503         5.3%           Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%											
ARRA Stimulus Earned Federal Funds Federal Funds CDBG/FEMA Disaster Recovery 3,278,526 3,278,526 ARRA Stimulus 6,259,193 6,589,697 330,503 Signorphiated Receipts - Housing Finance Interagency Contracts 80,982 80,982 80,982 80,982 - 0.0% Appropriated Receipts - Manufact. Housing 516,185 - 0.0%  1,0%	Method of Finance:										
Federal Funds         6,145,744         6,145,744         -         0.0%           CDBG/FEMA Disaster Recovery         3,278,526         3,278,526         -         0.0%           ARRA Stimulus         6,259,193         6,589,697         330,503         5,3%           Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	General Revenue	\$	3,220,111	\$ 3,220,111	\$	-	0.0%				
CDBG/FEMA Disaster Recovery         3,278,526         3,278,526         -         0.0%           ARRA Stimulus         6,259,193         6,589,697         330,503         5.3%           Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	ARRA Stimulus Earned Federal Funds		790,065	790,065		-	0.0%				
ARRA Stimulus         6,259,193         6,589,697         330,503         5.3%           Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	Federal Funds		6,145,744	6,145,744		-	0.0%				
Neighborhood Stabilization Program         1,111,320         1,111,320         -         0.0%           Appropriated Receipts - Housing Finance         13,368,845         13,368,845         -         0.0%           Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	CDBG/FEMA Disaster Recovery		3,278,526	3,278,526		-	0.0%				
Appropriated Receipts - Housing Finance       13,368,845       13,368,845       -       0.0%         Interagency Contracts       80,982       80,982       -       0.0%         Appropriated Receipts - Manufact. Housing       516,185       516,185       -       0.0%	ARRA Stimulus		6,259,193	6,589,697		330,503	5.3%				
Interagency Contracts         80,982         80,982         -         0.0%           Appropriated Receipts - Manufact. Housing         516,185         516,185         -         0.0%	Neighborhood Stabilization Program		1,111,320	1,111,320		-	0.0%				
Appropriated Receipts - Manufact. Housing 516,185 516,185 - 0.0%	Appropriated Receipts - Housing Finance		13,368,845	13,368,845		-	0.0%				
	Interagency Contracts		80,982	80,982		-	0.0%				
Total, Method of Finance \$ 34,770,971 \$ 35,101,474 \$ 330,503 1.0%	Appropriated Receipts - Manufact. Housing		516,185	516,185			0.0%				
	Total, Method of Finance	\$	34,770,971	\$ 35,101,474	\$	330,503	1.0%				

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees and Compliance Fees.

#### FINANCIAL ADMINISTRATION DIVISION

# BOARD REPORT ITEM March 11, 2010

# 1<sup>st</sup> Quarter Investment Report

### **No Action Required**

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 decreased by \$47,203,401 for a total of \$1,587,521,291 (See Page 1). The Single Family indenture paid \$42.3 million in principal and \$18.2 million in interest. \$9.2 million was transferred into the Housing Trust Fund from appropriated funds. The remaining difference is accounted for by construction draws made by multifamily projects currently under construction and interest earnings from investments.

The portfolio consists of (See Page 4):

	<b>Beginning Quarter</b>	<b>Ending Quarter</b>
<b>Mortgage Backed Securities (MBS)</b>	81%	81%
<b>Guaranteed Investment Contract/</b>		
<b>Investment Agreement (GIC/IA)</b>	2%	4%
Repurchase Agreements	10%	12%
Other (Cd's, MM's, T-Bonds)	7%	3%

The 2% increase in GIC/IA is a result of the investment of funds held in repurchase agreements and other short term investments. The 2% increase in Repurchase Agreements is a result of the investment of funds received from appropriated funds related to the Housing Trust Fund. The 4% decrease in Other is related to the investment of funds into long term investments and construction draws related to multifamily projects.

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

- \$4,606,290 of MBS purchases during the quarter represent portfolio activity for new loans originated.
- The maturities in MBS this quarter were \$31,530,340 which represents loan payoffs. The table below shows a declining trend in new loans and steady trend in loan payoffs.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
	FY 09	FY 09	FY 09	FY 09	FY 10	Total
Purchases	34,559,150	28,407,693	3,996,025	2,583,156	4,606,290	74,152,314
Sales						
Maturities	20,647,224	21,587,847	25,527,067	28,205,792	31,530,340	127,498,270

- The fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) increased \$23,360,890 (See Pages 1 and 5) increasing the difference between fair value and carrying value (the Department's acquisition cost of its financial instruments net of amortization) with fair value being more. The national average for a 30-year fixed mortgage as reported by HSH Associates Financial Publishers (a national clearinghouse of mortgage data) was 5.33% for the end of November down from 5.68% at the end of August. The spread between the market rate and our below-market rates is decreasing. There are various factors that affect the fair value of these investments but there is a correlation between the prevailing mortgage interest rates and the change in market value.
- Given the current financial environment, this change in market value is to be expected. If current mortgage rates continue to decrease, the Department can expect another increase in market value next quarter. However, the change is cyclical and is reflective of the overall change in the bond market as a whole.
- The process of valuing investments at fair value (market value) generates unrealized gains and losses. These gain or losses do not impact the overall portfolio because the Department does not liquidate these investments (mortgage backed securities) but holds them until maturity.
- 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 103.51% to 111.15% which would indicate the Department has sufficient assets to meet its obligations.
- The interest comparison for the Single Family indenture shows interest expense greater than interest income due to the variable rate resets that increased substantially as a result of market conditions. The deficit in the Residential Mortgage Revenue Bond indenture is a result of low investment earnings on unoriginated funds related to recently issued bonds. The indenture's equity is being utilized to offset the temporary deficit in interest income. The interest comparison for the Collateralized Home Mortgage Revenue Bond indenture shows interest income greater than interest expense and indicates a current positive cash flow.

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

#### Bond Finance Division Executive Summary

As of November 30, 2009

		Single Family denture Funds	Residential Mortgage Revenue Bond Indenture Funds			Collateralized ome Mortgage evenue Bond denture Funds	Multi-Family Indenture Funds			Combined Totals	
PARITY COMPARISON:											
PARITY ASSETS											
Cash Investments <sup>(1)</sup>	\$ \$	- 97,973,598	\$ \$	- 109,038,140	\$ \$	- 658,132	\$ \$	851,467 115,952,525	\$ \$	851,467 323,622,396	
Mortgage Backed Securities (1) Loans Receivable Accrued Interest Receivable	\$ \$ \$	967,666,713 * 32,637,949 4,673,792	\$ \$ \$	244,701,817 912,151 1,728,953	\$ \$ \$	9,443,891 - 61,737	\$ \$ \$	- 1,219,880,152 9,930,153	\$ \$ \$	1,221,812,422 1,253,430,252 16,394,635	
TOTAL PARITY ASSETS	\$	1,102,952,053	\$	356,381,061	\$	10,163,761	\$	1,346,614,297	\$	2,816,111,172	
PARITY LIABILITIES											
Bonds Payable <sup>(1)</sup> Accrued Interest Payable	\$ \$	1,045,365,000 12,058,403	\$ \$	337,570,000 6,715,631	\$ \$	9,100,000 44,479	\$ \$	1,220,579,634 10,075,529	\$ \$	2,612,614,634 28,894,042	
TOTAL PARITY LIABILITIES	\$	1,057,423,403	\$	344,285,631	\$	9,144,479	\$	1,230,655,163	\$	2,641,508,676	
PARITY DIFFERENCE PARITY <sup>(2)</sup>	\$	45,528,650 <b>104.31%</b>	\$	12,095,430 <b>103.51%</b>	\$	1,019,282 <b>111.15%</b>	\$	115,959,135 <b>109.42%</b>	\$	174,602,496 <b>106.61%</b>	
INTEREST COMPARISON (For	the Third F	iscal Month) :									
INTEREST INCOME											
Interest & Investment Income		\$3,898,474		\$1,187,831		\$55,297		\$4,684,293		\$9,825,895	
TOTAL INTEREST INCOME		\$3,898,474		\$1,187,831		\$55,297		\$4,684,293		\$9,825,895	
INTEREST EXPENSE											
Interest on Bonds		\$3,994,425		\$1,478,157		\$50,337		\$4,684,294		\$10,207,213	
TOTAL INTEREST EXPENSE		\$3,994,425		\$1,478,157		\$50,337		\$4,684,294		\$10,207,213	
NET INTEREST INTEREST RATIO		(\$95,951) <b>97.60%</b>		(\$290,326) ( <b>80.36%</b>	(2)	\$4,960 <b>109.85%</b>		(\$1) 100.00%		(\$381,318) <b>96.26%</b>	

<sup>(1)</sup> Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value. This adjustment is consistent with indenture cashflows prepared for rating agencies.

<sup>(2)</sup> Negative amount due to negative arbitrage on RMRB 2009AB.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING NOVEMBER 30, 2009

# PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING NOVEMBER 30, 2009

- 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, 2009

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

INDENTURE	FAIR VALUE (MARKET) @ 08/31/09	CARRYING VALUE © 08/31/09	ACCRETION/ PURCHASES	CHANGE IN CARRY AMORTIZATION/ SALES	ING VALUE	TRANSFERS	CARRYING VALUE @ 11/30/09	FAIR VALUE (MARKET) @ 11/30/09	CHANGE IN FAIR VALUE (MARKEY)	ACCRUED INT RECVBL @ 11/30/09	RECOGNIZED GAIN
Single Family	1,154,770,337.21	1,114,892,380,51	48,044,687.55	(78,417,596,87)	(23,577,949.23)	0.00	1,060,941,521.96	1,120,086,308.14	19,256,829,46	4,617,733.00	0.00
RMRB	363,814,358.43	350,133,429,54	93,830,415,14	(83,454,233.62)	(7,582,694.75)	0.00	352,926,916.31	370,576,940.45	3,969,095.25	1,724,495.00	0.00
CHMRB	10,965,818.66	10,024,008.77	449,750.89	(120,861.95)	(274,935,11)	0.00	10,077,962.60	11,144,738.06	124,965.57	61,737.00	0.00
Multi Family	117,923,466.04	117,923,466.04	8,287,836.11	(8,403,514.37)	(94,760.77)	0.00	117,713,027.01	117,713,027.01	•	10.00	0.00
Commercial Paper	26,424.19	26,424,19	7,07	0.00	0.00	0.00	26,431.26	26,431.26	-	0.00	0.00
General Fund	12,099,936.80	12,099,936.80	545,194.04	(4,422,906.10)	0.00	0.00	8,222,224.74	8,222,224.74	-	37.00	0.00
Housing Trust Fund	16,865,343.36	16,865,343,36	10,152,466.32	(1,369,657.83)	0.00	0.00	25,648,151.85	25,648,151.85	*	114.00	0.00
Administration	158,774.79	158,774.79	17.23	0.00	0.00	0.00	158,792.02	158,792.02		1.00	0.00
Compliance	4,323,347.15	4,323,347.15	772.37	(1,144,929.97)	0.00	0.00	3,179,189.55	3,179,189,55		14.00	0.00
Housing Initiatives	8,277,580.88	8,277,580.88	641,170.32	(291,677.36)	0.00	0.00	8,627,073.84	8,627,073.84	•	39.00	0.00
TO'	TAL 1,689,225,387.51	1,634,724,692.03	161,952,317.04	(177,625,378.07)	(31,530,339.86)	0.00	1,587,521,291.14	1,865,382,876.92	23,360,890.30	6,404,180.00	6.00

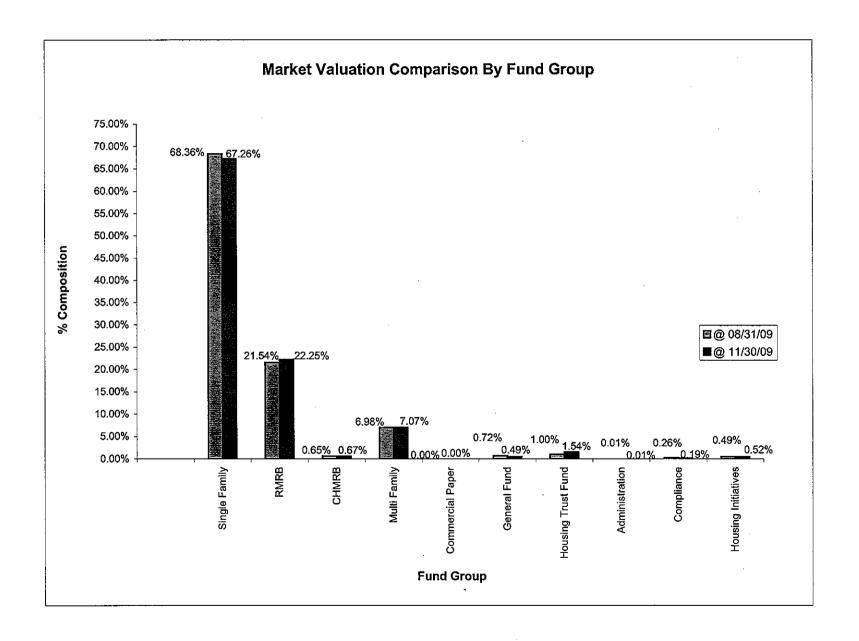
No relationship can be drawn between the "ACCRUED INT RECVBL @ 11/30/09" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc.). in addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$118,564,494 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 marker 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 Cenames, Director of Financial Administration

Long Learner Date 2/33/le

Tim Nelson, Director of Bond Finance



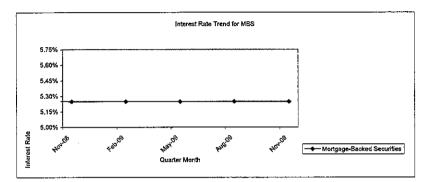
#### TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

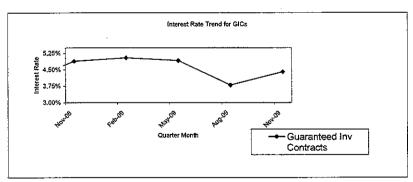
#### HOUSING FINANCE DIVISION

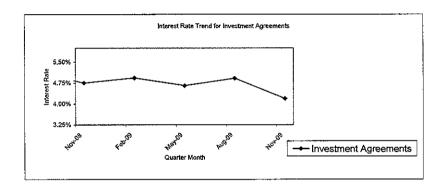
#### PUBLIC FUNDS INVESTMENT ACT

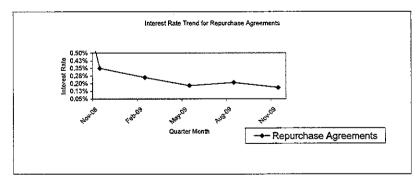
# Supplemental Schedule of Portfolio Interest Rate Trends and Maturities Quarter November 30, 2009

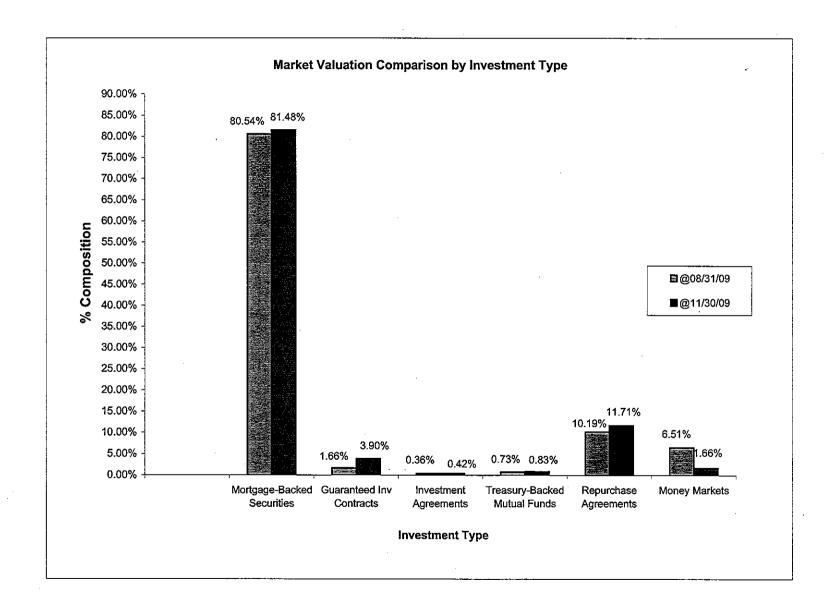
INVESTMENT TYPE	Range of Interest for Current Quarter ESTMENT TYPE HI LOW		Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 08/31/09	Weighted Avg Rate Beg Market Value @ 08/31/09	Weighted Avg Rate End Carrying Value @ 11/30/09	Weighted Avg Rate End Market Value @ 11/30/09	Weighted Av Beg Carryir @ 08/3	ıg Value	Weighted Av Beg Marko @ 08/3	t Value	Weighted Av End Carryi @ 11/3	ng Value	Weighted A End Mark @ 11/	cet Value
					****	··-·		Months	Days	Months	Days	Months	Days	Months	Days
Mortgage-Backed Securities	8,75%	4.49%	81.48%	5.24%	5.25%	5.24%	5.25%	308	9	308	3	305	18	305	18
Guaranteed Inv Contracts	6.51%	0.68%	3.90%	3.79%	3,79%	4.40%	4.40%	166	4	166	4	236	€	236	6
Investment Agreements	6.15%	2.51%	0.42%	4,92%	4.92%	4.19%	4,19%	47	20	47	20	329	24	329	24
Repurchase Agreements	0.16%	0.16%	11,71%	0.21%	0.21%	0,16%	0.16%	0	1	0	1	0	1	Û	1
Money Markets	0,09%	0,00%	1.66%	0,16%	0,08%	0.01%	0,01%	0	1	0	1	0	1	C	1
Transury-Racked Mutual Funds	0.01%	0.00%	0.83%	0.02%	0.02%	0.01%	0.01%	0	1	0	1	0	1	0	1











#### 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, 2009

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

	FAIR VALUE	CARRYING VALUE		CHANGE IN CARRY	ING VALUE	/	CARRYING	FAIR VALUE	CHANGE IN FAIR VALUE	RECOGNIZED
INVESTMENT TYPE	(MARKET) @ 08/31/09	VALUE @ 08/31/09	ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE @ 11/30/09	(MARKET) @ 11/30/09	(MARKET)	GAIN
Markey Speland Consulting	1,360,566,107.15	1,306,065,411,67	4,606,289.80	0.00	(31,530,339,86)	0.00	1,279,141,361.61	1,357,002,947.39	23,360,890.30	. o.oo
Mortgage-Backed Securities Guaranteed Inv Contracts	28,112,621,40	28,112,521.40	39,515,614,17	(2,691,054,61)	0.00	0.00	64,937,180.96	64,937,180.96	•	0.00
Investment Agreements	6,122,503.62	6,122,503.62	6,093,060.58	(5,186,222.50)	0.00	0.00	7,029,341.70	7,029,341.70	-	0.00
Treasury-Backed Mutual Funds	12,382,689.35	12.382.689.35	3,250,935.10	(1,814,033.90)	0.00	0.00	13,819,590.55	13,819,590.55	•	0.00
Repurchase Agreements	172,115,025,10	172,115,025.10	104,899,435.80	(82,049,852.13)	0.00	0.00	194,964,608.77	194,964,608.77	-	0.00
Money Markets	109,926,440.89	109,926,440.89	3,586,981.59	(85,884,214.93)	0.00	0.00	27,629,207.55	27,629,207.55	-	0.00
TOTA!	1 689 225 387.51	1.634.724.692.03	161.952.317.04	(177,625,378,07)	(31,530,339.86)	0.00	1,587,521,291.14	1,665,382,876.92	23,360,890.30	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.

Paris Connector of Engaged Administration

Date / //&

David Corvantes, Director of Financial Administration

Date 2 57 19

Tim Nelson, Director of Bond Finance

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, 2009

Investment Type Repo Agmt Repo Agmt GIC's Repo Agmt Repo Agmt	Issue 1980 Single Family Surplus Rev 1980 Single Family Surplus Rev 1980 Single Family Surplus Rev 1980 Single Family Surplus Rev 1980 Single Family Surplus Rev	Current Interest Rate 0.16 0.16 6.08 0.16 0.16	Current Purchase Date 11/30/09 11/30/09 11/14/96 11/30/09 11/30/09	Current Maturity Date 12/01/09 12/01/09 09/30/29 12/01/09 12/01/09	Beginning Carrying Value 08/31/09 6,941.22 1,662,603.33 5,660,800.77 49,133.18 57,335.90	Beginning Market Value 08/31/09 6,941,22 1,662,603.37 5,660,800.77 49,133.18 57,335.90	Accretions/ Purchases 1,937,547.34 13.18	Amortizations/ Sales (5.654.35) (1,410,184.39) (48,936.85)	Maturities	Ĩ ransfers	Ending Carrying Value 11/30/09 1,266.87 252,418.47 7,598,348.11 49,146,36 8,399.05	Ending Market Value 11/30/09 1,286.87 252,418.94 7,598,348.11 49,146.36 8,399.05	Change In Market Value	Recognized Gain 0.00 0.00 0.00 0.00 0.00
	1980 Single Family Surplus Rev Total	i			7,436,814.40	7,436,814.40	1,937,560.52	(1,464,775.59)	0.00	0.00	7,909,599.33	7,909,599.33	0.00	0.00
GIC's Repo Agmt	1982 A Single Family 1982 A Single Family	6.08	11/14/96	09/30/29	1.03	1.03	1.03	(1.03)			1.03	1.03	<u>.</u>	0.00
	1982 A Single Family Total			-	1.03	1.03	1.03	(1.03)	0.00	0.00	1.03	1.03	0.00	0.00
Repo Agmt	1983 A&B Single Family	0.16	11/30/09	12/01/09	87,925.92	87,925.92		(87,925.83)			0.09	0.09	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	87,636.75 175,562,67	87,636,75 175,562,67	72,563.16 72,563.16	(87,925.83)	0.00	0.00	160,199,91 160,200.00	160,199.91 160,200.00	0.00	0.00
	1983 A&B Single Family Total				175,362,67	175,502.07	72,503.10	(01,525.00)	0.00	0.00	160,200.00	160,200.00	0.00	0.00
Repo Agmt	1984 A&B Single Family	0.16	11/30/09	12/01/09			0.16				0.16	0.16	-	0.00
GIC's	1984 A&B Single Family 1984 A&B Single Family Total	6.08	11/14/96	09/30/29	0.00	0.00	25,465,58 25,465,74	0.00	0.00	0.00	25,465,58 25,465,74	25,465.58 25,465.74	0.00	0.00
	1904 AGB Sargle Failting Total				0.00	0.00	23,403.74	0.00	0.00	0.00	23,403.74	20,400.74	0.00	0.00
Repo Agmt	1985 A Single Family	0.16	11/30/09	12/01/09	2,947.62	2,947.62		(2,947.51)			0.11	0.11	-	0.00
GIC's	1985 A Single Family 1985 A Single Family Total	6.08	11/14/96	09/30/29	2,947.62	2,947.62	181,258.03 181,258.03	(2,947.51)	0.00	0.00	181,258.03 181,258.14	181,258.03 181,258.14	0.00	0.00
	1303 A onigie I anniy Total				2,041.02	2,547.02	101,230.00	(2,547.51)	0.00	0.00	101,200.14	101,230.14	0.00	0.00
Repo Agmt	1985 B&C Single Family	0.16	11/30/09	12/01/09			0.23				0.23	0.23	-	0.00
GIC's	1985 B&C Single Family 1985 B&C Single Family Total	6.08	11/14/96	09/30/29	0.00	0.00	6,724.81	0.00	0.00	0.00	6,724.81 6,725.04	6,724.81 6,725.04	0.00	0.00
	1300 Date Onight Falling Total				0.00	0.50	0,720.07	0.00	0.00	0.00	0,720.04	0,720.04	0.00	0.00
Repo Agmt	1987 B Single Family	0.16	11/30/09	12/01/09	11,718.99	11,718.99		(11,711.54)			7.45	7.45	-	0.00
GIC's Repo Agmt	1987 B Single Family 1987 B Single Family	6.08 0.16	11/14/96 11/30/09	09/30/29 12/01/09	76,809.26 496,958.91	76,809.26 496,958.91	0.00	(17,048.07)			59,761.19 496,958.91	59,761.19 496,958.91	-	0.00 0.00
Repo Agmi	1987 B Single Family Total	0.10	11/30/03	1201703	585,487,16	585,487.16	0.00	(28,759.61)	0.00	0.00	556,727.55	556,727.55	0.00	0.00
								, , ,						
Repo Agmt GIC's	1995 A&B Single Family 1995 A&B Single Family	0.16 6.08	11/30/09 11/14/96	12/01/09 09/30/29	17,572,91 65,265.86	17,572.91 65,255.85	38,034.40 17,425.37				55,607,31 82,681,22	55,607.31 82,681.22	-	0.00 0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	153,551.04	165,798.54	17,420.37		(57,867.01)		95,684.03	104,136.61	(3,794,92)	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	518,019,82	559,085,40			(53,864.93)		464,154.89	506,200.14	979.67	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	249,052,55	267,417.69			(5,849.65)		243,202.90	263,773.01	2,204.97	0.00
	1995 A&B Single Family Total			-	1,003,452.17	1,075,130.39	55,459.77	0.00	(117,581.59)	0.00	941,330.35	1,012,398.29	(610.28)	0.00
Repo Agmt	1996 A-C Single Family	0.16	11/30/09	12/01/09	489,668.30 132,430.09	489,668.30 132,430.09	131.16	(132,430.09)			489,799.46	489,799.46		0.00
Inv Agmt Repo Agmt	1996 A-C Single Family 1996 A-C Single Family	0.16	11/30/09	12/01/09	132,430.09	132,430.09	132,430,09	(102,400.03)			132,430.09	132.430.09	-	0.00
ropo / giii.	1996 A-C Single Family Total				622,098.39	622,098.39	132,561.25	(132,430.09)	0.00	0.00	622,229.55	622,229.55	0.00	0.00
Repo Agmt	1996 D&E Single Family	0.16	11/30/09	12/01/09	941,870.00	941,870.00	0,00				941,870.00	941,870,00		0.00
Repo Agmt	1996 D&E Single Family	0.16	11/30/09	12/01/09	624,127.70	624,127.70	167,10				624,294.80	624,294.80	-	0.00
GIC's	1996 D&E Single Family	6.08	04/06/98	09/30/29	151,159.39	151,159.39	0.00				151,159.39	151,159.39	-	0.00
	1996 D&E Single Family Total			•	1,717,157.09	1,717,157.09	167,10	0.00	0.00	0.00	1,717,324.19	1,717,324.19	0.00	0.00
Repo Agmt	1997 D-F Single Family	0.16	11/30/09	12/01/09	743,937,19	743,937.19		(293,425.82)			450,511,37	450.511.37	-	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	340,834.23	366,049.86		,, · <i></i> /	(4,147.74)		336,686.49	366,797.10	4,894.98	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	212,900.61	228,650.97			(1,805.65)		211,094.96	229,973.15	3,127.83	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	395,814.91	425,825.60			(4,472.13)		391,342.78	425,417.00	4,063.53	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,041,982.78	1,094,967.59 206,871.32			(8,083.47)		1,033,899.31	1,107,295.81	20,411.69 1,967,57	0.00 0.00
GNMA GNMA	1997 D-F Single Family 1997 D-F Single Family	6.25 5.45	08/14/98 08/28/00	07/20/28 08/20/30	192,291.76 225,197,79	206,871.32			(2,247.86) (1,398.57)		190,043.90 223,799,22	206,591.03 239,686.70	1,967.57 4,436.21	0.00
CHANG	too. 54 ongo rainiy	0.40	50/20/00	00/20/00	220,101.19	200,0-0.00			(1,000.01)		220,, 00,22	200,000.10	7,700.21	0.50

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	Dans animad
investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Maturities	Transfers	Carrying Value 11/30/09	Market Value 11/30/09	In Market Value	Recognized Gain
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	(4.094.87)	Tansiers	445.083.13	483,836,55	4,696,73	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98 09/18/98	06/20/28	449,178.00 799.374.28	483,234.69 859,982,87			(72,608.12)		726.766.16	790,045,72	2.670.97	0.00
GNMA	1997 D-F Single Family	6.25 6.25	03/31/99	08/20/28	147,246.58	158,139.87			(982.37)		146,264.21	159,344.61	2,187.11	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	11/01/28 11/20/28	667,240.67	717.830.78			(5,434.08)		661,806.59	719,429.98	7,033.28	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	348,974.60	375,433,84			(2,910.57)		346,064.03	376,195.83	3,672,56	0.00
GNMA FNMA	1997 D-F Single Family 1997 D-F Single Family	6.25	05/27/99	04/01/29	119,308.69	128,024,18			(1,314,90)		117,993.79	128.472.81	1.763.53	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1.367.848.16	1.471.654.17			(39,852.56)		1,327,995.60	1,443,849.95	12,048.34	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	614,179.73	660,789.85			(4,940.61)	•	609,239.12	662,389.16	6,539.92	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	390,778.56	420,434,75			(55,141,86)		335,636.70	364,917.64	(375.25)	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	606,756,74	638,004,69			(9,550.83)		597,205.91	639,995.70	11,541.84	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	852,775.53	896,693.41			(6,824.93)		845,950.60	906,562.89	16,694.41	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	577,325.29	607,057.54			(4,599.76)		572,725.53	613,761.31	11,303.53	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	483,383.54	508,277.78			(61,631.35)		421,752.19	461,970.71	5,324.28	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	265,431.57	278,562.45			(3,992.02)		261,439.55	280,333.78	5,763.35	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	906,072.20	952,734.93			(6,938.61)		899,133.59	963,556.52	17,760.20	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,145,025.85	1,203,994.69			(129,489.96)		1,015,535.89	1,088,299.06	13,794.33	0.00 00.0
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	1,060,314.90	1,114,921.07			(65,113.55)		995,201.35	1,066,507.47	16,699.95	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,150,518.11	1,209,021.94			(44,938.29)		1,105,579.82	1,184,064.91	19,981.26	0.00
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	656,436.31	689,816.08			(6,228.27)		650,208.04	696,366.29 353,670,00	12,778.48 6.534.10	0.00
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	332,521.40	349,430.12			(2,294.22) (918.30)		330,227.18 141,573.99	151.805.53	3,182,47	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	142,492.29	149,541.36			(2,797.11)		385,555.72	412,926,29	7,622.86	0.00
GNMA	1997 D-F Single Family	5.45 5.45	04/27/00	03/20/30 05/20/30	388,352.83 517,789.37	408,100.54 544,118.93			(12,500.18)		505,289.19	541,159.63	9,540.88	0.00
GNMA	1997 D-F Single Family	5.45 5.45	05/30/00 06/21/00	06/20/30	999,702.47	1,050,537,32			(6,476.87)		993,225.60	1,063,734.65	19,674.20	0.00
GNMA	1997 D-F Single Family	5.45 5.45	05/30/00	05/01/30	190,821.61	199,973,33			(1,596.01)		189,225.60	202.694.60	4,317,28	0.00
FNMA GNMA	1997 D-F Single Family 1997 D-F Single Family	5.45	10/23/00	09/20/30	40.576.37	42.639.69			(247.20)		40,329,17	43,192.14	799.65	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	262,788.57	276,151.37			(2,569.94)		260,218.63	278,691.56	5,110.13	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	432,688.02	453,439,69			(4,577.28)		428,110.74	458,583.61	9,721.20	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	64,257,14	67.524.58			(408.75)		63,848.39	68,380.95	1,265.12	0.00
FNMA	1997 D-F Single Family	5,45	10/06/00	09/01/30	246,314,14	258,127.33			(2,691.84)		243,622.30	260,963.30	5,527.81	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	317,501.17	332,728.54			(3,275.09)		314,226.08	336,592.71	7,139.26	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	75,788.10	79,537.33			(491.49)		75,296.61	80,738.28	1,692.44	0.00
Repo Agmt	1997 D-F Single Family	0.16	11/30/09	12/01/09	157,919.10	157,919.10	0.00				157,919.10	157,919.10		0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	58,067.47	59,189.17			(288.10)		57,779.37	60,172.29	1 271 22	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	37,674.79	38,344.30			(184.44)		37,490.35	38,984.05	824.19	0.00 0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	66,545.09	67,823.74			(326.98)		66,218.11	68,941.38 62,562.65	1,444.62 1,310.70	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	60,407.60	61,573.45			(321.50)		60,086.10 73,329,20	62,562.65 76.121.45	1,610.53	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	73,691.80	74,873.52			(362.60) (296.48)		59,703.25	62,217.79	1,303.20	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	59,999.73	61,211.07			(636.21)		113,839.89	118,417.19	2,502.63	0.00
GNMA	1997 D-F Single Family	4.49 4.49	06/23/05 06/29/05	06/20/35 06/20/35	114,476.10 44.490.07	116,550.77 45,431,74			(210.54)		44,279.53	46,196,48	975.28	0.00
GNMA	1997 D-F Single Family	4.49		09/20/35	12,030,88	12,261,31			(57.35)		11.973.53	12,465,21	261.25	0.00
GNMA GNMA	1997 D-F Single Family 1997 D-F Single Family	4.49	07/21/05	07/20/35	24,011.89	24,606.28			(112.96)		23,898,93	25,016,31	522.99	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	15,605,99	15,921.51			(74.12)		15,531.87	16,189.31	341.92	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	4,930.51	5,103.77			(22.69)		4,907.82	5,189.08	108.00	0.00
FNMA	1997 D-F-Single Family	4.49	07/28/05	07/01/35	24,683,78	25.033.54			(154.08)		24,529.70	25,430.24	550.78	0.00
FNMA	1997 D-F Single Family	4.49		09/01/35	6,144.89	6,227,06			(29.25)		6,115.64	6,335.14	137.33	0.00
	1997 D-F Single Family Total	.,			20,533,401.75	21,661,481.63	0.00	(293,425.82)	(592,664.51)	0.00	19,647,311.42	21,081,463.97	306,072.67	0.00
Pose Arms	2002A Single Family (JR Lien)	0.16	11/30/09	12/01/09	235,702.28	235,702.28	264,440.00				500.142.28	500,142.28	-	0.00
Repo Agmt Repo Agmt	2002A Single Family (JR Lien) 2002A Single Family (JR Lien)	0.18		12/01/09	96,368,51	96,368,51	20.842.94				117,211.45	117,211.45	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.00	11/50/03	1201705	417,752,55	417,752.55	20,012.01	(417,752.55)				,	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.16	11/30/09	12/01/09	124,200.00	124,200.00		(4.350.00)			119,850.00	119,850.00	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	• • • • • • • • • • • • • • • • • • • •	,,		5,346.75	5,346.75		(5,346.75)						0.00
Topo rigina	2002A Single Family (JR Lien) Total	I			879,370.09	879,370.09	285,282.94	(427,449.30)	0.00	0.00	737,203.73	737,203.73	0.00	0.00
Repo Agmit	2004 A/B Single Family	0.16	11/30/09	12/01/09	1,158,08	1,158.08	0.26				1,158.34	1,158.34	-	0.00
Repo Agmt	2004 A/B Single Family	0.16		12/01/09	9,704,577.98	9,704,577.98		(9,546,837.74)			157,740.24	157,740.24	-	0.00
GIC's	2004 A/B Single Family	3,96		03/01/36	-,,,	-2	4,704,664.68				4,704,664.68	4,704,664.68	-	0.00
GNMA	2004 A/B Single Family	4.49		06/20/34	1,138,702.83	1,157,407.84			(6,878.17)		1,131,824.66	1,174,065.81	23,536.14	0.00
									•					

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gaīn
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	915,003.29	930,038.40			(4,937.32)		910,065.97	944,035.57	18,934.49	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	352,305.81	358,090.86			(103,545.01)		248,760.80	258,043.33	3,497.48	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	862,753.67	876,970.88			(4,840.85)		857,912.82	889,976.99	17,846.96	0.00
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	1,252,223.01	1,272,871,11			(7,681.32)		1,244,541.69	1,291,069.02	25,879.23	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	2,297,945,75	2,335,836,87			(12,881.18)		2,285,064.57	2,370,491.92	47,536.23	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	900,284.77	915,138.94			(4,812.39)		895,472.38	928,959.09	18,632.54	0.00
GNMA	2004 A/B Single Family	4,49	09/29/04	09/20/34	1,159,332.19	1,178,466.36			(6,590.01)		1,152,742.18	1,195,855,60	23,979.25	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	1,538,038.35	1,563,438.65			(8,086.24)		1,529,952.11	1,587,189.50	31,837.09	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	1,827,703,15	1,857,744.87			(10,441.36)		1,817,261.79	1,885,103,38	37,799,87	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	1,517,706.83	1,542,660.97			(8,486.19)		1,509,220.64	1,565,570.41	31,395.63	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2.222.234.11	2,258,783.44			(14,232.75)		2.208.001.36	2.290,453,02	45,902,33	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	2,239,587.88	2,276,445.60			(158,705.49)		2,080,882.39	2,158,608.92	40,868.81	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	2,925,677.73	2,973,841.67			(120,897.67)		2.804.780.06	2,909,563,70	56,619.70	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,146,547.54	3,198,366.93			(114,620.51)		3,031,927.03	3,145,212.52	61,466.10	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	258,248,31	269,643.02			(1,200.59)		257,047.72	274,102.07	5,659.64	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,623,302.11	1,650,043.99			(8,399.25)		1,614,902.86	1,675,250.80	33,606.06	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	81,023,89	84.599.33			(374.67)		80,649.22	86,000.49	1,775.83	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	908,257.13	923,303.32			(10,675.16)		897,581.97	931,209.50	18,581.34	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	209,156.05	217.875.58			(1,662.46)		207,493,59	220,757,71	4,544.59	0.00
		4,49	12/09/04	12/20/34	351,987.39	357,820.58			(1,921.94)		350,065.45	363,182.33	7,283.69	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	142,815.80	149,131,70			(670.00)		142,145,80	151.591.42	3,129,72	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	321,774.40	335,193.63			(1,474.49)		320,299,91	340,780.04	7,060.90	0.00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	857,982.05	872,205.05			(4,610.03)		853,372.02	885,352,17	17,757.15	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,175,794.50	1,195,218.48			(5,858.78)		1,169,935.72	1,213,710.59	24,350.89	0.00
GNMA	2004 A/B Single Family	4.49 5.00	10/14/04	10/20/34	889.127.87	926,155.66			(4,492.29)		884,635.58	941,146.50	19,483.13	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	886,165.05	923,074.07			(4,420.19)		881,744.86	938,075.81	19,421.93	0.00
GNMA	2004 A/B Single Family		10/21/04	10/20/34		1.384.589.61			(7,376,07)		1,354,705.14	1,405,400.53	28,186,99	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,362,081.21 328,462.66	342,145.29			(1,758.94)		326,703.72	347,577.54	7,191.19	0.00
GNMA	2004 A/B Single Family	5.00 4.49	10/28/04	10/20/34	328,462.66 599,067.54	608,970,84			(141,279.17)		457,788,37	474,922,47	7,191.19	0.00
GNMA	2004 A/B Single Family	4,49							(9,096.44)		1,717,151.64	1,781,437.36	35,732.91	0.00
GNMA	2004 A/B Single Family		11/04/04 11/10/04	11/20/34	1,726,248.08 953,442.95	1,754,800.89 969,218.09			(6,589.42)		946,853.53	982,306.15	19,677,48	0.00
GNMA	2004 A/B Single Family	4.49 5.00	11/10/04	11/20/34 10/20/34	500,987.83	521,862.00			(2,370.14)		498,617,69	530,480,28	10,988.42	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	657,362,82	668,243,24			(3,897.28)		653,465,54	677,937.07	13,591.11	0.00
GNMA	2004 A/B Single Family		11/18/04	11/20/34	381,674,98	398,549,40			(3,697.28)		379,868.17	405,105.60	8,363.01	0.00
GNMA	2004 A/B Single Family	5.00				,			(6,453.21)		1,183,682.29	1,228,013.59	24,628.94	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,190,135.50	1,209,837.86 400,217.33			(2,086.22)		382,106.77	406,540.90	8,409.79	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	384,192.99						479,536.02	497,509,15	9,980.05	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34 12/20/34	482,022.88	490,015.96			(2,486.86) (1,890.46)		414,991.23	441,530.41	9,149.22	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04		416,881.69	434,271.65			(505.33)		103,281,53	107,462,36	2,134.86	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	103,786.86	105,832.83						700,663.15	14,798.25	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	679,495.31	689,540.18			(3,675.28)		675,820.03	639,360,93	13,508,52	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	619,704.23	628,868.36			(3,015.95)		616,688.28	461,309.27	9,744.88	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	447,240.97	453,856.98		•	(2,292.59)		444,948.38	352,075.33	9,744.66 7,438.40	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	341,265.25	346,316,05			(1,679.12)		339,586.13			0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	1,587,451.55	1,610,959.16	•		(8,006.94)		1,579,444.61	1,637,546.20	34,593.98	
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,223,773.02	1,245,752.68			(6,071.67)		1,217,701.35	1,266,174.46	26,493.45	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,165,857.21	1,211,965.91			(5,696.60)		1,160,160.61	1,232,136.03	25,866.72	0.00 0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	527,316.61	535,131.26			(3,043.64)		524,272.97	543,564.95	11,477.33	
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	333,098.17	346,272.25			(1,516.43)		331,581.74	352,152.78	7,396.96	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	242,443.54	246,037.71			(1,401.48)		241,042.06	249,913.09	5,276.86	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	396,157.26	411,831.17			(1,821.64)		394,335.62	418,806.21	8,796.68	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	248,927.21	253,402.94			(1,321.23)		247,605.98	257,467.38	5,385.67	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	179,242.74	186,791.61			(794.62)		178,448.12	189,975.28	3,978.29	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	429,913.35	436,295.51			(2,881.92)		427,031.43	442,756.32	9,342.73	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	293,127.51	304,731.20			(1,318.03)		291,809.48	309,924.03	6,510.86	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	93,706.54	95,392.93			(1,199.68)		92,506.86	96,192.68	1,999.43	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	175,286.75	182,671.96			(828.04)		174,458.71	185,730.98	3,887.06	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	125,897.79	131,203.46			(556.05)		125,341.74	133,441.77	2,794.36	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	641,669.59	651,208.45			(3,257.94)		638,411.65	661,933.68	13,983.17	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	448,208.64	465,963.11			(2,047.92)		446,160.72	473,868.82	9,953.63	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	309,078.58	313,676.42			(1,497.27)		307,581.31	318,917.24	6,738.09	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	266,196,80	277,419.53			(1,204.53)		264,992.27	282,121,56	5,906.56	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	128,762.74	134,192.53			(594.31)		128,168.43	136,454.57	2,856.35	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	763,306.66	774,670,14			(5,449.03)		757,857.63	785,797.23	16,576.12	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	210,572.30	219,452.14			(109,756.62)		100,815.68	107,333.57	(2,361.95)	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	462,503.63	470,846.54			(2,207.12)		460,296.51	478,656.24	10,016.82	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	123,067.00	128,259.46			(552.95)		122,514.05	130,437.53	2,731.02	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	213,485.58	222,499.72			(938.75)		212,546.83	226,299.93	4,738.96	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	322,818.84	328,658.94			(1,538.09)		321,280.75	334,112.77	6,991.92	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	123,037.69	128,228.14			(647.05)		122,390.64	130,305.35	2,724.26	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	268,080.51	272,920.43			(1,344.68)		266,735.83	277,379.25	5,803.50	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	251,300.00	261,902.61			(1,148.54)		250,151.46	266,329.49	5,575.42	0.00
GNMA GNMA	2004 A/B Single Family	4,49 4,49	06/02/05 06/10/05	05/20/35 04/20/35	202,348.18	206,002.40			(1,510.72)		200,837.46	208,852.42	4,360.74	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	06/10/05	06/20/35	206,373.23 289,244,58	209,451.46 301,452.37			(3,332.03)		203,041.20	210,532.37	4,412.94	0.00
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	142,128.69	144.698.33			(1,916.60)		287,327.98	305,914.65	6,378.88	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	149,667.79	152,384.48			(668.34) (737.52)		141,460.35	147,108.68	3,078.69	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	533,130.95	554,323.15			(2,403.61)		148,930.27 530,727.34	154,887.94 563,762.36	3,240.98	0.00 0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	188,603.00	196,580.38			(802.82)		187,800.18	199,966,14	11,842.82 4,188.58	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	335,141.32	341,209.16			(1,637.25)		333,504.07	346.829.19	7,257,28	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	21,665,92	22.581.06			(98.48)		21,567.44	22,963.31	480.73	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	2,914,940.83	2,958,562,91			(14,563.45)		2,900,377,38	3,007,534.89	63,535.43	0.00
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	108,471.18	113,054.53			(471.67)		107,999.51	114,991.11	2,408.25	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	134,204.71	136,636.73			(628.09)		133,576.62	138,915,90	2,907.26	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	687,793.14	715,110.85			(3,044.61)		684,748,53	727.347.82	15,281.58	. 0.00
GNMA	2004 A/B Single Family	4,49	08/30/05	08/20/35	400,753.05	406,762.21			(2,543.68)		398,209,37	412.933.71	8,715,18	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	56,017.15	58,385.28			(256.86)		55,760.29	59,371,26	1,242.84	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	197,615.71	205,969.94			(1,002.44)		196,613.27	209,345.72	4,378.22	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	550,767.31	574,081.16			(2,345.75)		548,421.56	583,967.29	12,231.88	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	204,831.80	208,557.80			(984.05)		203,847.75	212,010,21	4,436.46	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	141,659.48	147,652.17			(658.31)		141,001.17	150,136.33	3,142.47	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	163,455.66	170,370.41			(711.88)		162,743.78	173,287.60	3,629.07	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	197,628.07	201,218.77			(916.13)		196,711.94	204,584.33	4,281.69	0.00
GNMA GNMA	2004 A/B Single Family	5.00 5.00	12/08/05 12/15/05	12/20/35 12/20/35	368,291.12	382,959.82			(2,168.72)		366,122.40	388,941.02	8,149.92	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	11/03/05	12/20/35	1,325,716.11 175,728.34	1,378,526.53			(6,719.29)		1,318,996.82	1,401,211.97	29,404.73	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	234,948.50	183,168.53 239,227,16			(810.92)		174,917.42	186,256,31	3,898.70	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	903,808,46	942,085,49			(1,084.69) (3,904.46)		233,863.81	243,233.08 958,250.31	5,090.61	0.00
GNMA -	2004 A/B Single Family	5.00	11/22/05	11/20/35	161,099,39	167,922.76			(679.59)		899,904.00 160,419.80	170,821,49	20,069.28	0.00
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	120,068,02	122,255,82			(558.75)		119,509,27	124,298.28	3,578.32 2,601.21	0.00 0.00
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,435,155.95	1,495,949.55			(6,257.30)		1,428,898.65	1,521,556.73	31,864.48	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,257,138.90	1,307,224,12			(5,408.64)		1,251,730.26	1,329,759.28	27.943.80	0.00
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	1,350,280.29	1,404,084.79			(36,474.73)		1,313,805,56	1,395,712.60	28,102.54	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	204,702.88	207,794.12			(999.65)		203.703.23	211,257,60	4,463.13	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,173,032.72	1,220,732.08			(5,196.41)		1,167,836.31	1,241,349.32	25,813.65	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	168,253.58	172,045.50			(56,402.77)		111,850,81	116.840.24	1,197.51	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	821,003.47	854,392.46			(3,461.73)		817,541.74	869,008.78	18,078,05	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	86,765.64	88,350.28			(708.64)		86,057.00	89,509.29	1,867.65	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	3,292,730.33	3,418,443.87			(197,728.83)		3,095,001.50	3,282,204.21	61,489.17	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	761,848.09	790,930.79			(86,227.39)		675,620.70	716,482.35	11,778.95	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	189,674.51	193,941.51			(831.49)		188,843.02	197,258.90	4,148.88	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	1,262,801.29	1,314,165.48			(5,927.10)		1,256,874.19	1,336,006.76	27,768.38	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,067,144.43	1,107,843.46			(4,679.43)		1,062,465.00	1,126,684.40	23,520.37	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	198,069.97	202,531.65			(960.22)		197,109.75	205,899.95	4,328.52	0.00
GNMA GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,067,173.48	3,122,433.36			(16,096.30)		3,051,077.18	3,173,369.43	67,032.37	0.00
GNMA GNMA	2004 A/B Single Family	4.49 5.00	02/09/06	01/20/36	168,081,83	170,882.94			(1,190.17)		166,891.66	173,045.76	3,352.99	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 5.00	02/09/06 02/09/06	02/20/36 01/20/36	1,288,379.83 113,730.41	1,340,810.15			(5,802.29)		1,282,577.54	1,363,354.53	28,346.67	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	3,176,640.74	116,290.89 3,297,858,81			(505.13)		113,225.28	118,273.33	2,487.57	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	2,352,729.97	2,448,500.92			(141,011.75) (167,980.92)		3,035,628.99 2,184,749.05	3,219,178.77	62,331.71	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,366,523.62	1,422,149.73			(107,682.39)		1,258,841.23	2,322,370.75 1,338,138.13	41,850.75 23,670.79	0.00 0.00
	and an england	5.00			.,,	.,			(101,002,03)		1,440,041,23	1,000,100.13	20,010.19	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment	_	interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/		<u> </u>	Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	454,649.37	472,034.14			(2,851.90)	•	451,797.47	479,151.72	9,969.48	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	501,222.51	521,662.29			(2,338.97)		498,883.54	530,346.67	11,023.35	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	938,951.11	974,860.35			(4,179.25)		934,771.86	991,373.95	20,692.85	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	963,953.78	1,000,762.72			(195,305.87)		768,647.91	815,144.87	9,688.02	0.00
GNMA	2004 A/B Single Family	4,49 5.00	03/23/06 03/23/06	02/20/36 03/20/36	284,041.45 1,443,471.04	288,785.54 1,502,267.30			(1,282.21) (7,175.94)		282,759.24	293,196.58	5,693.25	0.00 0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	1,443,471.04	1,502,267.50			(2,613.25)		1,436,295.10 147,857.80	1,526,808.70 154,442.72	31,717.34 3,204.44	0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	03/30/06	03/20/36	1.065.285.66	1.108.684.14			(4,605.93)		1.060.679.73	1,127,529,29	23,451.08	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	1,237,153.95	1,284,419,79			(5,165.25)		1,231,988.70	1,306,540.41	27,285.87	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	777,957.04	809,661,56			(3,273.36)		774.683.68	823,519,95	17,131.75	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	224,537.28	229,577.18			(963.95)		223,573,33	233,525,41	4.912.18	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	1,365,764.93	1,421,431.84			(6,114.16)		1,359,650.77	1,445,372.20	30,054,52	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,450,069,43	1,505,495,53			(7,559.97)		1,442,509.46	1,529,825.12	31,889.56	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	1,292,489.32	1,345,189.97			(117,328.32)		1,175,161.00	1,249,268.61	21,406.96	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	178,802.02	182,812.47			(873.61)	-	177,928.41	185,845.72	3,906.86	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	59,935.28	60,939.76			(265.89)		59,669.39	61,875.44	1,201.57	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	585,623.44	608,023.13			(2,588.40)		583,035.04	618,342.00	12,907.27	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	136,312.71	139,367.79			(1,028.48)		135,284 <i>.</i> 23	141,301.75	2,962.44	0.00
GNMA	2004 A/B Single Family	5,00	06/01/06	05/20/36	1,030,251.77	1,072,283.62		*	(5,465.48)		1,024,786.29	1,089,435.24	22,617.10	0.00
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	519,807.93	541,019.22			(2,274.22)		517,533.71	550,186.90	11,441.90	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	219,723.05	224,197.43			(939.69)		218,783.36	228,061.13	4,803.39	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	840,073.14	872,222.92			(116,148.52)		723,924.62	767,778.91	11,704.51	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	972,169.11	1,011,854,78			(18,354.35)		953,814.76	1,014,009.94	20,509.51	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	260,734.88	266,570.62			(1,113.61)		259,621.27	271,161,05	5,704.04	0.00
GNMA	2004 A/B Single Family	5.00 4.49	07/06/06 07/06/06	07/20/36 06/20/36	1,482,123.50 288,426.42	1,542,642.02 293,271.85			(6,163.86)		1,475,959.64	1,569,123.23	32,645.07	0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	07/13/06	06/20/36	490,834.71	510,878.16			(1,286.60) (1,999.36)		287,139.82 488.835.35	297,767.40 519,692.54	5,782.15 10,813,74	0.00 0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	1,004,752.39	1.045.790.37			(4,330.51)		1,000,421.88	1,063,581.00	22,121.14	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	65,991.64	67,467.39			(283.44)		65,708.20	68,627.61	1,443.66	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	356,692.01	370,356.14			(1,490.79)		355,201,22	376,732,47	7,867.12	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	398.689.22	414,981,17			(1,613.02)		397,076.20	422,152.69	8,784.54	0.00
GNMA	2004 A/B Single Family	5.00	08/16/06	06/20/36	59,790,67	61,126.35			(278.99)		59,511,68	62,154.29	1,306.93	0.00
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/36	844,162.95	878,668.41			(3,459.54)		840,703.41	893,806.15	18,597.28	0.00
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	735,479.77	763,682.18			(3,121.47)		732,358.30	776,779.88	16,219.17	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	584,876.65	608,793.51			(2,559.02)		582,317.63	619,109.52	12,875.03	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	120,663.62	122,699.00			(567.90)		120,095.72	124,549.11	2,418.01	0.00
ĠNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	62,421.50	62,983.85			(391.39)		62,030.11	63,947.45	1,354.99	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	555,848.44	577,169.20			(2,264.02)		553,584.42	587,168.91	12,263.73	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	221,666.94	230,734.64		•	(1,082.00)		220,584.94	234,525.21	4,872.57	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	860,391.84	895,605.85			(5,189.80)		855,202.04	909,266.45	18,850.40	0.00
GNMA GNMA	2004 A/B Single Family	5.00 4.49	11/14/06 11/14/06	10/20/36 10/20/36	756,500.59 185,348,37	787,480.01 188,484,19			(3,235.65)		753,264.94 184.490.34	800,902.82 191.341.06	16,658.46 3,714,90	0.00 0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	11/14/06	10/20/36	64,584.60	66,021.63			(268.43)		64,316.17	67,166.34	3,714.90 1,413.14	0.00
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	543,409.07	565,670,19			(2,174.27)		541,234.80	575,471.63	11,975.71	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	197,757,27	205,861,02			(98,826.93)		98,930.34	105,189.64	(1,844.45)	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/36	71,590,38	73,180.24			(296.94)		71,293,44	74,449.70	1,566,40	0.00
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37	414,217.73	431,057.20			(1,619.33)		412,598.40	438,599,15	9,161.28	0.00
GNMA	2004 A/B Single Family	5.00	03/20/07	03/20/36	80,398.68	83,698.43			(329.70)		80,068,98	85,139,91	1,771.18	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	195,949.73	203,925.68			(789.58)		195,160.15	207,468.61	4,332.51	0.00
GNMA	2004 A/B Single Family	5.00	05/08/07	04/20/37	70,953.42	72,494.30			(282.96)		70,670.46	73,769.11	1,557.77	0.00
GNMA	2004 A/B Single Family	4,49	07/03/07	05/20/37	198,230.70	201,622.18			(849.79)		197,380.91	204,653.06	3,880.67	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37	388,742.99	395,394.69			(1,781.10)		386,961.89	401,219.62	7,606.03	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	302,571.16	306,792.04			(1,913.67)		300,657.49	311,796.76	6,918.39	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	198,877.76	201,652.92			(1,922.28)		196,955.48	204,253.64	4,523.00	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	235,646.67	238,936.10			(1,669.25)		233,977.42	242,648.64	5,381.79	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	231,429.07	234,660.34			(1,163.24)		230,265.83	238,799.98	5,302.88	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	279,761.47	283,674.69			(1,396.28)		278,365.19	288,689.25	6,410.84	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	167,986.12	173,918.15			(775.26)		167,210.86	176,675.86	3,532.97	0.00
FNMA FNMA	2004 A/B Single Family	4.49 5.00	11/10/04 11/23/04	10/01/34 11/01/34	337,447.71	342,169.20 271,423.56			(3,643.13) (1,219.38)		333,804.58 260,943.52	346,186.53 275,717.58	7,660.46 5,513.40	0.00 0.00
CINIVIA	2004 A/B Single Family	5,00	1 1/23/04	11/01/34	262,162.90	211,423.30			(1,219.38)		200,943.32	210,111.08	0,013.40	0.00

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Investment		Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Туре	Issue	4.49	02/10/05	01/01/35	147,033.66	148,915,33	r urchases	Galco	(766.08)	1141101010	146,267,58	151,429.02	3,279.77	0.00
FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	02/10/05	02/01/35	370,912.18	384,027.79			(62,441.30)		308,470.88	325,947.29	4.360.80	0.00
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	03/29/05	04/01/35	213,940.46	221,308.46			(1,391.56)		212,548.90	224,262,68	4,345.78	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	328,250.33	332,461.80			(1,946.46)		326,303.87	337,829.23	7,313.89	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	267,539.88	270,978.14			(113,940.58)		153,599,30	159,027.77	1,990.21	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	279,565.53	289,204.66			(1,433.31)		278,132.22	293,471.56	5,700.21	0.00
FNMA	2004 A/B Single Family	4,49	07/14/05	04/01/35	145,548.00	147,420,12			(849.47)		144,698.53	149,814.09	3,243.44	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	71,570.50	74,038.69			(311.43)		71,259.07	75,189.70	1,462.44	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	262,629.88	271,695.17			(1,136.75)		261,493.13	275,925.06	5,366.64	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	375,182.11	380,023.19			(2,738.72)		372,443.39	385,626.32	8,341.85	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	223,568.65	231,288.21			(1,613.94)		221,954,71	234,207.07	4,532.80	0.00
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	302,487.66	312,935.97			(1,387.31)		301,100.35	317,725.55	6,176.89	0.00
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	289,783.77	299,797.49			(1,264.03)		288,519.74	304,454.59	5,921.13	0.00
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	391,416.63	396,481.92			(1,863.19)		389,553.44	403,356.98	8,738.25	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	907,093.25	938,443.30			(4,074.62)		903,018.63	952,897.75	18,529.07	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	254,293.29	263,083.77			(2,044.25)		252,249.04	266,184.15	5,144.63	0.00 0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	121,015.89	123,028.53			(538.00)		120,477.89	124,949.85	2,459.32 8,500.12	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	415,928.77	430,308.88			(1,797.39)		414,131.38	437,011.61 303,480.85	6,120.48	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	289,317.88	298,959.24			(1,598.87) (2,220.08)		287,719.01 516,710.71	545,019.93	11,013.98	0.00
FNMA	2004 A/8 Single Family	5.00	02/16/06	02/01/36 02/01/36	518,930.79	536,226.03 938,526.69			(2,220.08)		900.543.66	949,883.97	19,066.68	0.00
FNMA	2004 A/8 Single Family	5.00 5.00	02/23/06 03/09/06	02/01/36	908,253.06 368,141.43	380,876.24			(1,591.12)		366,550.31	386,808.72	7,523.60	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	727,430.32	751,683.59			(92,812.39)		634,617.93	669,395.00	10.523.80	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	401,679.67	415,073.35			(1,676.19)		400,003.48	421,924.98	8,527.82	0.00
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	03/30/06	03/01/36	613,939,80	634,413.05			(2.782.56)		611,157.24	644,651.96	13,021.47	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	210,486.80	217,507.06			(875.64)		209,611.16	221,100.31	4,468.89	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	298,234,92	308.183.04			(1,264,46)		296,970.46	313,249.18	6,330.60	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	296,419.40	300.940.82			(1,578.20)		294,841.20	305,605.06	6,242.44	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	274,504.25	283,662.50			(1,341.58)		273,162.67	288,138.08	5,817.16	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	239,771.44	247,771.90			(1,883.16)		237,888.28	250,930.62	5,041.88	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	444,168.64	458,998.44			(124,721.68)		319,446.96	336,967.56	2,690.80	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	255,116.09	263,638.61			(1,200.06)		253,916.03	267,847.33	5,408.78	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	74,986.66	75,791.55			(334.73)		74,651.93	77,039.54	1,582.72	0.00
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	186,577.34	192,813.33			(829.71)		185,747.63	195,941.96	3,958.34	0.00
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/36	492,029.53	508,481.29			(3,763.73)		488,265.80	515,070.38	10,352.82	0.00 0.00
FNMA	2004 A/B Single Family	5.00	11/14/06	08/01/36	60,415.52	61,320.43			(253.71)		60,161.81	62,341.30	1,274.58	0.00
FNMA	2004 A/B Single Family	5.00	11/28/06	10/01/36	195,693.90	202,240.88			(788.87)		194,905.03	205,608.55 267,260.25	4,156.54 5,385.02	0.00
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36	254,895.14	263,426.15			(1,550.92)		253,344.22 467,294.42	267,260.25 492,973.97	9,966.68	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	469,159.31	484,872.18			(1,864.89) (1,123.29)		143,391.14	148,550.78	3,153.82	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	144,514.43	146,520.25 59.488.41			(222.44)		57.388.86	60.540.53	1,274,56	0.00
FNMA	2004 A/B Single Family	5.00 5.00	04/10/07 05/08/07	03/01/37 02/01/37	57,611.30 70,720.72	73,022.33			(551.19)		70,169.53	74,020.48	1,549.34	0.00
FNMA	2004 A/B Single Family	5.00 4.49	05/22/07	04/01/37	228.452.24	230.907.57			(970.37)		227,481.87	234,761.21	4,824.01	0.00
FNMA FNMA	2004 A/B Single Family	5.00		07/01/36	82,383.39	83,587.16			(347.87)		82,035.52	84,977.09	1,737.80	0.00
FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	08/23/07	08/01/37	189,445.96	195,620,92			(982.04)		188,463.92	198,816,53	4,177.65	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37	714,861.08	722,573,92			(5,571.22)		709,289.86	732,017,05	15,014,35	0.00
LIMINA	2004 A/B Single Family Total	4.13	00/20/01	00,0 ,,01	145,059,454.06	148,925,637.27	4,704,664.94	(9,546,837.74)		0.00	137,173,432.65	143,827,200.27	2,787,584.41	0.00
D A	2004 CDEE Single Foreity	0.16	11/30/09	12/01/09	485.01	485.01	0.04				485.05	485.05	_	0.00
Repo Agmt Repo Agmt	2004 CDEF Single Family 2004 CDEF Single Family	0.16		12/01/09	130.44	130.44	0.00				130,44	130.44	-	0.00
	2004 CDEF Single Family	0.16		12/01/09	3,160,727.79	3,160,727,79	0.00	(3,132,554.02)			28,173,77	28,173,77	-	0.00
Repo Agmt Repo Agmt	2004 CDEF Single Family 2004 CDEF Single Family	0.16	,	12/01/09	0.34	0.34	0.00	(-,,,)			0.34	0.34	-	0.00
GIC's	2004 CDEF Single Family	3.80		03/01/36	5.51	5.51	2,397,860.93				2,397,860.93	2,397,860.93	-	0.00
GNMA	2004 CDEF Single Family	4.49		07/20/35	25,522.40	25,944.18			(2,789.07)		22,733.33	23,609.16	454.05	0.00
GNMA	2004 CDEF Single Family	4.49		08/20/35	14,419.78	14,658.41			(2,578.01)		11,841.77	12,298.27	217.87	0.00
GNMA	2004 CDEF Single Family	4.49		10/20/35	35,615.05	36,206.69			(167.29)		35,447.76	36,816.54	777.14	0.00
GNMA	2004 CDEF Single Family	4.49		10/20/35	21,128.43	21,479.42			(98.37)		21,030.06	21,842.11	461.06	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	129,605.08	131,754.17			(3,418.27)		126,186.81	131,055.36	2,719.46	0.00
GNMA	2004 CDEF Single Family	4,49	10/06/05	09/20/35	41,214.39	41,898.04			(198.25)		41,016.14	42,598.92	899.13	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	26,439.26	26,878.31			(130.32)		26,308.94	27,324.66	576.67	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	23,896.98	24,295.08			(111.71)		23,785.27	24,704.86	521.49	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	29,126.56	29,703.76			(146.37)		28,980.19	30,188.33	630.94	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,184.23	8,346.06			(49.06)		8,135.17	8,473.95	176.95	0.00
GNMA	2004 CDEF Single Family	4,49	11/10/05	11/20/35	40,749.05	41,555.11			(2,945.40)		37,803.65	39,378.25	768.54	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	29,151.35	29,636.32			(147.48)		29,003.87	30,124.52	635.68	0.00
GNMA GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	15,221.33	15,474.63			(76.17)		15,145.16	15,730.43	331.97	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	11/29/05 12/22/05	11/20/35 12/20/35	22,904.00 31,649.78	23,357.49 32,277.24			(108.91)		22,795.09	23,744.95	496.37	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	54,408.20	55,315.68			(153.72) (520.48)		31,496.06 53,887.72	32,809.31 55,972.24	685.79 1,177.04	0.00 0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	34,056.94	34,569.29			(2,372.79)		31,684.15	32,806.10	609.60	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	33,920.87	34,538.99			(159.10)		33,761,77	35,059,85	679.96	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	24,702.10	25,075.27			(124.08)		24,578.02	25,449.90	498.71	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	38,680.09	39,264.17			(5,077.57)		33,602.52	34.794.36	607.76	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	19,105.66	19,393,33			(89.26)		19,016.40	19,690.02	385.95	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	25,718.39	26,105.78			(129.73)		25,588.66	26,495.28	519.23	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	56,177.25	57,024.10			(263.83)		55,913.42	57,895.07	1,134.80	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	22,260.06	22,595.77			(104.75)		22,155.31	22,940.71	449.69	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	34,971.28	35,498.89			(204.73)		34,766.55	35,999.20	705.04	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	38,508.19	39,089.45			(176.69)		38,331.50	39,690.80	778.04	0.00
gnma Gnma	2004 CDEF Single Family	4.49	05/11/06 05/11/06	04/20/36	18,526.14	18,807,31			(89.43)		18,436.71	19,092.06	374.18	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	05/11/06	05/20/36 05/20/36	8,325.16 18,841.30	8,477.94 19,127.40			(39.12)		8,286.04	8,605.72	166.90	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	9,079,45	9,246.13			(90.80) (55.49)		18,750.50 9,023.96	19,417.15 9,372.14	380.55 181.50	0.00 0.00
GNMA	2004 CDEF Single Family	4,49	03/16/06	03/20/36	13,358.66	13,602.96			(59.92)		13,298.74	13,810.93	267.89	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	36,766,29	37.322.29			(2,521.51)		34,244.78	35,460.18	659,40	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	24,311.77	24,679.63			(111.62)		24,200.15	25,059.24	491.23	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	33,411.34	33,917.05			(2,487.71)		30,923.63	32,021.58	592.24	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	21,943.76	22,276.11			(349.34)		21,594.42	22,361.32	434.55	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	37,274.00	37,838.89			(182.24)		37,091.76	38,409.43	752.78	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	13,608.20	13,814.53			(220.37)		13,387.83	13,863.51	269.35	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	29,064.59	29,597.69			(145.23)		28,919.36	30,034.79	582.33	0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	05/25/06 06/01/06	05/20/36 06/20/36	21,340.59 27,960.11	21,664.79 28,473.88			(104.25)		21,236.34	21,991.57	431.03	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	06/08/06	06/20/36	32,742.09	33,240.08			(139.28) (154.47)		27,820.83 32,587.62	28,894.82 33,747.10	560.22 661.49	0.00 0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	24,234,84	24,680,47			(109.09)		24,125.75	25,057.38	486.00	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	34,648.35	35,285,88			(188.67)		34,459.68	35,790.79	693,58	0.00
GNMA	2004 CDEF Single Family	4,49	07/06/06	07/20/36	16,975.72	17,288.26			(79.51)		16.896.21	17,549.07	340.32	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	25,579.04	26,050.11			(137.77)		25,441.27	26,424,44	512.10	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	39,835.46	40,442.84			(2,838.07)		36,997.39	38,315.18	710.41	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	25,537.73	26,008.44			(113.77)		25,423.96	26,406.90	512.23	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	15,893.85	16,186.98			(70.54)		15,823.31	16,435.25	318.81	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	35,725.44	36,384.52			(2,548.22)		33,177.22	34,460.43	624.13	0.00
gnma Gnma	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	08/16/06 08/23/06	07/20/36 07/20/36	18,989.14 16,331.58	19,279,27 16,633.04			(84.27)		18,904.87	19,578.82	383.82	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	18,332.66	18,671,34			(86.69) (2,980.49)		16,244.89 15,352.17	16,873.38 15,946.37	327.03 255.52	0.00 0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	10,988.25	11.191.30			(50.07)		10,938.18	11,361.60	220.37	0.00
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	12,848,15	13.085.81			(3,133.38)		9.714.77	10,091.00	138.57	0.00
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	22,519.31	22,936.39			(2,777.38)		19,741,93	20,506.98	347.97	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	16,223.11	16,524.04			(119.33)		16,103.78	16,728.29	323.58	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,659.22	4,745.70			(20.15)		4,639.07	4,819.02	93,47	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	5,342.62	5,441.88			(23.12)		5,319.50	5,525.96	107.20	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	5,276.58	5,374.80			(22.56)		5,254.02	5,458.13	105.89	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,770.99	2,823.80			(11.83)		2,759.16	2,867.71	55.74	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,707.74	6,832.70			(28.44)		6,679.30	6,935.65	131.39	0.00
GNMA GNMA	2004 CDEF Single Family	4.49 4.49	02/20/07 03/20/07	02/20/37	4,875.53	4,966.41			(20.93)		4,854.60	5,040.96	95.48	0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	03/20/07	01/20/37 03/20/37	4,775.08 11,235.14	4,864.19 11,445,29			(20.17) (47.14)		4,754.91	4,937.55	93.53	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,779.88	5,887.89			(24.39)		11,188.00 5,755.49	11,618.22 5,976.71	220.07 113.21	00.00 00.0
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	8,267.41	8,395.80			(34.32)		8,233.09	8,524,81	163.33	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37	6,953.70	7,084.03			(28.81)		6,924.89	7,191.47	136.25	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37	5,632.62	5,738.41			(23.07)		5,609.55	5,825.70	110.36	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/07	09/20/37	5,105.48	5,204.60			(20.45)		5,085.03	5,284.22	100.07	0.00
GNMA	2004 CDEF Single Family	4.49	09/25/07	04/20/37	2,485.95	2,534.03			(17.49)		2,468.46	2,564.97	48.43	0.00
GNMA	2004 CDEF Single Family	4,49	12/11/07	08/20/37	2,981.67	3,039.60			(12.01)		2,969.66	3,086.03	58.44	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	8,625.49	8,794.00			(33.81)		8,591.68	8,930.62	170.43	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	2,606.17	2,648.56			(10.22)		2,595.95	2,690.08	51.74	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	03/20/38	7,934.79	8,090.34			(31.08)		7,903.71	8,216.05	156.79	0.00
FNMA	2004 CDEF Single Family	4.49 4.49	10/20/05	10/01/35	3,383.55	3,427.99			(16.11)		3,367,44	3,487.42	75.54	0.00
FNMA	2004 CDEF Single Family		11/10/05	11/01/35	2,461.74	2,494.11			(15.22)		2,446.52	2,533.73	54.84	0.00
FNMA FNMA	2004 CDEF Single Family	4.49 4.49	12/15/05 01/05/06	12/01/35 12/01/35	4,195.01 7,296.46	4,250.19 7,392.56			(26.63)		4,168.38	4,316.98	93.42 162.85	0.00 0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	02/09/06	02/01/36	4,218.22	4,264.11			(35.78) (27.00)		7,260.68 4,191, <b>2</b> 2	7,519.63 4,325.88	88.77	0.00
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	5,165.99	5,222.17			(25.08)		5,140.91	5,306.06	108.97	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	8,028,29	8,115.72			(55.21)		7,973.08	8,229.36	168.85	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,642,47	5,703.98			(25.45)		5.617.02	5,797.63	119.10	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	7,949.93	8,036.67			(36.85)		7,913.08	8,167.59	167.77	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	6,184.22	6,251.68			(36.90)		6,147.32	6,345.01	130.23	0.00
FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	5,855.93	5,919.92			(26.75)		5,829.18	6,016,76	123.59	0.00
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	3,541.24	3,579.99			(15.83)		3,525.41	3,638.91	74.75	0.00
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,431.68	7,513,02			(33.90)		7,397.78	7,635.95	156.83	0.00
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	8,784.94	8,881.12			(39.57)		8,745,37	9.026.99	185.44	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	10,227.26	10,339.28			(45.29)		10,181.97	10,509.90	215.91	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	7,673.80	7,757.88			(3,244.47)		4,429.33	4,572.00	58.59	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	5,926.55	5,991.59			(26.43)		5,900.12	6,090.27	125.11	0.00
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	5,431.06	5,490.73			(43.34)		5,387.72	5,561.41	114.02	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	8,413.59	8,506.16			(37.29)		8,376.30	8,646.49	177.62	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	5,884.91	5,949.68			(156.77)	·	5,728.14	5,912.93	120.02	0.00
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36	6,624.44	6,697.39			(29.41)		6,595.03	6,807.82	139.84	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36	1,148.02	1,160.71			(8.79)		1,139.23	1,176.03	24.11	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,238.23	1,251.82			(5.49)		1,232.74	1,272.48	26.15	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,470.65	3,508.78			(15.02)		3,455.63	3,567.05	73.29	0.00
FNMA	2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,681.43	4,732.95			(20.17)		4,661.26	4,811.63	98.85	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	7,953.54	8,041.20			(33.41)		7,920,13	8,175.76	167.97	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,821.89	4,875.09			(20.16)		4,801.73	4,956.76	101.83	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	5,669.68	5,732.26			(23.67)		5,646.01	5,828.34	119.75	0.00
FNMA FNMA	2004 CDEF Single Family	4.49 4.49	07/03/07 09/25/07	06/01/37 09/01/37	14,783.99	14,947.36			(61.87)		14,722.12	15,197.75	312.26	0.00
FNMA FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	11/08/07	09/01/37	7,726.72 7,580,69	7,850.02 7,742,30			(31.48) (34.62)		7,695.24 7.546.07	7,982.06 7.864.03	163.52 156.35	0.00 0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	11/21/07	09/01/37	3,111.21	3,177.60			(12.52)		3,098.69	3,229.32	64.24	0.00
FNMA	2004 CDEF Single Family	4.49	12/11/07	11/01/37	6,948.75	7,097.16			(28.04)		6,920.71	7,212.63	143.51	0.00
FNMA	2004 CDEF Single Family	4.49	03/26/08	02/01/38	13,012,58	13,290.59			(58.51)		12,954.07	13.502.25	270.17	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	141,496,75	152,863.68			(2,151.21)		139,345.54	151,632.56	920.09	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	185,706.89	204,671,22			(38,239.19)		147,467.70	164,589.97	(1,842.06)	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	299,695,26	330,735,23			(4,348.25)		295,347.01	330.148.24	3.761.26	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	88,206.11	96,882.26			(831.89)		87,374.22	98,053.72	2,003.35	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	63,725.55	70,492.07			(594.70)		63,130.85	70,717.72	820.35	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	32,333,13	35.845.33			(11,849.61)		20,483,52	23,186,29	(809.43)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,290,994.07	1,375,385.30			(122,383.24)		1,168,610,83	1,256,909.33	3,907.27	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	940,763.89	1,028,904.67			(13,017.96)		927,745.93	1,029,817.16	13,930.45	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	585,883.81	641,999.75			(10,370.52)		575,513.29	640,062.96	8,433,73	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	168,127.63	185,627.58	•		(3,704.90)		164,422.73	185,016.31	3,093.63	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	226,691.96	241,663,73			(3,217.19)		223,474.77	240,510.37	2,063.83	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	471,124.70	516,580.08			(5,070.98)		466,053.72	518,654.57	7,145.47	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	118,741.32	129,840.49			(1,124.56)		117,616,76	130,648.81	1,932.88	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	67,586.65	74,632.30			(1,727.34)		65,859.31	74,118.72	1,213.76	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	70,003.82	77,449.80			(655.45)		69,348.37	78,281.62	1,487.27	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	31,180.86	34,457.52			(258.12)		30,922.74	34,866.26	666.86	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	44,367.37	49,115.60			(396.79)		43,970.58	49,663.72	944.91	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	1,903,690.98	1,934,813.86			(9,975.69)		1,893,715.29	1,966,327.73	41,489.56	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	5,058,578.95	5,141,399.57			(102,712.80)		4,955,866.15	5,146,012.84	107,326.07	0.00

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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	1,815,298.06	1,845,029.85			(116,754,29)		1,698,543.77	1,763,725.97	35,450.41	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	245,524.42	250,319.36			(1,199.14)		244,325.28	254,438.78	5,318.56	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,141,485.19	2,176,596.81			(11,181.31)		2,130,303.88	2,212,093.00	46,677.50	0.00
GNMA	2004 CDEF Single Family	4,49	04/14/05	04/20/35	776,661.59	789,401.27			(3,782.65)		772,878.94	802,557.10	16,938.48	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	253,070.93	258,021.06			(1,216.16)		251,854.77	262,287.89	5,482.99	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,467,627.27	1,491,718.98			(7,862.51)		1,459,764.76	1,515,838.82	31,982.35	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	692,969.33	704,352.52			(3,350.73)		689,618.60	716,116.93	15,115.14	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	216,452.67	220,691.66			(1,026.68)		215,425.99	224,355.48	4,690.50	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	178,988.21	182,494.79			(1,030.60)		177,957.61	185,335.14	3,870.95	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	1,346,942.38	1,373,412.32			(158,048.03)		1,188,894.35	1,238,256.99	22,892.70	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	794,358.70	807,422.93			(4,004.01)		790,354.69	820,738.72	17,319.80	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,033,739.80	1,050,752.60			(4,987.99)		1,028,751.81	1,068,312.52	22,547.91	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	406,912.32	414,934.06			(1,946.82)		404,965.50	421,804.72	8,817.48	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	207,406.59	211,496.62			(1,021.01)		206,385.58	214,969.00	4,493.39	0.00
GNMA	2004 CDEF Single Family	4.49 4.49	09/22/05 07/21/05	09/20/35	393,653.46	400,178.09			(1,845.83)		391,807.63	406,921.87	8,589.61	0.00
GNMA	2004 CDEF Single Family	4,49		07/20/35	422,760.19	429,738.61			(2,046.91)		420,713.28	436,913.47	9,221.77	0.00
GNMA GNMA	2004 CDEF Single Family	4.49	07/28/05 08/04/05	07/20/35 07/20/35	938,196.38 474,524.29	956,646.25			(4,867.60)		933,328.78	972,092.18	20,313.53	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	08/04/05	08/20/35	3,078,746.63	483,858.87 3,129,623.73			(2,329.40) (127,732.25)		472,194.89 2.951,014.38	491,809.27 3,064,700.02	10,279.80 62,808.54	0.00 0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	931,611.68	947,012.56			(4,522.95)		927,088.73	962.809.99	20,320.38	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	307,656.14	312,742,14			(1,447.89)		306,208,25	318,006.62	6,712.37	0.00
GNMA	2004 CDEF Single Family	4,49	08/30/05	08/20/35	566,332.66	575,704.85			(2,859.34)		563,473.32	585,194,90	12,349.39	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	778,660.56	791,595.31		•	(3,592,34)		775,068.22	804.996.26	16,993,29	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	327,068.58	332,501.69			(1,524.23)		325,544.35	338,114.73	7,137.27	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	375,829,55	383,245.89			(2,667.62)		373,161.93	388,686,16	8,107,89	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	389,154,22	396,837.51			(1,831.22)		387,323.00	403,440.84	8,434.55	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	1,048,948.04	1,069,672.04			(5,702.60)		1,043,245,44	1,086,672,73	22,703,29	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	966,863.64	982,967.44			(4,570.20)		962,293.44	999,493.30	21,096.06	0.00
GNMA	2004 CDEF Single Family	4,49	12/15/05	12/20/35	609,221.68	619,374.95			(2,812.83)		606,408.85	629,858.10	13,295.98	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	860,686.42	874,993.44	•		(120,521.64)		740,164.78	768,753.60	14,281.80	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	1,004,709.51	1,021,412.67			(4,698.49)		1,000,011.02	1,038,638.50	21,924.32	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	715,262.78	727,162.00			(85,166.27)		630,096.51	654,441.89	12,446.16	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	530,378.58	539,204.24			(3,281.86)		527,096.72	547,465.22	11,542.84	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	641,127.84	651,800.97			(2,980.84)		638,147.00	662,810.79	13,990.66	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	690,304.79	701,814.27			(3,521.64)		686,783.15	713,344.64	15,052.01	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	700,216.90	711,896.03			(3,964.73)		696,252,17	723,185.05	15,253.75	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	442,505.65	449,162.71			(139,511.39)		302,994.26	313,723.39	4,072.07	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	509,161.14	516,824.08			(2,330.13)		506,831.01	524,781.76	10,287.81	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	710,289.71	723,273.66			(3,197,10)		707,092.61	734,319.69	14,243.13	0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	03/02/06 01/19/06	02/20/36 01/20/36	424,950.18	432,715.12			(1,927.79)		423,022.39	439,308.48	8,521.15	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	01/15/06	01/20/36	319,621.22 681,584.65	324,433.85 691,851.67			(1,475.71)		318,145.51 677,942.52	329,415.46	6,457.32	0.00 0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	1,091,992.57	1,108,449,57			(3,642.13) (124,918.95)		967,073.62	701,962.85 1,001,344.29	13,753,31 17,813.67	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,171,325.93	1,188,990.57			(5,870.63)		1,165,455.30	1,206,769.54	23,649.60	0.00
GNMA	2004 CDEF Single Family	4,49	02/16/06	02/20/36	291,159.67	295,552,41			(1,312.44)		289,847.23	300,123.85	5,883.88	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	304,170,63	309,726,74			(1,592.75)		302,577.88	314,224.72	6,090.73	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	817,376.52	829,782.94			(3,711.57)		813,664,95	842,589,44	16,518.07	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	147,365.54	150,070.27			(674.10)		146,691.44	152,351.12	2,954.95	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	240,025.62	244,431.02			(1,114.93)		238,910.69	248,128.40	4,812.31	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	473,666,28	482,332.60			(2,139.95)		471,526.33	489,691.17	9,498.52	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	197,385.29	200,999.34			(968.34)		196,416.95	203,986.30	3,955.30	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	192,558.97	196,088.02			(876.08)		191,682.89	199,073,22	3,861.28	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	560,354.42	570,628.13			(2,546.39)		557,808.03	579,317,82	11,236.08	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	572,894.23	583,401.97			(2,555.51)		570,338.72	592,336.48	11,490.02	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	1.03,119.17	105,012.87			(2,034.90)		101,084.27	104,985.39	2,007.42	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	621,663.69	631,112.23			(2,751.03)		618,912.66	640,926.30	12,565.10	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	188,600.92	192,066.94			(851.91)		187,749.01	194,997,32	3,782.29	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	222,610.82	226,704.37			(116,934.85)		105,675.97	109,756.84	(12.68)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	107,593.28	109,573.90			(470.94)		107,122.34	111,261.32	2,158.36	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	354,782.14	361,315.67			(1,562.36)		353,219.78	366,869.66	7,116.35	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment	•	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	371,391.90	378,233.22			(1,671.10)		369,720.80	384,010.67	7,448.55	0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	07/27/06 08/09/06	07/20/36 07/20/36	207,481.36 685,864.59	211,305.68			(1,046.53)		206,434.83	214,416.01	4,156.86	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	08/16/06	06/20/36	196,644.49	698,515.67 200,272,29			(3,229.25)		682,635.34	709,036.01	13,749.59	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	672,962.72	685,395,90			(862.81) (3,019.51)		195,781.68	203,354.07	3,944.59	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	103.858.38	105,778,16			(3,019.51)		669,943.21 103,404.26	695,874.09	13,497.70	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	969,388.36	984,253.17			(5,223.67)		964,164,69	107,407,61 998,591,50	2,083.57	0.00
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	862,850.21	878,845.80			(4,255.24)		858,594.97	891,881.89	19,562.00 17,291.33	0.00 0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	405,039.20	412,552,43			(1,795.26)		403,243.94	418.881.98	8,124.81	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	524,263.84	533,994.01			(140,788.28)		383,475.56	398,351.00	5,145.27	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	502,827.99	512,163,41			(2,171.63)		500,656.36	520,081.04	10,089.26	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	538,901.39	548,914.33			(2,395.46)		536,505.93	557 328.84	10,809.97	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	523,066.78	532,794.65			(2,224.72)		520,842.06	541.066.33	10,496.40	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	388,869.95	396,106,87			(1,661.62)		387,208.33	402,248.89	7.803.64	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	226,337.58	230,554.65			(989.93)		225,347,65	234,105.69	4,540.97	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	65,146.34	66,388.29			(255.56)		64,890.78	67,419.66	1,286.93	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	122,139.81	124,468.27			(542.27)		121,597.54	126,336.35	2,410.35	0.00
GNMA	2004 CDEF Single Family	4.49	02/19/08	02/20/38	166,500.02	169,675.36			(872.03)		165,627.99	172,084.11	3,280.78	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	12/20/37	455,555.10	464,240.11			(1,836,18)		453,718.92	471,332.83	8,928.90	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	166,211.28	168,378.27			(1,855.93)		164,355.35	170,195.05	3,672.71	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	200,306.75	202,923.16			(1,537.01)		198,769.74	205,836.98	4,450.83	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	62,947.34	63,904.45			(3,004.23)		59,943.11	62,258.67	1,358.45	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	294,015.87	297,883.22			(1,675.05)		292,340.82	302,762.63	6,554.46	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	151,521.55	153,516.60			(1,139.13)		150,382.42	155,745.51	3,368.04	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	107,521.14	108,936.95			(498.81)		107,022,33	110,839.19	2,401.05	0.00
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	150,708.66	152,695.00			(949.73)		149,758.93	155,101.81	3,356.54	0.00
FNMA FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	245,502.55	248,180.10			(1,195.18)		244,307.37	252,163.90	5,178.98	0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49	05/25/06 07/06/06	04/01/36 05/01/36	200,367.56	202,555.70		•	(1,232.02)		199,135.54	205,542.31	4,218.63	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	124,929,73 223,960,22	126,296.45 226,413.51			(566.85)		124,362.88	128,366.32	2,636.72	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	284,457.28	287,578.46			(4,276.36) (1,464.11)		219,683.86	226,759.25	4,622.10	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	372,203,97	376,294.37			(1,629.33)		282,993.17 370,574.64	292,112.85 382.522.46	5,998.50	0.00 0.00
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36	74,560.21	75,382.18			- (385.02)		74,175.19	76,569.39	7,857.42 1,572.23	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	151,416.53	153,078.80			(647.19)		150.769.34	155,628.92	3,197.31	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/08	01/01/38	461,906.18	469,508.70			(1,881.19)		460,024.99	477,209.00	9,581.49	0.00
Repo Agmt	2004 CDEF Single Family	0.16	11/30/09	12/01/09	516,308,48	516,308,48	138.21		(1,001110)		516,446.69	516,446.69	3,301.43	0.00
GNMA	2004 CDEF Single Family	5.38	08/07/07	07/20/37	9,347.10	9.875.21			(34.32)		9,312.78	10,033.92	193.03	. 0.00
GNMA	2004 CDEF Single Family	5.63	08/07/07	08/20/37	23,626.93	25,053.03			(92.28)		23,534.65	25,365.58	404.83	0.00
GNMA	2004 CDEF Single Family	5.63	11/21/07	10/20/37	1,433.14	1,519.81			(6.25)		1,426.89	1,538.07	24.51	0.00
GNMA	2004 CDEF Single Family	5.38	11/21/07	10/20/37	13,316.55	14,070.61			(45.86)		13,270.69	14.300.02	275,27	0.00
GNMA	2004 CDEF Single Family	5.38	09/25/07	09/20/37	35,589.39	37,602.39			(127.48)		35,461.91	38,210,18	735.27	0.00
GNMA	2004 CDEF Single Family	5.13	09/25/07	09/20/37	22,895.83	24,027.38			(89.08)		22,806.75	24,413.26	474.96	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	08/20/37	6,164.52	6,536.94			(23.40)		6,141.12	6,619.22	105.68	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	09/20/37	2,760.93	2,927.72			(16.36)		2,744.57	2,958.23	46.87	0.00
GNMA	2004 CDEF Single Family	5.38	10/09/07	09/20/37	22,501,47	23,774.54			(79.21)		22,422.26	24,160.32	464.99	0.00
GNMA	2004 CDEF Single Family	5.63	10/09/07	06/20/37	2,067.66	2,192.59			(6.90)		2,060.76	2,221.21	35.52	0.00
GNMA	2004 CDEF Single Family	5.13	10/09/07	09/20/37	8,546.86	8,969.39			(44.82)		8,502.04	9,101.06	176.49	0.00
GNMA	2004 CDEF Single Family	5.38	08/23/07	08/20/37	18,896.82	19,964.93			(2,639.61)		16,257.21	17,516.49	191.17	0.00
GNMA	2004 CDEF Single Family	5.13	08/23/07	07/20/37	20,914.28	21,946.99			(79.00)		20,835.28	22,302.01	434.02	0.00
GNMA	2004 CDEF Single Family	5.38	09/11/07	09/20/37	12,792.99	13,516.38			(44.60)		12,748.39	13,736.18	264.40	0.00
GNMA GNMA	2004 CDEF Single Family	5.63	09/11/07 09/11/07	08/20/37	13,979.04	14,823.34			(2,590.51)		11,388.53	12,274.96	42.13	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	5.13 5.38	11/28/07	08/20/37 11/20/37	9,402.97	9,849.74			(34.60)		9,368.37	10,010.51	195,37	0.00
GNMA	2004 CDEF Single Family	5.36 5.13	12/11/07	11/20/37	15,393.68 9,076.81	16,265.52 9.509.06			(52.30)		15,341.38	16,531.51	318.29	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	12,621.60	9,509.06			(35.71) (43.33)		9,041.10	9,661.79	188.44	0.00
GNMA	2004 CDEF Single Family	5.13	10/25/07	10/20/37	22,577.02	23,650,89			(43.33) (90.80)		12,578.27 22,486.22	13,553.56	260.92 468.59	0.00
GNMA	2004 CDEF Single Family	5.63	10/25/07	09/20/36	3,579.11	3,799.71	•		(17.83)		22,486.22 3,561.28	24,028.68 3,842.55	468.59 60,67	0.00 0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	17,926.56	18,941.15			(73.32)		17,853.24	3,642.55 19,237.51	369.68	0.00
GNMA	2004 CDEF Single Family	5.38	11/08/07	10/20/37	20,561.96	21,726.02			(70.45)		20,491.51	22,080.63	425.06	0.00
GNMA	2004 CDEF Single Family	5.13	11/08/07	10/20/37	8,194.72	8,600.11	•		(29.19)		8,165.53	8,741.11	170.19	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2004 CDEF Single Family	5.63	01/16/08	12/20/37	1,377.69	1,461.10			(4.43)		1,373.26	1,480.36	23.69	0.00
GNMA	2004 CDEF Single Family	5.38	12/28/07	11/20/37	5,855.48	6,187.29			(19.86)		5,835.62	6,288.51	121.08	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	1,441.69	1,528.95			(4.72)		1,436.97	1,549.00	24.77	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	20,012.94	21,224.23			(78.56)		19,934.38	21,488.58	342.91	0.00
GNMA	2004 CDEF Single Family	5.38	12/11/07	11/20/37	18,736.45	19,797.90			(64.40)		18,672.05	20,120.82	387.32	0.00
GNMA	2004 CDEF Single Family				2,351.38	2,467.83			(2,351.38)				(116.45)	0.00
GNMA	2004 CDEF Single Family	5.38	12/20/07	11/20/37	1,635.02	1,727.66			(5.62)		1,629.40	1,755.85	33,81	0.00
GNMA	2004 CDEF Single Family	5.13	12/20/07	12/20/37	1,651.13	1,732.90			(5.81)		1,645.32	1,761.39	34.30	0.00
GNMA	2004 CDEF Single Family	5.38	01/16/08	12/20/37	3,124.20	3,301.34			(12.76)		3,111.44	3,353.01	64.43	0.00
GNMA	2004 CDEF Single Family	5.38	01/30/08	12/20/37	1,934.07	2,043.77			(6.53)		1,927.54	2,077.22	39.98	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	12/20/37	6,491.55	6,884.70			(22.26)		6,469.29	6,973.92	111.48	0.00
GNMA	2004 CDEF Single Family	5.38	02/13/08	12/20/37	3,287.80	3,474.26			(20.50)		3,267.30	3,521.01	67.25	0.00
GNMA ·	2004 CDEF Single Family	5.63 5.38	01/30/08 01/30/08	01/20/38 09/20/37	1,430.98	1,516.68 2,920.43			(4.57)		1,426.41 2,753.80	1,534.77	22.66	0.00 0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	5.63	02/13/08	09/20/37	2,763.72 4,124,94	4,371,98			(9.92) (13.41)		4,111.53	2,967.62 4,423.91	57.11 65.34	0.00
GNMA	2004 CDEF Single Family	5.38	02/19/08	12/20/37	2,936.55	3,103.14			(21.59)		2,914.96	3,141.36	59.81	0.00
GNMA	2004 CDEF Single Family	5.63	02/19/08	01/20/38	4,695.50	4,976.76			(15.03)		4,680.47	5,036.11	74.38	0.00
GNMA	2004 CDEF Single Family	5.13	02/27/08	02/20/38	3,790.63	3,967.78			(13.47)		3,777.16	4,030.65	76.34	0.00
GNMA	2004 CDEF Single Family	5.38	02/27/08	02/20/38	5,987,95	6,311.35			(37.50)		5,950.45	6,391.20	117.35	0.00
GNMA	2004 CDEF Single Family	5.38	03/20/08	02/20/38	5,962.98	6,297.25			(20.74)		5,942,24	6,394,68	118.17	0.00
GNMA	2004 CDEF Single Family	5.63	03/20/08	02/20/38	2,389.42	2,532,62			(7.58)		2,381.84	2,562.90	37.86	0.00
GNMA	2004 CDEF Single Family	5.13	03/20/08	10/20/37	2,194.86	2,303.75			(7.82)		2,187.04	2,341.52	45.59	0.00
GNMA	2004 CDEF Single Family	5.38	03/27/08	03/20/38	6,946.74	7,336.22			(26.88)		6,919.86	7,446.80	137.46	0.00
FNMA	2004 CDEF Single Family	5.63	07/03/07	07/01/37	11,332.55	11,850.69			(39.16)		11,293,39	12,051,20	239.67	0.00
FNMA	2004 CDEF Single Family	5.38	08/07/07	07/01/37	40,754.30	42,743.66			(347.32)		40,406.98	43,277.50	881.16	0.00
FNMA	2004 CDEF Single Family	5.63	08/07/07	07/01/37	10,058.80	10,617.52			(37.56)		10,021.24	10,793 <i>.2</i> 3	213.27	0.00
FNMA	2004 CDEF Single Family	5.13	08/07/07	08/01/37	35,911.65	37,395.74			(134.75)		35,776.90	38,055.03	794.04	0.00
FNMA	2004 CDEF Single Family	5.13	08/29/07	08/01/37	14,108.96	14,692.30			(53.64)		14,055.32	14,950.57	311.91	0.00
FNMA	2004 CDEF Single Family	5.38	08/23/07	07/01/37	13,626.23	14,291.57			(97.99)		13,528.24	14,489.51	295.93	0.00
FNMA	2004 CDEF Single Family	5.38	09/11/07	08/01/37	14,590.57	15,303.27			(56.23)		14,534.34	15,567.38	320.34	0.00
FNMA	2004 CDEF Single Family	5.13	09/11/07	09/01/37	3,623.77	3,773.64			(23.20)		3,600.57	3,829.95	79.51	0.00
FNMA	2004 CDEF Single Family	5.63	09/11/07	08/01/37	5,865.48	6,191.49			(20.09)		5,845.39	6,295.91	124.51	0.00
FNMA	2004 CDEF Single Family	5.38 5.63	09/25/07 09/25/07	09/01/37 07/01/37	38,235.72 3,641.59	40,103.94 3,844.03			(1,855.79)		36,379,93 3,620.98	38,966.16 3,900.09	718.01 76.67	0.00 0.00
FNMA	2004 CDEF Single Family	5.63	09/25/07	09/01/37	19,698.77	20.513.76			(20.61) (77.14)		3,620.98 19,621.63	20,871.99	435.37	0.00
FNMA FNMA	2004 CDEF Single Family 2004 CDEF Single Family	5.38	10/09/07	08/01/37	6,808.86	7,186.24			(26.63)		6,782.23	7,310.66	151.05	0.00
FNMA	2004 CDEF Single Family	5.13	10/09/07	09/01/37	9,781.51	10,273.97			(35.48)		9,746.03	10,445.00	206,51	0.00
FNMA	2004 CDEF Single Family	5.63	10/09/07	09/01/37	5.683.99	6,038,73			(19.12)		5.664.87	6.124.95	105.34	0.00
FNMA	2004 CDEF Single Family	5.38	10/25/07	10/01/37	38,930,91	41,089,32			(3,346.51)		35,584.40	38,357.62	614.81	0.00
FNMA	2004 CDEF Single Family	5.13	10/25/07	10/01/37	19,551.85	20,536.55			(86.26)		19,465.59	20,861.95	411.66	0.00
FNMA	2004 CDEF Single Family	5.38	11/08/07	09/01/37	13,871.98	14,641.24			(71,47)		13,800.51	14,876.22	306.45	0.00
FNMA	2004 CDEF Single Family	5.13	11/08/07	10/01/37	6,022.95	6,326.37			(28.13)		5,994.82	6,424.93	126.69	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	10/01/37	8,932.11	9,427.54			(32.82)		8,899.29	9,593.05	198.33	0.00
FNMA	2004 CDEF Single Family	5.13	11/21/07	09/01/37	7,987.58	8,390.05			(29.76)		7,957.82	8,528.87	168.58	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	11/01/37	11,632.18	12,277.41			(41.36)		11,590.82	12,494.43	258.38	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	10/01/37	22,592.57	23,846.10			(89.56)		22,503.01	24,257.72	501.18	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	11/01/37	11,529.53	12,110.71			(41.48)		11,488.05	12,312.67	243.44	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	11/01/37	6,377.20	6,731.06			(22.91)		6,354.29	6,849.80	141.65	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	12/01/37	8,071.65	8,478.53			(38.96)		8,032.69	8,609.27	169.70	0.00
FNMA	2004 CDEF Single Family	5.13	12/20/07	11/01/37	7,144.41	7,504.64			(26.72)		7,117.69	7,628.69	150.77	0.00
FNMA	2004 CDEF Single Family	5.38	12/20/07	10/01/37	1,602.91	1,691.88			(19.29)		1,583.62	1,707.14	34.55	0.00
FNMA	2004 CDEF Single Family	5.63	12/28/07	10/01/37	26,524.75	28,182.18			(95.05)		26,429.70	28,578.25	491.12	0.00
FNMA	2004 CDEF Single Family	5.13 5.13	01/16/08 01/30/08	12/01/37	6,848.77	7,194.23 3.968.73			(24.44)		6,824.33	7,314.41	144.62	0.00
FNMA FNMA	2004 CDEF Single Family	5.13 5.38	01/30/08	12/01/37 11/01/37	3,778.11 1,408.94	3,968.73 1,487.19			(19.42)		3,758.69 1,404.15	4,028.65	79.34 31.32	0.00
	2004 CDEF Single Family 2004 CDEF Single Family	5.36 5.13	01/30/08	12/01/37	1,408.94 5,176.07	5,437.23			(4.79) (19.81)		1,404.15 5,156.26	1,513.72 5,526.62	109.20	0.00 0.00
FNMA FNMA	2004 CDEF Single Family 2004 CDEF Single Family	5.13 5.13	02/13/08	01/01/38	2.294.85	2,408.04			(8.07)		2.286.78	3,326.62 2.447.17	47.20	0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	5.38	02/13/08	01/01/38	9,013.97	9,506.97		•	(30.39)		8,983.58	9,671.29	194.71	0.00
FNMA	2004 CDEF Single Family	5.63	02/19/08	04/01/37	3,356.88	3,566.77			(17.72)		3,339.16	3,610.74	61.69	0.00
FNMA	2004 CDEF Single Family	5.38	02/19/08	12/01/37	4,564.62	4,818,20			(17.53)		4,547.09	4,901.96	101.29	0.00
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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2004 CDEF Single Family	5.13	02/19/08	01/01/38	5,053.36	5,302.68			(28.26)		5,025.10	5,377.57	103.15	0.00
FNMA	2004 CDEF Single Family	5.13	02/27/08	02/01/38	3,817.30	4,005.65			(13.41)		3,803.89	4,070.74	78.50	0.00
FNMA	2004 CDEF Single Family	5.38	03/20/08	11/01/37	5,598.04 68,598,024.16	5,909.17 70,063,504.43	2,397,999,18	(3.132.554.02)	(21.20)	0.00	5,576.84 66,129,379.09	6,012.25 68,870,608.78	124.28	0.00
	2004 CDEF Single Family Total				00,390,024.16	70,063,304.43	2,391,999.10	(3,132,334.02)	(1,734,050.23)	0.00	00,129,373.09	00,010,000.16	1,275,145,42	0.00
Repo Agmt	2005 BCD Single Family	0.16	11/30/09	12/01/09	3,998,53	3,998.53	1.08				3,999.61	3,999.61	_	0.00
Repo Agmt	2005 BCD Single Family	0.16	11/30/09	12/01/09	457,967.49	457,967.49		(417,114.51)			40,852.98	40,852.98	-	0.00
Repo Agmt	2005 BCD Single Family	0.16	11/30/09	12/01/09	1,364,125.69	1,364,125.69		(553,841.20)			810,284.49	810,284.49	<b>-</b>	0.00
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	13,115.63	13,781.71			(53.17)		13,062.46	13,999.31	270.77	0.00
GNMA	2005 BCD Single Family	5.38 5.63	08/16/06 08/16/06	08/20/36 08/20/36	6,036.43 5,102,66	6,378.25 5,412.23			(22.97) (21.12)		6,013.46 5,081.54	6,479.32 5,477,91	124.04 86.80	0.00 0.00
GNMA GNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	08/23/06	08/20/36	13,494.05	14,258.34			(56.26)		13,437.79	14.478.97	276.89	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	20,302.43	21,295,44			(90.28)		20,212.15	21,624.10	418.94	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	50,636.72	53,505.31			(199.45)		50,437.27	54,345.85	1,039.99	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	20,233.12	21,430.53			(233.89)		19,999.23	21,529.53	332.89	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	39,407.67	41,410.42			(161.58)		39,246.09	42,062.26	813.42	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	22,610.61	23,891.72			(87.24)		22,523.37 28.005.13	24,269.00 29.984.95	464.52 580.24	0.00 0.00
GNMA GNMA	2005 BCD Single Family	5.13 5.63	09/12/06 09/12/06	09/20/36 09/20/36	28,121.55 4,968.59	29,521.13 5,270.19			(116.42) (353.74)		28,005.13 4,614.85	29,964.95 4,974,99	58.54	0.00
GNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	09/20/06	09/20/36	46,045.12	48.654.46			(2,316.86)		43.728.26	47,117,72	780.12	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	77,918.32	81,649.65			(331.04)		77,587.28	82,927.01	1,608,40	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	7,463.48	7,916.61			(28.80)		7,434.68	8,014.94	127.13	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	30,543.74	32,064.29			(2,557.63)		27,986.11	29,964.95	458.29	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	29,938.49	31,635.24			(125.42)		29,813.07	32,124.14	614.32	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	65,299.25	69,000.88			(258.65)		65,040.60	70,083.28	1,341.05	0.00 0.00
GNMA GNMA	2005 BCD Single Family 2005 BCD Single Family	5.63 5.13	10/17/06 10/05/06	10/20/36 10/20/36	32,555.53 63,773.45	34,483.61 66,828.54			(5,006.95) (272.52)		27,548.58 63,500.93	29,657.76 67,872.43	181.10 1,316.41	0.00
GNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	10/17/06	10/20/36	47,192,67	49.868.42			(214.07)		46,978.60	50,621,46	967.11	0.00
GNMA	2005 BCD Single Family	5.13	10/17/06	10/20/36	64,993.44	68,230.56			(7,153.57)		57,839.87	61,931.04	854.05	0.00
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	32,707.64	34,694,59			(127.27)		32,580.37	35,124.46	557.14	0.00
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	52,461.33	55,436.22			(2,813.98)		49,647.35	53,497.54	875.30	0.00
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	66,155.47	69,450.95			(8,964.63)		57,190.84	61,236.53	750.21	0.00
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	38,930.44	41,138.54			(155.05) (161.66)		38,775.39	41,782.92 42,539,36	799.43 823.28	0.00 0.00
GNMA GNMA	2005 BCD Single Family 2005 BCD Single Family	5.13 5.63	11/02/06 11/14/06	10/20/36 11/20/36	39,890.27 27,893.98	41,877.74 29,589.19			(101.06)		39,728.61 27,792.92	42,539.36 29,963.86	623.26 475.73	0.00
GNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	11/14/06	10/20/36	28,468,23	30,083,17			(2,163.42)		26,304.81	28,345,32	425.57	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	42,263,67	44,370.05			(165.64)		42,098.03	45,077.12	872.71	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	50,596.07	53,466.83			(191.13)		50,404.94	54,315.50	1,039.80	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	14,945.49	15,831.21			(2,887.62)		12,057.87	12,981.52	37.93	0.00
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	27,106.45	28,457.59			(123.62)		26,982.83	28,892.43	558.46	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	42,254.78	44,652.54			(164.02)		42,090.76 5.730.49	45,356.60	868.08 98.12	0.00 0.00
GNMA GNMA	2005 BCD Single Family 2005 BCD Single Family	5.63 5.13	11/28/06 11/28/06	11/20/36 11/20/36	5,750.79 8,360.82	6,100.39 8,777.61			(20.30) (31.97)		8,328.85	6,178.21 8,918.34	172.70	0.00
GNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	12/12/06	12/20/36	36,279,18	38.342.03			(3,137.29)		33,141,89	35,717.21	512.47	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	23,387.78	24,809.85			(87.68)		23,300.10	25,120.81	398.64	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	46,248.59	48,554.86			(232.80)		46,015.79	49,273,39	951.33	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	73,839.14	78,031.53			(3,095.16)		70,743.98	76,235.28	1,298.91	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	18,054.26	19,124.93			(3,455.41)		14,598.85	15,717.72	48.20	0.00
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36	44,604.46	46,829.57			(173.05)		44,431.41	47,577.68	921.16	0.00
GNMA	2005 BCD Single Family	5.38 5.63	01/10/07 01/09/07	12/20/36 12/20/36	43,607.33 17,174.38	46,083.83 18,193.12			(162.39) (66.72)		43,444.94 17,107.66	46,817.87 18,419.09	896.43 292.69	0.00 0.00
GNMA GNMA	2005 BCD Single Family 2005 BCD Single Family	5.13	01/09/07	01/20/37	24,637.92	25.836.28			(98.45)		24,539.47	26,248,59	510.76	0.00
GNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	01/16/07	12/20/36	25,685.17	27,144.03			(118.81)		25,566.36	27,551.41	526.19	0.00
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37	16,079.38	17,038.20			(60.18)		16,019.20	17,253.66	275.64	0.00
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37	49,760.56	52,181.87			(2,956.85)		46,803.71	50,064.46	839,44	0.00
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37	32,950.45	34,788.91			(5,529.32)		27,421.13	29,524.94	265.35	0.00
GNMA	2006 BCD Single Family	5.63	01/30/07	01/20/37	7,535.30	7,984.76			(26.70)		7,508.60	8,087.34	129.28	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	40,262.97	42,510.03			(152.77)		40,110.20	43,188.12	830.86	0.00
GNMA	2005 BCD Single Family	5.13 5.63	02/13/07 02/13/07	01/20/37 02/20/37	39,573.59 5,541.61	41,499.81 5,872.21			(160.33) (19.26)		39,413.26 5,5 <b>22</b> .35	42,159.68 5,948.05	820.20 95.10	0.00 0.00
GNMA	2005 BCD Single Family	5.63	VZ/13/U/	U2/20/3/	5,541.61	5,014.21			(13.20)		2,322.35	5,346,05	<del>55</del> .10	0.60

		Current	Current	Current	Beginning	Beginning	<b>a</b>	8			Ending	Ending	Change	Dan unbad
Investment		Interest	Purchase Date	Maturity	Carrying Value 08/31/09	Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Carrying Value 11/30/09	Market Value 11/30/09	in Market Value	Recognized Gain
Туре	Issue	Rate		Date	12.213.09		Furchases	Sales	(61.79)	Hansleis	12,151,30	12,959,42	261.08	0.00
FNMA	2005 BCD Single Family	5.38 5.13	08/09/06 08/10/06	08/01/36 07/01/36	7,483.30	12,760.13 7,769.96			(34.46)		7.448.84	7,894.72	159.22	0.00
FNMA FNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	08/23/06	08/01/36	7,236,46	7,560.64			(61.66)		7,174.80	7,652.01	153.03	0.00
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	12.477.38	13,120.94			(55.60)		12,421,78	13,326.22	260.88	0.00
FNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	15,522.27	16,116,95			(341.88)		15.180.39	16,089.19	314.12	0.00
FNMA	2005 BCD Single Family	5.38	09/06/06	09/01/36	20.374.97	21.287.84			(84.50)		20,290,47	21,640.14	436.80	0.00
FNMA	2005 BCD Single Family	5.63	09/06/06	08/01/36	7,694,18	8,091.07			(27.99)		7,666.19	8,224.39	161.31	0.00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	21,776.64	22.588.30			(91.77)		21.684.87	22.960.25	463.72	0.00
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	14,288.57	14,928.74			(2,739.86)		11,548.7/1	12,316,87	127,99	0.00
FNMA	2005 BCD Single Family	5,63	09/20/06	09/01/36	7,946.60	8,356.62			(2,011.53)		5,935.07	6,367.34	22.25	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	15,574.12	16,271.99			(2,745.13)		12,828.99	13,682.43	155.57	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	13,623.17	14,131.02			(56.03)		13,567.14	14,365.18	290.19	0.00
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	12,234.22	12,782.46			(49.64)		12,184.58	12,995.16	262.34	0.00
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	23,887.91	24,958.49			(92.01)		23,795.90	25,379.07	512,59	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	14,435.29	15,180.17			(53.41)		14,381.88	15,429.36	302.60	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	29,292.36	30,384.65			(184.32)		29,108.04	30,820.53	620.20	0.00
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	25,244.84	26,376.43			(126.52)		25,118.32	26,789.65	539.74	0.00
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	36,912.56	38,567.28			(154.13)		36,758.43	39,204.40	791.25	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	37,278.86	38,950.14			(171.66)		37,107.20	39,576.51	798.03	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	12,430.00	13,071.53			(46.61)		12,383.39	13,285.45	260.53	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	18,880.67	19,584.80			(103.55)		18,777.12	19,881.93	400.68	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	26,750.84	27,950.29			(2,097.36)		24,653.48	26,294.20	441.27	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	11,185.68	11,763.06			(43.20)		11,142.48	11,954.21	234.35	0.00 0.00
FNMA	2005 BCD Single Family	5.13 5.38	11/14/06 11/21/06	11/01/36	7,680.86	7,967.42 13,651.40			(30.83) (49.77)		7,650.03 13,015.79	8,100.24 13,882.02	163.65 280.39	0.00
FNMA FNMA	2005 BCD Single Family 2005 BCD Single Family	5.63	11/21/06	10/01/36 11/01/36	13,065.56 8,018.14	8,432.07			(614.62)		7.403.52	7,942,91	125.46	0.00
FNMA FNMA	5 ,	5.13	11/21/06	11/01/36	4,866,49	5,048.02			(37.92)		4,828.57	5,112.72	102.62	0.00
FNMA	2005 BCD Single Family 2005 BCD Single Family	5.38	11/28/06	11/01/36	6,281,09	6,562,73			(24.03)		6,257.06	6,673.50	134.80	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	4,106.47	4,259.67			(1,039.97)		3,066.50	3,246.97	27.27	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,329.77	8,759.81			(32.58)		8,297,19	8,901.70	174,47	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	8,820.24	9,215.83			(39.01)		8,781,23	9,365.74	188.92	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	8.915.74	9.376.04			(36.20)		8,879,54	9,526,52	186,68	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	12,131.57	12,584.27			(65.54)		12,066.03	12,776.26	257.53	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	30,350.66	31,712.08			(2,765.84)		27,584.82	29,421.19	474.95	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	9,340.57	9,822.91			(44.51)		9,296.06	9,973.48	195.08	0.00
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36	8,233.32	8,540.59			(34.12)		8,199.20	8,681.83	175.36	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	30,405.48	31,769.57			(3,211.05)		27,194.43	29,004.97	446.45	0.00
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36	7,975.61	8,387.46			(29.30)		7,946.31	8,525.36	167.20	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	8,699.80	9,024.57			(3,650.06)		5,049.74	5,347.05	(27.46)	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	25,402.83	26,542.71			(100.42)		25,302.41	26,987.21	544.92	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	20,315.89	21,365.26			(82.93)		20,232.96	21,707.64	425.31	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	7,599.72	7,883.46			(38.20)		7,561.52	8,006.72	161.46	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	21,872.69	22,854.35			(122.30)		21,750.39	23,198.86	466.81	0.00
FNMA	2005 8CD Single Family	5.63	02/13/07	01/01/37	6,932.40	7,290.53			(25.52)		6,906.88	7,410.34	145.33 157.67	0.00
FNMA	2005 BCD Single Family	5.13 5.38	02/13/07 02/20/07	01/01/37	7,402.37	7,678.91			(30.75) (30,46)		7,371.62 6.299.15	7,805.83 6.733.29	138.42	0.00 0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37 01/01/37	6,329.61 11,421.95	6,625.33 12,012.01			(40.79)		11,381.16	12,210.75	239.53	0.00
FNMA FNMA	2005 BCD Single Family 2005 BCD Single Family	5.63 6.15	05/01/96	04/01/26	195,326.39	210,622,13			(3,579,34)		191,747.05	208.409.06	1,366.27	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	154,440.66	166,347.26			(1,850.26)		152,590.40	165,665.87	1,168.87	0.00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	203,351.91	219,466.34			(53,972.33)		149,379.58	162,498,91	(2,995.10)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	207.057.82	223.508.86			(30,477.30)		176,580,52	192,125,11	(906.45)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	155,324.79	166,160.17			(1,996.34)		153,328.45	166,434,89	2,271.06	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	78,393.13	83,778.23			(1,392.31)		77,000.82	83,500.69	1,114.77	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	258,987.91	276,733.00		•	(4,916,94)		254,070.97	275,472.94	3,656.88	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	170,130.48	181,854,08			(2,493.26)		167,637.22	181,824.18	2,463.36	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	211,383.42	225,816.69			(22,468.08)		188,915.34	204,784.24	1,435.63	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	99,065.71	106,773.01			(760.68)		98,305.03	106,809.38	797.05	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	854,239.89	922,342.95			(48,627.00)		805,612.89	878,386.89	4,670.94	0.00
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	193,517.66	208,958.18			(7,894.39)		185,623.27	202,403.11	1,339.32	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	715,568.52	772,589.75			(11,598.49)		703,970.03	767,536.76	6,545.50	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	241.231.81	260,440,08			(2,514,23)		238,717,58	260,258,51	2.332.66	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	885,793.24	956.338.79			(9,730.85)		876,062,39	955.128.34	8,520,40	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	309,670,19	334,396.52			(3,373.56)		306,296.63	334,003.12	2,980.16	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	936,764,99	1,011,471.63			(10,363,49)		926,401.50	1,010,111.16	9,003.02	0.00
GNMA	2005 BCD Single Family	6,15	06/01/96	06/20/26	227,373.75	245,463.53			(1,889.74)		225,484.01	245,816.00	2,242,21	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,176,632.19	1,270,122,11			(14,342.24)		1,162,289.95	1,266,974.41	11,194.54	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	796,308.54	856,689.98			(11,087.20)		785,221.34	853,109,69	7.506.91	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	342.610.29	368,365.66			(5,423.96)		337,186.33	366,119.68	3,177.98	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	251,354.64	270,344.19			(55,659.03)		195,695.61	212,560.92	(2,124.24)	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	881,580,12	947,925.16			(9,168.73)		872,411.39	947,343.63	8,587.20	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	299,668.44	322,135,09			(56,442.69)		243,225.75	264,047.62	(1,644.78)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	710,549.27	763,834.91			(7,660.97)		702,888.30	763,075.14	6,901.20	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	368,916.54	396,993,83			(4,857.83)	_	364,058.71	395,708.68	3,572.68	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	284,244.72	305,869.54			(2,725.17)		281,519.55	305,985.86	2,841,49	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	136,699.45	146,962,63			(1,537,35)		135.162.10	146,774,34	1,349.06	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	437,477.57	470,022,47			(5,609.72)		431,867.85	468,675.98	4,263.23	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	209,990.64	225,475.35			(1,805.44)		208,185.20	225,793.51	2,123.60	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	154,279,39	165,717.92			(1,724.17)		152,555.22	165,519.42	1,525.67	0.00
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	255.033.72	275,429,11			(3,175.06)		251,858.66	274,724.04	2,469,99	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	544,719.54	585,169,20			(4,505.24)		540,214.30	586.184.07	5,520.11	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	132,338,99	142,068.53			(949.77)		131,389,22	142,494,21	1,375.45	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	124,670.43	133,836,18			(1,250.84)		123,419.59	133,850.98	1,265.64	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	220,168.08	236,354.80			(1,817.61)		218,350,47	236,805,43	2,268,24	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	169,262.87	181,707.07			(1,618.62)		167,644.25	181,813.53	1,725.08	0.00
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	35,946,08	38,588.82			(1,416,40)		34.529.68	37,448,11	275.69	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	341,660.29	366,779.18			(3,524.14)		338,136.15	366,715.44	3,460.40	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	531,561.75	570,642.16			(4,210,49)		527,351.26	571,922.99		
CHAPA	2005 BCD Single Family Total	0.15	11/01/00	10120120 _	18,731,390.79	19,965,347.27	1.08	(970,955.71)	(501,288.76)	0.00	17,259,147.40	18,658,241,58	5,491.32 165,137.70	0.00
	2003 BCD Single Lattiny Total				10,151,030.73	13,300,047.27	1.06	(310,333.11)	(501,200.76)	0.00	17,239,147.40	10,030,241,36	100,137.70	0.00
Repo Agmt	2006 ABCDE Single Family	0.16	11/30/09	12/01/09	1,188,300.05	1,188,300.05	318.16				1,188,618.21	1,188,618.21		0.00
Repo Agmt	2006 ABCDE Single Family	0.16	11/30/09	12/01/09	22,775,031.38	22,775,031.38	310.10	(20,370,626.49)			2,404,404.89	2,404,404.89	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	22,710,001.00	22,710,001.00	11,939,581,57	(20,010,020.43)			11,939,581.57	11,939,581.57	-	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	05/21/08	04/01/38	111,493,14	116,791.39	11,303,001.01		(373.21)		111,119.93	118,877,31	2,459,13	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	06/18/08	04/01/38	222,894,01	233,490.83			(777.25)		222,116.76	237,627.49	4,913.91	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	06/18/08	03/01/38	92,355.56	97,390.28			(369.32)		91.986.24	99.005.68	1,984.72	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	06/25/08	12/01/37	126,408.35	131,450.19			(448.83)		125,959.52	133,750.35	2,748.99	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	07/16/08	06/01/38	190,363.05	197,948,21			(758.39)		189,604.66	201,326,76	4,136.94	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	07/16/08	05/01/38	72,590.94	76,532.34			(228.95)		72,361.99	77,862.30	1,558,91	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	07/23/08	03/01/38	80.040.36	83,847,64	5.40		(220.33)		80,045.76	85,637.52	1,784.48	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	123,746.77	129,635,44	0.40		(404.53)		123.342.24	131,961,13	2,730.22	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	64,581,70	67,654.92			(823.41)		63.758.29	68,213.58	1,382.07	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	09/24/08	07/01/38	118,358.08	124,790.84			(367.55)		117,990.53	126,965.64	2,542.35	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	10/22/08	03/01/38	181,210.75	188,443.95			(634.76)		180.575.99	191,752.83	3,943.64	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/19/08	10/01/38	164,431.36	170,999.10			(801.01)		163,630.35	173,762.70	3,564.61	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/25/08	10/01/38	131,536.24	136,790.64			(667.51)		130,868.73	138,972.98	2,849.85	0.00
Freddie Mac	2006 ABCDE Single Family	5.25	12/18/08	09/01/38	200,270.36	209,077.14	•		(1,427.35)		198,843.01	211,989,72	4,339,93	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	12/30/08	12/01/38	143,473,28	149,208,42			(474.61)		142,998.67	151,858,21	3,124.40	0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	182,574.38	195,842.06			(2,154.40)		180,419,98	195,923.47	2,235.81	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	178,961.48	191,966.60			(2,376.43)		176,585.05	191,758,99	2,235.81	0.00
FNMA	2006 ABCDE Single Family	6,25	06/26/97	05/01/27	247,342.79	265,317,14			(61,385.22)		185,957.57	201,936.85	(1,995.07)	0.00
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	121.448.35	131,200.66			(1,357.09)		120,091,26	130.810.62	967.05	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	138,808.14	149,954.41			(1,670.01)		137,138.13	149,379.06	1,094.66	0.00
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	199,651,45	215.683.47			(3,264.65)		196,386,80	213,916.30	1,497.48	0.00
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	1,834,794,17	1,974,220.15			(82,492.69)		1,752,301.48	1,904,909.36	13,181.90	. 0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	682,193.06	734.032.83			(6,414.66)		675,778,40	7,904,909.36 734,631.88	13,181.90 7,013,71	. 0.00
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	207.342.30	224,035,38			(1,602.79)					
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	661,259.53	700,748,62			(1,602.79)		205,739.51 638.855.84	224,692.19 694,493,70	2,259.60 6.148.77	0.00 0.00
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	527,473.77	567,556.43			(42,280.54)		485,193.23	527,448.65	6,148.77 2,172.76	0.00
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	59,340.19	64,117,70			(502.88)		58.837.31	64,257,43	642.61	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	1,199,419.15	1,290,562.94			(50,894.14)		1,148,525.01	1,248,549.95	8,881.15	0.00
		5.20	-5,11101		.,,	1,200,002.07			(00,004.14)		1, 170,020.01	1,270,070,00	0,001.13	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	246,353.61	265,074.08			(2,234.83)		244,118.78	265,379.15	2,539.90	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	306,963.57	331,677.24			(3,639.40)		303,324.17	331,266.42	3,228.58	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	363,063.58	390,652.77			(4,589.04)		358,474.54	389,694.08	3,630.35	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	493,147.08	530,621.28			(3,895.55)		489,251.53	531,860.38	5,134.65	0.00
GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	1,031,755.14	1,110,158,18			(118,354.54)		913,400.60	992,948.67	1,145.03	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	886,385.74	953,742.11			(70,484.75)		815,900.99	886,957.72	3,700.36	0.00
GNMA	2006 ABCDE Single Family	6.45	08/28/97	08/20/27	275,360.78	297,530.09			(2,141.95)		273,218.83	298,387.76	2,999.62	0.00
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	189,296.56	203,681.17			(1,784.97)		187,511.59	203,841.95	1,945.75	0.00
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	439,947.53	473,379.14			(5,000.38)		434,947.15	472,826.68	4,447.92	0.00
GNMA	2006 ABCDE Single Family	6.25	10/15/97	09/20/27	346,791.86	373,144.60			(3,075.56)		343,716.30	373,650.58	3,581.54	0.00
GNMA	2006 ABCDE Single Family	6.45	10/15/97	08/20/27	61,229.57	66,159.14			(506.62)		60,722.95	66,316.73	664.21	0.00
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	365,870.32	393,672.79			(5,773.29)		360,097.03	391,457.87	3,558.37	0.00 0.00
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	311,627.96	335,308.53			(2,444.70) (1,985.22)		309,183.26 270,826.86	336,109.99 295,775.42	3,246.16 2,984.47	0.00
GNMA	2006 ABCDE Single Family	6.45	11/25/97 11/25/97	10/20/27	272,812.08 386,874.83	294,776.17 416,273.40			(3,079.36)		383,795.47	417,220,17	4.026.13	0.00
GNMA	2006 ABCDE Single Family	6.25 6.25	12/17/97	11/20/27 11/20/27	584,658.96	629,087.21			(48,816.22)		535,842.74	582,509.30	2,238.31	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25	01/29/98	01/20/28	772,170.65	830,716.59			(7,721.47)		764,449,18	831,009.75	8,014.63	0.00
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	218,792.00	236,406,96			(1,721.05)		217,070.95	237,067.54	2,381.63	0.00
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	338.051.52	365,237.88			(3,058.31)		334,993.21	365,879.84	3,700.27	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	600,439.82	645,965.18			(65,211.83)		535,227,99	581,830,31	1,076,96	0.00
GNMA	2006 ABCDE Single Family	6.25	07/06/98	05/20/28	141,720,41	152,465,42			(1,019.76)		140,700,65	152,951.22	1,505.56	0.00
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	160,457.31	173,361.27			(1,185.22)		159,272.09	173,956.96	1,780.91	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	252,073.89	271,186.14			(4,533.82)		247,540.07	269,093.41	2,441.09	0.00
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	122,389.08	131,668.58			(831.32)		121,557.76	132,141.75	1,304.49	0.00
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	146,000.07	157,069.77			(1,531.75)		144,468.32	157,047.15	1,509.13	0.00
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	105,125.53	113,096.14			(50,737.73)		54,387.80	59,123.34	(3,235.07)	0.00
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	148,010.11	159,913.08			(1,294.44)		146,715.67	160,242.85	1,624.21	0.00
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	664,848.95	715,257.82			(6,128.32)		658,720.63	716,075.46	6,945.96	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	36,724.31	39,677.67			(231.09)		36,493.22	39,857.89	411.31	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	422,853.09	444,630.00			(3,265.97)		419,587.12	449,650,51	8,286.48	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	460,015.14	483,705.92			(3,816.08)		456,199.06	488,885.73 476,655,24	8,995.89	0.00 0.00
GNMA	2006 ABCDE Single Family	5.45 5.45	07/29/99 10/14/99	06/20/29 08/20/29	448,634.13 148.591.67	471,738.79 156.244.21			(3,847.84)		444,786.29 147,001.07	476,633.24 157,533.75	8,764,29 2,880,14	0.00
GNMA	2006 ABCDE Single Family	5.45 5.45	08/26/99	07/20/29	295,077.20	310,273.65			(14,649.33)		280,427.87	300,520.51	4,896.19	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25	10/20/99	07/20/29	177,950.96	191,455.66			(1,505.11)		176,445,85	191.838.99	1,888.44	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	44,002.92	47,342,29			(262.51)		43,740.41	47,556.32	476.54	0.00
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	165,916,07	174,460.72			(1,737.54)		164,178,53	175.941.89	3,218.71	0.00
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	897,863.27	944,103,23			(8,264.87)		889,598.40	953,338.12	17,499.76	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	203,054.89	218,464.74	*		(1,500.37)		201,554.52	219,138.17	2,173.80	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	163,902.33	173,174.25			(1,147.10)		162,755.23	175,564.03	3,536.88	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	143,286.41	155,022.99			(1,838.73)		141,447.68	154,356.19	1,171.93	0.00
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	632,896.61	664,358.14			(2,570.96)		630,325.65	674,847.61	13,060.43	0.00
GNMA	2006 ABCDE Single Family	5.38	08/16/06	08/20/36	276,039.43	291,671.32			(1,050.40)		274,989.03	296,293.04	5,672.12	0.00
GNMA	2006 ABCDE Single Family	5.63	08/16/06	08/20/36	233,338.89	247,495.81			(966.45)		232,372.44	250,499.30	3,969.94	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/06	08/20/36	617,070.81	652,019.62			(2,573.23)		614,497.58	662,108.75	12,662.36	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	979,698.90	1,026,562.49			(4,365.96)		975,332.94	1,042,405.83	20,209.30	0.00
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	2,315,565.03	2,446,743.08			(9,120.49)		2,306,444.54	2,485,180.17	47,557.58	0.00
GNMA	2006 ABCDE Single Family	5.63	09/06/06	09/20/36	925,239.93	979,996.51			(10,694.73)		914,545.20	984,523.62	15,221.84	0.00 0.00
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	1,901,633.01	1,996,220.42			(7,816.12)		1,893,816.89	2,027,642.83	39,238.53	
GNMA	2006 ABCDE Single Family	5.38	09/12/06	09/20/36	1,033,959.77	1,092,544.10			(3,989.39)		1,029,970.38 1,351,559.34	1,109,797.00 1,447,106.30	21,242.29 28,001.97	0.00 0.00
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	1,357,177.12	1,424,722.11			(5,617.78)		211,032.46	227,501.30	2,676.81	0.00
GNMA GNMA	2006 ABCDE Single Family	5.63 5.38	09/12/06 09/20/06	09/20/36 09/20/36	227,208.55 2,105,597.13	241,000.58 2.224.918.64			(16,176.09) (105,947.39)		1,999,649.74	2,154,645.48	35,674.23	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.36 5.13	09/20/06	09/20/36	3,760,422.77	3,940,500.52			(15,976.32)		3,744,446,45	4.002,147.26	77,623.06	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	09/20/06	09/20/36	341,298,43	362.018.90			(1,317.33)		339,981.10	366,515,62	5.814.05	0.00
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	1,474,074.32	1,547,457.52			(123,434.31)		1,350,640,01	1,446,141.02	22,117.81	0.00
GNMA	2006 ABCDE Single Family	5.38	09/26/06	09/20/36	1,369,057.51	1,446,647.53			(5,735.14)		1,363,322.37	1,469,004.32	28,091.93	0.00
GNMA	2006 ABCDE Single Family	5.38	10/05/06	10/20/36	2.986.068.87	3,155,339.70			(11,827.88)		2,974,240.99	3,204,836.88	61,325.06	0.00
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	1,488,730.67	1,576,900.57			(228,962.78)		1,259,767.89	1,356,219.39	8,281.60	0.00
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	3,077,775.32	3,225,218.10			(13,151.77)		3,064,623.55	3,275,597.07	63,530.74	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	2.158.072.42	2,280,432,11			(9,789.19)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2,148,283.23	2,314,867,56	44.224.64	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	3,136,653.61	3.292.880.74			(345,239.03)		2,791,414.58	2,988,859.23	41,217,52	0.00
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	1,495,688.11	1,586,548.35			(5,820.20)		1,489,867.91	1,606,205,91	25,477.76	0.00
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	2,399,003.26	2,535,041.30			(128,680.70)		2,270,322,56	2,446,387,46	40,026,86	0.00
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	3,192,734,30	3,351,778.30			(432,642.91)		2,760,091.39	2,955,341.35	36,205,96	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	1,780,249.43	1,881,223.22			(7,090.19)		1,773,159.24	1,910,690.08	36,557.05	0.00
GNMA	2006 ABCDE Single Family	5,13	11/02/06	10/20/36	1,925,147.36	2,021,065.76			(7,801.94)		1,917,345,42	2,052,995,82	39,732.00	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	1,275,563.64	1,353,083.24			(4,621.70)		1,270,941,94	1,370,216.77	21,755.23	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,301,823.25	1,375,672.34			(98,930.61)		1,202,892.64	1,296,202.58	19,460.85	0.00
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	2,039,691.19	2,141,346.87			(7,994.07)	•	2,031,697.12	2,175,470.76	42,117.96	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	2,313,707.69	2,444,983.11			(8,739.98)		2,304,967.71	2,483,792.16	47,549.03	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	683,441.66	723,945.47			(132,047.57)		551,394.09	593,631.99	1,734.09	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,308,186.18	1,373,394.29			(5,966.25)		1,302,219.93	1,394,380.38	26,952.34	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	1,932,269.07	2,041,914.77			(7,500.64)		1,924,768.43	2,074,110.87	39,696.74	0.00
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	262,979.12	278,964.74			(928.28)		262,050.84	282,523.63	4,487,17	0.00
GNMA	2006 ABCDE Single Family	5.13	11/28/06	11/20/36	403,501.35	423,616.92			(1,542.78)		401,958.57	430,408.93	8,334.79	0.00
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/36	1,659,163.30	1,753,341.84			(143,479.74)		1,515,683.56	1,633,311.56	23,449.46	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	1,069,498.26	1,134,529.04			(4,009.47)		1,065,488.79	1,148,749.03	18,229.46	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	2,232,006.03	2,343,310.38			(11,235.00)		2,220,771.03	2,377,987.00	45,911.62	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	3,376,587.34	3,568,301.94			(141,538.55)		3,235,048.79	3,486,161.32	59,397.93	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	825,601.96	874,563.53			(158,012.05)		667,589.91	718,755.56	2,204.08	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	2,152,659.68	2,260,046.07			(8,351.67)		2,144,308.01	2,296,150.36	44,455.96	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	1,994,117.40	2,107,366.34			(7,426.21)		1,986,691.19	2,140,933.38	40,993.25	0.00
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36	785,367.64	831,953.24			(3,050.71)		782,316.93	842,286.57	13,384.04	0.00
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,196,179.59	1,246,887.07			(4,843.81)		1,191,335.78	1,266,785.43	24,742.17	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36	1,174,556.28	1,241,268.62			(5,432.86)		1,169,123.42	1,259,897.85	24,062.09	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/07	01/20/37	735,293.55	779,139.72			(2,751.89)		732,541.66	788,992.37	12,604.54	0.00
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	2,401,498.68	2,518,353.92			(142,700.55)		2,258,798.13	2,416,165.09	40,511.72	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37	1,506,790.89	1,590,861.23			(252,850.10)		1,253,940.79	1,350,145.53	12,134.40	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37	344,582.75	365,135.29			(1,221.25)		343,361.50	369,826.28	5,912.24	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37	1,841,184.99	1,943,940.11			(6,985.80)		1,834,199.19	1,974,948.42	37,994.11	0.00
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37	1,909,864.94	2,002,825.98			(7,737.56)		1,902,127.38	2,034,672.37	39,583.95	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07 02/20/07	02/20/37 02/20/37	253,411.25	268,530.54 797,491.14			(881.02)		252,530.23	271,998.58	4,349.06	0.00
GNMA	2006 ABCDE Single Family	5.38 5.13	02/20/07	02/20/37	755,329.54 1,135,245.69	1,190,513.63			(2,769.27)		752,560.27	810,316.95	15,595.08	0.00
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37	485,064.86	514,008.38			(165,358.36) (2,147.89)		969,887.33 482,916.97	1,037,481.99 520,150.17	12,326.72 8,289.68	0.00 0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38	03/06/07	02/20/37	1,030,938.47	1,088,499,63			(151,232.91)		879,705.56	947,232.70	9,965.98	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	03/06/07	02/20/37	223,317.98	236,646.56			(769.29)		222,548,69	239.710.47	3.833.20	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/07	02/20/37	268,549.28	284,581,23	-		(924.79)		267,624,49	288,266,40	4,609.96	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	1,096,005.27	1,149,397.71		•	(4,846.23)		1,091,159.04	1,167,239.76	22,688.28	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	923,940,41	975,543,26			(3,481.83)		920.458.58	991,130.00	19,068.57	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	401,078.99	420,610.92			(1,562.82)		399,516.17	427,365.36	8,317,26	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/07	04/20/37	1,046,682.87	1,097,712,49			(3,907.06)		1,042,775.81	1,115,524.75	21,719.32	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	745,941.34	790,503.94			(2,645.13)		743,296.21	800,658.23	12,799.42	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	571,039.00	602,953.96			(2,172.09)		568,866.91	612,566.56	11,784,69	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	881,647,81	924,603,34			(4,509.06)		877,138.75	938,303.61	18,209.33	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	206,135,82	218.443.31			(711.42)		205,424.40	221,270,13	3,538,24	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	377,627.47	398,731.98			(1,454.33)		376,173.14	405,069.06	7,791.41	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	614,668.85	649.011.75			(2,212.57)		612,456.28	659,493.08	12,693,90	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	1,062,557,84	1,114,343.40			(3,996.60)		1,058,561.24	1,132,391,99	22,045.19	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	346,056,68	366,724.22			(45,256.45)		300,800.23	324,008.17	2,540,40	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	618,690,45	648,863,02			(3,893.02)		614,797,43	657,697.19	12,727,19	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	278,169.50	294,791.55			(1,032.05)		277,137.45	298,528.77	4,769.27	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	511,035.78	539,605.94			(1,867.94)		509,167.84	548,290.36	10,552.36	0.00
GNMA	2006 ABCDE Single Family				113,917.46	120,726.20			(113,917.46)		-•		(6,808.74)	0.00
GNMA	2006 ABCDE Single Family	5.38	05/22/07	05/20/37	912,109.85	963,116.19			(3,338.53)		908,771.32	978,610.68	18,833.02	0.00
GNMA	2006 ABCDE Single Family	5.13	05/22/07	05/20/37	1,251,874.47	1,312,947.72			(6,887.00)		1,244,987.47	1,331,882.64	25,821.92	0.00
GNMA	2006 ABCDE Single Family	5.38	06/05/07	05/20/37	1,104,962.50	1,166,768.72			(3,959.92)		1,101,002.58	1,185,631.73	22,822.93	0.00
GNMA	2006 ABCDE Single Family	5.63	06/05/07	05/20/37	245,810.91	260,506.98			(857.53)		244,953.38	263,868.49	4,219.04	0.00
GNMA	2006 ABCDE Single Family	5.13	06/05/07	05/20/37	1,785,189.13	1,872,304.95			(7,097.37)		1,778,091.76	1,902,222.39	37,014.81	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gaïn
GNMA	2006 ABCDE Single Family	5.38	06/19/07	05/20/37	423,958.66	447,679.18			(1,491.13)		422,467.53	454,946.71	8,758.66	0.00
GNMA	2006 ABCDE Single Family	5.13	06/19/07	06/20/37	949,786.23	996,151.18			(4,187.90)		945,598.33	1,011,628.00	19,664.72	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37	441,401.44	467,798.69			(1,619.51)		439,781.93	473,749,24	7,570.06	0.00
GNMA	2006 ABCDE Single Family	5.38	08/07/07	07/20/37	427,432.30	451,583.61			(1,569.75)		425,862.55	458,841.10	8,827.24	0.00
GNMA	2006 ABCDE Single Family	5.63	08/07/07	08/20/37	1,080,436.39	1,145,649.85			(4,220.01)		1,076,216.38	1,159,942.35	18,512.51	0.00
GNMA	2006 ABCDE Single Family	5.13	08/07/07	07/20/37	1,941,087.16	2,036,906.01			(8,016.36)		1,933,070.80	2,069,122.77	40,233.12	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37	802,282.63	847,182.42			(2,947.56)		799,335.07	860,799.90	16,565.04	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37	695,704.29	728,361.25			(2,555.59)		693,148.70	740,256.91	14,451.25	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37	818,467.64	864,287.21			(2,872.78)		815,594.86	878,324.18	16,909.75	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37	758,417.79	794,029.81			(113,322.75)		645,095.04	688,947.15	8,240.09	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/07	10/20/37	65,536.04	69,499.64			(285.76)		65,250.28	70,334.50	1,120.62	0.00
GNMA GNMA	2006 ABCDE Single Family	5.38 5.38	11/21/07 09/25/07	10/20/37	608,952.15	643,434.72			(2,097.00)		606,855.15	653,925.66	12,587.94	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.13	09/25/07	09/20/37 09/20/37	1,627,466.35 1,104,977.53	1,719,519.16 1,159,587,57			(5,829:33)		1,621,637.02	1,747,312.82	33,622.99	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	08/20/37	281,898.07	298,928,10			(4,299.38)		1,100,678.15 280.828.02	1,178,210.79	22,922.60	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	09/20/37	126,253.99	133,881.66			(1,070.05) (747.92)		125,506.07	302,690.46	4,832.41	0.00 0.00
GNMA	2006 ABCDE Single Family	5.38	10/09/07	09/20/37	1,028,969.45	1,087,185.42			(3,622.25)		1,025,347.20	135,277.12 1,104,826.55	2,143.38 21,263.38	0.00
GNMA	2006 ABCDE Single Family	5.63	10/09/07	06/20/37	94,551.98	100,265.07			(315.56)		94,236.42	101,573.75	1,624.24	0.00
GNMA	2006 ABCDE Single Family	5,13	10/09/07	09/20/37	412,480.80	432.872.49			(2,162.78)		410,318.02	439,227.34	8,517.63	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37	864,131.96	912,975.76			(120,706.69)		743,425.27	801.011.07	8,742.00	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37	1.009,344,11	1,059,185.98			(3,812.67)		1,005,531,44	1,076,319.41	20,946.10	0.00
GNMA	2006 ABCDE Single Family	5.38	09/11/07	09/20/37	585,010.43	618,090,43			(2,039.62)		582,970.81	628,141,77	12,090.96	0.00
GNMA	2006 ABCDE Single Family	5.63	09/11/07	08/20/37	639,247.80	677,856.44			(118,461.38)		520,786.42	561.321.67	1,926,61	0.00
GNMA	2006 ABCDE Single Family	5.13	09/11/07	08/20/37	453,798.36	475,359.52			(1,669.83)		452,128.53	483,118.11	9,428.42	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/07	11/20/37	703,937.50	743,805.52			(2,391.42)		701,546.08	755,968,95	14,554.85	0.00
GNMA	2006 ABCDE Single Family	5.13	12/11/07	11/20/37	438,058.16	458,917.85			(1,723.73)		436,334.43	466,288.58	9,094.46	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	577,174.30	609,840.21			(1,981.67)		575,192.63	619,790.38	11,931.84	0.00
GNMA	2006 ABCDE Single Family	5.13	10/25/07	10/20/37	1,089,591.98	1,141,417.90			(4,382.22)		1,085,209.76	1,159,650.30	22,614.62	0.00
GNMA	2006 ABCDE Single Family	5.63	10/25/07	09/20/36	163,669.36	173,757.02			(814.98)		162,854.38	175,716,11	2,774.07	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	819,764.16	866,159.73			(3,352.88)		816,411.28	879,711.99	16,905.14	0.00
GNMA	2006 ABCDE Single Family	5.38	11/08/07	10/20/37	940,277.70	993,508.92			(3,221.94)		937,055.76	1,009,724.95	19,437.97	0.00
GNMA	2006 ABCDE Single Family	5.13	11/08/07	10/20/37	395,485.51	415,050.86			(1,409.08)		394,076.43	421,855,52	8,213.74	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/08	12/20/37	63,000.53	66,814.98			(202.32)		62,798.21	67,695.61	1,082.95	0.00
GNMA	2006 ABCDE Single Family	5.38	12/28/07	11/20/37	267,764.68	282,938.61			(907.90)		266,856.78	287,567.08	5,536.37	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63 5.63	12/28/07 12/28/07	12/20/37 12/20/37	65,927.39 915,171.79	69,917.63 970,562.29			(216.30)		65,711.09	70,834.29	1,132.96	0.00
GNMA	2006 ABCDE Single Family	5.38	12/11/07	11/20/37	856,799.32	905,337,61			(3,592.60) (2,945.39)		911,578.99	982,650.77	15,681.28	0.00
GNMA	2006 ABCDE Single Family	5.50	12/11/01	11/20/31	113,697.79	119,100.60			(113,697.79)		853,853.93	920,104.26	17,712.04	0.00
GNMA	2006 ABCDE Single Family	5.38	12/20/07	11/20/37	74,768.03	79,004.41			(256.69)		74,511.34	80,293.38	(5,402.81) 1,545.66	0.00 0.00
GNMA	2006 ABCDE Single Family	5,13	12/20/07	12/20/37	79,685.92	83,632.09			(280.36)		79,405.56	85,007.05	1,655.32	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/08	12/20/37	142,867,36	150,966,84			(583.48)		142,283,88	153,329.68	2,946.32	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/08	12/20/37	88,444,27	93,459,79			(299.43)		88,144.84	94,989.16	1,828.80	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	12/20/37	296,852,13	314,830.16			(1,017.70)		295.834.43	318.910.29	5,097.83	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/08	12/20/37	150,346.61	158,874,80			(937.90)		149,408.71	161,012,39	3,075.49	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	01/20/38	65,438.08	69,356.22			(209.39)		65,228.69	70,183.58	1,036.75	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/08	09/20/37	126,382.61	133,548.75			(453.46)		125,929,15	135,706,41	2,611,12	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/08	01/20/38	188,629.29	199,926.60			(613.25)		188,016.04	202,300.94	2.987.59	0.00
GNMA	2006 ABCDE Single Family	5.38	02/19/08	12/20/37	134,285.48	141,903.46			(987.46)		133,298.02	143,651.33	2,735.33	0.00
GNMA	2006 ABCDE Single Family	5.63	02/19/08	01/20/38	214,720.80	227,582.14			(687.36)		214,033.44	230,296.45	3,401.67	0.00
GNMA	2006 ABCDE Single Family	5.13	02/27/08	02/20/38	182,589.86	191,489.56			(645.67)		181,944.19	194,523.44	3,679.55	0.00
GNMA	2006 ABCDE Single Family	5.38	02/27/08	02/20/38	273,297.76	288,611.90			(1,707.29)		271,590,47	292,263.11	5,358.50	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/08	02/20/38	272,680.58	287,966.83			(948.18)		271,732.40	292,422.35	5,403.70	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/08	02/20/38	109,265.88	115,814.55			(346.53)		108,919.35	117,199.34	1,731.32	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/08	10/20/37	105,925.52	111,181.48			(376.99)		105,548.53	113,004.48	2,199.99	0.00
GNMA	2006 ABCDE Single Family	5.38	03/27/08	03/20/38	317,666.93	335,478.13			(1,229.03)		316,437.90	340,534.86	6,285.76	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/08	04/20/38	217,253.37	229,441.70			(726.78)		216,526.59	233,022.55	4,307.63	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/08	04/20/38	340,528.39	357,149.00			(1,366.64)		339,161.75	362,633.49	6,851.13	0.00
GNMA GNMA	2006 ABCDE Single Family	5.13 5.63	04/22/08 04/22/08	03/20/38 03/20/38	293,041.39	309,480.30	•		(979.44)		292,061.95	314,311.23	5,810.37	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	3.63	U4/22/U6	03/20/38	254,812.49 110,223.43	270,094.08 116,408.58			(808.52)		254,003.97	273,323.15	4,037.59	0.00
SHIPS	2000 ADODE Oligie i atiliy				110,660.40	1 10,400,30			(110,223.43)			•	(6,185.15)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2006 ABCDE Single Family	5.13	05/07/08	04/20/38	434,132.62	455,327.88			(1,673.47)		432,459.15	462,394.07	8,739.66	0.00
GNMA	2006 ABCDE Single Family	5.63	05/07/08	04/20/38	265,277.41	281,191.45			(842.10)		264,435.31	284,553.08	4,203.73	0.00
GNMA	2006 ABCDE Single Family	5.38	05/14/08	04/20/38	331,545.84	350,153.62			(1,099.14)		330,446.70	355,629.13	6,574.65	0.00
GNMA	2006 ABCDE Single Family	5.13	05/21/08	05/20/38	590,689.78	618,427.05			(2,054.60)		588,635,18	628,289.30	11,916.85	0.00
GNMA	2006 ABCDE Single Family	5.13	06/11/08	05/20/38	255,615.50	268,105.75			(878.15)		254,737,35	272,380,78	5,153.18	0.00
GNMA	2006 ABCDE Single Family	5.63	07/09/08	06/20/38	289,023.43	306,383.40			(905.16)		288,118.27	310,059.45	4,581.21	0.00
GNMA	2006 ABCDE Single Family	5.38	07/09/08	03/20/38	190,214.83	200,902,28			(628.50)		189,586.33	204,045.94	3,772.16	0.00
GNMA	2006 ABCDE Single Family	5.13	07/16/08	06/20/38	118,169.51	123,948.46			(401.70)		117,767.81	125,929.41	2,382.65	0.00
GNMA	2006 ABCDE Single Family	5.63	06/18/08	03/20/38	28,510.39	30,222.07			(93.58)		28,416.81	30,580.04	451.55	0.00
GNMA	2006 ABCDE Single Family	5.63	06/25/08	05/20/38	180.803.53	191,660,25			(579.38)		180,224,15	193,945,49	2.864.62	0.00
GNMA		5.38	06/25/08	05/20/38	597,290.95	630,842.21			(2,310.13)			640,351.82		0.00
GNMA	2006 ABCDE Single Family	5.38	07/23/08	06/20/38	328,760,57	347,238.72					594,980.82		11,819.74	
	2006 ABCDE Single Family	5.38		06/20/38					(1,068.61)		327,691.96	352,691.56	6,521.45	0.00
GNMA	2006 ABCDE Single Family		07/29/08		155,362.98	164,096.40			(503.28)		154,859.70	166,675.12	3,082.00	0.00
GNMA	2006 ABCDE Single Family	5.13	08/27/08	08/20/38	246,879.57	258,965.21			(870.22)		246,009.35	263,070.88	4,975.89	0.00
GNMA	2006 ABCDE Single Family	5.63	08/13/08	07/20/38	207,026.28	219,469.82			(638.29)		206,387.99	222,113.66	3,282.13	0.00
GNMA	2006 ABCDE Single Family	5.38	08/13/08	07/20/38	161,593.58	170,680.18			(522.74)		161,070.84	173,363,14	3,205.70	0.00
GNMA	2006 ABCDE Single Family	5.13	08/13/08	07/20/38	254,004.86	266,435.01			(1,072.05)		252,932.81	270,470.14	5,107.18	0.00
GNMA	2006 ABCDE Single Family	5.63	08/27/08	08/20/38	105,935.57	112,304.75			(323.35)		105,612.22	113,661.14	1,679.74	0.00
GNMA	2006 ABCDE Single Family	5.13	09/10/08	09/20/38	523,719.79	549,366.67			(1,904.04)		521,815.75	558,014.41	10,551.78	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	07/20/38	109,238.30	115,386.04			(351.71)		108,886.59	117,201.62	2,167.29	0.00
GNMA	2006 ABCDE Single Family	5.13	09/24/08	08/20/38	225,536.90	236,584.69			(102,801.54)		122,735.36	131,251.29	(2,531.86)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	09/20/38	232,135.45	245,200.11			(774.62)		231,360.83	249,029.23	4,603.74	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	08/20/38	126,741.05	132,952,48			(443.53)		126,297.52	135,063.77	2,554.82	0.00
GNMA	2006 ABCDE Single Family	5.63	10/15/08	08/20/38	124,393.16	131,879.01			(379.67)		124,013.49	133,471.84	1,972.50	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	09/20/38	66,997.59	70.281.14			(223.27)		66,774,32	71,409,16	1,351.29	0.00
GNMA	2006 ABCDE Single Family	5.63	10/29/08	09/20/38	162,604.99	172,393.18			(516.63)		162,088.36	174,453,46	2,576.91	0.00
GNMA	2006 ABCDE Single Family	5.13	11/12/08	10/20/38	280,996.53	294,777,39			(946.27)		280,050,26	299,498,11	5,666.99	0.00
GNMA	2006 ABCDE Single Family	5,38	11/12/08	10/20/38	87,140,12	92,049,41			(276.10)		86,864.02	93,502.60	1,729.29	0.00
GNMA	2006 ABCDE Single Family	5.13	11/25/08	09/20/38	136,109.44	142,786.50			(457.71)		135,651.73	145,073.70	2,744.91	0.00
GNMA	2006 ABCDE Single Family	5.38	11/25/08	11/20/38	479,453.52	506,472.14			(1,565,48)		477,888.04	514,418.43	9,511.77	0.00
GNMA	2006 ABCDE Single Family	5.63	12/10/08	10/20/38	132,129.56	140,089.77			(509.60)		131,619.96	141,667,21	2,087.04	0.00
GNMA	2006 ABCDE Single Family	5.38	12/10/08	11/20/38	278,794.47	294,510.15			(876.00)			299,167,47	5,533,32	0.00
	2006 ABCDE Single Family	5.13	12/10/08	11/20/38	345.005.70	361.936.74			` '		277,918.47	•		
GNMA		5.38			•				(1,690.07)		343,315.63	367,168.05	6,921.38	0.00
GNMA	2006 ABCDE Single Family		12/17/08	11/20/38	344,434.09	363,852.81			(2,127.64)		342,306.45	368,481.39	6,756.22	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	551,797.07	580,975.37			(2,484.48)		549,312.59	589,477.55	10,986.66	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	203,555.56	214,319.10			(659.19)		202,896.37	217,731.64	4,071.73	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	281,722.37	296,619.47			(903.14)		280,819.23	301,352.32	5,635.99	0.00
GNMA	2006 ABCDE Single Family	5.13	12/17/08	12/20/38	489,735.39	513,773.65			(2,057.92)		487,677.47	521,564.38	9,848.65	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	285,886.49	301,003.48			(922.58)		284,963.91	305,799,74	5,718.84	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	12/20/38	679,376.91	715,305.80			(2,215.52)		677,161.39	726,678.85	13,588,57	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	10/20/38	257,821.64	271,456.01			(834.31)		256,987.33	275,779.00	5,157.30	0.00
GNMA	2006 ABCDE Single Family	5.13	12/30/08	12/20/38	269,349.57	282,574.38			(885.42)		268,464.15	287,122.81	5,433.85	0.00
GNMA	2006 ABCDE Single Family	5.38	12/30/08	11/20/38	133,024.39	140,526.11			(681.44)		132,342.95	142,464.76	2,620.09	0.00
GNMA	2006 ABCDE Single Family	5.25	12/30/08	12/20/38	95,106.94	100,137.48			(374.90)		94,732.04	101,660,14	1,897.56	0.00
GNMA	2006 ABCDE Single Family	5.15	12/30/08	12/20/38	262,517.01	275,637,46			(858.13)		261,658.88	280,064.30	5.284.97	0.00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	558,492.95	583,507.87			(2,825.48)		555,667.47	592,621.46	11,939.07	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	361,110,11	374,556.97			(1,666.84)		359,443.27	380,571.13	7,681.00	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	330,916.75	345,740.60			(2,819.92)		328,096.83	349,918.62	6,997.94	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	570,578.54	600,007.18			(2,541.91)		568,036.63	609,394.41	11,929.14	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	749,033,29	776,930.08								
FNMA		5.38	09/06/06	09/01/36	•	•			(16,504.46)		732,528.83	775,591.82	15,166.20	0.00
	2006 ABCDE Single Family				931,726.71	973,471.51			(3,864.09)		927,862.62	989,581.94	19,974.52	0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	351,847.07	369,996.46			(1,280.26)		350,566.81	376,092,87	7,376.67	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	1,050,963.48	1,090,135.94			(4,429.01)		1,046,534.47	1,108,086.90	22,379.97	0.00
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	653,399.71	682,676.48			(125,291.36)		528,108.35	563,238.05	5,852.93	0.00
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	363,392.27	382,139.88			(91,984.63)		271,407.64	291,172.16	1,016.91	0.00
FNMA	2006 ABCDE Single Family	5.38	09/20/06	09/01/36	712,188.50	744,101.67			(125,531.81)		586,656.69	625,683.52	7,113.66	0.00
FNMA	2006 ABCDE Single Family	5.13	09/20/06	09/01/36	657,470.36	681,978.27			(2,704.53)		654,765.83	693,279.01	14,005.27	0.00
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	559,457.90	584,528.98			(2,269.87)		557,188.03	594,255.70	11,996.59	0.00
FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	1,092,370.43	1,141,326.44			(4,207.55)		1,088,162.88	1,160,559.01	23,440.12	0.00
FNMA	2006 ABCDE Single Family	5.63	10/17/06	09/01/36	660,110.30	694,173.40			(2,442.14)		657,668.16	705,568.82	13,837.56	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	1,413,680.98	1,466,396.55			(8,895.35)		1,404,785.63	1,487,432.69	29.931.49	0.00
FNMA	2006 ABCDE Single Family	5.38	10/17/06	10/01/36	1,154,421.78	1,206,167.15			(5,785.47)		1,148,636.31	1,225,063,11	24,681.43	0.00
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	1,687,974.17	1,763,642.39			(7,048.08)		1,680,926.09	1,792,777.05	36,182.74	0.00
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	1,704,723.84	1,781,150.09			(7,850.09)		1,696,873.75	1,809,793.20	36,493.20	0.00
FNMA	2006 ABCDE Single Family	5,63	11/02/06	10/01/36	568,412.06	597,748,19			(2,131.18)		566,280.88	607,530.37	11,913,36	0.00
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	911,200.17	945,184,15			(4,997.37)		906,202,80	959,523,74	19.336.96	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,223,289,38	1,278,138.33			(95,910.19)		1,127,379.19	1,202,407.29	20,179.15	0.00
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	511,509.96	537,913.07			(1,975.18)		509,534.78	546,653.97	10,716.08	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	370,688.50	384,516.30			(1,488.01)		369,200.49	390,926.54	7,898.25	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	597.475.27	624,265,06			(2,276.09)		595,199,18	634.810.87	12,821,90	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	366,662.96	385,590.13			(28,105.88)		338,557.08	363,221.76	5,737.51	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	234,861,63	243,623.20			(1,829.94)		233,031.69	246.745.50	4.952.24	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	287,226,89	300,106.86			(1,098.24)		286,128.65	305,172.61	6,163.99	
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	198,182.94	205,576,81			(50,190.13)		147,992,81	156,702,58		0.00 0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	380.913.05	400,577,03			(1,490.40)		,		1,315.90	
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	403.341.52	421,430.92			(1,784.61)		379,422.65 401,556.91	407,065.74	7,979.11	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	407,707.10	428,756.92						428,286.07	8,639.76	0.00
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	587,354,64	607.330.79			(1,654.93)		406,052.17	435,638.06	8,536.07	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	1,387,906.15	1,450,160.86			(3,188.86)		584,165.78	616,596.32	12,454.39	0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	427,135,65	449,192.11			(126,478.70)		1,261,427.45	1,345,400.97	21,718.81	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	397,349.20	•			(2,035.38)		425,100.27	456,077.19	8,920.46	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,390,412.67	412,178.19			(1,646.92)		395,702.28	418,994.64	8,463.37	0.00
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36	364.715.29	1,452,790.01 383,550.42			(146,838.07)		1,243,574.60	1,326,367.63	20,415.69	0.00
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36	304,713∠9 419,863,06	435,535,74			(1,339.95)		363,375.34	389,856.35	7,645.88	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	12/01/36					(176,156.10)		243,706.96	258,054.42	(1,325.22)	0.00
FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	01/30/07	12/01/36	1,154,717.52	1,213,771.14			(4,501.49)		1,150,216.03	1,234,097.85	24,828.20	0.00
FNMA		5.13	01/30/07	01/01/37	929,025.00	977,011.82			(3,791.94)		925,233.06	992,668.48	19,448.60	0.00
FNMA	2006 ABCDE Single Family	5.13			366,769.79	380,464.43			(1,844.13)		364,925.66	386,413.39	7,793.09	0.00
	2006 ABCDE Single Family	5.63	02/13/07	01/01/37	1,000,216.69	1,045,105.71			(5,592.45)	•	994,624.24	1,060,860.06	21,346.80	0.00
FNMA	2006 ABCDE Single Family		02/13/07	01/01/37	317,011.92	333,388.84			(1,167.20)		315,844,72	338,867.38	6,645.74	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	357,251.23	370,592.69			(1,484.19)		355,767.04	376,717.74	7,609.24	0.00
FNMA FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	290,248.30	302,969.60			(1,403.98)		288,844.32	307,906.82	6,341.20	0.00
FNMA FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	522,312.69	549,297.16			(1,865.68)		520,447.01	558,385.28	10,953.80	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	446,942.91	463,635.27		•	(1,763.10)		445,179,81	471,397.33	9,525.16	0.00
	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	571,391.53	595,735.41			(5,308.00)		566,083.53	602,728.05	12,300.64	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	265,636.05	279,060.14			(929.28)		264,706.77	283,757.42	5,626.56	0.00
FNMA FNMA	2006 ABCDE Single Family	5.13	03/20/07	09/01/36	78,937.75	81,886.50			(1,744.07)		77,193.68	81,740.37	1,597.94	0.00
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	347,625.60	365,902.84			(1,271.40)		346,354.20	372,005.17	7,373.73	0.00
	2006 ABCDE Single Family	5.38	03/20/07	09/01/36	228,776.81	239,046.57			(110,905.58)		117,871.23	125,722.00	(2,418.99)	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	428,691.36	444,291.94			(2,339.62)		426,351.74	451,369.68	9,417.36	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	959,266.66	1,001,332.15			(3,840.42)		955,426.24	1,018,502.44	21,010.71	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	518,046.40	544,234.99			(2,127.90)		515,918.50	553,057.49	10,950.40	0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	864,035.37	895,484.03			(3,457.89)		860,577.48	911,080.89	19,054,75	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	1,399,400.23	1,462,252.76			(5,573.84)		1,393,826.39	1,486,695.85	30,016.93	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	334,546.48	346,725.54			(1,299.81)		333,246.67	352,805.90	7,380.17	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37	236,308.36	248,256.08			(837.10)		235,471.26	252,423.67	5,004.69	0.00
FNMA	2006 ABCDE Single Family	5.13	05/08/07	04/01/37	247,315.03	256,320.01			(930.43)		246,384.60	260,847.20	5,457.62	0.00
FNMA	2006 ABCDE Single Family	5,38	05/22/07	04/01/37	226,266.39	236,193.08			(826.76)		225,439.63	240,327.52	4,961.20	0.00
FNMA	2006 ABCDE Single Family	5.13	05/22/07	04/01/37	197,889.19	205,095.75			(782.66)		197,106.53	208,677.79	4,364.70	0.00
FNMA	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	330,040.89	344,870.92			(1,352.25)		328,688.64	350,595.59	7,076.92	0.00
FNMA	2006 ABCDE Single Family	5.63	06/05/07	05/01/37	383,728.58	403,137.57			(64,581.58)		319,147.00	342,130.10	3,574.11	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37	419,193.82	434,462.30			(2,040.52)		417,153.30	441,645.23	9,223.45	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37	619,912.61	647,117.00			(3,596.93)		616,315.68	657,025.30	13,505.23	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37	515,822.86	541,920.27			(1,761.23)		514,061.63	551,089.09	10,930.05	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37	380,746.45	394,619.72			(2,870.52)		377,875.93	400,067.44	8,318.24	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37	1,863,652.49	1,954,623.71			(15,882.65)		1,847,769.84	1,979,036.05	40,294.99	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37	459,978.55	485,528.55			(1,717.53)		458,261.02	493,563.44	9,752.42	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37	1,733,136.04	1,804,759.22			(6,502.87)		1,726,633.17	1,836,577.56	38,321.21	0.00
FNMA	2006 ABCDE Single Family	5.13	08/29/07	08/01/37	680,914.38	709,066.58			(2,589.17)		678,325.21	721,531.08	15,053.67	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/07	07/01/37	623,114.03	653,538.91			(4,480.88)		618,633.15	662,590.43	13,532.40	0.00
FNMA	2006 ABCDE Single Family	5.38	09/11/07	08/01/37	667,212.39	699,803.19			(2,570.87)		664,641.52	711,880.87	14,648.55	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2006 ABCDE Single Family	5.13	09/11/07	09/01/37	174,886.95	182,120.00			(1,119.79)		173,767.16	184,837.67	3,837.46	0.00
FNMA	2006 ABCDE Single Family	5.63	09/11/07	08/01/37	268,223.27	283,130.87			(918.83)		267,304.44	287,905.70	5,693.66	0.00
FNMA	2006 ABCDE Single Family	5.38	09/25/07	09/01/37	1,748,479.72	1,833,912,27			(84,863.63)		1,663,616.09	1,781,882.69	32,834.05	0.00
FNMA	2006 ABCDE Single Family	5.63	09/25/07	07/01/37	166,526.44	175,783.77			(942.73)		165,583.71	178,347.10	3,506.06	0.00
FNMA	2006 ABCDE Single Family	5.13	09/25/07	09/01/37	950,685.65	990,016.42			(3,723.08)		946,962.57	1,007,304.66	21,011.32	0.00
FNMA	2006 ABCDE Single Family	5.38	10/09/07	08/01/37	311,362.87	328,619.56			(1,218.12)		310,144.75	334,309.44	6,908.00	0.00
FNMA	2006 ABCDE Single Family	5.13	10/09/07	09/01/37	472,066.15	495,833.54			(1,712.08)		470,354.07	504,087.29	9,965.83	0.00
FNMA	2006 ABCDE Single Family	5.63	10/09/07	09/01/37	259,923.07	276,144.99			(874.20)		259,048.87	280,088.00	4,817.21	0.00
FNMA	2006 ABCDE Single Family	5.38	10/25/07	10/01/37	1,780,270.29	1,878,972.32			(153,032.40)		1,627,237.89	1,754,054.56	28,114.64	0.00
FNMA	2006 ABCDE Single Family	5.13	10/25/07	10/01/37	943,592.51	991,116.08			(4,163.37)		939,429.14	1,006,820.10	19,867.39	0.00
FNMA	2006 ABCDE Single Family	5.38	11/08/07	09/01/37	634,352.45	669,529.05			(3,267.87)		631,084.58	680,274.18	14,013.00	0.00
FNMA	2006 ABCDE Single Family	5.13	11/08/07	10/01/37	290,674.12	305,317.48			(1,357.86)		289,316.26	310,074.12	6,114.50	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	10/01/37	408,456.13	431,111.84			(1,501.50)		406,954.63	438,680.29	9,069.95	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/07	09/01/37	385,489.32	404,912.90			(1,436.05)		384,053.27	411,612.48	8,135.63	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	11/01/37	531,928.35	561,433.78			(1,892.08)		530,036.27	571,357.82	11,816.12	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	10/01/37	1,033,134.67	1,090,457.90			(4,095.64)		1,029,039.03	1,109,280.64	22,918.38	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	11/01/37	556,427.31	584,476.27			(2,001.49)		554,425.82	594,223.34	11,748.56	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	11/01/37	291,623.29	307,804.57			(1,047.69)		290,575.60	313,234.51	6,477.63	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	12/01/37	389,546.29	409,183.37			(1,880.85)		387,665.44	415,493.09	8,190.57	0.00
FNMA	2006 ABCDE Single Family	5.13	12/20/07	11/01/37	344,798.17	362,182.04			(1,289.39)		343,508.78	368,168.96	7,276.31	0.00
FNMA	2006 ABCDE Single Family	5.38	12/20/07	10/01/37	73,300.49	77,368.15			(881.89)		72,418.60	78,066.13	1,579.87	0.00
FNMA	2006 ABCDE Single Family	5.63	12/28/07	10/01/37	1,212,949.20	1,288,742.37			(4,345.95)		1,208,603.25	1,306,854.62	22,458.20	0.00
FNMA	2006 ABCDE Single Family	5.13	01/16/08	12/01/37	330,528.07	347,201.26			(1,179.27)		329,348.80	353,001.37	6,979.38	0.00 0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	182,335.34	191,535.40			(937.61)		181,397.73	194,427.38	3,829.59	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/08	11/01/37	64,430.18	68,008.16			(219.13)		64,211.05	69,221.19	1,432.16 5,270.17	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	249,802.65	262,406.90			(956.36)		248,846.29 110,362.62	266,720.71 118,103,24	2,277.27	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/08	01/01/38	110,751.86	116,215.21			(389.24)		410,811.42	442,258,41	8,903.48	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/08	01/01/38	412,200.96	434,744,47			(1,389.54) (810.40)		152,696,42	165,115.62	2,820.98	0.00
FNMA	2006 ABCDE Single Family	5.63	02/19/08	04/01/37	153,506.82	163,105.04			(802.10)		207,933.68	224,162.04	4,632.46	0.00
FNMA	2006 ABCDE Single Family	5.38 5.13	02/19/08 02/19/08	12/01/37 01/01/38	208,735.78 243,880.83	220,331.68 255,912.96			(1,364.23)		242,516.60	259,527,60	4,978.87	0.00
FNMA	2006 ABCDE Single Family	5.13	02/27/08	02/01/38	184,227.01	193,317.62			(647.09)		183,579.92	196,458.67	3,788.14	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/08	11/01/37	255,992.59	270,220,55			(969.10)		255,023.49	274,933.92	5,682.47	0.00
FNMA FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.13	04/08/08	03/01/38	176,126.88	184,824.70			(701.26)		175,425.62	187,739.34	3,615.90	0.00
FNMA	2006 ABCDE Single Family	5.63	04/15/08	12/01/37	141,952.37	150,837,44			(779.28)		141,173.09	152,664.62	2,606.46	0.00
FNMA	2006 ABCDE Single Family	5.38	04/15/08	01/01/38	240,775.12	254,163.98			(875.29)		239,899,83	258,636.32	5,347.63	0.00
FNMA	2006 ABCDE Single Family	5.13	04/15/08	04/01/38	116,087.31	121,821.00			(402.54)		115,684.77	123,805,94	2,387,48	0.00
FNMA	2006 ABCDE Single Family	5.38	04/29/08	04/01/38	157,792.18	166,569,27			(762.95)		157,029.23	169,296.15	3,489.83	0.00
Repo Agmt	2006 ABCDE Single Family	0.16	11/30/09	12/01/09	21,041.43	21,041.43	0.00		(,		21,041.43	21,041.43		0.00
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	8,163,91	8,807,14			(36.92)		8,126.99	8,853.14	82.92	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	8,888.06	9.406.54			(45.19)		8,842.87	9,539.25	177.90	0.00
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	8,547.76	9,221.18			(48.86)		8,498.90	9,258.21	85.89	0.00
GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	10,855.46	11,488.24			(71.56)		10,783.90	11,632.67	215.99	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	5,466.03	5,896.53			(28.17)		5,437.86	5,923.58	55.22	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,346.88	3,542.00			(16.93)		3,329.95	3,592.06	66.99	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	9,283.00	10,014.64			(216.17)		9,066.83	9,877.20	78.73	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	6,109.59	6,590.86			(34.83)		6,074.76	6,617.45	61.42	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,605.64	2,757.57			(22.71)		2,582.93	2,786.26	51.40	0.00
GNMA	2006 ABCDE Single Family	6.15	11/05/02	10/20/32	2,969.47	3,203.44			(13.38)		2,956.09	3,220.24	30.18	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	6,587.61	6,971.81			(38.93)		6,548.68	7,064.30	131,42	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	3,912.57	4,220.89			(17.49)		3,895.08	4,243.16	39.76	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,755.35	5,032.80			(24.73)		4,730.62	5,103.21	95.14	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	17,178.91	18,532.75			(87.03)		17,091.88	18,619.37	173.65	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	8,552.51	9,051.57			(52.19)		8,500.32	9,169.88	170.50	0.00
GNMA	2006 ABCDE Single Family	6.15		11/20/32	4,892.59	5,278.15			(23.38)		4,869.21	5,304.36	49.59	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	6,853.39	7,253.27			(36.84)		6,816.55	7,353.46	137.03	0.00
GNMA	2006 ABCDE Single Family	5.40		12/20/32	5,095.79	5,393.25			(53.77)		5,042.02	5,439.29	99.81	0.00
GNMA	2006 ABCDE Single Family	6.15		12/20/32	3,010.13	3,247.47			(14.98)		2,995.15	3,262.94	30.45	0.00
GNMA	2006 ABCDE Single Family	5.40		12/20/32	9,821.69	10,395.11			(48.80)		9,772.89	10,543.00	196.69	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	8,378.05	9,038.57			(2,686.82)		5,691.23	6,200.04	(151.71)	0.00

investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	4,853.10	5,136.46			(24.02)		4,829.08	5,209.65	97,21	0.00
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	5,550.62	5,988.23			(25.69)		5,524.93	6,018.87	56.33	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	23,341.30	25,050.38			(125.19)		23,216.11	25,169.89	244.70	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,732.83	5,008.52			(23.42)		4,709.41	5,080.89	95.79	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,139.11	5,515.38			(39.42)		5,099.69	5,528.85	52.89	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,909.29	5,195.34			(24.13)		4,885.16	5,270.59	99.38	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	5,004.78	5,371.23			(38.10)		4,966.68	5,384.65	51.52	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	16,183.93	17,126.80			(90.02)		16,093.91	17,363.54	326.76	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	15,402.10	16,530.15			(2,698.36)		12,703.74	13,773.07	(58.72)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	8,217.88	8,819.78			(45.68)		8,172.20	8,860.12	86.02	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,623.80	5,951.62			(27.29)		5,596.51	6,038.20	113,87	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	16,076,44	17,254.10			(70.89)		16,005.55	17,353.04	169.83	0.00
GNMA	2006 ABCDE Single Family	5.40	02/27/03	01/20/33	5,096.82	5,393.83			(25.13)		5,071.69	5,471.86	103.16	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	15,169.03	16,280.35			(68.70)		15,100.33	16,371,76	160,11	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,514.82	8,065,53			(39.28)		7,475.54	8,105,12	78.87	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	2,158.08	2,316.24			(9.31)		2,148.77	2,329.75	22.82	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	4,772.07	5,121.81			(20.72)		4,751.35	5.151.52	50.43	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	14,920.15	16,013.63			(96.69)		14,823.46	16,071.96	155.02	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,398,35	3,647,39			(14,91)		3,383,44	3,668,39	35.91	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	7,869.75	8,446.63			(34.33)		7,835.42	8,495.47	83.17	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	5,415.87	5,812.88			(23.53)		5.392.34	5,846.60	57.25	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,216.26	4,525.36			(19.04)		4,197.22	4,550.82	44.50	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	2,467.92	2,648.84			(11.41)		2,456.51	2,663.47	26.04	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	4,037.18	4,333.18			(18.13)		4,019.05	4,357.67	42.62	0.00
GNMA	2006 ABCDE Single Family	6.15	05/15/03	04/20/33	4,160.34	4,465.48			(18.22)		4,142,12	4,491.24	43,98	0.00
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	3,050.80	3.274.60			(13.31)		3,037.49	3,293.52	32.23	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	1,965.99	2,110.24			(8.43)		1,957,56	2,122.59	20.78	0.00
GNMA	2006 ABCDE Single Family	6,15	07/17/03	07/20/33	2,491.05	2,673.87			(10.96)		2,480.09	2,689.23	26.32	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	4,365.00	4.685.33			(32.06)		4.332.94	4.698.31	45.04	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,196.73	4,504.72			(18.73)		4,178.00	4,530.30	44.31	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,331.42	2,502.54			(9.89)		2.321.53	2,517.33	24.68	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	7.987.96	8,574.77			(42.01)		7,945.95	8,616.58	83.82	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,794.58	2,999.89			(11.82)		2,782.76	3,017.63	29.56	0.00
GNMA	2006 ABCDE Single Family	6.15	01/15/04	12/20/33	3,149.02	3,380,63			(13.15)		3,135,87	3,400.81	33,33	0.00
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	3,045.44	3,254,14			(12.16)		3.033.28	3,276.10	34.12	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	17,101.33	18,083,46			(78.37)		17,022.96	18,352.95	347.86	0.00
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	1,918.97	2,050.55			(7.84)		1,911.13	2,064.19	21.48	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	23,769.37	25,134.02			(107.87)		23,661.50	25,509.72	483.57	0.00
GNMA	2006 ABCDE Single Family	5.40	09/02/04	09/20/34	35,364.37	37,397.39			(158.43)		35,205.94	37,958.65	719.69	0.00
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	40,174.20	42,407.79			(179.26)		39,994.94	43,046.91	818.38	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	31,059.57	32,845,42			(5,999.59)		25,059.98	27,019.64	173.81	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	5,274.22	5,577.14			(24.24)		5,249.98	5,660.17	107.27	0.00
GNMA	2006 ABCDE Single Family	5.40	07/22/04	07/20/34	17,223.67	18,213.10			(79.87)		17,143.80	18,483.52	350.29	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	14,477.83	15,309.52			(64.25)		14,413.58	15,539.94	294.67	0.00
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	9,439.87	9.982.29			(43.63)		9,396.24	10,130.65	191,99	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	28,671.87	30,319,48			(126.19)		28,545.68	30,776.97	583.68	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	5,271.97	5,574.98			(55.07)		5,216.90	5,624.74	104.83	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	10,469,91	11.072.68			(5,522,28)		4,947.63	5,334.91	(215.49)	0.00
GNMA	2006 ABCDE Single Family	, 5.40	10/14/04	10/20/34	32,554.37	34,365.32			(10,605.12)		21,949.25	23,624.87	(135.33)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/14/04	09/20/34	7,422.64	7,568.40			(37.59)		7,385.05	7,683.43	152.62	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	58,953.87	62,345.49			(288.10)		58,665.77	63,255.29	1,197.90	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	15,404.79	15,707.51			(78.97)		15,325.82	15,945.24	316.70	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	14,698.81	15,516.66			(67.19)		14,631.62	15,748,79	299.32	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	27,296.54	27,747.79			(155.55)		27,140.99	28,156.83	564.59	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	104,994.50	106,730.71			(755.39)		104,239.11	108,141.11	2,165.79	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	16,914.41	17,887.75			(73.21)		16,841.20	18,158.98	344.44	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	25,658.42	26,082.94			(149.72)		25,508.70	26,463.81	530.59	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,268.55	3,456.62			(13.94)		3,254.61	3,509.24	66.56	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	22,670.69	23,045.94			(128.97)		22,541.72	23,385.89	468.92	0.00
GNMA	2006 ABCDE Single Family	5.40	09/08/05	08/20/35	2,845.78	3,007.58	•		(12.23)		2,833.55	3,053.40	58.05	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Śales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,735.27	2,868.43			(14.60)		2.720.67	2,910.94	57.11	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	2,700.80	2,895.59			(48.70)		2,652,10	2,891,60	44.71	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	4,970.98	5,311,16			(20.18)		4,950.80	5,375.46	84.48	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	14,564,97	15,258,41			(65.55)		14,499,42	15,498,75	305.89	0.00
FNMA	2006 ABCDE Single Family	4,49	11/04/04	10/01/34	7,496,48	7,601.35			(37.57)		7,458,91	7,735,57	171,79	0.00
GNMA	2006 ABCDE Single Family	5,40	08/29/02	08/20/32	7,218.30	7,638.64			(4,020.01)		3.198.29	3,449.69	(168,94)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	2,995,55	3,231,44			(14.21)		2,981.34	3.247.60	30.37	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	11,484.24	12,153.60			(64.61)		11,419,63	12.318.36	229.37	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	85,259.41	86,672.36			(524.55)		84,734,86	87,909.88	1,762.07	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	62,249.55	63,281.49			(306.59)		61,942.96	64,264,28	1,289.38	0.00
GNMA	2006 ABCDE Single Family	4,49	11/23/04	11/20/34	96,142.67	97,734.27			(8,347.32)		87,795.35	91,083.45	1,696,50	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	128,456.88	130,584.92			(686.47)		127,770.41	132,557.30	2,658,85	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	79,657.93	80,978.89			(392.28)		79,265.65	82,236,58	1,649,97	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	62,232.95	63,265.22			(349.15)		61,883.80	64,203.51	1,287.44	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	138,757.44	140,808.67			(758.65)		137,998.79	143,071.62	3,021.60	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	21,345.13	22,553.85			(96.72)		21,248.41	22,892.21	435.08	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	73,155.33	74,237,14			(421.68)		72,733.65	75,407.71	1,592.25	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	9,107.52	9,623.27			(6,626.69)		2,480.83	2,672.72	(323.86)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	110,561.15	112,196.68			(10,426.59)		100,134.56	103,816.54	2,046.45	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	12,585.60	13,298.42			(52.84)		12,532.76	13,502.44	256.86	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	139,533.11	141,598.07			(1,012.95)		138,520.16	143,614.45	3,029.33	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	173,382.59	175,950.07			(14,378.00)		159,004.59	164,853,71	3,281.64	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	54,687.18	55,497.34			(288.70)		54,398.48	56,399.92	1,191.28	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	136,312.46	138,331.87			(712.43)		135,600.03	140,589.07	2,969.63	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	4,967.61	5,253.89			(21.19)		4,946.42	5,333.88	101,18	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	53,589.60	54,383.81			(324.25)		53,265.35	55,225,42	1,165.86	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	86,992.98	88,282.64			(498.11)		86,494.87	89,678.12	1,893.59	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	83,875.16	85,119.35			(427.99)		83,447.17	86,519.04	1,827.68	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	21,672.72	21,994.36			(108.59)		21,564.13	22,358.11	472.34	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	6,017.51	6,358.66			(26.60)		5,990.91	6,454.77	122.71	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	50,809.97	51,564.25			(259.58)		50,550.39	52,411.83	1,107.16	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	45,768.54	46,448.24			(228.16)		45,540.38	47,217.61	997.53	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	56,589.56	57,430.79			(292.65)		56,296.91	58,371.13	1,232.99	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	47,939.95	48,803.65			(232.39)		47,707.56	49,609.37	1,038.11	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	5,097.43	5,376.92			(21.41)		5,076.02	5,459.60	104.09	0.00
GNMA	2006 ABCDE Single Family	4,49	04/21/05	04/20/35	72,046.48	73,118.26			(346.61)		71,699.87	74,342.39	1,570.74	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	69,881.20	70,921.18			(334.65)		69,546.55	72,110.12	1,523.59	0.00
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	6,341.08	6,700.81			(26.67)		6,314.41	6,803.56	129.42	0.00
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	105,683.62	107,257.37			(6,120.19)		99,563.43	103,234.41	2,097.23	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	5,232.22	5,519.18			(23.09)		5,209.13	5,602.84	106.75	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	5,599.93	5,917.98			(25.01)		5,574.92	6,007.15	114.18	0.00
GNMA	2006 ABCDE Single Family	5.40	05/26/05	05/20/35	7,709.94	8,147.56			(31.92)		7,678.02	8,273.04	157.40	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	25,696.69	26,079.76			(8,620.02)		17,076,67	17,706.58	246.84	0.00
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	3,593.37	3,797.34			(15.28)		3,578.09	3,855.38	73.32	0.00
GNMA	2006 ABCDE Single Family	5.40	08/11/05	07/20/35	3,079.63	3,254.58			(12.49)		3,067.14	3,305.00	62.91	0.00
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	15,227.98	15,441.37			(89.25)		15,138.73	15,700.62	348.50	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	15,154.27	15,366.79			(78.40)		15,075.87	15,635.58	347.19	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	13,924.89	14,102.98			(80.79)		13,844.10	14,332.51	310.32	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	16,552.22	16,784.65			(91.23)		16,460.99	17,072.42	379.00	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	4,062.93	4,256.64			(17.21)		4,045.72	4,324.84	85.41	0.00
FNMA FNMA	2006 ABCDE Single Family	4,49 5,40	04/07/05	02/01/35	14,279.35	14,462.42			(91.99)		14,187.36	14,688.33	317.90	0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	5,395.93	5,648.40	11 000 000 10	(00.070.000.40)	(22.69)		5,373.24	5,739.88	114.17	0.00
	2006 ABCDE Single Family Total				253,504,258.24	265,660,376.65	11,939,905.13	(20,370,626.49)	(6,526,595.36)	0.00	238,546,941.52	254,825,684.44	4,122,624.51	0.00
Repo Agmt	2006 FGH Single Family	0.16	11/30/09	12/01/09	642,850.67	642,850.67	172.15				643,022.82	643,022.82		0.00
Repo Agmt	2006 FGH Single Family				34,609.73	34,609.73		(34,609.73)			•		-	0.00
Repo Agmt	2006 FGH Single Family	0.16	11/30/09	12/01/09	8,631,540.51	8,631,540.51		(7,548,308.96)			1,083,231.55	1,083,231.55	-	0.00
GIC's	2006 FGH Single Family	4.33	05/25/07	02/26/36			3,655,075.29	•			3,655,075.29	3,655,075.29	-	0.00
FNMA	2006 FGH Single Family	5.15	08/27/09	07/01/39	76,247.13	80,100.76			(239.57)		76,007.56	81,444.54	1,583.35	0.00
Freddie Mac	2006 FGH Single Family	5.49	05/28/08	05/01/38	254,002.97	267,014.41			(835.22)		253,167.75	271,820.32	5,641.13	0.00

	•	Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Freddie Mac	2006 FGH Single Family	5.15	05/28/08	04/01/38	155,977.48	162,340.51			(595.98)		155,381.50	165,139.94	3,395.41	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/18/08	02/01/38	42,906.59	45,313.03			(135.59)		42,771.00	46,077.03	899.59	0.00
Freddie Mac	2006 FGH Single Family	5.49	06/18/08	05/01/38	146,883.73	154,410.26			(473.58)		146,410.15	157,199,39	3,262.71	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/18/08	05/01/38	78,964.10	82,186.73			(279.17)		78,684.93	83,627.85	1,720.29	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/25/08	04/01/38	129,317.27	136,571.05			(36,043.96)		93,273.31	100,483.68	(43.41)	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/09/08	04/01/37	111,395.28	115,941.83			(414.14)		110,981.14	117,952.99	2,425.30	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/16/08	06/01/38	163,483.79	170,149.50			(610.87)		162,872.92	173,098.27	3,559.64	0.00
Freddie Mac	2006 FGH Single Family	5.70	07/16/08 07/23/08	06/01/38 06/01/38	257,081.75	271,506.86			(1,398.93)		255,682.82	275,452,75	5,344.82	0.00
Freddie Mac Freddie Mac	2006 FGH Single Family 2006 FGH Single Family	5.49 5.15	08/13/08	07/01/38	76,918.23 79,483,70	80,861.74 82,726.15			(246.46)		76,671.77	82,324.01	1,708.73	0.00
Freddie Mac	2006 FGH Single Family	5.15	09/17/08	07/01/38	58.249.72	60,627.48			(480.31) (646.03)		79,003.39 57,603.69	83,965.09 61,222.89	1,719,25 1,241,44	0.00
Freddie Mac	2006 FGH Single Family	5.70	10/08/08	08/01/38	105,536.81	111,465,44			(321.37)		105,215,44	113.357.89	2.213.82	0.00
Freddie Mac	2006 FGH Single Family	5.49	10/22/08	08/01/38	104,470,34	109.833.74			(330.64)		104,139.70	111,824.32	2,321.22	0.00 0.00
Freddie Mac	2006 FGH Single Family	5.10	11/12/08	10/01/38	177,187.31	184.154.70			(1,218.46)		175,968,85	186,750,80	3,814.56	0.00
Freddie Mac	2006 FGH Single Family	5.70	11/19/08	08/01/38	95,007.93	100,348.08			(289.06)		94,718.87	102,052,05	1,993.03	0.00
Freddie Mac	2006 FGH Single Family	5.15	01/14/09	11/01/38	140.944.42	146.710.80			(466.75)		140,477.67	149,317.03	3,072,98	0.00
Freddie Mac	2006 FGH Single Family	5.15	03/31/09	12/01/38	95,893.95	99,822.73			(315.65)		95,578.30	101,598.06	2,090.98	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/20/09	03/01/39	157,726.20	164,178,49			(631.88)		157,094.32	166,978,91	3,432.30	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/24/09	05/01/39	64,786.64	67,445.24			(216.01)		64,570.63	68,641.81	1,412.58	0.00
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37	4,888,531.38	5,178,081.02			(146,352.45)		4,742,178.93	5,122,157.24	90,428.67	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37	39,496.56	41.452.55			(377.73)		39,118.83	41,877.94	803.12	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	2,196,864.83	2,327,025.98			(9,057.39)		2,187,807.44	2,363,148.87	45,180.28	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37	181,587.30	192,345.50			(641.67)		180,945.63	195,446.89	3,743.06	0.00
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37	480,618.71	510,248.97			(1,651.71)		478,967.00	516,849.18	8,251.92	0.00
GNMA	2006 FGH Single Family	5,15	02/20/07	01/20/37	264,158.11	277,241.99			(1,008.49)		263,149.62	281,711.91	5,478.41	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	1,169,195.38	1,238,473.56			(4,379.84)		1,164,815.54	1,258,174,56	24,080.84	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	747,434.67	784,468.97			(3,507.47)		743,927.20	796,416.73	15,455.23	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	1,293,926.31	1,370,639.49			(4,856.54)		1,289,069.77	1,392,432.71	26,649.76	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	119,280.48	125,192.18			(448.74)		118,831.74	127,217.86	2,474.42	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49 5.49	03/06/07 03/20/07	02/20/37 02/20/37	2,017,840.15 282,099.04	2,124,639.74 298,822.98			(8,489.00)		2,009,351.15	2,157,557.04	41,406.30	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	501.740.01	532,707,93			(1,206.02)		280,893.02	303,415.56	5,798.60	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	1,535,432.07	1,608,707,08			(1,874.93) (6,116.45)		499,865.08 1,529,315.62	539,436.08 1,634,415.91	8,603.08	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,467,156.83	1,554,196.89			(137,940.81)		1,329,216,02	1,435,851.73	31,825.28 19,595.65	0.00 0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	1,267,221.81	1,327,656.83			(5,490.11)		1,261,731.70	1,348,401.73	26,235.01	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	398,310.46	421,926.85			(1,417.18)		396,893,28	428,719.55	8,209,88	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	1.747.394.69	1,830,761.02			(6,676.75)		1,740,717.94	1,860,320.21	36,235.94	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	1,324,533.70	1,403,089.86			(5,507.07)		1,319,026,63	1,424,820,41	27.237.62	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	02/20/37	182,618.13	193,448.56			(1,013.60)		181,604.53	196,169.89	3,734.93	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	04/20/37	378,562.73	397,346.06			(1,589.68)		376,973.05	403,597.78	7,841.40	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	72,129.33	75,707.98			(280.89)		71,848.44	76,922.69	1,495.60	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	676,673.87	716,828.14			(2,380.96)		674,292.91	728,397.29	13,950.11	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	190,295.97	201,588.26			(674.06)		189,621.91	204,836.93	3,922.73	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	176,979.22	186,772.94			(615.91)		176,363.31	189,191.01	3,033.98	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07	05/20/37	951,187.42	998,399.08			(3,682.26)		947,505.16	1,014,441.61	19,724.79	0.00
GNMA	2006 FGH Single Family	5.49	05/22/07	04/20/37	532,878.17	564,506.92			(2,147.99)		530,730.18	573,323.40	10,964.47	0.00
GNMA	2006 FGH Single Family	5.70	05/22/07	04/20/37	315,429.44	334,907,21			(116,540.84)		198,888.60	214,639.15	(3,727.22)	0.00
GNMA	2006 FGH Single Family	5.15	06/05/07	05/20/37	1,357,958.49	1,425,378.72			(135,192.28)		1,222,766.21	1,309,166.97	18,980.53	0.00
GNMA GNMA	2006 FGH Single Family	5.70 5.49	06/05/07 06/05/07	05/20/37 05/20/37	432,171.93	458,865.98			(1,441.60)		430,730.33	464,848.59	7,424.21	0.00
GNMA	2006 FGH Single Family	5.49 5.15	06/19/07	06/20/37	939,510.54	995,290.86			(3,260.67)	•	936,249.87	1,011,404.00	19,373.81	0.00
GNMA	2006 FGH Single Family 2006 FGH Single Family	5.15	06/19/07	06/20/37	1,286,985.96 427,326,40	1,350,904.40 453,728.49			(5,812.50)		1,281,173,46	1,371,723,48	26,631.58	0.00
GNMA	2006 FGH Single Family	5.15	07/03/07	06/20/37	1,394,329.33	1,463,599.73			(1,463.72) (5,160.60)		425,862.68	459,602.82	7,338.05	0.00 0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37	415,677,51	441,366,13			(1,379.21)		1,389,168.73 414,298.30	1,487,371.15 447,128.08	28,932.02 7,141.16	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37	430,178.61	455,733.79			(1,478.97)		428,699,64	447,128.08 463,126.96	7,141.16 8.872.14	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37	445.344.26	471,799,42			(1,533.58)		443,810,68	479,450.06	9,184.22	0.00
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37	1,057,388.46	1,109,935.30			(3,900.62)		1,053,487.84	1,127,976.41	21,941.73	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37	398,244.44	422,861.69			(1,320.56)		396,923.88	428,382.95	6.841.82	0.00
GNMA	2006 FGH Single Family	5.15	08/07/07	07/20/37	1,298,640.99	1,363,849.62			(4,795.48)		1,293,845.51	1,386,006.99	26,952.85	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37	522,304.85	554,864.50			(1,783.18)		520,521.67	562,051.68	8,970.36	0.00
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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37 10/20/37	567,383.95 789,626.36	601,392.65 827,886.81			(2,717.59) (2,829.25)		564,666.36 786,797,11	610,316.16 841,451 <i>.</i> 24	11,641.10 16,393.68	0.00 0.00
GNMA	2006 FGH Single Family 2006 FGH Single Family	5.15 5.70	11/21/07 11/21/07	11/20/37	468,630.82	497,903,44			(1,511.83)		467,118,99	504,448.44	8,056.83	0.00
GNMA GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	65,035,99	68,942,38			(220.53)		64,815.46	70,063.75	1,341.90	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	98,221,27	104,120.92			(327.48)		97,893.79	105,820.53	2,027.09	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	09/20/37	460,299.58	487,917.85			(1,644.43)		458,655.15	495,763.68	9,490.26	0.00
GNMA	2006 FGH Single Family	5.15	09/25/07	09/20/37	3,610,245.97	3,791,738.08			(267,373.06)		3,342,872.91	3,581,187.13	56,822.11	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	08/20/37	766,739.26	812,741.65			(2,969.90)		763,769.36	825,561.36	15,789.61	0.00
GNMA	2006 FGH Single Family	5.70	09/25/07	09/20/37	146,072.47	155,187.03			(497.89)		145,574.58	157,198.04	2,508.90	0.00
GNMA	2006 FGH Single Family	5.15	10/09/07	09/20/37	1,207,367.25	1,268,081_23			(4,752.15) (268.84)		1,202,615.10 79,205.97	1,288,368.06 85,615,35	25,038.98 1,639.81	0.00 0.00
GNMA	2006 FGH Single Family	5.49 5.15	10/09/07 08/23/07	08/20/37 08/20/37	79,474.81 1,224,098,14	84,244.38 1,285,588.46			(4,633.44)		1,219,464.70	1,306,353.09	25,398.07	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49	08/23/07	07/20/37	851,754.92	902,825,12			(2,953.26)		848,801,66	917.439.68	17.567.82	0.00
GNMA	2006 FGH Single Family	5.70	08/23/07	08/20/37	774,968,11	823,294.21			(2,566.61)		772,401.50	834,043.85	13,316.25	0.00
GNMA	2006 FGH Single Family	5.15	09/11/07	08/20/37	818,395.17	859,522.27			(2,943.99)		815,451.18	873,569.88	16,991.60	0.00
GNMA	2006 FGH Single Family	5.70	09/11/07	08/20/37	161,336.04	171,153.69			(606.99)		160,729.05	173,314.12	2,767.42	0.00
GNMA	2006 FGH Single Family	5.49	09/11/07	08/20/37	544,488.31	577,148.03			(2,977.66)		541,510.65	585,312.73	11,142.36	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	357,577.05	379,912.80			(1,148.91)		356,428.14	384,911.82	6,147.93	0.00 0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	742,087.59	778,051.71			(3,593.19)		738,494.40 167,907,47	789,801.23 179,890,36	15,342.71 3,499.26	0.00
GNMA	2006 FGH Single Family	5.15 5.49	11/28/07 11/28/07	11/20/37 11/20/37	168,510.90 141,025.96	176,994.53 149,498.03			(603.43) (467.39)		140,558.57	151,941,53	2,910.89	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49 5.15	12/11/07	11/20/37	334,245.12	351,077.55			(1,193.04)		333,052,08	356,825,40	6,940.89	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	11/20/37	359,945,11	382,436,90			(1,203.14)		358,741.97	387,418.39	6,184.63	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	77,647.70	81,558.01			(273.60)		77,374.10	82,897.07	1,612.66	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	244,746.73	259,453.47			(812.37)		243,934.36	263,692.55	5,051.45	0.00
GNMA	2006 FGH Single Family	5.70	10/25/07	10/20/37	835,064.29	887,198.95			(3,115.66)		831,948.63	898,405.91	14,322.62	0.00
GNMA	2006 FGH Single Family	5.15	10/25/07	10/20/37	2,061,854.55	2,165,576.91			(183,776.38)		1,878,078.17	2,012,033.95	30,233.42	0.00
GNMA	2006 FGH Single Family	5.15	11/08/07	10/20/37	589,868.16	619,551.11			(2,107.60) (1,540.01)		587,760.56 464,993.43	629,692.10 502,144.90	12,248.59 8,017.37	0.00 00.0
GNMA	2006 FGH Single Family	5.70 5.49	11/08/07 11/08/07	10/20/37 09/20/37	466,533.44 411,725.69	495,667.54 436,449.36			(1,392.71)		410,332.98	443,552.08	8,495,43	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49 5.49	01/16/08	12/20/37	244,941.18	259.669.84			(811.36)		244.129.82	263,914.26	5,055.78	0.00
GNMA	2006 FGH Single Family	5.70	12/28/07	12/20/37	233,750.86	248,361,95			(1,163.63)		232,587.23	251,184.43	3,986.11	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	150,357.29	159,392.20			(519.54)		149,837.75	161,974.31	3,101.65	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	404,244.42	428,535.31			(1,349.27)		402,895.15	435,528.84	8,342.80	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	12/20/37	402,864.66	428,039.22			(1,305.73)		401,558.93	433,658.86	6,925.37	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	432,052.86	458,014.75			(1,619.65)		430,433.21	465,297.43 94,057.43	8,902.33 1,829.74	0.00 0.00
GNMA	2006 FGH Single Family	5.15 5.49	12/11/07 12/20/07	11/20/37 11/20/37	88,102.29 158,281.96	92,539.08 167,794.59			(311.39) (524.93)		87,790.90 157,757.03	170.536.58	3,266.92	0.00
gnma Gnma	2006 FGH Single Family 2006 FGH Single Family	5.70		12/20/37	207,728.49	220,711.22			(700.47)		207,028.02	223,579.52	3,568.77	0.00
GNMA	2006 FGH Single Family	5.15		01/20/38	67,414,88	70,757,88			(234.76)		67.180.12	71,878.97	1,355.85	0.00
GNMA	2006 FGH Single Family	5.15		12/20/37	810,315.82	851,156.55			(164,670.51)		645,645.31	691,758.86	5,272.82	0.00
GNMA	2006 FGH Single Family	5.49		12/20/37	188,053.44	199,364.39			(643.05)		187,410.39	202,601.31	3,879.97	0.00
GNMA	2006 FGH Single Family	5.49		12/20/37	174,516.66	185,013.40			(574.56)		173,942.10	188,041.33	3,602.49	0.00
GNMA	2006 FGH Single Family	5.15		12/20/37	268,234.59	281,758.15			(962.02)		267,272.57	286,366.17	5,570.04	0.00
GNMA	2006 FGH Single Family	5.49		01/20/38	104,214.23	110,417.83			(341.99) (240.50)		103,872.24 75,688.94	112,125,54 81,743.68	2,049.70 1,305.75	0.00 0.00
GNMA	2006 FGH Single Family	5.70 5.49		12/20/37 01/20/38	75,929.44 73,408.57	80,678.43 77,049.96			(256.72)		73,151.85	78,269.49	1,476.25	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49		01/20/38	120,293.65	127,454.42			(489.60)		119,804.05	129,323,23	2,358.41	0.00
GNMA	2006 FGH Single Family	5.49		01/20/38	1,302,002.84	1,379,507.70			(4,579.68)		1,297,423.16	1,400,511.54	25,583.52	0.00
GNMA	2006 FGH Single Family	5.49		12/20/37	160,677.46	170,344.22			(529.00)		160,148.46	173,132.07	3,316.85	0.00
GNMA	2006 FGH Single Family	5.15	04/08/08	03/20/38	151,472.49	158,995.85			(523.74)		150,948.75	161,518.96	3,046.85	0.00
GNMA	2006 FGH Single Family	5.15		03/20/38	113,487.49	119,125.42			(390.34)		113,097.15	121,017.89	2,282.81	0.00
GNMA	2006 FGH Single Family	5.49		03/20/38	290,413.78	307,723.15			(938.72)		289,475.06	312,497.79	5,713.36	0.00
GNMA	2006 FGH Single Family	5.15		02/20/38	325,857.12	342,031.82			(1,130.00)		324,727.12 215,206.12	347,455.64 232,312.88	6,553.82 4,244.00	0.00 0.00
GNMA	2006 FGH Single Family	5.49 5.49		02/20/38 03/20/38	215,960.78 245,890.16	228,823.54 260,535.80			(754.66) (799.98)		245,090.18	232,312.88 264,572.96	4,837.14	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49 5.70		12/20/37	107,766.26	114,508.79			(341.36)		107,424.90	116,020.71	1,853.28	0.00
GNMA GNMA	2006 FGH Single Family	5.15		02/20/38	130,727.04	137,212.80			(452.34)		130,274.70	139,389.73	2,629.27	0.00
GNMA	2006 FGH Single Family	5.49		02/20/38	179,103.01	189,766.08			(588.06)		178,514.95	192,700.64	3,522.62	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	183,584.01	194,515.45			(598.93)		182,985.08	197,527.79	3,611.27	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	<b>9</b>
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	in market Value	Recognized
GNMA	2006 FGH Single Family	5.49	02/27/08	01/20/38	192,759.11	204,236,66		Jako	(632,74)	Hansiers				Gain
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	268,397,97	284,379,61			(872.96)		192,126.37 267,525.01	207,395.16 288,786.51	3,791.24	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	02/20/38	153,354.42	162,489,63			(501.13)		152,853,29		5,279.86	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	03/20/38	202,420,49	214,478,96			(721.55)		201,698.94	165,004.95	3,016.45	0.00
GNMA	2006 FGH Single Family	5.70	03/27/08	03/20/38	205,738.33	218,472.57			(1,139,93)			217,734.22	3,976.81	0.00
GNMA	2006 FGH Single Family	5.49	04/17/08	03/20/38	144.441.75	153.050.83			(466.85)		204,598.40	220,549.12	3,216.48	0.00
GNMA	2006 FGH Single Family	5.70	04/22/08	12/20/37	120,146.48	127,672,25			(381.49)		143,974.90 119,764,99	155,425.61	2,841.63	0.00
GNMA	2006 FGH Single Family	5.49	04/22/08	03/20/38	112,442,57	119.145.03			(402.77)		112,039,80	129,356.85 120,951.24	2,066.09	0.00
GNMA	2006 FGH Single Family	5.15	04/22/08	04/20/38	84,176.50	88,358.91			(287.76)		83,888.74	89,764,51	2,208.98	0.00
GNMA	2006 FGH Single Family	5.49	05/07/08	04/20/38	479.421.44	508,007,44			(1,576,26)		477,845.18	515,861.50	1,693.36 9,430.32	0.00
GNMA	2006 FGH Single Family	5.15	05/14/08	04/20/38	533,942.60	559,475,17			(1,891.09)		532,051,51	568,329,94	10.745.86	0.00
GNMA	2006 FGH Single Family	5.49	05/14/08	04/20/38	486,639.55	515,660.11			(1,586.48)		485,053.07	523,646.54	9,572.91	0.00 0.00
GNMA	2006 FGH Single Family	5.49	05/21/08	04/20/38	128.370.15	136,026,42			(412.15)		127,958.00	138,140.02	2,525.75	0.00
GNMA	2006 FGH Single Family	5.15	05/21/08	05/20/38	546,988,36	574.184.16			(1,870.25)		545,118.11	583,318.41	11,004.50	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	05/20/38	352,097.80	373,101.06			(1,123.47)		350,974.33	378,905.89	6,928.30	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	04/20/38	77,024,24	81,618,71			(278.69)		76,745,55	82.853.02	1,513.00	0.00
GNMA	2006 FGH Single Family	5.15	06/11/08	05/20/38	282,699.22	296,761.69			(979.06)		281,720.16	301,469.00	5,686.37	0.00
GNMA	2006 FGH Single Family	5.70	07/09/08	06/20/38	252,510,13	268,169,98			(815.14)		251,694.99	271,348.71	3,993.87	0.00
GNMA	2006 FGH Single Family	5.49	07/09/08	06/20/38	333,697.54	353,619,28			(1,223.93)		332,473.61	358,949.54	6,554,19	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	147,444.31	154,784,68			(498,03)		146,946,28	157,253,40	2.966.75	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	74,705.56	78,424.70			(266.81)		74,438.75	79.660.03	1,502.14	0.00
GNMA	2006 FGH Single Family	5.70	07/16/08	11/20/37	67,759.74	72,010.57			(215.88)		67,543.86	72,959,87	1,165.18	0.00
GNMA	2006 FGH Single Family	5.15	06/18/08	06/20/38	412,405.72	432,923.77			(1,404.90)		411,000,82	439,816.35	8,297.48	0.00
GNMA	2006 FGH Single Family	5.49	06/25/08	05/20/38	110,962.61	117,585.17			(354.53)		110.608.08	119,414,10	2.183.46	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	186,220.76	195,487.21			(792.14)		185,428.62	198,430.55	3,735.48	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	99,364.89	104,309.34			(335.66)		99.029.23	105,972,98	1,999.30	0.00
GNMA	2006 FGH Single Family	5.70	06/25/08	05/20/38	964,220.51	1,024,001.72			(3,006.95)		961,213.56	1,036,252.53	15,257.76	0.00
GNMA	2006 FGH Single Family	5.49	07/16/08	07/20/38	260,366.01	275,912.37			(821.73)		259,544,28	280,214,88	5,124,24	0.00
GNMA	2006 FGH Single Family	5.70	07/23/08	07/20/38	192,574.13	204,520.26			(605.61)		191,968.52	206,961,82	3.047.17	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	440,329.97	466,625.22			(1,396.13)		438,933.84	473,895.19	8,666,10	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	206,121.93	218,430.94			(699.15)		205,422.78	221,784.83	4,053.04	0.00
GNMA	2006 FGH Single Family	5.15	07/23/08	07/20/38	147,901.97	155,266.37			(540.42)		147,361.55	157,699,22	2,973.27	0.00
GNMA	2006 FGH Single Family	5.49	07/29/08	07/20/38	161,184.32	170,811.00			(540.40)		160,643.92	173,440.36	3,169.76	0.00
GNMA	2006 FGH Single Family	5.15	07/29/08	07/20/38	233,710.97	245,349.75			(785.76)		232,925,21	249,266.85	4,702.86	0.00
GNMA	2006 FGH Single Family	5.70	08/27/08	06/20/38	84,291.64	89,523.84			(258.19)		84,033.45	90,599.91	1,334.26	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	08/20/38	103,145.65	109,309.52			(337.05)		102,808.60	111,001.64	2,029.17	0.00
GNMA GNMA	2006 FGH Single Family	5.49	08/13/08	07/20/38	222,250.35	235,527.99			(708.82)		221,541,53	239,192.78	4,373.61	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	07/20/38	455,785.51	478,491.32			(1,574.86)		454,210,65	486,085.16	9,168.70	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	08/20/38	363,918.57	382,048.25			(1,221.35)		362,697.22	388,150.12	7,323.22	0.00
GNMA	2006 FGH Single Family	5.70 5.15	08/20/08	08/20/38	112,463.85	119,444.18			(355.15)		112,108.70	120,868.50	1,779.47	0.00
GNMA	2006 FGH Single Family 2006 FGH Single Family	5.15	08/27/08 08/27/08	07/20/38 07/20/38	141,967.84	149,042.35			(476.85)		141,490.99	151,422,35	2,856.85	0.00
GNMA	2006 FGH Single Family	5.70	09/10/08	08/20/38	88,330.62	93,608.97			(278.35)		88,052.27	95,069.16	1,738.54	0.00
GNMA	2006 FGH Single Family	5.15	09/10/08	08/20/38	119,340.27	126,750.21			(406.52)		118,933.75	128,229.69	1,886.00	0.00
GNMA	2006 FGH Single Family	5.15	09/10/08	08/20/38	292,090.73	306,651.08			(976.87)		291,113.86	311,552.73	5,878.52	0.00
GNMA	2006 FGH Single Family	5.70	09/24/08		87,001.77	91,340.09			(290.40)		86,711.37	92,800.62	1,750.93	0.00
GNMA	2006 FGH Single Family	5.70	10/08/08	08/20/38 09/20/38	101,746,95	108,066.15			(306.17)		101,440.78	109,371.01	1,611.03	0.00
GNMA	2006 FGH Single Family	5.15	10/08/08	09/20/38	156,726.27	166,462.76			(469.74)		156,256.53	168,474.77	2,481.75	0.00
GNMA	2006 FGH Single Family	5.70	10/15/08	09/20/38	353,906.95 65,355.06	371,560.42			(1,188.26)		352,718.69	377,494.23	7,122.07	0.00
GNMA	2006 FGH Single Family	5.15	10/15/08	05/20/38		69,415.75			(228.94)		65,126.12	70,219.12	1,032.31	0.00
GNMA	2006 FGH Single Family	5.70	10/15/08	05/20/38	167,541.77	175,899.75			(1,198.44)		166,343.33	178,028.10	3,326.79	0.00
GNMA	2006 FGH Single Family	5.15	10/13/08	09/20/38	108,932.22 276,143.80	115,700.02 289,922.72			(334.03)		108,598.19	117,090,21	1,724.22	0.00
GNMA	2006 FGH Single Family	5.49	10/22/08	08/20/38	130,227.51	138,018.01			(972.92)		275,170.88	294,503.81	5,554.01	0.00
GNMA	2006 FGH Single Family	5.15	11/12/08	09/20/38	114,540.76	138,018.01		•	(408.49)		129,819.02	140,172.94	2,563.42	0.00
GNMA	2006 FGH Single Family	5.49	11/12/08	10/20/38	120,064,49	120,258.86			(379.98)		114,160,78	122,184.32	2,305.44	0.00
GNMA	2006 FGH Single Family	5.49	11/25/08	10/20/38	148,128,74	156,996.17			(690.14)		119,374.35	128,898.51	2,338.42	0.00
GNMA	2006 FGH Single Family	5.15	11/25/08	10/20/38	110,253.73	115,759.46			(458.06)		147,670.68	159,454.52	2,916.41	0.00
GNMA	2006 FGH Single Family	5.70	11/25/08	09/20/38	77.240.59	82,043.41			(363.56) (315.53)		109,890.17	117,615,22	2,219.32	0.00
GNMA	2006 FGH Single Family	5.49	12/10/08	11/20/38	221,513,71	234,778.22			(315.53) (680.76)		76,925.06	82,944.38	1,216.50	0.00
GNMA	2006 FGH Single Family	5.15	12/17/08	09/20/38	161,399.68	169,463.42			(544.77)		220,832.95 160,854.91	238,459.10	4,361.64	0.00
	<u> </u>	20		33.20.00		100,700.74			(344.77)		100,004.91	172,166.69	3,248.04	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2006 FGH Single Family	5.15	03/11/09	02/20/39	373,836,91	392,536,51			(1,224.42)		372,612,49	398,872,45	7,560,36	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	01/20/39	141,069,07	149,534,07			(428.18)		140,640.89	151 892.78	2,786.89	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	02/20/39	101,786.72	107,894.66			(307.02)		101,479.70	109,598.63	2,010.99	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	03/20/39	144,340.80	151,565.58			(465.69)		143,875.11	154,019.58	2,919.69	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	02/20/39	72,925.24	76,575.42			(239.01)		72,686.23	77,811.17	1,474.76	0.00
GNMA	2006 FGH Single Family	5.15	12/30/08	12/20/38	127,154.20	133,509.29			(414.29)		126,739.91	135,654.95	2,559.95	0.00
GNMA	2006 FGH Single Family	5.70	01/14/09	12/20/38	67,193.32	71,375.46			(197.11)		66,996.21	72,242.76	1,064.41	0.00
GNMA	2006 FGH Single Family	5.15	01/14/09	12/20/38	143,534.97	150,711.21			(467.72)		143,067.25	153,133.26	2,889.77	0.00
GNMA	2006 FGH Single Family	5.15	05/20/09	05/20/39	290,065.81	304,598.85			(923.96)		289,141.85	309,543.63	5,868.74	0.00
GNMA	2006 FGH Single Family	5.15	06/24/09	05/20/39	141,529.02	148,625.71			(447.56)		141,081.46	151,041.79	2,863.64	0.00
GNMA	2006 FGH Single Family	5.15	07/29/09	07/20/39	235,183.09	246,985.62			(736.34)		234,446.75	251,008.56	4,759.28	0.00
GNMA	2006 FGH Single Family	6.00	07/29/09	07/20/39	393,072.44	420,524.45			(1,589.92)		391,482.52	425,104.18	6,169.65	0.00
GNMA	2006 FGH Single Family	6.00	08/12/09	06/20/39	450,915.98	482,415.08			(1,200.76)		449,715.22	1,094,944.36	613,730.04	0.00
GNMA	2006 FGH Single Family	5.49	08/12/09	07/20/39	133,425.31	141,454.84			(390.01)		133,035.30	70,079.92	(70,984.91)	0.00
GNMA	2006 FGH Single Family	6.00	08/19/09	07/20/39	433,979.77	464,299.53			(1,557.63)		432,422.14	171,870.57	(290,871.33)	0.00
GNMA	2006 FGH Single Family	5.49	08/19/09	07/20/39	117,842.28	124,935.03			(555.72)		117,286.56	1,379,959.18	1,255,579.87	0.00
GNMA	2006 FGH Single Family	6.00	08/27/09	07/20/39	72,690.41	77,769.60			(192.11)		72,498.30	94,827.39	17,249.90	0.00
GNMA	2006 FGH Single Family	5.25 5.15	08/27/09 08/27/09	08/20/39 08/20/39	136,377.15	143,624.71 83.554.35			(415.44)		135,961.71 79,311.89	1,289,850.21 219.233.02	1,146,640.94	0.00 0.00
GNMA	2006 FGH Single Family	5.15	08/27/09	01/01/37	79,559.02 1,152,478.48	1,207,099.61			(247.13) (128,697.73)		1,023,780,75	2,560,569.58	135,925.80 1,482,167.70	0.00
FNMA FNMA	2006 FGH Single Family 2006 FGH Single Family	5.70	02/13/07	01/01/37	195,383.41	205,624.19			(130,095.29)		65,288.12	245,371.19	169,842.29	0.00
FNMA	2006 FGH Single Family	5.16	02/13/07	01/01/37	163,781.77	170,046.26			(1,611.13)		162,170,64	353,287,37	184,852,24	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	1,294,530,53	1,357,311,21			(5,201.76)		1,289,328,77	1,672,886,49	320,777,04	0.00
FNMA	2006 FGH Single Family	5,49	02/13/07	02/01/37	89,024.96	93,244.91			(361.39)		88,663.57	87,267.67	(5,615.85)	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	1,210,512,35	1,267,896,73			(4,506.60)		1,206,005.75	115,317.68	(1,148,072.45)	0.00
FNMA	2006 FGH Single Family	5.15		02/01/37	207,708.52	215,449.75			(796.52)		206,912.00	487,885.19	273,231.96	0.00
FNMA	2006 FGH Single Family	5.49		02/01/37	2,403,407,45	2,517,356,18			(9,297.58)		2.394.109.87	438,993,39	(2,069,065.21)	0.00
FNMA	2006 FGH Single Family	5,49	03/06/07	01/01/37	230,100,28	241,261,36			(845.74)		229,254.54	2,420,899.65	2,180,484.03	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	334,807.46	347,289.46			(1,378.73)		333,428.73	387,549.74	41,639.01	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	1,570,216.62	1,644,672,60			(6,090.45)		1,564,126.17	66,447.11	(1,572,135.04)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	81,886.07	85,768.92			(291.98)		81,594.09	578,331.04	492,854.10	0.00
FNMA	2006 FGH Single Family	5.15		12/01/36	109,238.61	113,418.69			(431.01)		108,807.60	1,187,544.14	1,074,556.46	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	456,181.99	480,104.73			(1,668.39)		454,513.60	226,234,88	(252,201.46)	0.00
FNMA	2006 FGH Single Family	5.15		03/01/37	415,882.41	431,391.30			(1,569.44)		414,312.97	324,503.37	(105,318.49)	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	2,383,630.42	2,496,681.65			(120,144.83)		2,263,485.59	251,158.83	(2,125,377.99)	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	361,541.20	380,978.75			(1,349.66)		360,191.54	301,615.66	(78,013.43)	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	62,185.45	65,446.99			(283.79)		61,901.66	245,174.24	180,011.04	0.00
FNMA	2006 FGH Single Family	5.15	04/24/07	03/01/37	548,093.72	568,536.41			(2,280.02)		545,813.70	496,730.46	(69,525.93)	0.00 0.00
FNMA	2006 FGH Single Family	5.49 5.49	04/24/07	04/01/37	1,114,379,24 214,347,86	1,167,240.46 224,515.57			(4,060.58)		1,110,318.66	587,870.69 921,657.13	(575,309.19) 699,966,49	0.00
FNMA FNMA	2006 FGH Single Family	5.49 5.15	04/24/07 05/08/07	04/01/37 04/01/37	308,479.98	319.987.85			(2,824.93) (2,224.35)		211,522.93 306,255,63	577,650,56	259,887,06	0.00
FNMA	2006 FGH Single Family 2006 FGH Single Family	5.49		05/01/37	235,651,62	246,831,61			(827.18)		234,824.44	670,129.18	424,124.75	0.00
FNMA	2006 FGH Single Family	5.49		04/01/37	283,008,29	296,436.52			(1,009.96)		281,998,33	304,756.69	9,330.13	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	229,376,46	241,409,85			(976.62)		228,399.84	528,093,51	287,660,28	0.00
FNMA	2006 FGH Single Family	5.15		05/01/37	470,520,11	488,542,52			(1,848.27)		468,671,84	1,073,210,99	586,516,74	0.00
FNMA	2006 FGH Single Family	5.70		06/01/37	549,831.14	578,684.14			(2,189.25)		547,641.89	222,576.47	(353,918.42)	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37	864.824.23	905,871.28			(3,124.52)		861,699.71	1,020,392.53	117,645.77	0.00
FNMA	2006 FGH Single Family	5.70		06/01/37	539,993,92	568,333.55			(1,876.02)		538,117,90	167,459,29	(398,998,24)	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	05/01/37	628,779.45	658,625.79			(2,247.97)		626,531.48	501,177.21	(155,200.61)	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	06/01/37	285,996.66	299,572.39			(1,067.31)		284,929.35	284,161.54	(14,343.54)	0.00
FNMA	2006 FGH Single Family	5.15	07/17/07	06/01/37	500,254.01	518,932.18			(1,872.70)		498,381.31	635,777.20	118,717.72	0.00
FNMA	2006 FGH Single Family	5.70		07/01/37	998,531.68	1,055,891.08			(3,416.32)		995,115.36	657,612.27	(394,862.49)	0.00
FNMA	2006 FGH Single Family	5.15		06/01/37	209,853.23	218,713.22			(774.55)		209,078.68	162,055.67	(55,883.00)	0.00
FNMA	2006 FGH Single Family	5.49		07/01/37	952,892.23	1,002,830.33			(3,321.57)		949,570.66	421,743.74	(577,765.02)	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	156,373.31	164,568.34			(536.78)		155,836.53	569,853.58	405,822.02	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37	468,070.42	492,606.98			(1,684.74)		466,385.68	559,226.39	68,304.15	0.00
FNMA	2006 FGH Single Family	5.70		06/01/37	264,385.06	279,575.42			(904.63)		263,480.43	250,265.22	(28,405.57)	0.00
FNMA	2006 FGH Single Family	5.15		08/01/37	599,834.88	625,180.70			(2,633.86)		597,201.02	220,336.45	(402,210.39)	0.00
FNMA	2006 FGH Single Family	5.49		08/01/37	614,725.89	646,962.00			(2,775.94)		611,949.95	338,374.08	(305,811.98)	.0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	151,321.57	159,256.84			(518.48)		150,803.09	1,041,361.32	882,622.96	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2006 FGH Single Family	5.70	09/25/07	09/01/37	392,705.10	415,282.41			(1,669.04)		391,036.06	933,862.93	520,249.56	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	532,164.49	560,077.86			(1,885.98)		530,278.51	396,046.87	(162,145.01)	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	522,233.05	549,625.49			(1,843.70)		520,389.35	275,599.39	(272,182.40)	0.00
FNMA	2006 FGH Single Family	5.15	09/25/07	08/01/37	235,947.57	245,920.43			(870.19)		235,077.38	248,630.20	3,579.96	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	05/01/37	204,673.01	216,515.50			(824.86)		203,848.15	88,041.08	(127,649.56)	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	09/01/37	314,127.93	332,305.88			(1,077.71)		313,050.22	527,221.15	195,992.98	0.00
FNMA	2006 FGH Single Family	5.15	10/25/07	10/01/37	975,258.12	1,024,977.07			(4,276.47)		970,981.65	144,969.09	(875,731.51)	0.00
FNMA	2006 FGH Single Family	5.49	10/25/07	10/01/37	867,359.25	917,566.39			(3,400.41)		863,958.84	421,877.52	(492,288.46)	0.00
FNMA	2006 FGH Single Family	5.70	10/25/07	10/01/37	449,266.15	478,033.90			(83,572.18)		365,693.97	108,892.16	(285,569.56)	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	255,872.90	270,687.40			(906.27)		254,966.63	866,240.28	596,459.15	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	231,053.52	244,431.02			(1,037.03)		230,016.49	678,673.17	435,279.18	0.00 0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	09/01/37	81,725.20	86,456.75			(275.24)		81,449.96	236,969.88 350,914.80	150,788.37	0.00
FNMA	2006 FGH Single Family	5.70	11/21/07	10/01/37	488,469.18	519,759.27			(1,665.38) (508.52)		486,803.80 134,115.70	161,363.04	(167,179.09) 19,452.45	0.00
FNMA	2006 FGH Single Family	5.49 5.49	11/21/07 11/21/07	05/01/37 10/01/37	134,624.22 391,782.29	142,419.11 414,470.26			(1,493.38)		390,288,91	231,611.20	(181,365.68)	0.00
FNMA	2006 FGH Single Family	5.49 5.70	11/28/07	10/01/37	100,905.94	107,370.37			(362.18)		100,543.76	229,265.72	122,257.53	0.00
FNMA FNMA	2006 FGH Single Family 2006 FGH Single Family	5.15	12/11/07	11/01/37	811,158.08	852,547.31			(3,496.29)		807,661.79	228,553.87	(620,497.15)	0.00
FNMA	2006 FGH Single Family	5.49	12/11/07	11/01/37	630,135.48	666,639.18			(2,290.86)		627,844.62	91,341.28	(573,007.04)	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	12/01/37	221,907,37	233,230,40			(962.53)		220,944,84	269,894.43	37,626.56	0.00
FNMA	2006 FGH Single Family	5.70	12/11/07	11/01/37	325,058.02	345,887.05			(1,050.95)		324,007.07	284,089.20	(60,746.90)	0.00
FNMA	2006 FGH Single Family	5.49	12/20/07	10/01/37	149,779,21	158,456,87			(502.05)		149,277,16	258,252,52	100,297.70	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	12/01/37	216,716.56	227,778.17			(771.28)		215,945.28	113,045.08	(113,961.81)	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	11/01/37	214,518,29	225,467,47		,	(759.41)		213,758.88	121,811.30	(102,896.76)	0.00
FNMA	2006 FGH Single Family	5.70	12/28/07	12/01/37	211,706.53	225,275.87			(681.31)		211,025,22	319,065.32	94,470.76	0.00
FNMA	2006 FGH Single Family	5.49	12/28/07	01/01/36	84,799.62	89,799.09			(326.05)		84,473.57	303,615.25	214,142.21	0.00
FNMA	2006 FGH Single Family	5.49	01/16/08	12/01/37	250,877.49	265,419.64			(1,204.60)		249,672.89	65,683.80	(198,531,24)	0.00
FNMA	2006 FGH Single Family	5.15	01/16/08	01/01/38	265,804.79	279,377.03			(935.88)		264,868.91	240,074.01	(38,367.14)	0.00
FNMA	2006 FGH Single Family	5.49	01/30/08	12/01/37	239,699.14	253,596.41			(798.80)		238,900.34	185,503.62	(67,293.99)	0.00
FNMA	2006 FGH Single Family	5.70	01/30/08	12/01/37	104,705.66	111,420.04			(333.38)		104,372.28	144,492.27	33,405.61	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	11/01/37	113,975.49	119,796.27			(406.46)		113,569.03	136,525.87	17,136.06	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	01/01/38	298,525.02	313,771.78			(1,049.93)		297,475.09	170,153.82	(142,568.03)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	283,294.31	299,723.08			(2,434.46)		280,859.85	288,599.95	(8,688.67)	0.00 0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	160,934.41	170,151.94			(100,095.09)		60,839.32 222,367.46	334,149.70 260,538.52	264,092.85 25,392.92	0.00
FNMA	2006 FGH Single Family	5.49 5.70	02/13/08 02/13/08	01/01/38 02/01/38	223,101.23	235,879.37 182,878.19			(733.77) (547.13)		171,595.31	442,752.57	260,421.51	0.00
FNMA	2006 FGH Single Family	5.70 5.15	02/13/08	12/01/37	172,142.44 135.901.86	142,845,18			(1,189.01)		134,712.85	228,668.14	87,011.97	0.00
FNMA FNMA	2006 FGH Single Family 2006 FGH Single Family	5.49	02/19/08	12/01/37	126,716,63	134.065.71			(423.50)		126,293.13	248,075.48	114,433.27	0.00
FNMA	2006 FGH Single Family	5.49	02/19/08	01/01/38	158,123.30	167,180.84			(519.89)		157,603.41	135,771,27	(30,889.68)	0.00
FNMA	2006 FGH Single Family	5.49	02/27/08	12/01/37	267,915,09	283,455,14			(947.87)		266,967.22	118,717,47	(163,789.80)	0.00
FNMA	2006 FGH Single Family	5.15	03/12/08	02/01/38	313,109.77	328,766.33			(1,092.56)		312,017.21	213,033.17	(114,640.60)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	12/01/37	242,231,92	256,287,16			(1,227.34)		241.004.58	129.077.73	(125,982,09)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	410,993.73	434,842.51			(1,438.29)		409,555,44	110,028.14	(323,376.08)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	212,495.75	224,673.95			(699.97)		211,795.78	198,825.60	(25,148.38)	0.00
FNMA	2006 FGH Single Family	5.15	03/27/08	03/01/38	232,135.56	244,004.38			(858.78)		231,276.78	104,787.53	(138,358.07)	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	01/01/38	126,167.12	133,399.82			(415.69)		125,751.43	488,345.48	355,361.35	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	02/01/38	110,365.16	116,692.22			(409.08)		109,956.08	143,702.27	27,419.13	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	03/01/38	198,003.58	209,355.03			(692.73)		197,310.85	469,570.74	260,908.44	0.00
FNMA	2006 FGH Single Family	5.15	04/17/08	03/01/38	120,944.58	126,996.45			(420.24)		120,524.34	126,691.79	115.58	0.00
FNMA	2006 FGH Single Family	5.70	04/22/08	12/01/37	101,903.86	108,446.46			(324.44)		101,579.42	78,727.22	(29,394.80)	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	02/01/38	184,924.19	195,527.98			(774.22)		184,149.97	145,950.82	(48,802.94)	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	06/01/37	97,263.37	102,909.15			(334.27)		96,929.10	84,917.40	(17,657.48)	0.00
Repo Agmt	2006 FGH Single Family				66,116.74	66,116.74		(66,116.74)					-	0.00
Repo Agmt	2006 FGH Single Family	0.16	11/30/09	12/01/09	29,388.90	29,388.90	0.00	5 040 005 40	(0.405.005.00)	2.00	29,388.90	29,388.90	0.007.000.40	0.00
	2006 FGH Single Family Total				129,630,786.93	136,110,259.67	3,655,247.44	(7,649,035.43)	(2,135,295.20)	0.00	123,501,703.74	132,318,985.58	2,337,809.10	0.00
D	00074 Di1- FN-	0.40	142000	12/01/09	43.71	43.71	0.00		•		43.71	43.71		0.00
Repo Agmt	2007A Single Family	0.16 0.16		12/01/09	7,326,443.76	7,326,443.76	0.00	(7,054,306.45)			272.137.31	272,137,31	<u>-</u>	0.00
Répo Agmt	2007A Single Family 2007A Single Family	4.32		09/01/38	1,320,993.10	1,320,443.10	4.860,750.87	(1,004,000,40)			4,860,750.87	4,860,750.87		0.00
Inv Agmt Freddie Mac	2007A Single Family 2007A Single Family	4.75		04/01/38	265.968.32	272,636.08	-10001100-01		(986.89)		264.981.43	277,237.25	5,588.06	0.00
Freddie Mac	2007A Single Family	5.49		01/01/38	290,919.46	305,816.42			(1,469.26)		289,450.20	310,769.99	6,422.83	0.00
		2.40	- 5			-,			• • • • • • • • • • • • • • • • • • • •		• -	, -		

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Freddie Mac	2007A Single Family	5.4		03/01/38	205,130.29	215,634.72			(687.26)		204,443.03	219,501.96	4,554.50	0.00
Freddie Mac	2007A Single Family	. 5.		03/01/38	268,898,87	282,672.79			(1,005.74)		267,893.13	287,629.74	5,962.69	0.00
Freddie Mac	2007A Single Family	4.		05/01/38	323,890.84	332,020.73			(2,016.46)		321,874.38	336,771.77	6,767.50	0.00
Freddie Mac	2007A Single Family	5.4		05/01/38	363,576,87	382,207.07			(1,196.56)		362,380.31	389,084.79	8,074.28	0.00
Freddie Mac	2007A Single Family	5.4		06/01/38	321,089.36	337,544.47			(1,482.34)		319,607.02	343,161.54	7,099.41	0.00
Freddie Mac	2007A Single Family	4.1		05/01/38	76,108.88	78,021.96			(315.47)		75,793.41	79,304.07	1,597,58	0.00
Freddie Mac	2007A Single Family	5.4		03/01/38	194,747.99	204,727.77			(639.66)		194,108.33	208,413.17	4,325.06	0.00
Freddie Mac	2007A Single Family	5.4		06/01/38	136,583.20	143,584.96			(493.07)		136,090.13	146,121.95	3,030.06	0.00
Freddie Mac	2007A Single Family	5.4		05/01/38	217,800.69	228,965.72			(710.38)		217,090.31	233,092,80	4,837.46	0.00
Freddie Mac	2007A Single Family	5.4 4.1		06/01/38	154,323.98	162,236.01			(495.42)		153,828.56	165,168.79	3,428.20	0.00
Freddie Mac Freddie Mac	2007A Single Family 2007A Single Family	4. 5.		07/01/38 07/01/38	165,791.79	169,957.74			(610.51)		165,181.28	172,831.11	3,483.88	0.00
Freddie Mac	2007A Single Family 2007A Single Family	5.4		04/01/38	139,021.16 190,556,04	146,150.84 200,329.28			(442.84)		138,578.32	148,796.71	3,088.71	0.00
Freddie Mac	2007A Single Family	5.4		07/01/38	25.649.65	26.965.77			(619.40) (81.71)		189,936.64 25,567.94	203,942.47 27,453.92	4,232.59 569.86	0.00 0.00
Freddie Mac	2007A Single Family	5.4		09/01/38	126,417.98	132,906.80			(398.01)		126,019.97	135,317.93		
Freddie Mac	2007A Single Family	5.4		08/01/38	113,548.64	119,376.89			(359.82)		113,188.82	121,539.96	2,809.14 2,522.89	0.00 0.00
Freddie Mac	2007A Single Family	5.4		08/01/38	130,558.66	137,261,40			(413.18)		130,145,48	139,749.10	2,900.88	0.00
Freddie Mac	2007A Single Family	4.		11/01/38	83,694.66	85,807,82			(298.42)		83,396,24	87,268.66	1,759.26	0.00
FNMA	2007A Single Family	6.3		01/01/28	78.655.90	84,371.91			(1,264.50)		77,391.40	84,041.73	934.32	0.00
FNMA	2007A Single Family	6.3		03/01/28	215.621.69	231,573.43			(1,910.19)		213,711,50	232.823.77	3,160.53	0.00
FNMA	2007A Single Family	6.1		05/01/28	51,722.56	55,549.03			(2,173.36)		49,549.20	53,980.42	604.75	0.00
GNMA	2007A Single Family	6.5	25 02/20/98	01/20/28	1,050,880.07	1,130,557.68			(63,923.06)		986,957.01	1,072,891.26	6,256.64	0.00
FNMA	2007A Single Family	6.3	25 11/30/98	09/01/28	246,514.92	264,752.11			(1,758.34)		244,756,58	266,645.18	3,651,41	0.00
GNMA	2007A Single Family	6.3		03/20/28	2,329,662.60	2,506,297.58		•	(22,427.86)		2,307,234,74	2,508,125.64	24,255.92	0.00
GNMA	2007A Single Family	6.5		05/20/28	1,338,907.14	1,440,423.06			(13,080.83)		1,325,826.31	1,441,265.96	13,923.73	0.00
GNMA	2007A Single Family	5.4		06/20/30	1,045,124.58	1,098,269.12			(9,146.49)		1,035,978.09	1,109,522.11	20,399.48	0.00
GNMA	2007A Single Family	6.5		07/20/28	878,467.02	945,072.44			(123,523.17)		754,943.85	820,676.86	(872.41)	0.00
GNMA	2007A Single Family	6.3		06/20/28	431,784.43	464,522.33			(3,199.32)		428,585.11	465,902.02	4,579.01	0.00
GNMA	2007A Single Family	6.1		09/20/28	657,165.47	706,991.74			(71,062.78)		586,102.69	637,134.65	1,205.69	0.00
FNMA	2007A Single Family	6.1		11/01/28	110,893.82	119,097.65			(2,021.36)		108,872.46	118,608.84	1,532,55	0.00
GNMA GNMA	2007A Single Family	6.5 6.5		11/20/28	516,869.53	556,058.57			(46,651.98)		470,217.55	511,159.38	1,752.79	0.00
GNMA	2007A Single Family 2007A Single Family	6.1		10/20/28 10/20/28	451,378.18	485,601.60			(48,621.66)		402,756.52	437,824.47	844.53	0.00
FNMA	2007A Single Family 2007A Single Family	6.1		11/01/28	153,133.84 62.374.67	164,744.51 66,907.42			(1,051.86)		152,081.98	165,323.82	1,631.17	0.00
GNMA	2007A Single Family	6.1		02/20/29	829,883.64	892,863.51			(2,972.03) (7,430.55)		59,402.64	64,507.09	571.70	0.00
GNMA	2007A Single Family	6.:		02/20/29	56,734.20	61,039.77			(961.49)		822,453.09 55.772.71	894,203.90 60.638.34	8,770.94 560.06	0.00 0.00
GNMA	2007A Single Family	6.3		05/20/29	331.322.40	356.466.46			(2,353.89)		328,968.51	357,667.73	3,555.16	0.00
GNMA	2007A Single Family	5.4		07/20/29	549,363,72	577,655.92			(4,252,58)		545,111,14	584.168.33	10,764.99	0.00
GNMA	2007A Single Family	5.4		08/20/29	650,414.59	683,910.90			(6,122.83)		644,291.76	690,455.22	12,667.15	0.00
FNMA	2007A Single Family	5.4		08/01/29	99,877,77	104,819.39			(662.45)		99,215.32	106,386.30	2,229.36	0.00
GNMA	2007A Single Family	5.4	15 09/20/99	09/20/29	322,608.24	339,222.56			(2,230.18)		320,378.06	343,333.14	6,340.76	0.00
FNMA	2007A Single Family	5.4	15 12/20/99	12/01/29	356,661.19	374,305.21			(3,308.76)		353,352.43	378,889.21	7,892.76	0.00
FNMA	2007A Single Family	5.4		12/01/29	252,699.81	265,200.87			(2,938.86)		249,760.95	267,811.17	5,549.16	0.00
GNMA	2007A Single Family	5.4		10/20/29	1,139,974.93	1,198,683.57			(61,444.26)		1,078,530.67	1,155,807.32	18,568.01	0.00
GNMA	2007A Single Family	5.4		11/20/29	162,556.62	170,928.25			(44,039.78)		118,516.84	127,008.53	120.06	0.00
GNMA	2007A Single Family	5.4		12/20/29	2,106,763.51	2,215,261.79			(17,989.37)		2,088,774.14	2,238,434.78	41,162.36	0.00
GNMA	2007A Single Family	5.4		01/20/30	711,022.50	747,178.04		·	(158,510.34)		552,512.16	591,735.04	3,067.34	0.00
GNMA	2007A Single Family	5.4		01/20/30	300,237.77	315,504.79			(2,021.60)		298,216.17	319,386.46	5,903.27	0.00
GNMA	2007A Single Family	5.4		02/20/30	414,241.91	435,306.15			(3,434.54)		410,807.37	439,970.62	8,099.01	0.00
FNMA	2007A Single Family	5.4		03/01/30	268,198.34	281,061.13			(1,877.30)		266,321.04	285,277.77	6,093.94	0.00
GNMA GNMA	2007A Single Family	5.4 5.4		04/20/30	457,268.97	480,521.10			(2,990.83)		454,278.14	486,527.35	8,997.08	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	5.4		04/20/30	91,691.02	96,353.57			(589.48)		91,101.54	97,568.90	1,804.81	0.00
GNMA	2007A Single Family 2007A Single Family	5.4		05/20/30 09/20/30	560,535.80 929,622,75	589,039.02 976,894.02			(3,706.42)		556,829.38	596,358.67	11,026.07	0.00
FNMA	2007A Single Family	5.4		06/01/30	133,013.34	139,392.63			(7,348.17)		922,274.58	987,746.81	18,200.96	0.00
GNMA	2007A Single Family	5.4 5.4		10/20/37	630,881.90	667,569.82			(1,570.48) (2,121.23)		131,442.86 628.760.67	140,798.93	2,976.78 13.022.82	0.00
GNMA	2007A Single Family	4,7		10/20/37	170,362.80	176,120.80		•	(2,121.23) (652.02)		169,710.78	678,471.41 179,210.03	3,741.25	0.00 0.00
GNMA	2007 A Single Family	5.4		10/20/37	630,186,76	668.038.89			(2,125.94)		628,060.82	678,916.69	3,741.25 13,003.74	0.00
GNMA	2007A Single Family	4.1		08/20/37	342,669.26	354,161.40			(1,338.90)		341,330.36	360,345.32	7,522.82	0.00
GNMA	2007A Single Family	5.4		09/20/37	2,260,249,88	2,395,410.86			(82,797.96)		2,177,451.92	2,353,180.98	40,568.08	0.00
						-,,			\		M, 17 1 , 10 1132	2,000,100.00	40,000.00	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/	-		Ending Carrying Value	Ending Market Value	Change in Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007A Single Family	4.75	09/25/07	09/20/37	6.335.537.58	6,548,026,68		44,750	(220,396.06)	· · · · · · · · · · · · · · · · · · ·	6,115,141.52	6,455,819,26	128,188.64	0.00
GNMA	2007A Single Family	5.49	09/25/07	08/20/37	132,822.42	140,764,80			(448.75)		132,373.67	143,056.47	2,740.42	0.00
GNMA	2007A Single Family	5.49	10/09/07	09/20/37	951,944.41	1,009,075.98			(3,460.87)		948,483.54	1,025,237.27	19,622,16	0.00
GNMA	2007A Single Family	4.75	10/09/07	09/20/37	2,138,830.94	2,211,017.30			(9,560.84)		2,129,270.10	2,248,347.50	46,891.04	0.00
ĢΝMA	2007A Single Family	5.49	08/23/07	08/20/37	364,699.41	386,567.53			(1,592,69)		363,106.72	392,470,40	7,495.56	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	1,658,598.76	1,758,051.71			(148,682.55)	,	1,509,916.21	1,632,019.95	22,650.79	0,00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37	4,211,899.57	4,353,832.61			(16,634.70)		4,195,264.87	4,429,657.11	92,459.20	0.00
GNMA	2007A Single Family	5.49	09/11/07	09/20/37	458,545.82	488,729.94			(1,523.87)		457,021.95	496,689.04	9,482.97	0.00
GNMA	2007A Single Family	5,49	09/11/07	08/20/37	1,070,462.26	1,140,922.77			(5,040.32)		1,065,421.94	1,157,890.25	22,007.80	0.00
GNMA	2007A Single Family	4.75	09/11/07	08/20/37	4,903,325.67	5,084,166.52			(20,452.91)		4,882,872.76	5,171,619.17	107,905.56	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	472,230.38	488,191.06			(2,265.34)		469,965.04	496,270.48	10,344.76	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	397,835.36	420,970.83			(1,449.00)		396,386.36	427,725.25	8,203.42	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	1,307,753.55	1,386,303.68			(4,650.82)		1,303,102.73	1,408,618.64	26,965.78	0.00
GNMA GNMA	2007A Single Family	4,75	11/21/07 12/11/07	10/20/37 11/20/37	132,679.53	137,163.89			(505.13)		132,174.40	139,572.62	2,913.86	0.00
GNMA	2007A Single Family 2007A Single Family	5.49 4.75	12/11/07	11/20/37	606,005.18	642,419.82			(13,324.01)		592,681.17	640,687.17	11,591.36	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,249,366.32 802,135.13	1,291,623.04 850,291.26			(4,893.92)		1,244,472.40	1,314,160.02	27,430.90	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,622,880.55	1,717,207.87			(2,695.13)		799,440.00	864,149.33	16,553.20	0.00
GNMA	2007A Single Family	4.75	10/25/07	09/20/37	1,328,741.06	1,373,608.84			(115,446.14) (5,126.81)		1,507,434.41 1,323,614.25	1,626,569,93 1,397,658,76	24,808.20 29,176,73	0.00 0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,538,329.07	1,630,682,53			(5,320.95)		1,533,008.12	1,657,094.90	31,733.32	0.00
GNMA	2007A Single Family	4.75	10/25/07	10/20/37	1,180,616.42	1,220,484.92			(6,007,67)		1,174,608.75	1,240,321.48	25,844.23	0.00
GNMA	2007A Single Family	4.75	11/08/07	10/20/37	372,115.79	384,687.67			(1,430.83)		370,684.96	391,428.22	8,171.38	0.00
GNMA	2007A Single Family	4.75	12/28/07	12/20/37	400,273.05	413,819.25			(1,523.53)		398,749.52	421,087.10	8,791.38	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	134,082.79	142,142.51			(630.28)		133,452.51	144,264,81	2,752.58	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	134,393.79	142,472.20			(456.74)		133,937.05	144,788,61	2,773.15	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	439,385.98	465,788.51			(2,161.79)		437,224.19	472,638,46	9,011,74	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	446,128.25	472,935.93			(1,525.03)		444,603.22	480,615.18	9,204.28	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	1,659,777.71	1,715,919.07			(6,393.13)		1,653,384.58	1,745,973.90	36,447.96	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	120,286.26	124,354,90			(452.66)		119,833.60	126,544.26	2,642.02	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	469,458.49	485,342.16			(1,771.02)		467,687.47	493,882.40	10,311.26	0.00
GNMA	2007A Single Family	5.49	12/20/07	12/20/37	221,768.57	235,097.18			(737.00)		221,031.57	238,937.34	4,577.16	0.00
GNMA GNMA	2007A Single Family	4.75 4.75	12/20/07 01/30/08	12/20/37 01/20/38	242,029.50	250,218.34			(910.80)		241,118.70	254,623.63	5,316.09	0.00
GNMA	2007A Single Family 2007A Single Family	5.49	01/30/08	11/20/37	298,977.55 186,556.12	309,070.64 197,776.61			(1,234.45)		297,743.10	314,253.16	6,416.97	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	49.047.45	51,997.43			(618.09) (162.89)		185,938.03 48,884.56	201,009.21	3,850.69	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	291,058.00	300,883.74			(1,089.28)		289,968.72	52,846.89 306,047.70	1,012.35 6,253.24	0.00 0.00
GNMA	2007A Single Family	4.75	01/16/08	01/20/38	772,256.54	798,315,57			(3,019,17)		769,237.37	811.879.80	16,583,40	0.00
GNMA	2007A Single Family	5.49	01/16/08	12/20/37	197,543.52	209,422.09			(817.21)		196,726.31	212,669.14	4,064.26	0.00
GNMA	2007A Single Family	4.75	01/16/08	12/20/37	99,356.66	102,721.21			(373.89)		98.982.77	104,529,70	2,182.38	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	551,277.15	569.887.53			(2,173.19)		549,103.96	579,552.16	11,837.82	0.00
GNMA	2007A Single Family	5.49	01/30/08	01/20/38	302,337.81	320,330.34			(992.48)		301,345.33	325,284.49	5,946.63	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	287,831.36	305,143.70			(987.50)		286,843.86	310,094.57	5,938.37	0.00
GNMA	2007A Single Family	5.49	02/19/08	02/20/38	224,504.99	237,871.12			(787.48)		223,717.51	241,495.22	4,411.58	10.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	52,949.52	56,134.30			(336.16)		52,613.36	56,878.04	1,079.90	0.00
GNMA	2007A Single Family	5.49	02/13/08	01/20/38	90,355.83	95,734.48			(296.09)		90,059.74	97,215.55	1,777.16	0.00
GNMA	2007A Single Family	4.75	02/13/08	01/20/38	158,614.27	163,971.36			(1,064.04)		157,550.23	166,288.86	3,381.54	0.00
GNMA	2007A Single Family	4.75	02/13/08	12/20/37	99,926.50	103,313.37			(2,528.27)		97,398.23	102,859.38	2,074.28	0.00
gnma Gnma	2007A Single Family	5.49 5.49	04/08/08 04/08/08	04/20/38	174,868.23	185,289.31			(948.01)		173,920,22	187,751.24	3,409.94	0.00
GNMA	2007A Single Family	5.49 4.75	04/08/08	11/20/37	289,768.31	307,218.91			(1,279.81)		288,488.50	311,894,28	5,955.18	0.00
GNMA	2007A Single Family 2007A Single Family	4.75	04/08/08	03/20/38 04/20/38	723,939.85 250.497.90	746,612.40 258.974.55			(2,695.63)		721,244.22	759,486.27	15,569.50	0.00
GNMA	2007A Single Family	5.49	03/12/08	03/20/38	431,354.23	457,046.42			(929.26) (146,250.41)		249,568.64	263,427.91	5,382.62	0.00
GNMA	2007A Single Family	5.49	03/20/08	01/20/38	173,830.91	184,185.69			(611.85)		285,103.82 173,219.06	307,767.37 186,989.39	(3,028.64) 3,415.55	0.00 0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	124,489.14	128,694.72			(463.10)		124,026.04	130,906.28	2,674.66	0.00
GNMA	2007A Single Family	4.75	02/19/08	12/20/37	112,826.47	116,651.28			(432.63)		112,393.84	118,696.52	2,477,87	0.00
GNMA	2007A Single Family	5.49	02/19/08	01/20/38	341,674.43	362,015.63			(1,227.95)		340,446.48	367,499.31	6.711.63	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	219,175.66	226,580.01			(867.09)		218,308.57	230,419.07	4,706.15	0.00
GNMA	2007A Single Family	5.49	02/19/08	10/20/37	146,447.28	155,258.39			(488.11)		145,959.17	157,792.74	3,022.46	0.00
GNMA	2007A Single Family	4.75	02/27/08	02/20/38	98,262.43	101,582.82			(365.61)		97,896.82	103,328.51	2,111.30	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	217,748.03	230,713.75			(991.70)		216,756.33	233,983.00	4,260.95	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	172,514.17	182,786.45			(564.66)		171,949.51	185,615.16	3,393.37	0.00
GNMA	2007A Single Family	4.75	03/20/08	12/20/37	115,668.05	119,593.06			(435.15)	•	115,232.90	121,698.61	2,540.70	0.00
GNMA	2007A Single Family	4.75	03/20/08	03/20/38	91,921.30	95,029.83			(340.05)		91,581.25	96,664.87	1,975.09	0.00
GNMA	2007A Single Family	5.49	03/27/08	03/20/38	413,716.22	438,364.96			(1,346.18)		412,370.04	445,157.04	8,138.26	0.00
GNMA	2007A Single Family	5.49	03/27/08	02/20/38	179,296.98	189,978.91			(587.56)		178,709.42	192,917.98	3,526.63	0.00
GNMA	2007A Single Family	4.75	04/15/08	03/20/38	195,997.82	202,631.45			(727.18)		195,270.64	206,115.63	4,211.36	0.00
GNMA	2007A Single Family	4.75	04/15/08	02/20/38	113,748.71	117,598.35			(425.64)		113,323.07	119,616.59	2,443.88	0.00
GNMA	2007A Single Family	5.49	04/15/08	03/20/38	232,143.62	245,979.45			(751.17)		231,392.45	249,795.21	4,566.93	0.00
GNMA	2007A Single Family	5.49	04/24/08	04/20/38	519,393.24	550,355.35			(1,690.04)		517,703.20	558,882.61	10,217.30	0.00
GNMA GNMA	2007A Single Family	4.75 4.75	04/24/08 04/22/08	04/20/38 03/20/38	350,033.94	361,885.03			(1,300.26)		348,733.68	368,105.83	7,521.06	0.00
GNMA	2007A Single Family 2007A Single Family	5.49	04/22/08	04/20/38	155,931.52 96,651.45	161,210.24 102,412.83			(581.00)		155,350.52	163,979.58	3,350.34	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	255,662.30	270,906.43			(312.92) (827.00)		96,338.53 254,835.30	104,001,33	1,901.42	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	160,181.53	169,732.51			(518.29)		159,663.24	275,109,44 172,365,69	5,030.01	0.00 0.00
GNMA	2007A Single Family	4.75	05/07/08	05/20/38	598,751,37	619,032,68			(2,203.09)		596,548,28	629,696.10	3,151.47 12,866,51	0.00
GNMA	2007A Single Family	5.49	05/14/08	04/20/38	146,017.38	154,725.07			(468.79)		145,548.59	157,129.22	2,872.94	0.00
GNMA	2007A Single Family	4.75	05/14/08	05/20/38	279,540.05	289,010.86			(1,036.73)		278,503.32	293,981.02	6,006.89	0.00
GNMA	2007A Single Family	4.75	05/21/08	05/20/38	139,480.15	144,206,75			(833.32)		138,646,83	146,353,10	2,979.67	0.00
GNMA	2007A Single Family	5.49	05/28/08	05/20/38	348,671.35	369,470.21			(1,119.77)		347,551.58	375,210.75	6,860.31	0.00
GNMA	2007A Single Family	5,49	05/28/08	04/20/38	280,115.03	296,823,78			(920.09)		279,194.94	301,413.48	5,509.79	0.00
GNMA	2007A Single Family	4.75	05/28/08	04/20/38	31,128.70	32.183.76			(125.38)		31,003.32	32,726,71	668.33	0.00
GNMA	2007A Single Family	5.49	06/11/08	05/20/38	488,777.07	517,941.34			(1,727.87)		487,049.20	525,817.97	9,604.50	0.00
GNMA	2007A Single Family	5.49	07/09/08	07/20/38	230,396.15	244,151.29			(762.31)		229,633.84	247,920,56	4,531.58	0.00
GNMA	2007A Single Family	5.49	07/09/08	06/20/38	187,095.95	198,265.58			(597.02)		186,498.93	201,350.43	3,681.87	0.00
GNMA	2007A Single Family	4.75	07/09/08	06/20/38	233,923.66	241,863.67			(850.54)		233,073.12	246,040.98	5,027.85	0.00
GNMA	2007A Single Family	4.75	07/16/08	06/20/38	168,569.51	174,292.63			(632.19)		167,937.32	177,282,38	3,621.94	0.00
GNMA	2007A Single Family	5.49	07/16/08	05/20/38	114,358.40	121,186.45			(392.16)		113,966.24	123,042.35	2,248.06	0.00
GNMA	2007A Single Family	5.49	06/18/08	05/20/38	242,486.47	256,956.93			(788.70)		241,697.77	260,938.59	4,770.36	0.00
GNMA	2007A Single Family	4.75	06/18/08	04/20/38	113,996.98	117,863.49			(419.07)		113,577.91	119,894,07	2,449.65	0.00
GNMA	2007A Single Family	5.49	06/18/08	06/20/38	183,763.72	194,730.08			(584.50)		183,179.22	197,761.96	3,616.38	0.00
GNMA	2007A Single Family	5.49	06/25/08	06/20/38	104,413.66	110,645.59			(341.34)		104,072.32	112,358.23	2,053.98	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	5.49 4.75	07/23/08 07/23/08	06/20/38 07/20/38	107,231.03 120.693.99	113,634.44 124,792.69			(351.70)		106,879.33	115,392.10	2,109.36	0.00
GNMA	2007A Single Family	4.75	08/27/08	08/20/38	78,829.45	81,509.68			(438.58) (283.26)		120,255.41 78,546.19	126,948.31 82,920.92	2,594.20 1,694.50	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	297,116.17	314,866.74			(3,712.60)		293,403.57	316,780.73	5,626.59	0.00 0.00
GNMA	2007A Single Family	4.75	08/13/08	07/20/38	72,459.72	74,922.16			(271.77)		72,187.95	76,207.32	1,556.93	0.00
GNMA	2007A Single Family	4.75	08/13/08	06/20/38	272,274,95	281,527.24			(992.06)		271,282,89	286.387.13	5,851.95	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	94,644.43	100,298.76			(296.89)		94,347,54	101,864.75	1.862.88	0.00
GNMA	2007A Single Family	4.75	08/20/08	08/20/38	294,293,47	304,297.06			(1,069.66)		293,223.81	309,553.09	6,325.69	0.00
GNMA	2007A Single Family	4.75	08/27/08	07/20/38	1,183,665.71	1,223,908.18			(5,002.78)		1,178,662,93	1,244,307.55	25,402.15	0.00
GNMA	2007A Single Family	5.49	08/27/08	08/20/38	89,593.81	94,947.84			(280.54)		89,313.27	96,430.83	1,763.53	0.00
GNMA	2007A Single Family	5.49	09/10/08	07/20/38	310,744,85	329,318.97			(1,054.70)		309,690.15	334,374.42	6,110.15	0.00
GNMA	2007A Single Family	4.75	09/24/08	06/20/38	191,947.87	198,479.57			(697.73)		191,250.14	201,907.58	4,125.74	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	200,772.23	212,776.41			(628.68)		200,143.55	216,099.75	3,952.02	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	29,104.88	30,845.06			(160.40)		28,944.48	31,252.05	567.39	0.00
GNMA	2007A Single Family	5.49	09/24/08	09/20/38	85,837.53	90,969.85			(268.09)		85,569.44	92,391.55	1,689.79	0.00
GNMA	2007A Single Family	4.75	10/08/08	09/20/38	113,365.73	117,225.53			(405.07)		112,960.66	119,257.58	2,437.12	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	342,104.81	362,568.07			(3,381.43)		338,723.38	365,736,58	6,549.94	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	104,323.46	110,563.65			(406.76)		103,916.70	112,204.06	2,047.17	0.00
GNMA	2007A Single Family	4.75	10/22/08	09/20/38	259,822.36	268,672.70			(935.11)		258,887.25	273,322.89	5,585.30	0.00
GNMA	2007A Single Family	5.49	10/22/08	09/20/38	345,616.84	366,292.77			(1,104.39)		344,512.45	371,989.97	6,801.59	0.00
GNMA GNMA	2007A Single Family	5.49	10/29/08 10/29/08	09/20/38	127,273.85	134,888.89			(396.04)		126,877.81	136,998.40	2,505.55	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	4.75 4.75	10/29/08 11/25/08	10/20/38 11/20/38	237,012.10 98,965.81	245,087.68			(1,162.53)		235,849.57	249,002.90	5,077.75	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	4.75 5.49	12/10/08	11/20/38 09/20/38	98,965.81 157,799.80	102,340.82 167,248.87			(349.65)		98,616.16	104,119.14	2,127.97	0.00
GNMA	2007A Single Family 2007A Single Family	4.75	12/10/08	11/20/38	77,648.83	80,298.18			(490.87) (305.96)		157,308.93 77,342.87	169,864.46 81,659.99	3,106.46 1,667.77	0.00 0.00
GNMA	2007A Single Family	4.75	12/17/08	11/20/38	111.851.10	115.668.35			(305.96)		111,456.02	117,678.23	1,667.77 2,404.96	0.00
GNMA	2007A Single Family 2007A Single Family	4.75	12/30/08	12/20/38	336,848.71	348,349.93			(1,219,33)		335,629,38	354,371,80	7,241,20	0.00
GNMA	2007A Single Family	4.75	12/30/08	11/20/38	188,958.98	195,410.52			(669.95)		188,289.03	198,803.38	4,062.81	0.00
GNMA	2007A Single Family	5.49	01/14/09	12/20/38	202,550,90	214,688.37			(622.51)		201,928.39	218,054,24	3,988.38	0.00
					,	,			\ <del></del>		201,020.00	210,00727	0,000.00	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	94,660.63	97,894,26			(332.88)		94,327,75	99,596.87	2,035,49	0.00
GNMA	2007A Single Family	4,75	01/14/09	12/20/38	81,194.05	83,967.67			(288.73)		80.905.32	85,424.67	1,745.73	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	596,983.34	628,557.08			(2,096.23)		594,887.11	638,439.03	11,978.18	0.00
GNMA	2007A Single Family	5,49	01/21/09	01/20/39	211,021.68	223,670.68			(642.97)		210,378.71	227,196.14	4,168.43	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	400,320.45	421,492.93			(1,279.91)		399,040.54	428,254.46	8,041,44	0.00
GNMA	2007A Single Family	5.15	01/21/09	01/20/39	259,972.97	272,962.37			(845.28)		259,127.69	277,374.90	5,257,81	0.00
GNMA	2007A Single Family	4.75	01/21/09	12/20/38	97,374.89	100,701.96			(341.96)		97,032.93	102,453.89	2,093.89	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	758,834.73	798,968.59			(2,426.69)		756,408.04	811,784.98	15,243.08	0.00
GNMA	2007A Single Family	4.75	01/21/09	01/20/39	118,389.91	122,399.20			(413.41)		117,976.50	124,546.16	2,560.37	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	321,006.24	343,353.26			(911.69)	•	320,094.55	347,512,42	5,070.85	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	302,263.71	318,109.22			(1,035.60)		301,228,11	323,699.84	6,626.22	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	459,125.76	483,194.41			(114,421.85)		344,703.91	370,418.95	1,646.39	0.00
FNMA FNMA	2007A Single Family	4.75 5.49	08/23/07 09/11/07	08/01/37	1,653,993.04	1,698,760.58			(137,018.81)		1,516,974.23	1,591,112.74	29,370.97	0.00
FNMA	2007A Single Family 2007A Single Family	5.49	09/11/07	08/01/37 08/01/37	847,712.82	901,517.10			(3,252.29)		844,460.53	916,896.24	18,631.43	0.00
FNMA	2007A Single Family	4.75	09/11/07	08/01/37	440,521.37 1,527,768.76	468,481.24 1,585,590.79			(2,549.60)		437,971.77	475,539.89	9,608.25	0.00
FNMA	2007A Single Family	5.49	09/25/07	09/01/37	1,578,989.75	1,661,815.13			(7,197.05)		1,520,571,71	1,611,474.77	33,081.03	0.00
FNMA	2007A Single Family	5.49	09/25/07	08/01/37	259.978.62	276,486.51			(5,394.44) (962.38)		1,573,595.31	1,691,037.33	34,616.64	0.00
FNMA	2007A Single Family	4.75	09/25/07	09/01/37	1,927,845.67	2,000,868.73			(8,019.76)		259,016.24	281,241,18	5,717.05	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	957.801.34	1.013.227.38			(4,884.04)		1,919,825.91 952,917.30	2,034,657.41 1,030,002.52	41,808,44 21,659.18	0.00 0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	167,711.99	177,417.15			(698.20)		167,013.79	180,524,19	3,805.24	0.00
FNMA	2007A Single Family	4.75	10/09/07	09/01/37	582.833.63	604,117,57			(2,291.78)		580,541.85	614,290,28	12.464.49	0.00
FNMA	2007A Single Family	4.75	10/09/07	08/01/37	263,607.96	273,233.85			(1,352.78)		262,255.18	277,500.21	5,619.14	0.00
FNMA	2007A Single Family	5.49	10/25/07	09/01/37	1,000,597,51	1,058,515.03			(3,452.62)		997,144,89	1,077,823,10	22,760,69	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	494,366.99	522,983.46			(2,170.48)		492,196.51	532,020.81	11,207.83	0.00
FNMA	2007A Single Family	4.75	10/25/07	10/01/37	1,086,022.41	1,125,700.01			(4,222.15)		1,081,800,26	1,144,706.68	23,228.82	0.00
FNMA	2007A Single Family	5,49	10/25/07	10/01/37	659,634.64	697,817.63			(2,292.41)		657,342.23	710,528,70	15,003,48	0.00
FNMA	2007A Single Family	5.49	11/08/07	10/01/37	551,832.16	583,782.08			(1,880.56)		549,951.60	594,455.55	12,554.03	0.00
FNMA	2007A Single Family	4.75	11/08/07	09/01/37	104,986.01	108,822.75			(403.83)		104,582.18	110,664.72	2,245.80	0.00
FNMA	2007A Single Family	4.75	11/21/07	10/01/37	223,467.26	231,636.96			(2,065.95)		221,401.31	234,281.18	4,710.17	0.00
FNMA	2007A Single Family	5.49	11/21/07	10/01/37	592,826.65	627,157.04			(2,113.21)		590,713.44	638,523.72	13,479.89	0.00
FNMA	2007A Single Family	5.49	11/21/07	09/01/37	401,424.67	424,670.17			(1,460.65)		399,964.02	432,334.83	9,125,31	0.00
FNMA FNMA	2007A Single Family 2007A Single Family	4.75 5.49	11/28/07 12/11/07	09/01/37	117,020.07	121,298.68			(483.72)		116,536.35	123,316.26	2,501.30	0.00
FNMA	2007A Single Family 2007A Single Family	5.49 5.49	12/11/07	11/01/37 09/01/37	865,131.69	915,248.70			(2,944.16)		862,187.53	931,987.84	19,683.30	0.00
FNMA	2007A Single Family 2007A Single Family	4.75	12/11/07	12/01/37	92,724.38 712.440.00	98,095.69 738,500,89			(321.47)		92,402.91	99,883.29	2,109.07	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	372,396.84	393,969.76			(2,749.92) (1,278.23)		709,690.08	750,990.97	15,240.00	0.00
FNMA	2007A Single Family	4.75	12/20/07	12/01/37	212,729,69	220.513.07			(831.96)	*	371,118.61 211,897.73	401,163.34	8,471.81	0.00
FNMA	2007A Single Family	5.49	12/20/07	12/01/37	320,198.02	338,750.15			(1,100.74)		319,097.28	224,231.07 344,933.64	4,549.96 7,284.23	0.00
FNMA	2007A Single Family	5.49	12/28/07	10/01/37	146,707,70	155,208.51			(508.21)		146,199.49	158,037,31	3,337.01	0.00
FNMA	2007A Single Family	4.75	12/28/07	12/01/37	313,448.00	324,918,77			(1,396.35)		312,051.65	330,216.70	6,694.28	0.00
FNMA	2007A Single Family	5.49	12/28/07	12/01/37	89,224.67	94,394.97			(295.32)		88,929.35	96,130,38	2,030.73	0.00
FNMA	2007A Single Family	5.49	01/16/08	08/01/37	234,038.83	247,603.18			(892.96)		233 145.87	252,027.07	5,316.85	0.00
FNMA	2007A Single Family	5.49	01/30/08	09/01/37	330,063.87	349,198.54			(1,119.08)		328,944,79	355,589.24	7,509.78	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	103,934.35	107,741.03			(442.13)		103,492,22	109,519,77	2,220.87	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	93,782.50	97,217.36			(354.45)		93,428.05	98,869,44	2,006.53	0.00
FNMA	2007A Single Family	5.49	01/30/08	01/01/38	710,423.54	141,655.19			(576,881.18)		133,542.36	144,174,25	579,400.24	0.00
FNMA	2007A Single Family	5.49	02/13/08	11/01/37	398,742.53	421,865.08			(2,207.92)		396,534.61	428,660.74	9,003.58	0.00
FNMA	2007A Single Family	4.75	02/13/08	01/01/38	441,730.19	457,642.89			(2,034.48)		439,695.71	465,026.79	9,418.38	0.00
FNMA	2007A Single Family	5.49	02/19/08	01/01/38	204,486.90	216,346.79			(765.73)		203,721.17	220,227,88	4,646.82	0.00
FNMA	2007A Single Family	5.49	02/27/08	02/01/38	178,453.34	188,804.85			(72,023.63)		106,429.71	115,054,33	(1,726.89)	0.00
FNMA	2007A Single Family	4.75	03/12/08	02/01/38	230,680.31	239,138.58			(873.69)		229,806.62	243,200.74	4,935.85	0.00
FNMA	2007A Single Family	5.49	03/20/08	02/01/38	298,913.69	316,044.52			(992.76)		297,920.93	321,654.31	6,602.55	0.00
FNMA FNMA	2007A Single Family	5.49 4.75	03/20/08	11/01/37	352,946.28	373,425.23			(1,179,41)		351,766.87	380,277.95	8,032.13	0.00
FNMA FNMA	2007A Single Family	4.75 5.49	03/27/08 04/08/08	03/01/38	202,295,24	209,591.10			(751.64)	•	201,543.60	213,163.23	4,323.77	0.00
FNMA	2007A Single Family 2007A Single Family	5.49 4.75	04/08/08	03/01/38 02/01/38	183,364.42 142,961.95	193,876.61			(614.03)		182,750.39	197,312.49	4,049.91	0.00
FNMA	2007A Single Family	5.49	04/06/08	02/01/38	102,049,45	148,119.42 107,901.09			(534.13)		142,427.82	150,640.61	3,055.32	0.00
FNMA	2007A Single Family	5.49	04/22/08	04/01/38	190,224.32	201,132.43			(333.43) (683.40)		101,716.02	109,822.17	2,254.51	0.00
Inv Agmt	2007A Single Family	3.73	0-7/22-00	04/01/30	5,053,792,41	5,053,792.41		(5,053,792.41)	(003.40)		189,540.92	204,646.80	4,197.77	0.00 0.00
	gy				-1	0,000,102.71		(0,000,132.41)					-	0.00

investment	N.	Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Repo Agmt	2007A Single Family	0.16	11/30/09	12/01/09	•		4.954.522.04				4,954,522.04	4,954,522.04	_	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	8,372.06	8,738.32			(29.84)		8,342.22	8,891.85	183.37	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	5,959.07	6,219.77			(20.82)		5,938.25	6,329.49	130.54	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	22,436.98	23,418.74			(105.44)		22,331.54	23,803.02	489.72	0.00
Freddie Mac	2007A Single Family	6.00	12/20/07	12/01/37	4,612.55	4,905.88			(14.08)		4,598.47	4,981.26	89.46	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	16,212.00	16,921.42			(60.84)		16,151.16	17,215,43	354.85	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	17,881.54	18,664.33			(69.92)		17,811.62	18,985.63	391.22	0.00
Freddie Mac	2007A Single Family	6.00	01/16/08	12/01/37	4,090.83	4,351.08			(12.40)		4,078.43	4,418.03	79.35	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	7,601.56	7,934.35			(26.47)		7,575.09	8,074.41	166.53	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	01/01/38	14,970.20	15,625.71			(59.28)		14,910.92	15,893.91	327.48	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	12/01/37	9,420.42	9,832.93			(33.82)		9,386.60	10,005.42	206.31	0.00
Freddie Mac	2007A Single Family	6.00	01/30/08	01/01/38	3,736.58	3,971.14			(11.30)		3,725.28	4,031.17	71.33	0.00
Freddie Mac	2007A Single Family	6.00	02/13/08	01/01/38	5,909.96	6,281.05			(20.31)		5,889.65	6,373.34	112.60	0.00
Freddie Mac	2007A Single Family	5.25	02/13/08	01/01/38	7,669.17	8,005.05			(26.58)		7,642.59	8,146.49	168.02	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	02/01/38	2,673.38	2,790.37			(9.18)		2,664.20	2,839.77	58.58	0.00
Freddie Mac	2007A Single Family	6.00	03/20/08	03/01/38	5,335.87	5,671.07			(16.05)		5,319.82	5,756.86	101.84	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	11/01/37	4,451.26	4,646.34			(16.79)		4,434.47	4,726.98	97.43	0.00
Freddie Mac	2007A Single Family	6.00	04/22/08	02/01/38	2,270.89	2,415.54			(7.18)		2,263.71	2,452.38	44.02	0.00
Freddie Mac	2007A Single Family	5.25	04/22/08	01/01/38	5,408.03	5,644.82			(18.66)		5,389.37	5,744.64	118.48	0.00
Freddie Mac	2007A Single Family	5.25	05/14/08	04/01/38	10,020.06	10,459.02			(34.23)		9,985.83	10,644.36	219.57	0.00
Freddie Mac	2007A Single Family	6.00	05/15/08	04/01/38	8,624.40	9,166.55			(25.61)		8,598.79	9,305.60	164.66	0.00 0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	04/01/38	11,896.12	12,417.32			(40.69)		11,855.43 8.324.12	12,637.32 8.873,33	260.69 183.07	0.00
Freddie Mac	2007A Single Family	5.25 5.25	05/21/08 05/28/08	05/01/38 04/01/38	8,352,32 9,101,98	8,718.46 9,500.79			(28.20) (31.06)		9,070.92	9,669.19	199,46	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	05/01/38	4,891.88	5,106.23			(16.49)		4,875.39	5,196.96	107.22	0.00
Freddie Mac	2007A Single Family	6.00	06/18/08	05/01/38	10,421.09	11,076.49			(35.71)		10,385.38	11,239,34	198.56	0.00
Freddie Mac Freddie Mac	2007A Single Family 2007A Single Family	5.25	06/18/08	02/01/38	2,912.64	3,040.48			(22.41)		2,890.23	3,081.08	63.01	0.00
Freddie Mac	2007A Single Family 2007A Single Family	5,25	06/18/08	05/01/38	5,161.09	5,387.33			(17.39)		5,143.70	5,483.05	113.11	0.00
Freddie Mac	2007A Single Family	6.00	06/25/08	05/01/38	3,707.07	3,940.23			(10.85)		3,696.22	4,000.14	70.76	0.00
Freddie Mac	2007A Single Family	6.00	07/16/08	06/01/38	5,784.47	6,148.40			(18.70)		5,765.77	6,240.02	110.32	0.00
Freddie Mac	2007A Single Family	5.25	07/16/08	06/01/38	7,882.84	8,228.56			(26.85)		7,855.99	8,374.45	172.74	0.00
Freddie Mac	2007A Single Family	6.00	07/23/08	06/01/38	5.289.77	5,622,59			(19.39)		5,270.38	5,703.90	100.70	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	06/01/38	5,476.95	5,821,65			(37.30)		5,439.65	5,887.20	102.85	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	08/01/38	2,610.04	2,774.29			(7.51)		2,602.53	2,816.64	49.86	0.00
Freddie Mac	2007A Single Family	6.00	08/20/08	06/01/38	5,459.12	5,802.71			(16.23)		5,442.89	5,890.73	104.25	0.00
Freddie Mac	2007A Single Family	6.00	08/27/08	08/01/38	10,835.53	11,517.60			(32.71)		10,802.82	11,691.72	206.83	0.00
Freddie Mac	2007A Single Family	6.00	09/17/08	08/01/38	7,785,98	8,276.21			(25.52)		7,760.46	8,399.14	148.45	0.00
Freddie Mac	2007A Single Family	5.25	09/17/08	08/01/38	2,995.28	3,126.78			(10.38)		2,984.90	3,182.04	65.64	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	08/01/38	6,416.75	6,698.51			(21.23)		6,395.52	6,817.94	140.66	0.00
Freddie Mac	2007A Single Family	6.00	09/24/08	06/01/38	3,564.51	3,788.95			(10,45)		3,554.06	3,846.57	68.07	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	06/01/38	5,144.58	5,370.48			(17.31)		5,127.27	5,465.93	112.76	0.00
Freddie Mac	2007A Single Family	5.25	10/08/08	09/01/38	4,145.75	4,327.84	•		(55.61)		4,090.14	4,360.35	88.12	0.00
Freddie Mac	2007A Single Family	6.00	10/15/08	09/01/38	7,975.68	8,478.02			(22.79)		7,952.89	8,607.59	152.36	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	07/01/38	4,423.69	4,618.02			(14.73)		4,408.96	4,700.26	96.97	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	07/01/38	2,721.96	2,893.42			(7.87)		2,714.09	2,937.53	51.98	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	09/01/38	2,767.27	2,941.58			(7.90)		2,759.37	2,986.54	52.86	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	08/01/38	5,475.14	5,715.65			(25.60)		5,449.54	5,809.57	119.52 89.71	0.00 0.00
Freddie Mac	2007A Single Family	5.25	11/19/08	09/01/38	4,092.45	4,272.32			(13.45)		4,079.00	4,348.58 12,128.56	250.23	0.00
Freddie Mac	2007A Single Family	5.25 6.00	12/10/08	11/01/38	11,414.17	11,916.06			(37.73) (16.95)		11,376.44 5,992,53	6,486.15	250.23 114.82	0.00
Freddie Mac	2007A Single Family	5.25	12/17/08 01/14/09	11/01/38 11/01/38	6,009,48 2,993.96	6,388.28 3,125.69			(9.73)		2,984.23	3,181.61	65,65	0.00
Freddie Mac	2007A Single Family	6.00	01/14/09	11/01/38	7,388.06	7.853.93			(20.83)		7,367.23	7,974.26	141.16	0.00
Freddie Mac	2007A Single Family 2007A Single Family	6.00	02/18/09	01/01/38	4,801.93	7,853.93 5,104.86			(13.45)		4.788.48	5,183.16	91.75	. 0.00
Freddie Mac	2007A Single Family 2007A Single Family	5.25	02/18/09	12/01/38	4,081.76	4,261.45			(13.18)		4,068.58	4,337.78	89.51	0.00
Freddie Mac Freddie Mac	2007A Single Family 2007A Single Family	5.25 5.49	02/18/09	09/01/38	4,081.76	5,227.33			(15.64)		4,956,00	5,322.17	110.48	0.00
Freddie Mac	2007A Single Family 2007A Single Family	4.75	02/18/09	10/01/38	1,721.40	1,764.93			(6.18)		1,715.22	1,794.94	36.19	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	12/01/38	2,498.72	2,561.90			(9.32)		2,489.40	2,605.08	52.50	0.00
Freddie Mac	2007A Single Family	4.75	03/11/09	12/01/38	2,958.74	3,033.59			(10.50)		2,948.24	3,085.30	62.21	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	02/01/39	2,590.36	2,704.21			(8.27)		2,582.09	2,752.75	56.81	0.00
Freddie Mac	2007A Single Family	5.25		01/01/39	2,977.72	3,108.89			(30.87)		2,946.85	3,141.92	63.90	0.00
		3,22			_, <u>-</u>				, ,		•	•		

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Freddie Mac	2007A Single Family	6.00	03/25/09	11/01/38	1,880.04	1,998.69			(5.62)		1,874.42	2,028.96	35.89	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	12/01/38	2,317.96	2,420.06			(24.57)		2,293.39	2,445.19	49.70	0.00
FNMA	2007A Single Family	5.25	10/29/09	10/01/39			3,573.93				3,573.93	3,838.98	265.05	0.00
GNMA	2007A Single Family	5.25	12/28/07	12/20/37	18,754.85	19,717.74			(80.67)		18,674.18	20,024.93	387.86	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	23,498.43	24,903.59		• '	(3,490.29)		20,008.14	21,553.42	140.12	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	92,134.20	97,037.74			(334,48)		91,799.72	98,611.41	1,908.15	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	17,085.77	17,995.09			(62.26)		17,023.51	18,286.66	353.83	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	15,745.87	16,846.51			(50.23)		15,695.64	17,067.59	271.31	0.00
GNMA	2007A Single Family	5.25	12/11/07	12/20/37	75,524.90	79,544.64			(282.27)		75,242.63	80,825.93 9,678.22	1,563.56 187.35	0.00 0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	9,041.12	9,522.30	*		(31.43) (148.26)		9,009,69 42,385.04	45,530.58	881.33	0.00
GNMA	2007A Single Family	5.25 6.00	12/20/07 12/20/07	12/20/37 12/20/37	42,533.30 5,953.37	44,797.51 6,369.60			(17.91)		42,365.04 5,935.46	6,454,37	102.68	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	16,100.54	16,957.63			(56.43)		16,044.11	17,234.80	333.60	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	5.25	12/20/07	11/20/37	4,457,44	4,694.73			(18.73)		4.438.71	4,768.12	92.12	0.00
GNMA	2007A Single Family 2007A Single Family	5.25	12/20/07	12/20/37	6,607.12	6,958.84			(25.92)		6,581.20	7,069.61	136.69	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	15,502.50	16,574.68			(46.39)		15,456.11	16,771.98	243.69	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,400.84	15,129.65			(71.82)		14,329.02	15,344.13	286.30	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	12,587,66	13,248,53			(43.65)		12,544.01	13,456.40	251.52	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	12,088.46	12,700.26			(41.51)		12,046.95	12,900.40	241.65	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	5,306.60	5,673.62			(15.80)		5,290,80	5,741,25	83.43	0.00
GNMA	2007A Single Family	6.00	01/16/08	12/20/37	35,162,12	37,621.45			(8,046.37)		27,115.75	29,487.09	(87.99)	0.00
GNMA	2007A Single Family	5.25	01/16/08	12/20/37	16,953.13	17,856.13			(60.05)		16,893.08	18,147.33	351.25	0.00
GNMA	2007A Single Family	5.25	01/16/08	01/20/38	99,892.20	105,135.23			(6,022.38)		93,869.82	100,695.96	1,583.11	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	25,474.24	26,763.48			(92.21)		25,382.03	27,180.18	508.91	0.00
GNMA	2007A Single Family	5.25	01/30/08	12/20/37	5,181.40	5,457.44			(18.54)		5,162.86	5,546.24	107.34	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	9,907.31	10,427.61			(34.01)		9,873.30	10,591.59	197.99	0.00
GNMA	2007A Single Family	5.25	02/13/08	02/20/38	12,287.03	12,932.33			(50.39)		12,236.64	13,126.88	244.94	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	3,027.09	3,236.51			(9.01)		3,018.08	3,275.08	47.58	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	4,530.25	4,843.58			(14.51)		4,515.74	4,900.21	71.14	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	10,105.32	10,635.87			(5,228.50)		4,876.82	5,231.54	(175.83)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,840.30	5,094.43			(16.55)		4,823.75	5,174.61	96.73	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,321.25	15,073.15			(59.54)		14,261.71	15,299.05	285.44	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	12,222.44	13,067.96			(36.51)		12,185.93	13,223.57	192.12	0.00 0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	23,552.67	24,789.59			(80.87) (66.18)		23,471.80 19,237.95	25,179.39 20,637,52	470.67 385.77	0.00
GNMA	2007A Single Family	5.25	02/13/08 04/08/08	01/20/38 03/20/38	19,304.13 13,442.99	20,317.93 14,149.84			(46.18)		13,396,81	14,372,32	268.66	0.00
GNMA	2007A Single Family	5.25 5.25	04/08/08	03/20/38	4,941.10	5,200.91			(16.72)		4,924.38	5,282.96	98.77	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	6.00	04/08/08	04/20/38	9,641,73	10.309.37			(29.51)		9,612.22	10,431.38	151.52	0.00
GNMA	2007A Single Family	5.25	04/08/08	04/20/38	12,507.20	13,164.90			(43.01)		12,464.19	13,371.85	249.96	0.00
GNMA	2007A Single Family	6.00	03/12/08	03/20/38	10,880.21	11,633.24			(48.81)		10,831.40	11,754.07	169.64	0.00
GNMA	2007A Single Family	5.25	03/12/08	03/20/38	22,028.75	23,186,39			(74.78)		21,953.97	23,551.90	440.29	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	18,607.84	19,548.22			(77.18)		18,530.66	19,841.71	370.67	0.00
GNMA	2007A Single Family	6.00	02/19/08	01/20/38	14,332.58	15,324.14			(43.85)		14,288.73	15,505.49	225.20	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	17,653.50	18,580,77			(62.54)		17,590.96	18,870.87	352.64	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	4,878.63	5,134.90			(16.57)		4,862.06	5,215.83	97.50	0.00
GNMA	2007A Single Family	6.00	02/19/08	02/20/38	7,300.10	7,805.17			(22.58)		7,277.52	7,897.27	114.68	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	23,072.35	24,284.25			(117.00)		22,955.35	24,625.56	458.31	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	5,255.41	5,531.47			(18.25)		5,237.16	5,618.23	105.01	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	8,814.86	9,424.82			(27.03)		8,787.83	9,536.31	138.52	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	8,271.48	8,706.02			(28.95)		8,242.53	8,842.33	165.26	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	12,157.67	12,796.35			(41.97)		12,115.70	12,997.33	242.95	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	6,219.03	6,545.74			(21.53)		6,197.50	6,648.48	124.27	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	10,745.43	11,488.94			(31.94)		10,713.49	11,625.92	168.92	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	22,387.18	23,563.29			(92.30)		22,294.88	23,917.27	446.28	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	4,977.29	5,238.90			(16.81)		4,960.48	5,321.58	99.49	0.00
GNMA	2007A Single Family	6.00	03/20/08	03/20/38	2,059.63	2,202.21			(6.14)		2,053.49	2,228.45	32.38	0.00
GNMA	2007A Single Family	5.25	03/27/08	03/20/38	10,783.99	11,350.89			(37.35)		10,746.64	11,529.02	215.48	0.00
GNMA	2007A Single Family	6.00	03/27/08	03/20/38	18,418.12	19,693.20			(4,780.05)		13,638.07	14,800.09	(113.06)	0.00
GNMA	2007A Single Family	5.25	04/15/08	03/20/38	8,077.94	8,502.77			(27.66)		8,050.28	8,636.55	161.44	0.00 0.00
GNMA	2007A Single Family	6.00	04/15/08	04/20/38	6,566.63	7,021.37			(35.75)		6,530.88	7,087.47	101.85	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007A Single Family	5.25	04/24/08	04/20/38	8,908.09	9,376.68			(29.96)		8,878.13	9,524.79	178.07	0.00
GNMA	2007A Single Family	6.00	04/22/08	04/20/38	13,917.33	14,881.24			(2,326.15)		11,591.18	12,579.15	24.06	0.00
GNMA	2007A Single Family	6.00	05/07/08	04/20/38	15,855.83	16,954.26			(46.76)		15,809.07	17,156,84	249.34	0.00
GNMA	2007A Single Family	5.25	05/07/08	05/20/38	52,845.28	55,625.89			(190.04)		52,655.24	56,491.33	1,055.48	0.00
GNMA	2007A Single Family	5.25	05/07/08	04/20/38	9,474.70	9,973.21			(32.14)		9,442.56	10,130.46	189.39	0.00
GNMA	2007A Single Family	5.25	05/14/08	04/20/38	18,754.16	19,741.07			(65.66)		18,688.50	20,050.12	374.71	0.00
GNMA	2007A Single Family	6.00	05/21/08	05/20/38	10,498.71	11,226.21			(32.06)		10,466.65	11,359.14	164.99	0.00
GNMA	2007A Single Family	5.25	05/21/08	05/20/38	5,600.51	5,895.30			(18.87)		5,581.64	5,988.39	111.96	0.00
GNMA	2007A Single Family	5.25	05/28/08	05/20/38	9,115.67	9,595.51			(30.94)		9,084.73	9,746.76	182.19	0.00
GNMA	2007A Single Family	6.00	05/28/08	05/20/38	9,635.91	10,303.71			(33.55)		9,602.36	10,421.23	151.07	0.00
GNMA	2007A Single Family	5.25	05/28/08	01/20/38	3,171.10	3,338.01			(11.04)		3,160.06	3,390.34	63.37	0.00
GNMA	2007A Single Family	6.00 5.25	06/11/08 06/11/08	06/20/38 05/20/38	15,509.97	16,585.12			(45.25)		15,464.72	16,783.79	243.92	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	5.25 5.25	06/11/08	05/20/38	27,800.47 15,924,13	29,264.36 16,762,65			(93.29)		27,707.18	29,726.83	555.76	0.00
GNMA	2007A Single Family 2007A Single Family	6.00	07/09/08	07/20/38	35,920,97	38.412.22			(57.59) (107.33)		15,866.54 35.813.64	17,023.10	318.04	0.00
GNMA	2007A Single Family 2007A Single Family	5.25	07/09/08	06/20/38	58,130.03	61,192,83			(4,973.29)		53,156,74	38,869.59 57,033.26	564.70 813.72	0.00 0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	20,848.74	21,947.26			(70.54)		20,778.20	22,293.49	416.77	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	10,581,56	11,139.09			(35.68)		10,545.88	11,314,96	211.55	0.00
GNMA	2007A Single Family	6.00	07/16/08	07/20/38	5,297,96	5,665.43			(37.21)		5,260.75	5,709.68	81.46	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	5,634.96	5,931.91			(29.12)		5,605,84	6,014.69	111.90	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	12,775.18	13,660.86			(37.04)		12,738.14	13,824.76	200.94	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	8,697.04	9,155.07			(29.26)		8,667.78	9,299.68	173.87	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	9,203.91	9,688.65			(31.47)		9,172,44	9.841.13	183.95	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	8,739.57	9,199.84			(29.37)		8,710.20	9,345.20	174.73	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	5,960.12	6,373.31			(17.53)		5,942,59	6,449.50	93.72	0.00
GNMA	2007A Single Family	6.00	06/25/08	06/20/38	20,516.85	21,939.41			(82.12)		20,434.73	22,178.05	320.76	0.00
GNMA	2007A Single Family	5.25	06/25/08	06/20/38	24,206.56	25,481.63			(81.70)		24,124.86	25,883.82	483.89	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	42,162.44	44,384.33			(140.60)		42,021.84	45,086.69	842.96	0.00
GNMA	2007A Single Family	6.00	07/23/08	07/20/38	20,177.56	21,577.24			(81.25)		20,096.31	21,811.44	315.45	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	57,676.25	60,716.14			(198.54)		57,477.71	61,670.37	1,152.77	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	8,430.47	8,874.84			(28.09)		8,402.38	9,015.31	168.56	0.00
GNMA	2007A Single Family	6.00	07/29/08	07/20/38	4,763.20	5,093.65			(13.63)		4,749.57	5,154.96	74.94	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	25,110.58	26,434.24			(83.66)		25,026.92	26,852.64	502.06	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	12,299.25	12,947.60			(41.08)		12,258.17	13,152.41	245.89	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	5,736.39	6,134.54			(16.30)		5,720.09	6,208.50	90.26	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	14,552.63	15,320.24			(53.02)		14,499.61	15,557.86	290.64	0.00
GNMA	2007A Single Family	5.25 6.00	08/27/08 08/13/08	08/20/38 08/20/38	19,123.51	20,132.23			(62.74)		19,060.77	20,451.93	382.44	0.00
GNMA GNMA	2007A Single Family	5.25	08/13/08	08/20/38	39,855.50	42,621 <i>.27</i> 97,931.75			(123.30)		39,732.20	43,124.19	626.22	0.00
GNMA	2007A Single Family	5.25 5.25	08/13/08	08/20/38	93,026.30 53,638.44	56,466.84			(385.97)		92,640.33	99,400.18	1,854.40	0.00
GNMA	2007A Single Family 2007A Single Family	6.00	08/13/08	08/20/38	10,409.08	11,131.44			(4,146.17) (2,681.99)		49,492.27	53,103.60	782.93	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	19,581.66	20,614.23			(75.98)		7,727.09 19,505.68	8,386.78 20,928.97	(62.67) 390.72	0.00 0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	23,957.51	25,220.82			(85.12)		23,872,39	25,614.33	478.63	0.00
GNMA	2007A Single Family	6.00	08/20/08	08/20/38	13,241.08	14,160.05			(3,320.85)		9,920.23	10,767.23	(71.97)	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	36,976.17	38,926,27			(156.59)		36,819.58	39,506.58	736.90	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	8,489.89	8,937.64			(33.00)		8,456,89	9,074,07	169.43	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	7,390.49	7,903.47			(4,220.62)		3,169.87	3,440,54	(242.31)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	9.010.92	9.486.23			(29.87)		8,981.05	9,636.53	180.17	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	9,251.72	9,739.74			(30.30)		9.221.42	9,894.45	185.01	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	32,331.79	34,575.96			(108.28)		32,223.51	34,974.99	507.31	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	44,263,99	46,515,08			(147.27)		44,116.72	47,253.14	885.33	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	10,794.80	11,364.19			(70.21)		10,724,59	11,507.32	213.34	0.00
GNMA	2007A Single Family	6.00	09/10/08	09/20/38	26,585.28	28,431.05			(76.32)		26,508.96	28,772.97	418.24	0.00
GNMA	2007A Single Family	5.25	09/10/08	09/20/38	64,715.02	68,129.68			(219.21)		64,495.81	69,204.16	1,293.69	0.00
GNMA	2007A Single Family	5.25	09/10/08	08/20/38	30,811.40	32,437.10			(101.92)		30,709.48	32,951.33	616.15	0.00
GNMA	2007A Single Family	5.25	09/17/08	09/20/38	15,889.91	16,728.46			(55.26)		15,834.65	16,990.75	317.55	0.00
GNMA	2007A Single Family	5.25	09/17/08	08/20/38	20,656.13	21,746.20			(67.66)		20,588.47	22,091.63	413.09	0.00
GNMA	2007A Single Family	5.25	09/24/08	07/20/38	4,272.64	4,498.14			(14.08)		4,258.56	4,569.50	85.44	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	13,852.76	14,814.74			(39.90)		13,812.86	14,992.77	217.93	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	24,138.53	25,412.55			(100.48)		24,038.05	25,793.27	481.20	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007A Single Family	5.25	09/24/08	08/20/38	3,432.96	3,614.15			(11.67)		3,421.29	3,671.10	68.62	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	9,980.58	10,507.34			(57.48)		9,923.10	10,647.66	197.80	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	16,729.09	17,890.83			(47.40)		16,681.69	18,106.67	263.24	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	30,769.69	32,393.71			(117.32)		30,652.37	32,890.56	614.17	0.00
GNMA	2007A Single Family	6.00	10/08/08	10/20/38	30,905.50	33,052.23			(91.99)		30,813.51	33,446.20	485.96	0.00
GNMA	2007A Single Family	5.25	10/08/08	09/20/38	22,553.40	23,744.12			(74.59)		22,478.81	24,120.52	450.99	0.00
GNMA	2007A Single Family	6.00	10/15/08	09/20/38	4,454.78	4,764.25			(12.58)		4,442.20	4,821,77	70.10	0.00
GNMA	2007A Single Family	6.00	10/15/08	06/20/38	3,238.07	3,463.00			(9.32)		3,228.75	3,504.61	50.93	0.00
GNMA	2007A Single Family	6.00	10/15/08	07/20/38	4,692.16	5,018.12			(14.49)		4,677.67	5,077.34	73,71	0.00
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	24,299.88	25,988.15			(68.66)		24,231.22	26,301.87	382.38	0.00
GNMA	2007A Single Family	5.25 5.25	10/22/08 10/22/08	10/20/38	26,530.38 9.532.59	27,931.54			(86.58)		26,443.80	28,375.57	530.61	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	5.25 5.25	10/22/08	07/20/38 09/20/38		10,036.00			(31.41)		9,501.18	10,195.21	190.62	0.00
GNMA	2007A Single Family 2007A Single Family	6,00	10/22/08	10/20/38	10,921.94 18,294.23	11,498.74 19,565 <b>.</b> 27			(35.58)		10,886.36	11,681.63	218.47	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	19,863,09	20,912.11			(79.67) (64.36)		18,214.56	19,771.09	285.49	0.00
GNMA	2007A Single Family 2007A Single Family	5.25	10/22/08	08/20/38	4,743.97	4,994.50			(19.46)		19,798.73 4,724.51	21,245.04 5,069.62	397.29 94.58	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	19,538.03	20,570.05			(81.24)		19,456.79	20,878.30	389.49	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	14,179,71	15,165.00			(40,42)		14,139,29	15.347.69	223.11	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	10.890.36	11,647.08			(33.80)		10,856.56	11,784.39	171,11	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	14,311.19	15,067,11			(46.36)		14,264.83	15.307.00	286.25	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	8,454.25	8,900.83			(27.69)		8,426.56	9,042.22	169.08	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	14,952,66	15,991,65			(68.68)		14,883.98	16,155.99	233.02	0.00
GNMA	2007A Single Family	5.25	10/29/08	09/20/38	7,132.27	7,509.00			(65.29)		7.066.98	7,583.27	139.56	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	31,407.61	33,590.49			(88.96)		31,318.65	33,995,80	494.27	0.00
GNMA	2007A Single Family	5.25	11/12/08	10/20/38	13,832.76	14,563.63			(49.91)		13,782.85	14,790.04	276.32	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	9,885.93	10,573.02			(27.62)		9,858.31	10,701.00	155.60	0.00
GNMA	2007A Single Family	5,25	11/19/08	08/20/38	3,775.55	3,975.04			(12.73)		3,762.82	4,037.81	75.50	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	15,227.24	16,285.66			(47.65)		15,179.59	16,477.24	239.23	0.00
GNMA	2007A Single Family	5.25	11/19/08	11/20/38	17,133.86	18,039.28			(55.32)		17,078.54	18,326.70	342,74	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	8,339.11	8,918.78			(40.93)		8,298.18	9,007.59	129.74	0.00
GNMA	2007A Single Family	5.25	11/25/08	10/20/38	2,174.99	2,289.94		*	(7.13)		2,167.86	2,326.30	43.49	0.00
GNMA	2007A Single Family	5.25	11/25/08	11/20/38	22,293.94	23,472.24			(75.86)		22,218.08	23,842.07	445.69	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	8,737.25	9,344.64			(28.61)		8,708.64	9,453.20	137,17	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	13,317.70	14,243.52			(37.15)		13,280.55	14,416.00	209.63	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	6.00 5.25	12/10/08 12/10/08	11/20/38 11/20/38	41,288.09 47,002.59	44,159.02 49,487,58			(130.73)		41,157.36	44,676.83	648.54	0.00
GNMA	2007A Single Family 2007A Single Family	5.25	12/10/08	11/20/38	5,262.34	49,467.56 5,540.56			(183.76) (16.93)		46,818.83 5,245.41	50,241.71 5,628.90	937.89	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	17,911.58	19,157.06			(52.86)		17,858.72	19,385,88	105.27 281.68	0.00 0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	10,131.92	10,836.51		•	(28.40)		10,103.52	10,967.58	159.47	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	15,417.56	16,489.76		•	(58.77)		15,358.79	16,672.32	241.33	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	15,029.06	16,074.23			(77.39)		14,951,67	16,230.37	233.53	0.00
GNMA	2007A Single Family	6,00	12/17/08	11/20/38	10,978.28	11,741.74			(30.69)		10,947.59	11,883.84	172.79	0.00
GNMA	2007A Single Family	6.00	02/18/09	01/20/39	2,760.69	2,952.97			(8.32)		2,752.37	2,988.21	43.56	0.00
GNMA	2007A Single Family	6.00	02/18/09	02/20/39	10,387.20	11,110.65			(29.13)		10.358.07	11,245,64	164.12	0.00
GNMA	2007A Single Family	5.25	02/25/09	02/20/39	11,407.46	12,011,25			(37.79)		11,369.67	12,202.52	229.06	0.00
GNMA	2007A Single Family	5.49	02/25/09	01/20/39	2,908.71	3,083.19			(8.86)		2,899.85	3,131.79	57.46	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	44,180.50	47,257.95			(123.91)		44,056.59	47,832,12	698.08	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	9,860.71	10,382.91			(31.53)		9,829.18	10,548.67	197.29	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,759.14	5,011.18			(18.23)		4,740.91	5,087.95	95.00	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	17,508.96	18,728.57	·		(49.67)		17,459.29	18,955.50	276.60	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	6,826.34	7,301.82			(18.77)		6,807.57	7,390.94	107.89	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	4,518.26	4,832.99			(12.36)		4,505.90	4,892.05	71.42	0.00
GNMA	2007A Single Family	5.25	03/11/09	02/20/39	5,448.22	5,736.68			(17.51)		5,430.71	5,828.59	109.42	0.00
GNMA	2007A Single Family	5.25	03/11/09	01/20/39	4,421.97	4,656.08			(14.05)		4,407.92	4,730.87	88.84	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	22,891.63	24,486.56			(66.24)		22,825.39	24,781.84	361.52	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	3,566.99	3,815.52			(49.79)		3,517.20	3,818.68	52.95	0.00
GNMA	2007A Single Family	6.00	03/18/09	03/20/39	23,457.66	25,092.22			(65.57)		23,392.09	25,397.35	370.70	0.00
GNMA GNMA	2007A Single Family	5.25	03/25/09	12/20/38	2,135.65	2,248.82			(6.84)		2,128.81	2,284.72	42.74	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	6.00 6.00	03/25/09 03/25/09	03/20/39 01/20/39	2,450.26	2,621.02			(6.65)		2,443.61	2,653.11	38.74	0.00
GNWA	2007 A Single Family	6.00	U3/23/09	01/20/39	4,493.76	4,806.92			(12.35)		4,481.41	4,865.59	71.02	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007A Single Family	6.00	03/25/09	02/20/39	3,950.93	4,226.24			(10.78)		3,940.15	4,277.90	62.44	0.00
GNMA	2007A Single Family	6.00	04/08/09	10/20/38	2,810.70	3,006.53			(11.20)		2,799.50	3,039.28	43.95	0.00
GNMA	2007A Single Family	5.25	04/08/09	01/20/39	2,314.58	2,437.20			(7.35)		2,307.23	2,476.35	46.50	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	27,976.98	29,456.78			(116.39)		27,860.59	29,898.13	557.74	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	6,096.13	6,520.17			(17.19)		6,078.94	6,598.92	95.94	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	19,171.87	20,505.46			(53.30)		19,118.57	20,753.95	301.79	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	11,027.66	11,794,74			(62.03)		10,965.63	11,903.61	170.90	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	35,120.22	36,977.86			(113.60)		35,006.62	37,566.80	702.54	0.00
GNMA	2007A Single Family	6.00	01/14/09	12/20/38	6,724.67	7,192.55			(18.90)		6,705.77	7,279.49	105.84	0.00
GNMA	2007A Single Family	5.25 5.25	01/14/09 01/14/09	01/20/39 12/20/38	20,164.98	21,231.31			(65.59)		20,099.39	21,570.71	404.99	0.00
GNMA GNMA	2007A Single Family 2007A Single Family	6.00	01/14/09	01/20/38	15,130.35 29,147.78	15,930.92 31,176.67			(57.69)		15,072.66 29,036.72	16,175.25 31,523.66	302.02	0.00
GNMA	2007A Single Family 2007A Single Family	6.00	01/21/09	01/20/39	23,557.31	25,197.26			(111.06)		29,036.72	25,503.82	458.05 372.23	0.00
GNMA	2007A Single Family 2007A Single Family	6.00	02/11/09	01/20/39	8,752.76	9,362.29			(65.67) (24.80)		8,727.96	9,475.78	138.29	0.00 0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	10,706,12	11.272.61			(34.10)		10.672.02	11.453.59	215.08	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	18,615.30	19,600.28			(78.57)		18,536.73	19,894.27	372.56	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	14,783,41	15,812.91			(45.63)		14,737.78	16,000.52	233.24	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	4,746,61	4,997.76			(15.08)		4,731.53	5,078.03	95.35	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	6.334.92	6,670,11			(20.96)		6,313.96	6,776.36	127.21	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,378.75	8,962.24			(23.62)		8,355.13	9,071.01	132,39	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	8,561.21	9,014.21			(29.66)		8,531.55	9,156.37	171.82	0.00
GNMA	2007A Single Family	6.00	06/24/09	06/20/39	8,627.06	9,229.20			(23.19)		8,603.87	9,342.44	136.43	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39			6,600.90				6,600.90	7,086.02	485,12	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39			5,163.33				5,163.33	5,542.81	379.48	0.00
GNMA	2007A Single Family	6.00	09/16/09	08/20/39			8,737.74				8,737.74	9,488.68	750.94	0.00
GNMA	2007A Single Family	6.00	09/29/09	09/20/39			11,378.94				11,378.94	12,357.05	978.11	0.00
GNMA	2007A Single Family	5.25	09/29/09	09/20/39			9,378.24				9,378.24	10,067.64	689.40	0.00
GNMA	2007A Single Family	5.25	10/15/09	09/20/39			14,864.73				14,864.73	15,957.72	1,092.99	0.00
GNMA	2007A Single Family	5.25	10/29/09	10/20/39			16,865.68				16,865.68	18,106.07	1,240.39	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39			7,448.96				7,448.96	7,997.02	548.06	0.00
GNMA	2007A Single Family	6.00	11/24/09	09/20/39			5,447.96				5,447.96	5,916.62	468.66	0.00
GNMA	2007A Single Family	5.25 6.00	11/24/09 12/11/07	10/20/39 12/01/37	44 550 70	12,336,89	9,670.80		(05.40)		9,670.80	10,382.33	711.53	0.00
FNMA FNMA	2007A Single Family 2007A Single Family	5.25	12/11/07	11/01/37	11,550.79 11,707.82	12,330.69			(35.18)		11,515.61	12,524.62	222.91	0.00
FNMA	2007A Single Family 2007A Single Family	5.25	12/12/07	12/01/37	70,624.03	74,229,80			(41.79) (272.28)		11,666.03 70,351.75	12,517,41 75,486.04	253.64 1,528.52	0.00 0.00
FNMA	2007A Single Family 2007A Single Family	5.25	12/20/07	11/01/37	5,041.06	5,298.46			(17.71)		5,023.35	5,389.97	109.22	0.00
FNMA	2007A Single Family	6.00	12/20/07	12/01/37	7.862.16	8,397,25			(24.85)		7,837.31	8,524.05	151.65	0.00
FNMA	2007A Single Family	5.25	12/20/07	12/01/37	16,821.68	17,680,60			(60.97)		16,760.71	17,983,97	364,34	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	12,608.91	13,252,82			(71,47)		12,537.44	13,452.58	271.23	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	3,264.30	3,431.00			(26.99)		3,237.31	3,473.61	69.60	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	17,294.57	18,177,79			(60.85)		17,233,72	18,491,64	374.70	0.00
FNMA	2007A Single Family	6.00	01/16/08	12/01/37	11,574.54	12,386.13			(38.54)		11,536.00	12,570.81	223.22	0.00
FNMA	2007A Single Family	5.25	01/16/08	12/01/37	72,842.51	76,709.64			(257.02)		72,585.49	78,032.04	1,579.42	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	9,418.06	9,918.15			(44.10)		9,373.96	10,077.43	203.38	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	16,270.52	17,389.46			(63.89)		16,206.63	17,636.29	310.72	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	17,565.24	18,498.00			(84.46)		17,480.78	18,792.72	379.18	0.00
FNMA	2007A Single Family	5. <b>2</b> 5	01/30/08	12/01/37	5,693.32	5,995.62			(19.68)		5,673.64	6,099.42	123.48	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	4,922.13	5,260.64			(15.37)		4,906.76	5,339.62	94.35	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	9,021.17	9,491.21			(31.45)		8,989.72	9,650.08	190.32	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	3,888.16	4,155.52			(11.64)		3,876.52	4,218.46	74.58	0.00
FNMA	2007A Single Family	6.00	02/13/08	02/01/38	16,472.13	17,605.18			(54.67)		16,417.46	17,865.98	315.47	0.00
FNMA	2007A Single Family	5.25	02/13/08	02/01/38	14,524.59	15,281.59			(50.18)		14,474.41	15,537.86	306.45	0.00
FNMA	2007A Single Family	5.25	02/13/08	01/01/38	12,743.61	13,407.75			(45.12)		12,698.49	13,631.44	268.81	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,493.15	7,883.75			(28.12)		7,465.03	8,013.57	157.94	0.00
FNMA	2007A Single Family	5.25 6.00	02/19/08	01/01/38	7,489.57	7,879.98			(25.72)		7,463.85	8,012.29	158.03	0.00
FNMA FNMA	2007A Single Family 2007A Single Family	6.00	02/19/08 02/27/08	02/01/38 02/01/38	7,058.55 14,203,20	7,544.13 15,180,36			(21.57) (46.52)		7,036.98 14.156.68	7,657.90	135.34 272.07	0.00 0.00
FNMA FNMA	2007A Single Family 2007A Single Family	5.25	02/27/08	02/01/38	18,361.56	19,318.75			(46.52) (68.95)		14,156.68 18,292.61	15,405.91 19,636.82	272.07 387.02	0.00
FNMA	2007A Single Family 2007A Single Family	5.25	02/27/08	02/01/38	2,717.68	2.859.35			(12.19)		2,705.49	2,904.30	367.02 57.14	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	20,970.58	22,063.80			(75.76)		20,894,82	22,430,27	442.23	0.00
. 1 MIN 1		4.23		0201100	20,010,00				(15.10)		20,000,02	A64,770,661		0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending	Change	B
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	Market Value 11/30/09	In Market Value	Recognized Gain
FNMA	2007A Single Family	6.00	03/20/08	03/01/38	15,969.66	17.068.74	r Grendata	Jaies	(56.81)	Hansleis	15,912.85	17,317.45	305.52	0.00
FNMA	2007A Single Family	5.25	03/20/08	01/01/38	4,011.22	4,220.40			(13.78)		3,997.44	4.291.26	84.64	0.00
FNMA	2007A Single Family	5.25	03/20/08	02/01/38	19,589.01	20,630,18			(70.16)		19,518.85	20,984,72	424.70	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	15,175,16	15.966.68			(54,93)		15,120,23	16,231.76	320.01	0.00
FNMA	2007A Single Family	6.00	03/27/08	03/01/38	13,511.06	14,440.99			(40.96)		13,470.08	14,659.11	259,10	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	9,538.60	10,036.11			(33.61)		9,504.99	10.203.73	201.23	0.00
FNMA	2007A Single Family	5.25	04/15/08	04/01/38	3,879.04	4,081.46			(21.04)		3,858.00	4,141.70	81.28	0.00
FNMA	2007A Single Family	6.00	04/29/08	04/01/38	6,245.40	6,675.47			(3,153.39)		3,092.01	3,365.06	(157.02)	0.00
FNMA	2007A Single Family	6.00	02/04/09	10/01/38	1,530.60	1,636,42			(4.31)		1,526.29	1,661.49	29,38	0.00
	2007A Single Family Total				129,023,103.84	134,177,566.32	9,914,404.12	(12,108,098.86)	(2,747,028.19)	0.00	124,082,380.91	132,052,236.50	2,815,393.11	0.00
Repo Agmt	2007B Single Family	0.16	11/30/09	12/01/09	297,580.30	297,580,30		(35,460.75)			262.119.55	262,119.55		0.00
Repo Agmt	2007B Single Family	0.16	11/30/09	12/01/09	7,820,303.79	7,820,303.79		(7,734,630.75)			85,673.04	85,673.04	-	0.00
GIC's	2007B Single Family	4.52	09/20/07	08/31/39	1,200,396.88	1,200,396.88	3,551,426.76	,			4,751,823.64	4,751,823.64	-	0.00
Repo Agmt	2007B Single Family	0.16	11/30/09	12/01/09	1,201,130.48	1,201,130.48	0.00				1,201,130.48	1,201,130.48	-	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	232,337.96	242,502.47			(827.70)		231,510.26	246,763.14	5,088.37	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	165,373.90	172,608.82			(577.85)		164,796.05	175,653.53	3,622.56	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	622,661.27	649,907,20			(2,925.96)		619,735.31	660,571.45	13,590.21	0.00
Freddie Mac	2007B Single Family	6.00	12/20/07	12/01/37	127,402.26	129,356.90			(440.01)		126,962.25	131,344.31	2,427.42	0.00
Freddie Mac Freddie Mac	2007B Single Family	5.25 5.25	12/20/07	12/01/37	449,909.64	469,596.44			(1,688.40)		448,221.24	477,755.84	9,847.80	0.00
Freddie Mac	2007B Single Family 2007B Single Family	5.25 6.00	01/16/08 01/16/08	12/01/37 12/01/37	496,241.24	517,964.79			(1,940.61)		494,300.63	526,881.62	10,857.44	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	113,005.03 210,956.16	114,727.96 220,191.02			(387.99) (734.59)		112,617.04	116,493.11	2,153.14	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	01/01/38	415,446,91	433,638,40			(1,645.26)		210,221.57 413,801.65	224,077.97 441,081.56	4,621.54 9,088.42	0.00 0.00
Freddie Mac	20078 Single Family	5.25	01/30/08	12/01/37	261,432.18	272,879,42			(938.52)		260,493.66	277,666.17	5,725.27	0.00
Freddie Mac	2007B Single Family	6.00	01/30/08	01/01/38	103,225,24	104,709,93			(353.51)		102,871.73	106,292,63	1,936.21	0.00
Freddie Mac	2007B Single Family	6.00	02/13/08	01/01/38	163,276.47	165,616,74			(626.79)		162,649.68	168,050.18	3,060.23	0.00
Freddie Mac	2007B Single Family	5.25	02/13/08	01/01/38	212,831.40	222,153.06			(737.52)		212,093.88	226,078.26	4,662.72	0.00
Freddie Mac	20078 Single Family	5.25	03/20/08	02/01/38	74,190.34	77,437.30			(254.56)		73,935.78	78,808.31	1,625.57	0.00
Freddie Mac	2007B Single Family	6.00	03/20/08	03/01/38	147,440.30	149,533.03			(503.08)		146,937.22	151,795.16	2,765.21	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	11/01/37	123,529.85	128,943.22			(465.96)		123,063.89	131,181.12	2,703.86	0.00
Freddie Mac	2007B Single Family	6.00	04/22/08	02/01/38	62,757.90	63,692.25			(223.76)		62,534.14	64,663.66	1,195.17	0.00
Freddie Mac	2007B Single Family	5.25	04/22/08	01/01/38	150,081.14	156,652.95			(518,11)		149,563.03	159,423.13	3,288.29	0.00
Freddie Mac Freddie Mac	2007B Single Family	5.25 6.00	05/14/08 05/15/08	04/01/38 04/01/38	278,072.64	290,254.52			(949.72)		277,122.92	295,398.14	6,093.34	0.00
Freddie Mac	2007B Single Family 2007B Single Family	5.25	05/21/08	04/01/38	238,366.44 330,136.33	241,700.71 344,600.44			(803.92) (1,129.10)		237,562.52	245,367.06	4,470.27	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	05/01/38	231,795.46	241,951.23			(782.37)		329,007.23 231,013.09	350,705.83 246,249.02	7,234.49 5,080.16	0.00 0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	04/01/38	252,593.80	263,661.90			(861.85)		251,731,95	268,335.46	5,535.41	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	05/01/38	135,757.44	141,706.17			(457.58)		135,299.86	144,223.98	2,975.39	0.00
Freddie Mac	2007B Single Family	6.00	06/18/08	05/01/38	288.068.56	292.061.55			(1,103.65)		286,964,91	296,355.37	5,397.47	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	02/01/38	80,830.47	84,378.28			(621.92)		80,208,55	85,504.75	1,748.39	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	05/01/38	143,228.76	149,507.13			(482.61)		142,746.15	152,163.56	3,139.04	0.00
Freddie Mac	2007B Single Family	6.00	06/25/08	05/01/38	102,476.76	103,894.62			(341.79)		102,134.97	105,474.53	1,921.70	0.00
Freddie Mac	2007B Single Family	6.00	07/16/08	06/01/38	159,919.43	162,119.27			(581.29)		159,338.14	164,534.97	2,996.99	0.00
Freddie Mac	2007B Single Family	5.25	07/16/08	06/01/38	218,761.54	228,355.70			(745.41)		218,016.13	232,404.26	4,793.97	0.00
Freddie Mac	2007B Single Family	6.00	07/23/08	06/01/38	146,246.58	148,254.66			(594.68)		145,651.90	150,398.60	2,738.62	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	06/01/38	151,435.66	153,503.45			(1,091.96)		150,343.70	155,231.79	2,820.30	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	08/01/38	72,166.90	73,151.77			(236.47)		71,930.43	74,268.39	1,353.09	0.00
Freddie Mac Freddie Mac	2007B Single Family	6.00 6.00	08/20/08 08/27/08	06/01/38	150,946.86	153,004.16			(509.21)		150,437.65	155,324.92	2,829.97	0.00
Freddie Mac	2007B Single Family 2007B Single Family	6.00	09/17/08	08/01/38 08/01/38	299,618.76 215,313.50	303,692.43 218,224.59			(1,024.82)		298,593.94	308,283.71	5,616.10	0.00
Freddie Mac	2007B Single Family	5.25	09/17/08	08/01/38	83,123.62	86,773,17			(792.61) (287.89)		214,520.89 82,835.73	221,466.00	4,034.02	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	08/01/38	178,075.12	185,894.46			(589.30)		177,485.82	88,306.62 169,208.85	1,821.34 3,903.69	0.00 0.00
Freddie Mac	2007B Single Family	6.00	09/24/08	06/01/38	98.575.10	99,906.03			(328.90)		98,246.20	101,425.26	1,848.13	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	06/01/38	142,770.52	149,039.30			(480.31)		142,290.21	151,688.22	3,129.23	0.00
Freddie Mac	2007B Single Family	5.25	10/08/08	09/01/38	115,051.38	120,104.53			(1,543.31)		113,508.07	121,006.67	2,445,45	0.00
Freddie Mac	2007B Single Family	6.00	10/15/08	09/01/38	220,586.56	223,545.75			(718.88)		219,867.68	226,962.33	4,135.46	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	07/01/38	122,764.42	128,157.50			(408.70)		122,355.72	130,439.87	2,691.07	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	07/01/38	75,284.30	76,292.78			(248.36)		75,035.94	77,455.92	1,411.50	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	09/01/38	76,538.08	77,562.84			(249.50)		76,288.58	78,748.29	1,434.95	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Freddie Mac	2007B Single Family	5.25	10/22/08	08/01/38	151,943.42	158,618.51			(710.59)		151,232.83	161,225.08	3,317.16	0.00
Freddie Mac	2007B Single Family	5.25	11/19/08	09/01/38	113,572.05	118,563.82			(373.58)		113,198.47	120,680.15	2,489.91	0.00
Freddie Mac	2007B Single Family	5.25	12/10/08	11/01/38	316,761.51	330,689.59			(1,047.09)		315,714.42	336,586.85	6,944.35	0.00
Freddie Mac	2007B Single Family	6.00	12/17/08	11/01/38	166,253.01	168,443.99			(535.78)		165,717.23	171,024.78	3,116.57	0.00
Freddie Mac	2007B Single Family	5.25	01/14/09	11/01/38	83,087.42	86,742.97			(270.04)		82,817.38	88,294.79	1,821.86	0.00
Freddie Mac	2007B Single Family	6.00	01/14/09	11/01/38	204,416.90	207,089.91			(658.82)		203,758.08	210,262.76	3,831.67	0.00
Freddie Mac	2007B Single Family	6.00	02/18/09	01/01/39	132,883.27	134,603.18			(425.81)		132,457.46	136,667,86	2,490.49	0.00
Freddie Mac	2007B Single Family	5.25	02/18/09	12/01/38	113,275.55	118,262.26			(365.96)		112,909.59	120,380.31	2,484.01	0.00
Freddie Mac	2007B Single Family	5.49	02/18/09	09/01/38	137,578.27	137,832.62			(488.75)		137,089.52	140,333.39	2,989.52	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	10/01/38	47,771.84	48,979.78			(171.48)		47,600.36	49,812.38	1,004.08	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	12/01/38	69,343.39	71,096.78			(258.70)		69,084.69	72,295.20	1,457.12	0.00
Freddie Mac	2007B Single Family	4.75	03/11/09	12/01/38	82,109.75	84,187,31			(291.02)		81,818.73	85,622.31	1,726.02	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09 03/25/09	02/01/39	71,886.88	75,046.27			(229.55) (856.42)		71,657.33 81,780.06	76,393,42 87,193.35	1,576.70 1,773.13	0.00 0.00
Freddie Mac	2007B Single Family	5.25		01/01/39	82,636.48 52,033.99	86,276.64 52,700.94			(176,75)		51,857.24	53,499.14	974.95	0.00
Freddie Mac	2007B Single Family	6.00	03/25/09 03/25/09	11/01/38 12/01/38					(681.91)		63,644.96	67,857.84	1,379.26	0.00
Freddie Mac	2007B Single Family	5.25 5.25	10/29/09	10/01/39	64,326.87	67,160.49	99,182.50		(601.51)		99,182.50	106,537.91	7,355.41	0.00
FNMA GNMA	2007B Single Family 2007B Single Family	5.25	12/28/07	12/20/37	525,447.12	547.198.61	33,102.30		(2,303,97)		523.143.15	555,723,75	10,829.11	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	643,002.27	656,649.88			(95,683.77)		547,318.50	568,313.78	7,347.67	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	2,556,869.73	2,692,951.28			(9,282.14)		2,547,587.59	2,736,623.18	52,954.04	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	474,156.80	499,392.32			(1,728.00)		472,428.80	507,483.85	9,819.53	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	434,971.30	444,203.47			(1,564.12)		433,407.18	450,032.79	7,393.44	0.00
GNMA	2007B Single Family	5,25	12/11/07	12/20/37	2,095,935.91	2,207,490.15			(7,833.58)		2,088,102.33	2,243,047.81	43,391,24	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	250.905.35	264,259.03			(872.26)		250,033.09	268,586.00	5,199.23	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	1,180,366.82	1,243,202.06			(4,114.72)		1,176,252,10	1,263,546.16	24,458.82	0.00
GNMA	2007B Single Family	6.00	12/20/07	12/20/37	164,466.44	167,951.51			(561.26)		163,905.18	170,186.69	2,796.44	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	446,815.51	470,601.12			(1,566.02)		445,249.49	478,293.11	9,258.01	0.00
GNMA	2007B Single Family	5.25	12/20/07	11/20/37	123,701.45	130,286.26			(519.99)		123,181.46	132,322.94	2,556.67	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	. 183,358.13	193,118.97			(719.27)		182,638.86	196,193.19	3,793.49	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	428,344.92	437,035.91			(1,454.84)		426,890.08	442,238.20	6,657.13	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	399,645.70	419,871.85			(1,992.96)		397,652.74	425,824.10	7,945.21	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	349,327.74	367,668.01			(1,211,41)		348,116.33	373,436.70	6,980.10	0.00
GNMA	2007B Single Family	5,25	01/30/08	01/20/38	335,474.12	352,452.51			(1,152.18)		334,321.94	358,006.66	6,706.33	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	146,625.42	149,600.39			(495.75)		146,129.67	151,383.50	2,278.86	0.00
GNMA	2007B Single Family	6.00	01/16/08	12/20/37	971,489.15	991,990.09			(222,616.91)		748,872.24	777,506.08	8,132.90	0.00
GNMA	2007B Single Family	5.25	01/16/08	12/20/37	470,476.85	495,536.07			(1,665.95)		468,810.90	503,617.37	9,747.25	0.00
GNMA	2007B Single Family	5.25	01/16/08	01/20/38	2,772,167.54	2,917,669.66			(167,130.67)		2,605,036.87	2,794,472.97	43,933.98	0.00 0.00
GNMA	2007B Single Family	<b>5.25</b> 5.25	01/30/08 01/30/08	01/20/38 12/20/37	706,950.29	742,729.16			(2,559.00) (514.38)		704,391.29 143,277.38	754,293.26 153,917.24	14,123.10 2,978.69	0.00
GNMA	2007B Single Family		01/30/08		143,791.76 274.943.59	151,452.93 289,382.98			(943.66)		273,999.93	293,933.60	2,976.69 5.494.28	0.00
GNMA	2007B Single Family	5.25 5.25	02/13/08	01/20/38 02/20/38	2/4,943.59 340,984.29	269,362.96 358,892.73			(1,398.41)		339,585.88	364,291.72	6,797.40	0.00
GNMA GNMA	2007B Single Family 2007B Single Family	6.00	02/13/08	01/20/38	83,645.95	85,339.30			(282.80)		83,363.15	86,356.49	1,299.99	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	125.174.26	127,714,02			(451.21)		124,723,05	129.207.25	1,944,44	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	280,439.05	295,162.56			(145,099.20)		135,339.85	145,183.85	(4,879.51)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	134,326.06	141,378,40			(459.33)		133,866.73	143,603.58	2,684.51	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	397,437.82	418,303.96			(1,652.35)		395,785.47	424,573.09	7,921.48	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	337,734.72	344,571.97			(1,145.62)		336,589.10	348,675.13	5,248.78	0.00
GNMA	2007B Single Family	5.25		01/20/38	653,623,84	687,950.65			(2,244.14)		651,379.70	698,768.00	13,061.49	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	535,720.00	563,854.75			(1,836.31)		533,883.69	572,724.05	10,705.61	0.00
GNMA	2007B Single Family	5,25	04/08/08	03/20/38	373,064.29	392,680.57			(1,281.43)		371,782.86	398,854.89	7,455.75	0.00
GNMA	2007B Single Family	5,25	04/08/08	03/20/38	137,123.47	144,333.64			(464.11)		136,659.36	146,610.47	2,740.94	0.00
GNMA	2007B Single Family	6.00	04/08/08	04/20/38	266,490.79	271,834.07			(922.92)		265,567.87	275,051.14	4,139.99	0.00
GNMA	2007B Single Family	5.25		04/20/38	347,095.36	365,346.91			(1,193.54)		345,901.82	371,090.04	6,936.67	0.00
GNMA	2007B Single Family	6.00		03/20/38	300,684.65	306,741.37			(1,470.03)		299,214.62	309,927.53	4,656.19	0.00
GNMA	2007B Single Family	5.25		03/20/38	611,332.62	643,459.21			(2,075.54)		609,257.08	653,602.74	12,219.07	0.00
GNMA	2007B Single Family	5.25		03/20/38	515,403.92	542,494. <u>22</u>			(2,128.79)		513,275.13	550,639.04	10,273.61	0.00
GNMA	2007B Single Family	6.00		01/20/38	396,051.97	404,062.04			(1,372.29)		394,679.68	408,843.72	6,153.97	0.00
GNMA	2007B Single Family	5.25		02/20/38	489,912.93	515,646.18			(1,735.62)		488,177.31	523,696.76	9,786.20	0.00
GNMA	2007B Single Family	5.25		02/20/38	135,390.30	142,501.83			(460.00)		134,930.30	144,747.72	2,705.89	0.00
GNMA	2007B Single Family	6.00	02/19/08	02/20/38	201,725.68	205,804.35			(705.72)		201,019.96	208,232.83	3,134.20	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in Market	Recognized
Туре	issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	640,294.48	673,926.66			(3,246.96)		637,047.52	683,398.62	12,718.92	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	145,845.45	153,507.41			(506.60)		145,338.85	155,915.04	2,914.23	0.00
GNMA	2007B Single Family	6.00	02/27/08	· ` 02/20/38	243,591.84	248,510.75			(845.12)		242,746.72	251,450.49	3,784.86	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	229,546.84	241,606.03			(803.48)		228,743.36	245,388.82	4,586.27	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	337,394.24	355,119.15			(1,164.76)		336,229.48	360,696,61	6,742.22	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	172,587.95	181,654,80			(597.50)		171,990.45	184,506.04	3,448.74	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	296,940.55	302,936.75			(1,002.82)		295,937.73	306,548.70	4,614.77	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	621,279.97	653,918.73			(2,561.42)		618,718.55	663,742.12	12,384.81	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	138,127.85	145,388.02			(466.47) (192.83)		137,661.38 56,729.42	147,682.44 58,759.04	2,760.89 884,51	0.00 0.00
GNMA	2007B Single Family	6.00 5.25	03/20/08 03/27/08	03/20/38 03/20/38	56,922.25 299,272,96	58,067.36 315,005.36			(1,036.63)		298,236,33	319,948.75	5.980.02	0.00
gnma gnma	2007B Single Family 2007B Single Family	6.00	03/27/08	03/20/38	509,035.10	519,264.07			(132,262.35)		376,772.75	390,244.03	3,242.31	0.00
GNMA	2007B Single Family	5.25	04/15/08	03/20/38	224,176.04	235,965.45			(767.48)		223,408.56	239,678.15	4,480.18	0.00
GNMA	2007B Single Family	6.00	04/15/08	04/20/38	181,502.03	185,137.13			(1,061.17)		180,440,86	186,880.16	2,804,20	0.00
GNMA	2007B Single Family	5.25	04/24/08	04/20/38	247,213.87	260,217,75			(831.44)		246,382,43	264,328.04	4,941,73	0.00
GNMA	2007B Single Family	6.00	04/22/08	04/20/38	384,688.33	392,383.73			(64,427.03)		320,261.30	331,682.91	3,726.21	0.00
GNMA	2007B Single Family	6.00	05/07/08	04/20/38	438,297.82	447,044.50			(1,469.28)		436,828.54	452,385.93	6,810.71	0.00
GNMA	2007B Single Family	5.25	05/07/08	05/20/38	1,466,540.79	1,543,706.86			(5,273.68)		1,461,267.11	1,567,724.25	29,291.07	0.00
GNMA	2007B Single Family	5.25	05/07/08	04/20/38	262,937.77	276,772.39			(891.90)		262,045.87	281,136.32	5,255.83	0.00
GNMA	2007B Single Family	5.25	05/14/08	04/20/38	520,457.52	547,846.16			(1,822.09)		518,635.43	556,422.77	10,398.70	0.00
GNMA	2007B Single Family	6.00	05/21/08	05/20/38	290,231.94	296,009.26			(1,003.35)		289,228.59	299,514.27	4,508.36	0.00
GNMA	2007B Single Family	5.25	05/21/08	05/20/38	155,423.60	163,603.94			(523.54)		154,900.06	166,187.45	3,107.05	0.00
GNMA	2007B Single Family	5.25	05/28/08	05/20/38	252,973.71	266,290.55			(858.79)		252,114.92	270,488.19	5,056.43	0.00
GNMA	2007B Single Family	6.00 5.25	05/28/08 05/28/08	05/20/38 01/20/38	266,388.70 88.003,29	271,685.09 92.635.33			(1,035.49) (306.24)		265,353.21 87,697.05	274,783.71 94,087,44	4,134.11 1,758.35	0.00 0.00
GNMA GNMA	2007B Single Family 2007B Single Family	5.25 6.00	05/26/08	06/20/38	428,806.81	437,311.32			(1,424.26)		427,382,55	442,549.69	6,662.63	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	771,507.13	812,132.51			(2,589.16)		768,917.97	824,966.56	15,423.21	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	441,919,91	465,190,12			(1,598,23)		440,321,68	472,417.93	8,826.04	0.00
GNMA	2007B Single Family	6.00	07/09/08	07/20/38	993,237.66	1,012,840.78			(3,368.95)		989,868.71	1,024,900.71	15,428.88	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	1,613,200.30	1,698,198.35			(138,016.71)		1,475,183.59	1,582,763.45	22,581.81	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	578,586.14	609,071.32			(1,957.62)		576,628.52	618,679.97	11,566.27	0.00
<b>ĢNMA</b>	2007B Single Family	5.25	07/09/08	06/20/38	293,655.06	309,127.46			(989.90)		292,665.16	314,008.16	5,870.60	0.00
GNMA	2007B Single Family	6.00	07/16/08	07/20/38	146,496.21	149,384.24			(1,087.80)		145,408.41	150,551.17	2,254.73	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	156,378.99	164,619.98			(808.10)		155,570.89	166,917.49	3,105.61	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	353,208.35	360,205.19			(1,166.63)		352,041.72	364,527.06	5,488.50 4,825.11	0.00 0.00
GNMA	2007B Single Family	5.25 5.25	06/18/08 06/18/08	06/20/38	241,356.81	254,068.02 268,875.54			(812.01) (873.56)		240,544.80 254,549.93	258,081.12 273,107.29	4,625.11 5,105.31	0.00
GNMA GNMA	2007B Single Family 2007B Single Family	5.25	06/18/08	06/20/38 06/20/38	255,423.49 242,536,97	255,310.35			(814.90)		241,722.07	259.344.22	4.848.77	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	164,785.25	168,049.55			(551.48)		164,233.77	170,058.42	2,560.35	0.00
GNMA	2007B Single Family	6.00	06/25/08	06/20/38	567,267.02	578,491.41			(2,499.87)		564,767.15	584,783.92	8,792.38	0.00
GNMA	2007B Single Family	5.25	06/25/08	06/20/38	671,770.66	707,155.63			(2,267.20)		669,503.46	718,317.05	13,428.62	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	1,170,074.22	1,231,735.58			(3,901.87)		1,166,172,35	1,251,227.26	23,393.55	0.00
GNMA	2007B Single Family	6.00	07/23/08	07/20/38	557,955.40	568,941.73			(2,471.70)		555,483.70	575,117.06	8,647.03	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	1,600,607.51	1,684,969.32			(5,509.53)		1,595,097.98	1,711,450.46	31,990.67	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	233,959.90	246,290.99			(779.67)		233,180.23	250,189.25	4,677.93	0.00
GNMA	2007B Single Family	6.00	07/29/08	07/20/38	131,717.00	134,307.96			(430.06)		131,286.94	135,924.59	2,046.69	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	696,858.57	733,592.48			(2,321.64)		694,536.93	745,203.61	13,932.77	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	341,324.18	359,316.60			(1,140.20)		340,183.98	365,000.51	6,824.11	0.00 0.00
GNMA	2007B Single Family	6.00 5.25	08/27/08 08/27/08	08/20/38 08/20/38	158,648.52	161,753.65 425,160.93			(514.85) (1,471.34)		158,133.67 402,387.01	163,703.74 431,755,23	2,464.94 8,065.64	0.00
GNMA GNMA	2007B Single Family	5.25 5.25	08/27/08	08/20/38	403,858.35 530,707.90	558,701.50			(1,740.97)		528,966.93	567,573.60	10,613.07	0.00
GNMA	2007B Single Family 2007B Single Family	6.00	08/13/08	08/20/38	1,102,201.20	1,123,823.71			(3,855.89)		1,098,345.31	1,137,084.68	17,116.86	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	2,581,627.92	2,717,761.47			(10,711.56)		2,570,916.36	2,758,512.88	51,462.97	0.00
GNMA	2007B Single Family	5.25	08/13/08	07/20/38	1,488,552.34	1,567,044.63			(115,063.18)		1,373,489.16	1,473,709.47	21,728.02	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	287,863.09	293,510.25			(74,257.14)		213,605.95	221,139.96	1,886.85	0.00
GNMA	2007B Single Family	5.25		08/20/38	543,421.97	572,077.54			(2,108.65)		541,313.32	580,812.27	10,843.38	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	664,858.83	699,917.98			(2,362.03)		662,496.80	710,838.39	13,282.44	0.00
GNMA	2007B Single Family	6.00		08/20/38	366,192.32	373,367.82			(91,951.60)		274,240.72	283,907.05	2,490.83	0.00
GNMA	2007B Single Family	5.25		08/20/38	1,026,147.84	1,080,265.97			(4,345.72)		1,021,802.12	1,096,370.61	20,450.36	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	235,608.07	248,033.83			(915.56)	1	234,692.51	251,819.76	4,701.49	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	204,395.83	208,396.34	•		(116,763,46)		87,632.37	90.719.12	(913,76)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	250,067.38	263,257.85			(829.11)		249,238.27	267,428.94	5.000.20	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	256,750.38	270,293.36			(841.00)		255,909.38	274,586.93	5,134.57	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	894,186.35	911,687.66			(3,355.48)		890,830.87	922,209.25	13,877.07	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	1,228,396.31	1,290,867.29			(4,087.03)		1,224,309.28	1,311,349.45	24,569,19	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	299,572.93	315,374.70			(1,948.38)		297,624.55	319,346.68	5,920,36	0.00
GNMA	2007B Single Family	6.00	09/10/08	09/20/38	735,306.13	749,660.89			(2,407.84)		732,898.29	758,676.36	11,423.31	0.00
GNMA	2007B Single Family	5.25	09/10/08	09/20/38	1,795,944.44	1,890,706.88			(6,083.25)		1,789,861.19	1,920,525.34	35,901.71	0.00
GNMA	2007B Single Family	5.25	09/10/08	08/20/381	,855,065.44	900,180.89			(2,828.29)		852,237.15	914,451.60	17,099.00	0.00
GNMA	2007B Single Family	5.25	09/17/08	09/20/38	440,970.61	464,241,57			(1,533.42)		439,437.19	471,520.48	8,812.33	0.00
GNMA	2007B Single Family	5.25	09/17/08	08/20/38	573,241.03	603,491.58			(1,877.78)		571,363.25	613,077.86	11,464.06	0.00
GNMA	2007B Single Family	5.25	09/24/08	07/20/38	118,572.66	124,830.62			(390.77)		118,181.89	126,810.99	2,371.14	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	383,167.78	390,630.35			(1,258.37)		381,909.41	395,324.69	5,952.71	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	669,882.50	705,238.65			(2,788.62)		667,093,88	715,804.19	13,354.16	0.00
GNMA	2007B Single Family	5.25	09/24/08	08/20/38	95,270.22	100,298.43			(323.78)		94,946,44	101,879.09	1,904.44	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	276,976.84	291,595.58			(1,595.24)		275,381.60	295,489.62	5,489.28	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	462,727.63	471,739.69			(1,498.30)		461,229.33	477,430.87	7,189.48	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	853,907.81	898,976.75			(3,255.93)		850,651.88	912,765.35	17,044.53	0.00
GNMA	2007B Single Family	6.00	10/08/08	10/20/38	854,902.40	871,510.42			(2,888.87)		852,013.53	881,898.68	13,277.13	0.00
GNMA GNMA	2007B Single Family	5.25 6.00	10/08/08	09/20/38	625,892.71	658,937.09			(2,070.09)		623,822.62	669,382.81	12,515.81	0.00
GNMA	2007B Single Family		10/15/08	09/20/38	123,230.77	125,622.20			(397.95)		122,832.82	127,138.95	1,914.70	0.00
GNMA	2007B Single Family 2007B Single Family	6.00 6.00	10/15/08 10/15/08	06/20/38 07/20/38	89,572.28	91,311.42			(294.42)		89,277.86	92,408.75	1,391.75	0.00
GNMA	2007B Single Family	6.00	10/15/08		129,796.43	132,316.16			(453.96)		129,342.47	133,877.85	2,015.65	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38 10/20/38	672,219.34	685,247.36			(2,170.98)		670,048.36	693,519.48	10,443.10	0.00
GNMA	2007B Single Family	5.25	10/22/08	07/20/38	736,260.78 264.544.49	775,144.66			(2,402.74)		733,858.04	787,467.31	14,725.39	0.00
GNMA	2007B Single Family	5.25	10/22/08	09/20/38	303,101.33	278,514.92 319,108.60			(872.00)		263,672.49	282,933.23	5,290,31	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	506,082.56				(986.94)		302,114.39	324,183.91	6,062.25	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	551,232.25	515,890.73 580,344.27			(2,408.11)		503,674.45	521,317.64	7,835.02	0.00
GNMA	2007B Single Family	5.25	10/22/08	08/20/38	131,652.64	138,605.29			(1,786.36)		549,445.89	589,583.60	11,025.69	0.00
GNMA	2007B Single Family	5.26	10/29/08	10/20/38	542,211.58	570,851.83			(540.12) (2,254.65)		131,112.52	140,690.18	2,625.01	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	392,272,61	399,865.83			(1,276.78)		539,956.93 390,995.83	579,406.17	10,808.99	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	301,274.57	307,106.34			(1,056.98)		300,217.59	404,683.03 310,727.00	6,093.98 4,677.64	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	397,158.09	418,136,44			(1,286.66)		395,871,43	424,793,78	7,944.00	0.00 0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	234,619.59	247,012.46			(768.59)		233,851.00	250,936.13	4,692.26	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	413,655,58	421,662.72			(2,067.61)		411;587.97	425,996.05	6.400.94	0.00
GNMA	2007B Single Family	5.25	10/29/08	09/20/38	197,931.88	208,386.65			(1,812.18)		196,119.70	210,447,98	3,873.51	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	868,926.28	885,703.37			(2,811.10)		866,115,18	896,390,30	13,498.03	0.00
GNMA	2007B Single Family	5.25	11/12/08	10/20/38	383,880.97	404,164.14			(1,385.00)		382,495.97	410,447.32	7,668.18	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	273,505,49	278,786.28			(874.61)		272,630.88	282,160.71	4,249.04	0.00
GNMA	2007B Single Family	5.25	11/19/08	08/20/38	104,777.20	110,313.91			(352.91)		104,424,29	112,055.81	2,094.81	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	421,289.70	429,415,20			(1,489.43)		419,800.27	434,466.46	6,540.69	0.00
GNMA	2007B Single Family	5.25	11/19/08	11/20/38	475,491.04	500,618.69			(1,534.95)		473,956.09	508,595.14	9,511.40	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	230,717.69	235,167.57			(1,225.79)		229,491.90	237,509.43	3,567.65	0.00
GNMA	2007B Single Family	5.25	11/25/08	10/20/38	60,359.56	63,549.64			(198.17)		60,161.39	64,558.63	1,207,16	0.00
GNMA	2007B Single Family	5.25	11/25/08	11/20/38	618,692.71	651,391.88			(2,105.34)		616,587.37	661,655.27	12,368.73	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	241,739.44	246,396.45			(889.00)		240,850.44	249,259.03	3,751.58	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	368,470.28	375,568.70			(1,176.54)		367,293,74	380,116.75	5,724.59	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	1,142,419.71	1,164,370.71			(4,079.57)		1,138,340.14	1,178,024.11	17,732.97	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	1,304,396.79	1,373,359.08			(5,099.62)		1,299,297.17	1,394,287.23	26.027.77	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	146,038.33	153,759.25			(469.72)		145,568.61	156,210.95	2,921.42	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	495,604.39	505,127.16			(1,663.08)		493,941.31	511,160.72	7,696.64	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	280,353.33	285,733.84			(899.36)		279,453.97	289,189.68	4,355.20	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	426,610.64	434,796.85			(1,798.70)		424,811.94	439,610.41	6,612.26	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	415,860.42	423,840.34			(2,309.24)		413,551.18	427,957,36	6,426.26	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	303,772.44	309,602.39			(972.15)		302,800.29	313,349.32	4,719.08	0.00
GNMA	2007B Single Family	6.00	02/18/09	01/20/39	76,410.84	77,863.07			(261.30)		76,149.54	78,792.43	1,190.66	0.00
GNMA	2007B Single Family	6.00	02/18/09	02/20/39	287,498.70	292,962.23			(922.39)		286,576.31	296,521.54	4,481.70	0.00
GNMA	2007B Single Family	5.25	02/25/09	02/20/39	316,575.21	333,331.31			(1,048.70)		315,526.51	338,639.35	6,356.74	0.00
GNMA	2007B Single Family	5.49	02/25/09	01/20/39	80,510.31	81,296.58			(277.67)		80,232.64	82,578.17	1,559.26	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	lssue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA .,,pc	20078 Single Family	6.00	02/25/09	02/20/39	1,222,872.05	1,246,082.23			(3,924.21)		1,218,947,84	1,261,221.66	19.063.64	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	273,650,27	288,142,41			(874.97)		272,775,30	292,742,46	5,475,02	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	132,073.85	139,068.28			(505.84)		131,568.01	141,198.78	2,636.34	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	484,630.55	493,828.85			(1,570.96)		483,059.59	499,812.37	7,554.48	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	188,945.93	192,532.14			(596.08)		188,349,85	194,881,94	2,945.88	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	125,061.00	127,434.66			(392.57)		124,668.43	128,992.01	1,949.92	0.00
GNMA	2007B Single Family	5.25	03/11/09	02/20/39	151,196.76	159,201.92			(486.34)		150,710.42	161,752.69	3,037.11	0.00
GNMA	2007B Single Family	5.25	03/11/09	01/20/39	122,716.54	129,213.81			(389.95)		122,326.59	131,289.21	2,465.35	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	633,656.72	645,653.68			(2,090.08)		631,566.64	653,439.48	9,875.88	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	98,736.93	100,606.31			(1,417.73)		97,319.20	100,689.63	1,501.05	0.00
GNMA	2007B Single Family	6.00	03/18/09	03/20/39	649,345.62	661,623.69			(2,076.26)		647,269.36	669,669.26	10,121.83	0.00
GNMA	2007B Single Family	5.25	03/25/09	12/20/38	59,267.82	62,408.45			(189.59)		59,078.23	63,404.67	1,185.81	0.00
GNMA	2007B Single Family	6.00	03/25/09	03/20/39	67,829.32	69,110.27			(211.42)		67,617.90	69,956.32	1,057.47	0.00
GNMA	2007B Single Family	6.00	03/25/09	01/20/39	124,397.78	126,747.38			(392.43)		124,005.35	128,294.43	1,939.48	0.00
GNMA	2007B Single Family	6.00	03/25/09	02/20/39	109,370.62	111,436.19			(343.08)		109,027.54	112,798.36	1,705.25	0.00
GNMA	2007B Single Family	6.00	04/08/09	. 10/20/38	77,811.45	79,275.52			(342.11)		77,469.34	80,138.95	1,205.54	0.00
GNMA GNMA	2007B Single Family	5.25 5.25	04/08/09 12/30/08	01/20/39 12/20/38	64,233.37	67,636.28			(204.10)		64,029.27	68,722.65	1,290.47	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	776,405.71 168,692,25	817,472.59 171,921.96			(3,230.22) (544.01)		773,175.49	829,720.72	15,478.35	0.00
GNMA	2007B Single Family 2007B Single Family	6.00	12/30/08	12/20/38	530,524.09	540,681.34			(1,689.51)		168,148.24	173,998.33	2,620.38	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	305,157.72	311,000,16			(1,839.75)		528,834.58 303,317.97	547,233.47 313,870.81	8,241.64 4,710.40	0.00 0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	974,642.27	1,026,194.59			(3,152.42)		971,489.85	1,042,538.53	19,496.36	0.00
GNMA	2007B Single Family	6.00	01/14/09	12/20/38	186,097,15	189,650.77			(598.22)		185,498,93	191,943.23	2,890.68	0.00
GNMA	2007B Single Family	5.25	01/14/09	01/20/39	559,610.25	589,202,60			(1,820.40)		557,789.85	598,621.64	11,239.44	0.00
GNMA	2007B Single Family	5.25	01/14/09	12/20/38	419,891.64	442,108.38			(1,601.07)		418,290,57	448,889.00	8,381,69	0.00
GNMA	2007B Single Family	6.00	01/14/09	01/20/39	806,631.57	822,056.41			(3,397.79)		803,233.78	831,205.82	12,547.20	0.00
GNMA	2007B Single Family	6.00	01/21/09	01/20/39	651,941.90	664,393,29			(2,081.24)		649,860,66	672,476.68	10,164.63	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	242,252,35	246,861,98			(784.32)		241,468.03	249,854.33	3,776.67	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	297,112.05	312,832.92			(946.49)		296,165.56	317,855,36	5,968.93	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	516,604.30	543,939.00			(2,180.70)		514,423.60	552,097.60	10,339.30	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	409,164.21	416,949.89			(1,428.34)		407,735.87	421,896.75	6,375.20	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	131,726.08	138,696.00			(418.75)		131,307.33	140,923.67	2,646.42	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	175,804.21	185,106.41			(581.69)		175,222.52	188,055.01	3,530.29	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	231,900.92	236,313.57			(747.47)		231,153.45	239,181.52	3,615.42	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	237,587.52	250,158.82			(823.12)		236,764.40	254,103.93	4,768.23	0.00
GNMA	2007B Single Family	6.00	06/24/09	06/20/39	238,915.06	243,352.80			(738.35)		238,176.71	246,338.70	3,724.25	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39			183,185.49				183,185.49	196,648.51	13,463.02	0.00
GNMA	2007B Single Family	5.25	09/16/09 09/16/09	08/20/39 08/20/39			143,290.68				143,290.68	153,821.67	10,530.99	0.00
GNMA	2007B Single Family	6.00 6.00	09/16/09	09/20/39			241,972.85		-		241,972.85	250,194.76	8,221.91	0.00
GNMA GNMA	20078 Single Family 2007B Single Family	5.25	09/29/09	09/20/39			315,133.39 260,261,44				315,133.39	325,826.77	10,693.38	0.00
GNMA	2007B Single Family	5.25	10/15/09	09/20/39			412,519.94				260,261,44 412,519,94	279,393.04 442,851.98	19,131.60 30,332.04	0.00 0.00
GNMA	2007B Single Family	5.25	10/29/09	10/20/39			468,049.78				468.049.78	502,472,49	34,422,71	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39			206,720.32				206,720.32	221,929.85	15,209.53	0.00
GNMA	2007B Single Family	6.00	11/24/09	09/20/39			150,915.81				150.915.81	156,007.65	5,091.84	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39			268,380.05				268,380.05	288,126.22	19,746.17	0.00
FNMA	2007B Single Family	6.00	12/11/07	12/01/37	318,452,16	325,295,00			(1.093.02)		317,359,14	330,245.07	6.043.09	0.00
FNMA	2007B Single Family	5.25	12/11/07	11/01/37	324,294.01	341,499.10			(1,152.07)		323,141,94	347,378.09	7,031.06	0.00
FNMA	2007B Single Family	5.25	12/12/07	12/01/37	1,956,206.04	2,059,994.70			(7,508.27)		1,948,697.77	2,094,857.43	42,371.00	0.00
FNMA	2007B Single Family	5.25	12/20/07	11/01/37	139,631.51	147,040.71			(488.26)		139,143.25	149,580.29	3,027.84	0.00
FNMA	2007B Single Family	6.00	12/20/07	12/01/37	216,765.00	221,416.20			(768.93)		215,996.07	224,759.60	4,112.33	0.00
FNMA	20078 Single Family	5.25	12/20/07	12/01/37	465,940.44	490,664.89			(1,681.31)		464,259.13	499,083.84	10,100.26	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	349,251.74	367,786.85			(1,973.74)		347,278.00	373,330.40	7,517.29	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	90,417.27	95,215.80			(745.94)		89,671.33	96,398.37	1,928.51	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	479,039.56	504,462.64			(1,678.17)		477,361.39	513,172.53	10,388.06	0.00
FNMA	2007B Single Family	6.00	01/16/08	12/01/37	319,761.66	326,593.63			(1,193.84)		318,567.82	331,463.24	6,063.45	0.00
FNMA	2007B Single Family	5.25	01/16/08	12/01/37	2,021,495.12	2,128,814.37			(7,132.48)		2,014,362.64	2,165,512.97	43,831.08	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	261,365.40	275,244.40			(1,224.14)		260,141.26	279,664.71	5,644.45	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	449,524.37	458,519.80			(1,946.44)		447,577.93	465,028.14	8,454.78	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	487,463.23	513,348.96			(2,344.12)		485,119.11	521,528.05	10,523.21	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	B
Investment	_	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Madrialdian	Tf	Carrying Value 11/30/09	Market Value 11/30/09	In Market Value	Recognized Gain
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	157,452,02	169,268.71	3.426.69	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	157,998.04	166,388.04			(546.02) (479.48)		135,510.04	140,793.30	2,562.00	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	135,989.52 250,352.00	138,710.78 263,396.18			(872.73)		249,479.27	267,805.13	5,281.68	0.00
FNMA	2007B Single Family	5.25 6.00	01/30/08 01/30/08	01/01/38 01/01/38	107,421.88	109,571.53			(364.88)		107,057.00	111,230,96	2.024.31	0.00
FNMA	2007B Single Family	6.00	02/13/08	11/01/37	455,116.96	464,207.74			(1,695.35)		453,421,61	471,084.21	8,571.82	0.00
FNMA	2007B Single Family	5.25	02/13/08	02/01/38	403,080,47	424.088.33			(1,392.75)		401,687.72	431,200.41	8,504.83	0.00
FNMA	2007B Single Family 2007B Single Family	5.25	02/13/08	01/01/38	353,655,40	372,086.58			(1,252.21)		352,403,19	378,294.11	7,459.74	0.00
FNMA FNMA	2007B Single Family 2007B Single Family	5.25	02/19/08	01/01/38	207.947.95	218,786.69			(780,11)		207,167.84	222,389.46	4,382.88	0.00
FNMA	2007B Single Family 2007B Single Family	5.25	02/19/08	01/01/38	207.848.72	218,682,30			(713.93)		207,134.79	222,353.98	4,385.61	0.00
FNMA	2007B Single Family	6.00	02/19/08	02/01/38	195.032.86	198,921,30			(674.77)		194,358,09	201,921,16	3.674.63	0.00
FNMA	2007B Single Family	6.00	02/27/08	02/01/38	392,457.11	400,270.85			(1,443.64)		391,013.47	406,218.02	7,390.81	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	509,562.27	536,126.28			(1,913.49)		507,648.78	544,953.20	10,740.41	0.00
FNMA	20078 Single Family	5.25	02/27/08	01/01/38	75,420.00	79,351.64			(338.22)		75,081.78	80,598.98	1,585.56	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	581,967.03	612,305.58			(2,102.42)		579,864.61	622,475.79	12,272.63	0.00
FNMA	2007B Single Family	6.00	03/20/08	03/01/38	441,311.68	450,062.94			(1,747.19)		439,564.49	456,620.83	8,305.08	0.00
FNMA	2007B Single Family	5.25	03/20/08	01/01/38	111,317.73	117,122.98			(382.35)		110,935.38	119,089.49	2,348.86	0.00
FNMA	2007B Single Family	5.25	03/20/08	02/01/38	543,626.24	572,520.38			(1,947.14)		541,679.10	582,359.39	11,786.15	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	421,134.99	443,100.81			(1,524.58)		419,610.41	450,457.18	8,880.95	0.00
FNMA	2007B Single Family	6.00	03/27/08	03/01/38	373,380.44	380,775.48			(1,283.01)		372,097.43	386,526.93	7,034.46	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	264,711.11	278,518.09			(932.52)		263,778.59	283,169.74	5,584.17	0.00
FNMA	2007B Single Family	5.25	04/15/08	04/01/38	107,650.31	113,267.25			(584.08)		107,066.23	114,939.06	2,255.89	0.00
FNMA	2007B Single Family	6.00	04/29/08	04/01/38	172,618.39	176,016.84			(87,191.83)		85,426.56	88,729.03	(95.98)	0.00
FNMA	2007B Single Family	6.00	02/04/09	10/01/38	42,357.38	43,148.83		M 740 477 671	(136.69)		42,220.69 31,099,533,36	43,809.88 31,099,533.36	797.74	0.00 0.00
Repo Agmt	2007B Single Family	0.16	11/30/09	12/01/09	33,819,010.71	33,819,010,71		(2,719,477.35)	(4 0F0 0F0 7C)	0.00	156,207,958,45	163,370,719.01	2,346,112.52	0.00
	2007B Single Family Total				162,247,439.04	167,064,087.08	6,301,039.01	(10,489,568.85)	(1,850,950.75)	0.00	150,207,950,45	103,370,719.01	2,340,112.32	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	65,636,22	66,723.97			(403.81)		65,232.41	67,676.66	1,356.50	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	47.922.27	48,716,70			(236.03)		47,686,24	49.473.30	992.63	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	5,714.23	5,826.47			(28.94)		5,685.29	5 915.02	117.49	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	11,859,47	12,092.30			(60.80)		11,798.67	12,275.31	243.81	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	21,014,44	21,361.40			(119.77)		20,894.67	21,676.29	434.66	0.00
GNMA	2002 A-D SF MRB	4.49		10/20/34	80,829.09	82,165.71			(581.53)		80,247.56	83,251.49	1,667.31	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	19,752.89	20,079.72			(115.25)		19,637.64	20,372.93	408.46	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	17,452.84	17,741.71			(99.29)		17,353.55	18,003.42	361.00	0.00
GNMA	2002 A-D SF MRB	4,49	11/23/04	11/20/34	74,014.59	75,239.87			(6,426.11)		67,588.48	70,119.80	1,306.04	0.00
GNMA	2002 A-D SF MRB	4.49		12/20/34	98,891.46	100,529.65			(528.47)		98,362.99	102,048.07	2,046.89	0.00
GNMA	2002 A-D SF MRB	4.49		12/20/34	61,323.97	62,340.89			(302.00)		61,021.97	63,309.12	1,270.23	0.00
GNMA	2002 A-D SF MRB	4.49		12/20/34	47,909.43	48,704.17			(268.80)		47,640.63	49,426.51	991.14	0.00
GNMA	2002 A-D SF MRB	4.49		01/20/35	106,821.20	108,400.33			(584.04)		106,237.16	110,142.44	2,326.15	0.00
GNMA	2002 A-D SF MRB	4.49		01/20/35	56,317.98	57,150.81			(324.64)		55,993.34	58,051.96	1,225.79	0.00
GNMA	2002 A-D SF MRB	5.40		01/20/35	7,011.31	7,408.39			(5,101.50)		1,909.81	2,057.57 79,922.26	(249.32) 1,575.45	0.00 0.00
GNMA	2002 A-D SF MRB	4.49		01/20/35	85,114.54	86,373.63			(8,026.82) (40.69)		77,087.72 9,648.23	10,394.73	197.75	0.00
GNMA	2002 A-D SF MRB	5.40		01/20/35	9,688.92	10,237.67 109,008.04			(779.81)		106.638.52	110,560.33	2,332,10	0.00
GNMA	2002 A-D SF MRB	4,49		01/20/35 02/20/35	107,418.33 133,477.07	135,453,63			(11,068.79)		122,408.28	126,911.19	2,526.35	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49		02/20/35	42.100.46	42,724.14			(222.26)		41.878.20	43,418,98	917.10	0.00
GNMA GNMA	2002 A-D SF MRB	4.49		02/20/35	104,938.97	106,493.59			(548.46)		104,390.51	108,231,28	2,286.15	0.00
GNMA	2002 A-D SF MRB	4.49		02/20/35	41,255.52	41,866.90			(249.62)		41,005.90	42,514,81	897.53	0.00
GNMA	2002 A-D SF MRB	4.49		02/20/35	66,970.78	67,963.61			(383.47)		66,587.31	69,037,91	1,457.77	0.00
GNMA	2002 A-D SF MRB	4.49		03/20/35	64,570.52	65,528,38			(329.49)		64,241.03	66,605.92	1,407.03	0.00
GNMA	2002 A-D SF MRB	4.49		03/20/35	16,684,57	16,932,17			(83.59)		16,600.98	17,212.19	363.61	0.00
GNMA	2002 A-D SF MRB	4.49		03/20/35	39,115.59	39,696,29			(199.84)		38,915.75	40,348.79	852.34	0.00
GNMA	2002 A-D SF MRB	4.49		03/20/35	35,234.53	35,757.77			(175.64)		35,058.89	36,350.06	767.93	0.00
GNMA	2002 A-D SF MRB	4.49		04/20/35	43,564.96	44,212.59			(225.29)		43,339.67	44,936.51	949.21	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	36,906.10	37,571.06			(178.92)		36,727.18	38,191.34	799.20	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	55,464.39	56,289.46			(266.84)		55,197.55	57,231.85	1,209.23	0.00
GNMA	2002 A-D SF MRB	4.49		04/20/35	53,797.44	54,598.05			(257.62)		53,539.82	55,513.35	1,172.92	0.00
GNMA	2002 A-D SF MRB	4,49		05/20/35	81,359.65	82,571.15			(4,711.56)		76,648.09	79,474.11	1,614.52	0.00
GNMA	2002 A-D SF MRB	- 4.49		05/20/35	44,897.43	45,566.26			(221.80)		44,675.63	46,323.11	978.65	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	133,930.74	135,932.80			(726.50)		133,204.24	138,123.36	2,917.06	0.00

investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2002 A-D SF MRB	4,49	07/14/05	07/20/35	29,084.13	29,519.02			(141.55)		28,942,58	30,011.53	634.06	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	51,287.53	52,213.51			(250.16)		51,037.37	53,073.92	1,110.57	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	19,782.38	20,077,27			(6,636.04)		13,146.34	13,631,25	190.02	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	46,560.75	47,401.78			(245.95)		46,314.80	48,163.30	1,007.47	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	56,793.24	57,640.73			(277.44)		56,515.80	58,601.43	1,238.14	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	46,286.25	47,122.81			(227.22)		46,059.03	47,897.82	1,002.23	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	88,405.41	89,725.59			(488.32)		87,917.09	91,162.44	1,925.17	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	34,460.44	34,975.23			(162.72)		34,297.72	35,563.95	751.44	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,270.94	9,439.27			(43.86)		9,227.08	9,596.23	200.82	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	11,049.50	11,215.37			(58,58)		10,990.92	11,397.51	240.72	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	15,055.27	15,281.36			(77.72)		14,977.55	15,531.71	328.07	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	18,606.02	18,942.92			(87.38)		18,518.64	19,258.58	403.04	0.00
GNMA	2002 A-D SF MRB	4.49 4.49	07/28/05	07/20/35	12,076.31	12,257.03			(57.17)		12,019.14	12,463.20	263.34	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	08/04/05 08/11/05	08/20/35 07/20/35	3,859.15	3,929.09			(17.93)		3,841.22	3,994.77	83.61	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	08/18/05	08/20/35	27,959.95 66,609.27	28,466.61 67,607.41			(131.36)		27,828.59	28,940.92	605.67	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	130,852.08	132,814.16			(390.51) (5,202.57)		66,218.76 125,649.51	68,666.65 130,295.58	1,449.75	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	5,076.36	5,168.55			(24.20)		5.052.16	5,254,31	2,683.99 109.96	0.00 0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	9,139.36	9,276.77			(45.01)		9,094.35	9,430.98	199.22	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	67,584.00	68,600,96			(361.37)		67,222.63	69,711.90	1,472.31	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	23,661.77	24,092.46			(5,227.81)		18,433.96	19,172.32	307.67	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	5,771.11	5,851,84			(28.92)		5,742,19	5,955.16	132.24	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	11,723.14	11,887.40			(68.69)		11,654.45	12,086,98	268.27	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	11,666.40	11,829.99			(60.36)		11,606.04	12,036.92	267,29	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	10,719.96	10,857.06			(62.19)		10,657.77	11,033.76	238.89	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	12,742.56	12,921.51			(70.23)		12,672.33	13,143.05	291.77	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	10,992.82	11,133.78			(70.83)	•	10,921.99	11,307.69	244,74	0.00
FNMA	2002 A-D SF MRB	4,49	07/28/05	07/01/35	19,026.92	19,271.85			(118.37)		18,908.55	19,577.25	423.77	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	16,961.24	17,179.90			(6,022.00)		10,939.24	11,326.30	168.40	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,732.74	4,793.84			(22.45)		4,710.29	4,877.05	105.66	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	9,484.40	9,606.89			(93.48)		9,390.92	9,723.43	210.02	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,453.98	7,881.98			(34.16)		7,419.82	7,999.44	151.62	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	10,360.42	10,955.08			(47.02)		10,313.40	11,118.84	210.78	0.00
GNMA	2002 A-D SF MRB	5.40 5.40	09/01/04	09/20/34	15,414.15	16,300.28			(69.05)		15,345.10	16,544.92	313.69	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40	09/01/04 09/01/04	09/20/34 09/20/34	17,510.71 13,538,00	18,484.15 14,316.23			(78.14)		17,432.57	18,762.72	356.71	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40	07/01/04	05/20/34	2,298.83	2,430.89			(2,615.05) (10.56)		10,922.95 2,288.27	11,776.97 2,467.08	75.79 46.75	0.00 0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,507.35	7,938.48			(34.80)		7,472.55	8.056.35	152.67	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	6,310.51	6,672.91			(28.01)		6,282.50	6,773.35	128.45	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,114,52	4,350,95			(19.02)		4,095.50	4,415.61	83.68	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	12,497.17	13,215.25			(55.00)		12,442.17	13,414.66	254.41	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,297.90	2,429.95			(24.01)		2,273.89	2,451.64	45.70	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	14,189.36	14,978.70			(4,622.42)		9,566.94	10,297.30	(58.98)	0.00
Repo Agmt	2002 A-D SF MRB	0.16	11/30/09	12/01/09	3,692.97	3,692.97	1.03		( , , , , , , , , , , , , , , , , , , ,		3,694.00	3,694.00	-	0.00
Repo Agmt	2002 A-D SF MRB	0.16	11/30/09	12/01/09	4.70	4.70	0.00				4.70	4.70	-	0.00
Repo Agmt	2002 A-D SF MRB	0.16	11/30/09	12/01/09	1,314.40	1,314.40	0.31				1,314.71	1,314,71	-	0.00
Repo Agmt	2002 A-D SF MRB	0.16	11/30/09	12/01/09	250,314.43	250,314.43		(250,314.40)			0.03	0.03	-	0.00
Repo Agmt	2002 A-D SF MRB	0.16	11/30/09	12/01/09	6,219,680.90	6,219,680.90		(6,200,946.27)			18,734.63	18,734.63	-	0.00
GIC's	2002 A-D SF MRB	5.01	06/26/02	03/01/34			3,003,775.25				3,003,775.25	3,003,775.25	-	0.00
GIC's	2002 A-D SF MRB	4.51	06/26/02	03/01/34			81,648.16				81,648.16	81,648.16	-	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	143,955.89	152,343.71			(80,174.38)		63,781.51	68,799.97	(3,369.36)	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	162,628.41	175,442.74			(735.59)		161,892.82	176,359.19	1,652.04	0.00
GNMA	2002 A-D SF MRB	5.40 e.15	11/12/02	10/20/32	177,054.68	187,383.07			(900.26)		176,154.42	190,026.74	3,543.93	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	6.15 5.40	09/12/02 09/19/02	08/20/32 09/20/32	60,290.97	65,037.66			(286.02)		60,004.95	65,362.82	611.18	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 6.15	09/19/02	09/20/32	231,136.65 172,045.05	244,609.31 185,593.18			(1,300.33) (983.72)		229,836.32	247,925.43 186,338.56	4,616.45 1,729.10	0.00 0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40	09/26/02	09/20/32	218,481.75	231,217.93			(1,440.15)		171,061.33 217,041.60	234,124.87	4,347.09	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	108,886.41	117,461,96			(561.07)		108,325.34	118,000.73	1,099.84	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	66,671.39	70,558.58			(337.39)		66,334.00	71,555.78	1,334.59	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	184,925.15	199,492.14			(4,306.16)		180,618.99	196,754.32	1,568.34	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	121,705.48	131,293.35			(693.77)		121,011.71	131,822.95	1,223.37	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	51,905.34	54,932.31			(452.58)		51,452.76	55,503.81	1,024.08	0.00
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	59,153.89	63,814.18			(266.34)		58,887.55	64,148.78	600.94	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	131,228.43	138,882.06			(775.73)		130,452.70	140,724.45	2,618.12	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	77,940.52	84,082.27			(348.38)		77,592.14	84,525.91	792.02	0.00
GNMA -	2002 A-D SF MRB	5.40	11/19/02	11/20/32	94,728.96	100,256.01			(492.66)		94,236.30	101,658.60	1,895.25	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	342,213.31	369,181.79			(1,733.75)		340,479.56	370,907.39	3,459.35	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	170,370.58	180,312.00			(1,039.77)		169,330.81	182,668.76	3,396.53	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	97,462.83	105,143.48			(465.62)		96,997.21	105,665.60	987.74	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	136,522.46	144,488.81			(733.71)		135,788.75	146,484.65	2,729.55	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	101,511.21	107,436.37			(1,071.01)		100,440.20	108,353.54	1,988.18	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	59,963.84	64,691.28			(298.44)		59,665.40	64,999.51	606.67	0.00 0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	195,652.90	207,075.84 180,052.99			(971.94) (53,522.79)		194,680.96 113,372.44	210,022.04 123,507.95	3,918.14 (3,022.25)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32 12/20/32	166,895.23	160,052.99			(53,522.79)		96,198,35	103,778.83	1,936.19	0.00
GNMA	2002 A-D SF MRB	5.40 6.15	12/30/02 01/07/03	12/20/32	96,676.54 110,570.85	119,288.71			(511.77)		110,059.08	119,899.01	1,122.07	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	6.15	01/23/03	01/20/32	464,971.29	499,016.33			(2,494.03)		462,477.26	501.397.01	4,874.71	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40	01/23/03	01/20/33	94,280.05	99,772.42			(466.48)		93,813.57	101,214.09	1,908.15	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	6.15	01/23/03	01/20/33	102,373,44	109,869,22			(785,12)		101,588.32	110,137.50	1,053.40	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	97,796.68	103,493.88			(480.51)		97,316.17	104,992.94	1,979.57	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	99,697.31	106,997.65			(758.90)		98.938.41	107,265.10	1,026,35	0.00
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	322,391.55	341,174.51			(1,793.27)		320,598.28	345,890.57	6,509.33	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	306,817,32	329,289.02			(53,752.89)		253,064,43	274,366.59	(1,169.54)	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	163,703.63	175,694.54			(909.95)		162,793.68	176,498.19	1,713.60	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	112,028.41	118,559.42			(543.58)		111,484.83	120,284.11	2,268.27	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	320,251.00	343,710.43			(1,412.32)		318,838.68	345,681.36	3,383.25	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	101,530,41	107,447.89			(500.59)		101,029.82	109,002.27	2,054.97	0.00
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	302,174.71	324,312.90			(1,368.44)		300,806.27	326,133.73	3,189.27	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	149,699.73	160,669.41			(782.46)		148,917.27	161,458.16	1,571.21	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	42,989.97	46,140.72			(185.43)		42,804.54	46,409.80	454.51	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	95,062.41	102,029.00			(412.96)		94,649.45	102,620.88	1,004.84	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	297,216.58	318,999.59			(1,926.22)		295,290.36	320,161.51	3,088.14	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	67,696.53	72,658.02			(297.08)		67,399.45	73,076.26	715.32	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	156,769.65	168,261.13			(684.00) (468.63)		156,085.65	169,233.97 116,467.39	1,656.84 1,140.37	0.00 0.00
GNMA	2002 A-D SF MRB	6.15 6.15	04/24/03 04/29/03	04/20/33 03/20/33	107,886.73 83,990.52	115,795.65 90,147.46			(379.29)		107,418.10 83,611,23	90,654.66	886.49	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	49,161.92	52,766.40			(227.16)		48,934.76	53,057.74	518,50	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	6,15	05/08/03	04/20/33	80,422.75	86,319.18			(361.11)		80,061.64	86,807.17	849.10	0.00
GNMA GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	82,877.98	88,954.82			(362.76)		82,515.22	89,467,89	875.83	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	60,773.61	65,231.70			(265.43)		60,508.18	65,608.58	642.31	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	39,164,13	42,037.03			(168.12)		38,996,01	42,283.08	414.17	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	49,623.20	53,265.02			(218,49)		49,404.71	53,570.84	524.31	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	86,952,75	93,334,20			(638.60)		86,314.15	93,592.75	897.15	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	83,600.48	89,736.35			(373.28)		83,227.20	90,245.94	882.87	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	46,443.11	49,852.00			(196.87)		46,246.24	50,146.48	491.35	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	159,124.51	170,813.76			(836.96)		158,287.55	171,646.65	1,669.85	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	55,669.87	59,759.40			(235.63)		55,434.24	60,112.73	588. <del>9</del> 6	0.00
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	62,729.55	67,343.92			(261.98)		62,467.57	67,745.99	664.05	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	60,666.21	64,824.25			(242.30)		60,423.91	65,261.69	679.74	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	178,548.84	188,802.51			(818.31)		177,730.53	191,616.20	3,632.00	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	38,227.15	40,848.06			(156.23)		38,070.92	41,119.87	428.04	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	248,167.02	262,414.69			(1,126.34)		247,040.68	266,337.31	5,048.96	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	369,225.96	390,451.81			(1,654.08)		367,571.88	396,311,74	7,514.01	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	419,443.62	442,763.53			(1,871.59)		417,572.03	449,436.36	8,544.42	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	324,280.97	342,926.53			(62,639.34)		261,641.63	282,101.84	1,814.65	0.00 0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	55,065.85	58,228.78			(253.13)		54,812.72 178,992.33	59,095.72 192,979.47	1,120.07 3,657.26	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	179,826.18	190,156.06			(833.85) (670.80)		178,992.33	162,246.64	3,657.26 3,076.57	0.00
GNMA	2002 A-D SF MRB	5.40 5.40	07/29/04 08/05/04	07/20/34 08/20/34	151,157.07 98,558,15	159,840.87 104,221,30			(455.57)		98,102,58	105,770,32	2,004.59	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 5.40	08/05/04	08/20/34	299,351.84	316,554.09			(1,317.59)		298,034.25	321,330.59	6,094,09	0.00
GNMA	2002 A-U SP WKD	3,40	00/12/04	00/20/34	200,001,04	0.00,000			(1,011,00)		200,00 1.20	DE 1,000,000	5,5565	2.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	55,042.96	58,206.34			(574.98)		54,467.98	58,725.83	1,094.47	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	208,565.65	220,573.33			(110,006.33)		98,559.32	106,274,20	(4,292.80)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,202,428.67	1,222,355.51			(7,397.82)		1,195,030.85	1,239,808.43	24,850.74	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	877,916.51	892,469.97			(4,323.93)		873,592.58	906,330.52	18,184.48	0.00
GNMA	2002 A-D \$F MRB	5.40	10/14/04	10/20/34	339,887.51	358,795.17			(110,723.88)		229,163.63	246,658.23	(1,413.06)	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	104,682.50	106,738.63			(530.11)		104,152.39	108,360.85	2,152.33	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,174,390.87	1,241,953.56			(5,739.43)		1,168,651.44	1,260,077.13	23,863.00	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	217,256.71	221,525.94			(1,113.67)		216,143.04	224,878.67	4,466.40	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	292,807.73	309,099.82			(1,338.40)		291,469.33	313,723.90	5,962.48	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	384,968.08	391,332.09			(2,193.80)		382,774.28	397,100.78	7,962.49	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,480,755.71	1,505,241.91			(10,653.38)		1,470,102.33	1,525,132.99	30,544.46	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	336,943.31	356,333.04			(1,458.33)		335,484.98	361,736.03	6,861.32	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	361,865.12	367,852.33			(2,111.42)		359,753.70	373,223.79	7,482.88	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	65,110.42	68,857.65			(277.86)		64,832.56	69,905.99	1,326.20	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04 11/23/04	11/20/34 11/20/34	319,728.85	325,020.90 1,378,363.54			(1,818.96)		317,909,89 1,238,193.04	329,815.27	6,613.33 23,926.02	0.00 0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49	12/02/04	12/20/34	1,355,916.73 1,811,650.05	1,841,661.88			(117,723.69) (9,681.37)		1,801,968.68	1,284,565.87 1,869,478.71	37,498.20	0.00
GNMA GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,123,430,26	1,142,059,44			(5,532,41)		1,117,897,85	1,159,796.98	23,269,95	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	877,681.84	892,240.44			(4,924.20)		872,757.64	905,473.43	18,157.19	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	1,956,920.52	1,985,849.34			(10,699.38)		1,946,221.14	2,017,764.17	42,614.21	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	425,205,67	449,284.09			(1,926.67)		423,279.00	456,024.42	8,667.00	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,031,722.40	1,046,979.42			(5,947.08)		1,025,775.32	1,063,488.12	22,455.78	0.00
GNMA	2002 A-D SF MRB	5,40	01/13/05	01/20/35	128,444.52	135,718,72			(93,457.42)		34,987.10	37,693.95	(4,567.35)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,559,263.24	1,582,329.50			(147,048.02)		1,412,215.22	1,464,142,95	28,861,47	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	177,496.81	187,549.94			(745.25)		176,751.56	190,427.21	3,622.52	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	1,967,859.61	1,996,982.36			(14,285.89)		1,953,573.72	2,025,419.70	42,723.23	0.00
GNMA	2002 A-D SF MRB	4,49	02/03/05	02/20/35	2,445,244.51	2,481,454.64			(202,775.48)		2,242,469.03	2,324,960.68	46,281.52	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	771,262.86	782,688.76			(4,071.72)		767,191.14	795,417.91	16,800.87	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	1,922,438.62	1,950,918.67			(10,047.56)	-	1,912,391.06	1,982,752.43	41,881.32	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	98,957.27	104,660.20			(422.19)		98,535.08	106,253.73	2,015.72	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	755,783.97	766,984.42			(4,572.90)		751,211.07	778,853.83	16,442.31	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,226,877.31	1,245,065.48			(7,025.09)		1,219,852.22	1,264,746.20	26,705.81	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,182,905.89	1,200,453.12			(6,036.01)		1,176,869,88	1,220,193.10	25,775.99	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	305,654.48	310,190.42			(1,531.42)		304,123.06	315,320.40	6,661.40	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	119,872.38	126,667.74			(530.00)		119,342.38	128,582.24	2,444.50	0.00
GNMA	2002 A-D SF MRB	4.49 4.49	03/17/05 03/24/05	03/20/35 03/20/35	716,581.95 645,482.02	727,219.75			(3,661.06)		712,920.89	739,173.27	15,614.58 14,068.27	0.00 0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	04/07/05	03/20/35	798,092.27	655,067.66 809,956.48			(3,217.74) (4,127.27)		642,264.28 793,965.00	665,918.19 823,218.34	17,389.13	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	04/14/05	04/20/35	676,105.06	688,286.45			(3,277.49)		672,827.57	699,649.63	14,640.67	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	101.543.50	107,110.98			(426,23)		101,117.27	108,758.11	2,073.36	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,016,084.53	1,031,199.72			(4,888.40)		1,011,196.13	1,048,463.84	22,152.52	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	985,546,87	1,000,213.84			(4,719.70)		980,827.17	1,016,981.77	21,487.63	0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	126,317,41	133,483,52			(531.16)		125,786,25	135,530.47	2,578.11	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,490,474.43	1,512,669.53			(86,313.90)		1,404,160.53	1,455,933.03	29,577.40	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	104,228.99	109,944.93			(459.98)		103,769.01	111,611.47	2,126.52	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	822,502.92	834,755.22			(4,063.32)		818,439.60	848,620.34	17,928.44	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	2,453,555.62	2,490,232.84			(13,309.12)		2,440,246.50	2,530,363.11	53,439.39	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	111,552.88	117,889.14			(498.35)		111,054.53	119,665.43	2,274.64	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	532,808.86	540,776.40			(2,593.19)		530,215.67	549,799.00	11,615.79	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	939,567.22	956,530.14			(4,582.98)		934,984.24	972,292.41	20,345.25	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	153,586.38	162,303.57			(635.88)		152,950.50	164,803.20	3,135.51	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	362,422.33	367,807.39			(121,574.76)		240,847.57	249,718.98	3,486.35	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	852,973.69	868,381.16			(4,505.70)		848,467.99	882,331.97	18,456.51	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	71,581.37	75,645.02			(304.53)		71,276.84	76,801.15	1,460.66	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,040,429.18	1,055,954.46			(5,082.59)		1,035,346.59	1,073,554.16	22,682.29	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	847,945.17	863,270.51			(4,162.61)		843,782.56	877,468.39	18,360.49	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	1,619,550.74	1,643,735.93			(8,945.68)		1,610,605.06	1,670,058.36	35,268.11	0.00 0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	631,301.25	640,731.87			(2,981.04)		628,320.21	651,517.10	13,766.27	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 5.40	09/08/05 09/08/05	09/20/35 08/20/35	169,840.66 56,689,43	172,923.48 59,912.54			(803.58) (243.89)		169,037.08 56,445.54	175,799.05 60.825.37	3,679.15 1,156.72	0.00
GINNA	4004 A-D OF WIND	5.40	03/00/05	00/20/35	90,008.43	33,312,34			(240.08)		JO,440.04	00,020.37	1,100.72	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2002 A-D SF MRB	4,49	09/15/05	09/20/35	202,422.49	205,461.06			(1,073.19)		201,349.30	208,797.84	4,409.97	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	275,806,86	279,948.40			(1,423.95)		274.382.91	284,534.61	6,010,16	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	340,855.33	347,026.64			(1,600.79)		339,254.54	352,809.43	7,383.58	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	221,233.19	224,543.91			(1,047.38)		220,185.81	228,320.78	4,824.25	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	70,698.33	71,979.45			(328.47)		70,369.86	73,182.61	1,531.63	0.00
, GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	61,346.62	64,832.87			(248.40)		61,098.22	65,837.37	1,252.90	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	512,214.40	521,496.60			(2,406.46)		509,807.94	530,185.81	11,095.67	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,220,253.91	1,238,539.98			(7,153.75)		1,213,100.16	1,257,944.78	26,558.55	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,397,156.14	2,433,100.72			(95,308.79)		2,301,847.35	2,386,961.34	49,169,41	0.00
GNMA	2002 A-D SF MRB	4,49	09/29/05	07/20/35	92,997.00	94,685.86			(443.27)		92,553.73	96,256.91	2,014.32	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	167,429.53	169,946.57			(824.65)		166,604.88	172,771.74	3,649.82	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	10/27/05 11/01/05	10/20/35	1,238,110.29	1,256,741.31			(6,620.09)		1,231,490.20	1,277,093.27	26,972.05	0.00
GNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 6.40	07/24/03	11/20/35 11/01/32	433,474.11 73,483,39	441,364.12 79.065,92			(95,771.18)		337,702.93	351,229,09	5,636.15	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40	08/14/03	09/01/32	54,487.87	57,140.56			(303.16) (290.90)		73,180.23 54,196.97	79,673.51 57,987.51	910.75 1,137.85	00.0 00.0
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	53,801.27	57,681.67			(970.02)		52,831.25	57,602.27	890.62	0.00
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	45,155.74	48,586.22			(213.15)		44,942.59	48,930.34	557.27	0.00
FNMA	2002 A-D SF MRB	6,15	04/01/04	02/01/34	99,025.44	105,801.15			(402.04)		98,623.40	107,082.12	1,683,01	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	290,141.21	303,955,28			(1,305.83)		288,835.38	308,742.98	6,093.53	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	105,724.24	107,203.29			(529.84)		105,194,40	109,096,19	2,422.74	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	214,763.10	217,772.37			(1,258.58)		213,504.52	221,428.56	4,914.77	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	213,723.30	216,720,59			(1,105.63)		212,617.67	220,511.42	4,896.46	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	196,384.62	198,896.87			(1,139.36)		195,245,26	202,134.01	4,376.50	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	233,438.73	236,716.79			(1,286.54)		232,152.19	240,775.31	5,345.06	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	80,935.74	84,794.52			(342.82)		80,592.92	86,153.07	1,701.37	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	201,384.28	203,966.18			(1,297.42)		200,086.86	207,152.22	4,483.46	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	348,565.49	353,052.49			(2,168.46)		346,397.03	358,647.22	7,763,19	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	107,490.47	112,518.98			(451.78)		107,038.69	114,341.50	2,274.30	0.00
FNMA	2002 A-D SF MRB	4.49 4.49	09/08/05 10/20/05	08/01/35 09/01/35	310,723.13	314,728.69			(110,320.56)		200,402.57	207,493.27	3,085.14	0.00
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	11/01/05	10/01/35	86,702.06 173,750.35	87,821,32 175,994.39			(411.20)		86,290.86	89,345.64	1,935.52	0.00
Repo Agmt	2002 A-D SF MRB 2002 A-D SF MRB	0.16	11/30/09	12/01/09	223,196.33	223,196,33	59,75		(1,712.42)		172,037.93 223,256.08	178,129.30 223,256.08	3,847.33	0.00 0.00
Freddie Mac	2002 A-D SF MRB	5.38	05/21/08	04/01/38	2,438.11	2,553.98	33.13		(8.16)		2,429.95	2,599.60	53.78	0.00
Freddie Mac	2002 A-D SF MRB	5.38	06/18/08	04/01/38	4,874.24	5,105.97			(17.00)		4,857.24	5,196.43	107.46	0.00
Freddie Mac	2002 A-D SF MRB	5.63	06/18/08	03/01/38	2,019.63	2,129.73			(8.07)		2,011.56	2,165.05	43.39	0.00
Freddie Mac	2002 A-D SF MRB	5.13	06/25/08	12/01/37	2,619.26	2,723.72			(9.30)		2,609,96	2,771.39	56.97	0.00
Freddie Mac	2002 A-D SF MRB	5.13	07/16/08	06/01/38	3,944.44	4,101.61			(15.71)		3,928.73	4,171.61	85.71	0.00
Freddie Mac	2002 A-D SF MRB	<b>5.6</b> 3	07/16/08	05/01/38	1,587.42	1,673.61			(5.01)		1,582.41	1,702.69	34.09	0.00
Freddie Mac	2002 A-D SF MRB	5.38	07/23/08	03/01/38	1,750.29	1,833.57	0.12				1,750.41	1,872.71	39.02	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	2,706.08	2,834.85			(8.85)		2,697.23	2,885.71	59.71	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	1,412.28	1,479.47			(18.02)		1,394.26	1,491.69	30.24	0.00
Freddie Mac	2002 A-D SF MRB	5.63	09/24/08	07/01/38	2,588.24	2,728.92			(8.03)		2,580.21	2,776.47	55.58	0.00
Freddie Mac	2002 A-D SF MRB	5.13	10/22/08	03/01/38	3,754.80	3,904.68			(13.16)		3,741.64	3,973.24	81.72	0.00
Freddie Mac Freddie Mac	2002 A-D SF MRB 2002 A-D SF MRB	5.13 5.13	11/19/08 11/25/08	10/01/38 10/01/38	3,407.12 2,725.51	3,543.20 2,834.38			(16.60)		3,390.52	3,600.47	73.87	0.00
Freddie Mac	2002 A-D SF MRB 2002 A-D SF MRB	5.13	12/18/08	09/01/38	4,149.72	4,332.20			(13.82) (29.57)		2,711.69 4,120.15	2,879.60 4,392.55	59.04 89.92	0.00
Freddie Mac	2002 A-D SF MRB	5.13	12/30/08	12/01/38	2,972.85	3,091.69			(9.83)		2,963.02	3,146.59	64.73	0.00 0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	16,517.52	17,439.51			(60.56)		16,456.96	17,719.98	341.03	0.00
GNMA	2002 A-D SF MRB	5,13	02/20/07	02/20/37	23,522.99	24,668.18			(3,426.33)		20,096.66	21,497.27	255.42	0.00
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	10,607.36	11,240.32			(46.97)		10,560.39	11,374.63	181.28	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	22,544.52	23,803.28			(3,307.15)		19,237.37	20,714.06	217.93	0.00
GNMA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	4,883.50	5,174.98			(16.83)		4,866.67	5,241.98	83.83	0.00
GNMA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	5,872.64	6,223.21			(20.23)		5,852.41	6,303.80	100.82	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	22,709.91	23,816.24			(100.42)		22,609.49	24,185.94	470.12	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	20,204.75	21,333.15			(76.15)		20,128.60	21,674.00	417.00	0.00
GNMA	2002 A-D SF MRB	5.13	03/06/07	02/20/37	8,310.59	8,715.32			(32.39)		8,278.20	8,855.28	172.35	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/07	04/20/37	21,687.93	22,745.29			(80.97)		21,606.96	23,114.37	450.05	0.00
GNMA GNMA	2002 A-D SF MRB	5.63	04/24/07 04/24/07	04/20/37	16,312.20	17,286.71			(57.84)		16,254.36	17,508.77	279.90	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38 5.13	03/27/07	04/20/37 03/20/37	12,487.45 18,268.29	13,185.38 19,158.36			(47.51) (93.42)		12,439.94 18,174.87	13,395.59 19,442.24	257.72 377.30	0.00 0.00
CHANN	2002 FED OF WIND	3.13	G31Z1701	00120101	10,200.29	13,130.30			(33.42)		10,174.07	13,442.24	311.30	0.00

investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/	·		Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2002 A-D SF MRB	5.62	03/27/07	02/20/37	4,507.76	4,776.91			(15.55)		4,492.21	4,838.72	77.36	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	03/20/37	8,257.94	8,719.45			(31.81)		8,226.13	8,858.03	170.39	0.00
GNMA	2002 A-D SF MRB	5.38	04/10/07	03/20/37	13,441.57	14,192.57			(48.39)		13,393.18	14,421.77	277.59	0.00
GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	22,016.87	23,089.89			(82.81)		21,934.06	23,463.87	456.79	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	7,567.57	8,019.51			(989.68)		6,577.89	7,085.40	55.57	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	12,819.65	13,444.84			(80.66)		12,738.99	13,627.89	263.71	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	6,083.01	6,446.49			(22.58)		6,060.43	6,528.22	104.31	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	11,175.31	11,800.08			(40.84)		11,134.47	11,989.99	230.75	0.00
GNMA	2002 A-D SF MRB				2,491.13	2,640.03			(2,491.13)				(148.90)	0.00
GNMA	2002 A-D SF MR8	5.38	05/22/07	05/20/37	19,946.00	21,061.40			(73.00)		19,873.00	21,400.23	411.83	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	25,939.65	27,205.10	1.		(142.70)		25,796.95	27,597.44	535.04	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	24,163.29	25,514.87			(86.59)		24,076.70	25,927.36	499.08	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	5,375.39	5,696.76			(18.75)		5,356.64	5,770.26	92.25	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37	36,990.23	38,795.33			(147.07)		36,843.16	39,415.24	766.98	0.00
GNMA	2002 A-D SF MRB	5.38	06/19/07 06/19/07	05/20/37	9,271.12	9,789.83			(32.61) (86.78)		9,238.51 19,593.38	9,948.76 20,961.56	191.54 407.47	0.00 0.00
GNMA	2002 A-D SF MRB	5.13		06/20/37	19,680.16 9,682.55	20,640.87 10,229.80			(35.42)		9,617.13	10,359.93	165.55	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07 08/07/07	06/20/37	40,220.57	42,205.97			(166.10)		40,054.47	42,873.52	833.65	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13 5.38	07/03/07	07/20/37 05/20/37	17,544,29	18,526,16			(64.46)		17,479.83	18,823.95	362.25	0.00
GNMA		5.36 5.13	07/03/07	06/20/37	14,415.43	15,092.10			(52.96)		14,362.47	15,338.59	299.45	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	07/17/07	06/20/37	17,898.21	18,900.21			(62.83)		17,835.38	19,207.17	369.79	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	07/17/07	06/20/37	15,714.88	16,452.79			(2,348.12)		13,366.76	14,275.41	170.74	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38	04/24/08	04/20/38	4,750.88	5.017.42			(15.89)		4,734.99	5,095,72	94.19	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	04/24/08	04/20/38	7,055.94	7,400.34			(28.31)		7,027.63	7,513.99	141.96	0.00
GNMA	2002 A-D SF MRB	5.38	04/22/08	03/20/38	6,408.22	6,767.70			(21.42)		6,386.80	6,873.35	127.07	0.00
GNMA	2002 A-D SF MRB	5.63	04/22/08	03/20/38	5,572.19	5,906.41			(17.68)		5,554.51	5,977.02	88.29	0.00
GNMA	2002 A-D SF MRB	0.00	04122100	00/20/00	2,410.35	2,545,61			(2,410.35)		0,001.01	0,077102	(135.26)	0.00
GNMA	2002 A-D SF MRB	5.13	05/07/08	04/20/38	8,995.49	9,434.67			(34.67)		8,960.82	9.581.09	181.09	0.00
GNMA	2002 A-D SF MRB	5.63	05/07/08	04/20/38	5,801,07	6,149.08			(18.41)		5,782.66	6,222,59	91.92	0.00
GNMA	2002 A-D SF MRB	5.38	05/14/08	04/20/38	7,250.24	7,657.15			(24.05)		7,226.19	7,776.89	143.79	0.00
GNMA	2002 A-D SF MRB	5.13	05/21/08	05/20/38	12.239.44	12,814,19			(42.58)		12,196.86	13,018.54	246.93	0.00
GNMA	2002 A-D SF MRB	5.13	06/11/08	05/20/38	5,296.50	5,555.31			(18.21)		5,278.29	5,643.89	106.79	0.00
GNMA	2002 A-D SF MRB	5,63	07/09/08	06/20/38	6,320.35	6,699.98			(19.79)		6,300.56	6,780.36	100.17	0.00
GNMA	2002 A-D SF MRB	5.38	07/09/08	03/20/38	4,159.60	4,393.32			(13.74)		4,145.86	4,462.07	82.49	0.00
GNMA	2002 A-D SF MRB	5.13	07/16/08	06/20/38	2,448.55	2,568.28			(8.33)		2,440.22	2,609.33	49.38	0.00
GNMA	2002 A-D SF MRB	5.63	06/18/08	03/20/38	623.48	660.89			(2.04)		<del>6</del> 21.44	668.72	9.87	0.00
GNMA	2002 A-D SF MRB	5.63	06/25/08	05/20/38	3,953.81	4,191.22			(12.67)		3,941.14	4,241.19	62.64	0.00
GNMA	2002 A-D SF MRB	5.38	06/25/08	05/20/38	13,061.53	13,795.24			(50.52)		13,011.01	14,003.19	258.47	0.00
GNMA	2002 A-D SF MRB	5.38	07/23/08	06/20/38	7,189.30	7,593.40			(23.36)		7,165.94	7,712.64	142.60	0.00
GNMA	2002 A-D SF MRB	5.38	07/29/08	06/20/38	3,397.47	3,588.45			(11.01)		3,386.46	3,644.84	67.40	0.00
GNMA	2002 A-D SF MRB	5.13	08/27/08	08/20/38	5,115.48	5,365.91			(18.04)		5,097.44	5,450.99	103.12	0.00
GNMA	2002 A-D SF MRB	5.63	08/13/08	07/20/38	4,527.25	4,799.35			(13.97)		4,513.28	4,857.17	71,79	0.00
GNMA	2002 A-D SF MRB	5.38	08/13/08	07/20/38	3,533.72	3,732.42			(11.43)		3,522.29	3,791.09	70.10	0.00
GNMA	2002 A-D SF MRB	5.13	08/13/08	07/20/38	5,263.13	5,520.70			(22.21)		5,240.92	5,604.31	105.82	0.00
GNMA	2002 A-D SF MRB	5.63	08/27/08	08/20/38	2,316.58	2,455.87			(7.07)		2,309.51	2,485.53	36.73	0.00
GNMA	2002 A-D SF MRB	5.13	09/10/08	09/20/38	10,851.79	11,383.21			(39.45)		10,812.34	11,562.40	218.64	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	07/20/38	2,388.81	2,523.26			(7.69)		2,381.12	2,562.96 2,719.60	47.39 (52.45)	0.00 0.00
GNMA	2002 A-D SF MRB	5.13	09/24/08	08/20/38	4,673.26	4,902.17			(2,130.12)		2,543.14 5,059.40		100.65	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	09/20/38	5,076.32	5,362.03			(16.92)		2,616,96	5,445.76 2,798.61	52.94	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	08/20/38	2,626.15	2,754.86 2.883.93			(9.19) (8.31)		2,616.96	2,798.61	52.94 43.14	0.00
GNMA	2002 A-D SF MRB	5.63	10/15/08 10/15/08	08/20/38 09/20/38	2,720.23 1,388.23	2,883.93 1,456.27			(8.31)		2,711.92 1,383.60	2,916.76 1,479.64	43.14 28.00	0.00
GNMA	2002 A-D SF MRB	5.13 5.63	10/15/08	09/20/38	1,365.23 3,555.84	3,769,89			(4.63)		3,544,55	3,814,94	26.00 56.34	0.00
GNMA	2002 A-D SE MRB	5.63 5.13	11/12/08	10/20/38	5,822,43	6,107.97			(19.61)		5,802.82	6,205.78	117.42	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	11/12/08	10/20/38	5,622.45 1,905.57	2,012.93			(6.03)		1,899,54	2.044.71	37.81	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38	11/12/08	09/20/38	2,820.27	2,958.62			(9.48)		2,810.79	3,006.01	56.87	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38	11/25/08	11/20/38	10,484.68	11,075.52			(34.23)		10,450.45	11,249.29	208.00	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.63	12/10/08	10/20/38	2,889.41	3,063.47			(11,14)		2,878.27	3,097.97	45.64	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38	12/10/08	11/20/38	6.096.68	6,440.34			(19.16)		6,077.52	6,542.19	121.01	0.00
GNMA	2002 A-D SF MRB	5.13	12/10/08	11/20/38	7,148.73	7,499.55			(35.02)		7,113.71	7,607.94	143,41	0.00
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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	D
Investment		interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Carrying Value 11/30/09	Market Value 11/30/09	in Market Value	Recognized Gain
Туре	Issue	Rate 5.38	Date 12/17/08	Date 11/20/38	08/31/09 7.532.08	08/31/09 7.956.72	Purchases	Sales	(46.52)	Hansiers	7.485.56	8,057.94	147.74	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.25	12/17/08	12/20/38	11,433.59	12,038.17			(51.49)		11,382.10	12,214.34	227.66	0.00
GNMA GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	4,217.79	4,440.82			(13.65)		4.204.14	4,511,53	84.36	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.25	12/17/08	12/20/38	5,837.43	6,146.14			(18.71)		5,818.72	6,244.20	116.77	0.00
GNMA	2002 A-D SF MRB	5.13	12/17/08	12/20/38	10,147.62	10,645.71			(42.64)		10,104.98	10,807.14	204.07	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	5,923,74	6.236.98			(19.12)		5,904.62	6,336.36	118.50	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	12/20/38	14,077.11	14,821.58			(45.91)		14,031.20	15,057.24	281.57	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	10/20/38	5,342.22	5,624.74			(17.28)		5,324.94	5,714.31	106.85	0.00
GNMA	2002 A-D SF MRB	5.13	12/30/08	12/20/38	5,581.08	5,855.11			(18.35)		5,562.73	5,949.36	112.60	0.00
GNMA	2002 A-D SF MRB	5.38	12/30/08	11/20/38	2,908.97	3,073.02			(14.90)		2,894.07	3,115.41	57.29	0.00
GNMA	2002 A-D SF MRB	5.25	12/30/08	12/20/38	1,970.66	2,074.91			(7.77)		1,962.89	2,106.46	39.32 109.51	0.00 0.00
GNMA	2002 A-D SF MRB	5.15	12/30/08	12/20/38	5,439.53	5,711.38			(17.78)		5,421.75	5,803.11 9,767.64	109.51	0.00
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37	9,260.94	9,606.81			(36.53) (116.07)		9,224.41 12.364.37	13,180,43	268.98	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	12,480.44 5,808.91	13,027.52 6.102.47			(20.32)		5,788.59	6,205.19	123.04	0.00
FNMA	2002 A-D SF MRB	5.63 5.13	03/06/07 03/20/07	02/01/37 09/01/36	1,635.63	1,696.73			(36.13)		1,599,50	1,693,70	33.10	0.00
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	03/20/07	02/01/37	7,616.62	8,001.55			(27.81)		7,588.81	8,134,99	161.25	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38	03/20/07	09/01/36	5,002.95	5,227.46			(2,425.29)		2,577.66	2,749,28	(52.89)	0.00
FNMA	2002 A-D SF MRB	5.13	03/27/07	03/01/37	8,882.76	9,206.01			(48.48)		8,834.28	9,352.66	195.13	0.00
FNMA	2002 A-D SF MRB	5.38	04/10/07	03/01/37	20,977.22	21,897.10			(83.98)		20,893.24	22,272.58	459.46	0.00
FNMA	2002 A-D SF MRB	5.63	04/10/07	03/01/37	11,328.64	11,901.32			(46.53)		11,282.11	12,094.25	239.46	0.00
FNMA	2002 A-D SF MRB	5.13	04/10/07	03/01/37	17,903.34	18,554.99			(71.65)		17,831.69	18,878.17	394.83	0.00
FNMA	2002 A-D SF MRB	5.38	04/24/07	04/01/37	30,602.07	31,976.51			(121.89)		30,480.18	32,511.03	656.41	0.00
FNMA	2002 A-D SF MRB	5.13	04/24/07	04/01/37	6,932.00	7,184.36			(26.93)		6,905.07	7,310.35	152.92	0.00
FNMA	2002 A-D SF MRB	5.63	04/24/07	04/01/37	5,167.55	5,428.85			(18.30)		5,149.25	5,519.99	109.44	0.00
FNMA	2002 A-D \$F MRB	5.13	05/08/07	04/01/37	5,124.51	5,311.10			(19.29)		5,105.22	5,404.91 5,255,47	113.10	0.00 0.00
FNMA	2002 A-D SF MRB	5.38	05/22/07	04/01/37	4,947.99	5,165.06			(18.06) (16.21)		4,929.93 4.084.17	5,255,47 4,323.93	108.47 90.43	0.00
FNMA	2002 A-D SF MRB	5.13	05/22/07	04/01/37	4,100.38	4,249.71 7,541.62			(29.57)		4,064.17 7,187.76	4,323.93 7.666.81	154.76	0.00
FNMA	2002 A-D SF MRB	5.38 5.63	06/05/07 06/05/07	05/01/37 05/01/37	7,217.33 8,391.36	7,541.62 8,815.79			(1,412.26)		6,979.10	7,481.68	78.15	0.00
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	06/05/07	04/01/37	8,685.96	9,002.32			(42.29)		8,643.67	9,151.16	191.13	0.00
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37	13,556.24	14,151,13			(78.64)		13,477.60	14,367.81	295.32	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37	7,889,28	8,176.76			(59.47)		7,829.81	8,289.64	172.35	0.00
FNMA	2002 A-D SF MRB	5.13	04/08/08	03/01/38	3,649.47	3,829.68			(14.53)		3,634.94	3,890.07	74.92	0.00
FNMA	2002 A-D SF MRB	5.63	04/15/08	12/01/37	3,104.21	3,298.51			(17.05)		3,087.16	3,338.47	57.01	0.00
FNMA	2002 A-D SF MRB	5.38	04/15/08	01/01/38	5,265.26	5,558.05			(19.14)		5,246.12	5,655.85	116.94	0.00
FNMA	2002 A-D SF MRB	5.13	04/15/08	04/01/38	2,405.39	2,524.20			(8.34)		2,397.05	2,565.33	49.47	0.00
FNMA	2002 A-D SF MRB	5.38	04/29/08	04/01/38	3,450.60	3,642.53	0.000.404.60	45 454 BOO 653	(16.69)	0.00	3,433,91 71,830,810.78	3,702.16 75,061,492.01	76.32 1,360,607.22	0.00
	2002 A-D SF MRB Total				77,136,282.25	79,006,356.26	3,085,484.62	(6,451,260.67)	(1,939,695.42)	0.00	71,030,010.70	75,001,49201	1,300,007.22	0.00
Dana Armé	2004A Single Family (Jr Lien)	0.16	11/30/09	12/01/09	1,869,16	1,869,16		(1,850.57)			18.59	18,59		0.00
Repo Agmt Repo Agmt	2004A Single Family (Jr Lien)	0.16	11/30/09	12/01/09	115,650.00	115,650.00	0.00	(1,000.01)			115,650.00	115,650.00	-	0.00
Lebo varin	2004A Single Family (Jr Lien) Total	••	,		117,519.16	117,519.16	0.00	(1,850.57)	0.00	0.00	115,668.59	115,668.59	0.00	0.00
						•		, ,				•		
Repo Agmt	1991 A S/F (1980 A Refunding)	0.16	11/30/09	12/01/09	95,805.56	95,805.56		(67,283.94)			28,521.62	28,521.62	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	2,122,818.57	2,122,818.57	73,480.54				2,196,299.11	2,196,299.11	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				3.17	3.17		(3.17)					-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	102.17	102.17	3.17				105.34	105.34	-	0.00 0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.16	11/30/09	12/01/09	14,663.53	14,663.53	44.000.00	(14,379.97)			283.56 645,588.86	283.56 645,588,86	•	0.00
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	08/31/12	631,588.86 0.13	631,588.86	14,000.00 0.00				0.13	0.13		0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	2.864.981.99	2.864.981.99	87,483.71	(81,667.08)	0.00	0.00	2,870,798.62	2,870,798.62	0.00	0.00
	1991 A S/F (1980 A Refunding) Total	4			2,004,961.99	2,004,901.99	67,465.71	(81,007.08)	0.00	0.00	2,010,100.02	2,070,700.02	0.00	4.45
Repo Agmt	1994 A&B SF (1983 Refunding)				28.73	28.73		(28.73)					-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)				1,369.58	1,369.58		(1,369.58)					-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	5,000.29	5,000.29		(4,046.26)			954.03	954.03	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08		09/30/29	925.30	925.30	1,389.98				2,315.28	2,315.28		0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15		04/01/26	9,632.96	10,387.45			(176.51)		9,456.45	10,278.30	67.36	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15		05/01/26	7,616.66	8,203.90			(91.25)		7,525,41 7.367,07	8,170.30	57.65 (147.73)	0.00 0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	10,028.85	10,823.62			(2,661.78)		1,301.07	8,014.11	(147.73)	0.00

		Current	Current	Current	Beginning	Beginning					Endina	E	Oh	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	7,572.74	8,176.84			(2,853.93)		4,718.81	5,135.80	(187.11)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	10,211.57	11,022.99			(1,503.07)		8,708.50	9,475.21	(44.71)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	7,660.28	8,194.67			(98.45)		7,561.83	8,208.22	112.00	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	3,866.18	4,131.76			(68.68)		3,797.50	4,118.08	55.00	0.00
FNMA FNMA	1994 A&B SF (1983 Refunding)	6.15 6.15	10/30/96 12/23/96	10/01/26	12,772.84	13,647.87			(242.50)		12,530.34	13,585.73	180.36	0.00
FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15	03/27/97	11/01/26 01/01/27	8,390.04	8,968.66			(122.96)		8,267.08	8,967.19	121.49	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	10,425.03 4.885.58	11,136.81 5,265.85			(1,108.08)		9,316.95	10,099.53	70.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	42,121.60	45,488,06			(37.51)		4,848.07	5,267.64	39.30	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	9,543.40	10,305,45			(2,397.67) (389,33)		39,723.93 9.154.07	43,320.23	229.84 66.04	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	35,290.12	38,102.53			(572.01)		34,718.11	9,982.16 37,853.33	322.81	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	11,895,91	12,844.37			(123.98)		11,771.93	12,835.41	115.02	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	43,685.16	47,164.68			(479.90)		43,205,26	47,104.98	420.20	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	15,272,11	16.491.74			(166.37)		15,105.74	16,472,34	146.97	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	46,198.95	49,883.70			(511.10)		45,687.85	49,816.60	444.00	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	11,213,38	12,105.75			(93.19)		11,120,19	12,123.13	110.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	58,028.73	62,639,81			(707.33)		57,321.40	62,484.57	552.09	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	39,272.18	42,250.18			(546.80)		38,725.38	42,073.61	370.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	16,896.80	18,167.03			(267.50)		16,629.30	18,056.27	156.74	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	12,396.24	13,332.82			(2,744.99)		9,651.25	10,483.06	(104.77)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	42,595.14	45,800.76			(443.00)		42,152.14	45,772.66	414.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	25,625.06	27,572.94			(2,650.91)		22,974.15	24,964.75	42.72	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	14,779.04	15,887.04			(2,783.64)		11,995.40	13,022.28	(81.12)	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	35,042.84	37,670.76			(377.82)		34,665.02	37,633.29	340.35	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	01/30/97 02/13/97	01/20/27 02/20/27	18,194.07	19,578.91			(239.60)		17,954.47	19,515.53	176.22	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	14,018.36 6,741.76	15,084.85 7,247,89			(134.40)		13,883.96	15,090.69	140.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	21,575.44	23,180.54			(75.81) (276.63)		6,665.95	7,238.60	66.52	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	10,356.32	11,119,98			(89.03)		21,298.81 10,267.29	23,114.13	210.22	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	12,282.81	13,188.49			(288.49)		11,994,32	11,135.67 13,008.74	104.72 108.74	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	7,608.70	8,172.86			(85.03)		7,523.67	8,163.07	75.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	12,577.59	13,583,59			(156.58)		12,421.01	13,548.82	121.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	26,864.84	28,858.06			(222.23)		26,642.61	28,908.11	272.28	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	6,526.67	7,006.52			(46.84)		6,479.83	7,027.52	67.84	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	6,148.47	6,600.52			(61.69)		6,086.78	6,601.25	62.42	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	10,858.32	11,656.53			(89.64)		10,768.68	11,678.75	111.86	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	8,347.68	8,961.41			(79.82)		8,267.86	8,966.66	85.07	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	1,772.75	1,903.12			(69.85)		1,702.90	1,846.86	13.59	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	16,849,98	18,088.79			(173.81)		16,676.17	18,085.65	170.67	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	26,215.53	28,142.89			(207.65)		26,007.88	28,206.06	270.82	0.00
Repo Agmt FNMA	1994 A&B SF (1983 Refunding)	0.16	11/30/09	12/01/09	206,446.44	206,446.44		(121,493,97)	·		84,952.47	84,952.47		0.00
FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.75 6.25	02/20/98 03/27/98	01/01/28 03/01/28	1,295.20	1,389.33			(20.82)		1,274.38	1,383.89	15.38	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	3,550.55 851.71	3,813.26			(31.45)		3,519.10	3,833.85	52.04	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	17,304.57	914.71 18,616.62			(35.79)		815.92	888.88	9.96	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	4.059.24	4,359.61			(1,052.61) (28.95)		16,251.96	17,667.04	103.03	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	38,361.98	41,270.60			(369.31)		4,030.29 37,992.67	4,390.78 41,300.70	60.12 399.41	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	22,047.48	23,719.10			(215.40)		21,832.08	23,732.98	229.28	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	17,209.90	18,084.96			(150.61)		17,059.29	18,270.26	335.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	14,465.51	15,562.28			(2,034.03)		12,431,48	13,513,89	(14.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	7.110.07	7,649.17			(52.68)		7,057.39	7,671.89	75.40	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	10,821.41	11,641.86			(1,170.17)		9,651.24	10,491.54	19.85	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	1,826.03	1,961.15			(33.28)		1,792.75	1,953.10	25.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	8,511.19	9,156.48			(768.21)		7,742.98	8,417.14	28.87	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	7,432.71	7,996.28			(800.64)		6,632.07	7,209.55	13.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,521.62	2,712.80			(17.32)		2,504.30	2,722.34	26.86	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	1,027.10	1,101.74			(48.94)		978.16	1,062.22	9.42	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	13,665.50	14,702.57			(122.35)		13,543.15	14,724.64	144.42	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	934.24	1,005.12			(15.84)		918.40	998.51	9.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,455.79	5,869.84			(38.76)		5,417.03	5,889.62	58.54	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09 8,976,20	11/30/09 9,619.37	Value 177.26	<b>Gain</b> 0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	9,046.22 10,710.26	9,512.13 11,261.81			(70.02) (100.83)		10,609,43	11,369.58	208.60	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	08/26/99 09/20/99	08/20/29 08/01/29	1,644.89	1,725.88			(10.91)		1,633.98	1,751.68	36,71	0.00
FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	09/20/99	09/20/29	5,312.33	5,585.90			(36.72)		5,275,61	5,653.59	104.41	0.00
GNMA FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	5.873.08	6,163.60			(54.48)		5,818.60	6,239.08	129.96	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.46	01/19/00	12/01/29	4,161.14	4,367.00			(48.40)		4,112.74	4,409.98	91.38	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	18,771.70	19,738,46			(1,011.79)		17,759.91	19,032.43	305.76	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	2,676.77	2,814.63			(725.19)		1,951.58	2,091.42	1.98	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	34,691.66	36,478.24			(296.23)		34,395.43	36,859.83	677.82	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	11,708.15	12,303.62			(2,610.16)		9,097.99	9,743.97	50.51	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	4,943.96	5,195.34			(33.28)		4,910.68	5,259.26	97.20	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,821.24	7,168.09			(56.55)		6,764.69	7,244.90	133.36	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	4,416.36	4,628.17			(30.91) (49.26)		4,385.45 7,480,51	4,697.61 8,011,54	100.35 148.16	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	7,529.77 1,509.91	7,912.64 1,586.63			(9.71)		1,500.20	1,606.64	29.72	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	05/30/00 06/21/00	04/20/30 05/20/30	9,230.23	9,699,58			(61.02)		9,169.21	9,820.11	181.55	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	15,307.92	16,086.30			(121.00)		15,186.92	16,265.01	299.71	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	2,190,36	2,295,34			(25.86)		2,164.50	2,318.50	49.02	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	75,081.43	78,948.08			(581.20)		74,500.23	79,838.13	1,471.25	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	88,891.92	93,469.92			(836.80)		88,055.12	94,364.33	1,731_21	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	13,650.45	14,325.50			(90.54)		13,559.91	14,539.65	304.69	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	44,090.82	46,361.45			(304.80)		43,786.02	46,923.25	866.60	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	48,744.79	51,156.19			(452.21)		48,292.58	51,782.69	1,078.71	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	34,536.44	36,244.93			(401.65)		34,134,79	36,601.68	758.40	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	155,800.07	163,823.77			(8,397.56)		147,402.51	157,963.89 17,358.22	2,537.68 16,41	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	22,216.57	23,360.72			(6,018.91) (2,458.60)		16,197.66 285,472.28	305,926.30	5,625.65	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	12/30/99 01/28/00	12/30/29 01/20/30	287,930.88 97,175.23	302,759.25 102,116,63			(21,663.57)		75,511.66	80,872.27	419.21	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	02/22/00	01/20/30	41,033.43	43,119.96			(276.30)		40,757.13	43,650.46	806.80	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	15,342.50	16,122.65			(127.20)		15,215.30	16,295.41	299.96	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	81.581.85	85,783.35			(1,284.16)		80,297.69	86,051.06	1,551.87	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	114,660.53	120,565.52			(917.65)		113,742.88	121,892.53	2,244.66	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	77,624.68	81,622.34			(618.46)		77,006.22	82,523.70	1,519.82	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	64,993.70	68,340.84			(8,286.69)		56,707.01	60,770.03	715.88	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	35,688.82	37,454.30			(536.74)		35,152.08	37,692.46	774.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	121,826.54	128,100.63			(932.93)		120,893.61	129,555.65	2,387.95 1,854.72	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	153,955.20	161,883.93	•		(17,410.66)		136,544.54 133,810.44	146,327.99 143,397.99	2,245.41	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	12/30/99 01/28/00	12/20/29 01/20/30	142,565.33 154,693.73	149,907.47 162,559.87			(8,754.89) (6,042.21)		148,651.52	159,204.26	2,686.60	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	02/22/00	01/20/30	88,261,60	92,749.69			(837.43)		87,424.17	93,630,41	1,718.15	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding)	5.45		02/20/30	38.858.57	40.834.25			(268.11)		38,590.46	41,329.72	763.58	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45		01/01/30	19,158.90	20,106.68			(123.47)		19,035.43	20,411.11	427.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		06/20/30	142,836.89	150,100.15			(1,250.05)		141.586.84	151,638.10	2,788.00	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	41,271.85	43,370.52			(342.19)		40,929.66	43,835.25	806.92	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45		03/01/30	36,654.60	38,412.55			(256.56)		36,398.04	38,988.84	832.85	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		04/20/30	62,494.84	65,672.69			(408.76)		62,086.08	66,493.56	1,229.63	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		04/20/30	12,531.41	13,168.61			(80.56)		12,450.85	13,334.71	246.66	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		05/20/30	76,608.34	80,503.81			(506.56)		76,101.78	81,504.18 134,995.10	1,506.93 2,487.51	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		09/20/30	127,051.30	133,511.85 19.050.75			(1,004.26) (214.64)		126,047.04 17,964.25	19,242.95	406.84	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45 5.45		06/01/30 06/20/30	18,178.89 140,100.51	147,224.62			(1,086.87)		139,013.64	148.882.22	2,744.47	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45		08/20/30	30,279.07	31,818.81			(188.04)		30,091.03	32,227.23	596.46	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		02/20/30	5,850.87	6,148.61			(40.37)		5,810.50	6,223.22	114.98	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		03/20/30	52,216,26	54,871,44			(376.08)		51,840.18	55,520.28	1,024.92	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		05/20/30	69,619.68	73,159.88			(1,680.72)		67,938.96	72,761.99	1,282.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		06/20/30	134,415.67	141,250.71			(870.85)		133,544.82	143,025.17	2,645.31	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45		05/01/30	25,656.99	26,887.55			(214.59)		25,442.40	27,253.44	580.48	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.46		09/20/30	5,455.74	5,733.14			(33.23)		5,422.51	5,807.43	107.52	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		10/20/30	35,333.48	37,130.12			(345.54)		34,987.94	37,471.66	687.08	0.00 0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	58,177.40	60,967.54			(615.44)		57,561.96	61,659.17	1,307.07	. 0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	8,639.72	9,079.06			(54.96)		8,584.76	9,194,20	170.10	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	-09/01/30	33,118,32	34,706.68			(361.93)		32,756.39	35,087.99	743.24	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	42,689.86	44,737.24			(440.36)		42,249.50	45,256.80	959.92	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	10,190.14	10,694.24			(66.09)		10,124.05	10,855.72	227.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	173,971.85	176,572.50			(943.70)		173,028.15	179,417.97	3,789.17	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	14,352.94	14,568.43			(76.09)		14,276.85	14,805.02	312.68	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	19,556.35	19,850.03			(100.97)		19,455.38	20,175.22	426.16	0.00
GNMA	1994 A&B SF (1983 Refunding)	4,49	08/11/05	07/20/35	36,319.10	36,977.25			(170.63)		36,148.47	37,593.37	786.75	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	86,198.16	87,819.94			(518.65)		85,679.51	89,195.85	1,894.56	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	169,972,78	172,521.48			(6,757.97)		163,214.81	169,249.92	3,486.41	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	6,594.03	6,713.79			(31.43)		6,562.60	6,825.19	142.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	11,871.76	12,050,23			(58.48)		11,813.28	12,250.55	258.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	87,789.51	89,110.52			(469.41)		87,320.10	47,743.53	(40,897.58)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	30,735.94	31,295.37			(6,790.76)		23,945.18	42,810.07	18,305.46	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	22,032.16	22,316.15			(7,822.39)		14,209.77	24,904.26	10,410.50 2,354.87	0.00 0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	12,319.93	12,479.06	4.000.00	(400,000,54)	(121.42)	0.00	12,198.51	14.712.51 5,203.639.75	69,931.03	0.00
	1994 A&B SF (1983 Refunding) Total				5,168,077.09	5,420,057.41	1,389.98	(126,938.54)	(160,800.13)	0.00	4,881,728.40	5,203,639.75	69,931.03	0.00
				4004100	. ~~	0.70	0.00				0.76	0.76	_	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.16	11/30/09	12/01/09	0.76	0.76	0.00 0.00				24.23	24.23		0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29 12/01/09	24.23 0.01	24.23 0.01	0.00				0.01	0.01	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.16	11/30/09 11/14/96	09/30/29	0.01	0.34	0.00				0.34	0.34	_	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/90	09/30/29	25.34	25.34	0.00	0.00	0.00	0.00	25.34	25.34	0.00	0.00
	1995 C SF (1985 A&B Refunding) Total	aı			20.04	20.04	0.00	0.00	0.00	0.04			**	
Repo Agmt	2005 A Single Family	0.16	11/30/09	12/01/09	311.024.45	311,024.45	83.27				311,107.72	311,107.72	-	0.00
Repo Agmt	2005 A Single Family	0.16	11/30/09	12/01/09	5,108,410,30	5,108,410.30		(5,050,488.13)			57,922.17	57,922.17	-	0.00
GIC's	2005 A Single Family	3.37	09/22/05	09/01/36			3,259,940.49				3,259,940.49	3,259,940.49	-	0.00
GNMA	2005 A Single Family	4.49	08/11/05	07/20/35	1,157,274.68	1,176,400.18			(126,465.77)		1,030,808.91	1,070,522.25	20,587.84	0.00
GNMA	2005 A Single Family	4.49	08/30/05	08/20/35	653,843.73	664,664.10			(116,896.01)		536,947.72	557,646.73	9,878.64	0.00
GNMA	2005 A Single Family	4,49	10/27/05	10/20/35	1,614,912.03	1,641,738.16			(7,585.54)		1,607,326.49	1,669,390.86	35,238.24	0.00
GNMA	2005 A Single Family	4.49	10/27/05	10/20/35	958,037.70	973,952.18			(4,460.79)		953,576.91	990,397.78	20,906.39	0.00
GNMA	2005 A Single Family	4.49	09/29/05	09/20/35	5,876,748.47	5,974,195.23			(154,995.98)		5,721,752.49	5,942,508.90	123,309.65	0.00
GNMA	2005 A Single Family	4.49	10/06/05	09/20/35	1,868,804.28	1,899,803.85			(8,989.04)		1,859,815.24	1,931,584.22	40,769.41	0.00
GNMA	2005 A Single Family	4.49	10/20/05	10/20/35	1,198,849.51	1,218,756.86			(5,909.48)		1,192,940.03	1,238,996.04	26,148.66	0.00
GNMA	2005 A Single Family	4.49	12/08/05	12/20/35	1,083,572.03	1,101,624.13			(5,065.28)		1,078,506.75	1,120,204.78	23,645.93	0.00 0.00
GNMA	2005 A Single Family	4.49	12/15/05	12/20/35	861,121.73	878,187.17			(4,327.38)		856,794.35	892,513.37	18,653.58 8,023.56	0.00
GNMA	2005 A Single Family	4.49	11/03/05	11/20/35	371,101.24	378,439.57			(2,224.24)		368,877.00 1,714,151.07	384,238.89 1,785,547.64	34,847.83	0.00
GNMA	2005 A Single Family	4.49	11/10/05	11/20/35	1,847,705.61	1,884,254.35			(133,554.54)		1,315,137.61	1,365,951,31	28,823.58	0.00
GNMA	2005 A Single Family	4.49	11/17/05	11/20/35	1,321,824.77	1,343,814.89			(6,687.16) (3,453.67)		686,735.73	713,273.11	15,052.45	0.00
GNMA	2005 A Single Family	4.49	11/22/05 11/29/05	11/20/35	690,189.40 1.038.548.20	701,674.33 1.059.110.60			(4,938.48)		1,033,609.72	1,076,679,41	22,507,29	0.00
GNMA	2005 A Single Family	4.49	12/22/05	11/20/35 12/20/35	1,435,112.05	1,463,563.05			(6,970.01)		1,428,142.04	1,487,689.12	31,096.08	0.00
GNMA	2005 A Single Family	4.49 4.49	12/29/05	12/20/35	2,467,058.08	2,508,206,90			(23,600.23)		2,443,457.85	2,537,977.35	53,370.68	0.00
GNMA .	2005 A Single Family 2005 A Single Family	4.49	01/05/06	01/20/36	1.544.260.87	1,567,492.68			(107,590.51)		1,436,670.36	1,487,543.30	27,641.13	0.00
GNMA GNMA	2005 A Single Family	4.49	01/12/06	01/20/36	1,538,091.20	1,566,118.54			(7,213.86)		1,530,877,34	1,589,736,44	30,831,76	0.00
GNMA	2005 A Single Family 2005 A Single Family	4.49	03/09/06	02/20/36	1,120,079.35	1,137,001.01			(5,626.69)	•	1,114,452.66	1,153,988.05	22,613.73	0.00
GNMA	2005 A Single Family	4.49	03/02/06	02/20/36	1.753.890.42	1,780,374,81			(230,234.58)		1,523,655.84	1,577,698.18	27,557.95	0.00
GNMA	2005 A Single Family	4.49	01/19/06	01/20/36	866,317.28	879,361.68			(4,047.53)		862,269.75	892,814.71	17,500.56	0.00
GNMA	2005 A Single Family	4.49		01/20/36	1.166,161.24	1,183,727,68			(5,882.50)		1,160,278.74	1,201,388.86	23,543.68	0.00
GNMA	2005 A Single Family	4.49		02/20/36	2,547,273.00	2,585,672,47			(11,963.07)		2,535,309.93	2,625,165.59	51,456.19	0.00
GNMA	2005 A Single Family	4.49		02/20/36	1,009,349.22	1,024,571.09			(4,749.26)		1,004,599.96	1,040,212.04	20,390.21	0.00
GNMA	2005 A Single Family	4.49		02/20/36	1,585,720.23	1,609,644.05			(9,283.26)		1,576,436.97	1,632,330.01	31,969.22	0.00
GNMA	2005 A Single Family	4.49		02/20/36	1,746,096.57	1,772,452.55			(8,011.89)		1,738,084.68	1,799,719.89	35,279.23	0.00
GNMA	2005 A Single Family	4.49	05/11/06	04/20/36	840,041.29	852,789.09			(4,054.93)		835,986.36	865,700.80	16,966.64	0.00
GNMA	2005 A Single Family	4.49	05/11/06	05/20/36	377,492.45	384,419.70			(1,773.75)		375,718.70	390,213.56	7,567.61	0.00
GNMA	2005 A Single Family	4.49		05/20/36	854,329.99	867,303.40			(4,116.98)		850,213.01	880,442.04	17,255.62	0.00
GNMA	2005 A Single Family	4.49	05/18/06	05/20/36	411,694.35	419,252.22			(2,516.53)		409,177.82	424,966.10	8,230.41	0.00
GNMA	2005 A Single Family	4.49		03/20/36	605,727.16	616,805.99			(2,716.89)		603,010.27	626,235.94	12,146.84	0.00
GNMA	2005 A Single Family	4.49		03/20/36	1,667,110.03	1,692,323.33			(114,334.06)		1,552,775.97	1,607,888.57	29,899.30	0.00
GNMA	2005 A Single Family	4.49	03/30/06	03/20/36	1,102,380.80	1,119,061.09			(5,061.05)		1,097,319.75	1,136,273.77	22,273.73	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2005 A Single Family	4.49	04/06/06	03/20/36	1,514,985.34	1,537,918.08			(112,801.18)		1,402,184.16	1,451,970.84	26,853.94	0.00
GNMA	2005 A Single Family	4.49	04/13/06	03/20/36	995,007.90	1,010,076.78			(15,840.47)		979,167.43	1,013,940.44	19,704.13	0.00
GNMA	2005 A Single Family	4.49	04/20/06	04/20/36	1,690,134.25	1,715,747.78			(8,263.40)		1,681,870.85	1,741,618.18	34,133.80	0.00
GNMA	2005 A Single Family	4.49	04/27/06	04/20/36	617,044.01	626,399.57			(9,992.64)		607,051.37	628,620.27	12,213.34	0.00
GNMA	2005 A Single Family	4.49	05/05/06	04/20/36	1,317,890.87	1,342,062.97			(6,585.00)		1,311,305.87	1,361,882.49	26,404.52	0.00
GNMA	2005 A Single Family	4.49	05/25/06	05/20/36	967,657.24	982,357.51			(4,726.21)		962,931.03	997,174.73	19,543.43	0.00
GNMA	2005 A Single Family	4.49	06/01/06	06/20/36	1,267,810.38	1,291,105.68			(6,315.71)		1,261,494.67	1,310,192.43	25,402.46	0.00
GNMA	2005 A Single Family	4.49	06/08/06	06/20/36	1,484,641.35	1,507,221.41			(7,003.98)		1,477,637.37	1,530,211.39	29,993.96	0.00
GNMA	2005 A Single Family	4.49	06/15/06	06/20/36	1,098,891.34	1,119,098.67			(4,946.70)		1,093,944.64	1,136,189.37	22,037.40	0.00
GNMA	2005 A Single Family	4.49	06/27/06	06/20/36	1,571,077.35	1,599,985.43			(8,555.20)		1,562,522.15	1,622,879.91	31,449.68	0.00
GNMA	2005 A Single Family	4.49	07/06/06	07/20/36	769,737.38	783,910.20			(3,605.07)		766,132.31	795,736.47	15,431.34	0.00
GNMA	2005 A Single Family	4.49	07/13/06	06/20/36	1,159,844.17	1,181,203.40			(6,247.30)		1,153,596.87	1,198,176.65	23,220.55	0.00
GNMA	2005 A Single Family	4.49	07/19/06	06/20/36	1,806,277.72	1,833,819.95			(128,688.35)		1,677,589.37	1,737,344.34	32,212.74	0.00
GNMA	2005 A Single Family	4.49	07/27/06	07/20/36	1,157,970.31	1,179,314.07			(5,158.85)		1,152,811.46	1,197,381.45	23,226.23	0.00
GNMA	2005 A Single Family	4.49	08/02/06	08/20/36	720,684.20	733,974.60			(3,198.20)		717,486.00	745,232.24	14,455.84	0.00
GNMA	2005 A Single Family	4.49	08/09/06	08/20/36	1,619,916.88	1,649,801.95			(115,545.66)		1,504,371.22	1,562,556.90	28,300.61	0.00
GNMA	2005 A Single Family	4.49	08/16/06	07/20/36	861,033.99	874,189.58			(3,821.11)		857,212.88	887,772.40	17,403.93	0.00
GNMA	2005 A Single Family	4.49	08/23/06	07/20/36	740,531.04	754,200.40			(3,930.48)		736,600.56	765,098.36	14,828.44	0.00
GNMA	2005 A Single Family	4.49	09/06/06	08/20/36	831,266.08	846,623.93			(135,145.71)		696,120.37	723,064.44	11,586.22	0.00
GNMA	2005 A Single Family	4.49	09/12/06	08/20/36	498,244.68	507,453.01			(2,269.62)		495,975.06	515,174.95	9,991.56	0.00
GNMA	2005 A Single Family	4,49	09/26/06	09/20/36	582,580.30	593,356.83			(142,079.10)		440,501.20	457,561.44	6,283.71	0.00
GNMA	2005 A Single Family	4.49	10/17/06	10/20/36	1,021,103.97	1,040,016.48			(125,936.11)		895,167.86	929,858.63	15,778.26	0.00
GNMA	2005 A Single Family	4.49	11/14/06	10/20/36	735,612.91	749,258.08			(5,411.04)		730,201.87	758,519.52	14,672.48	0.00
GNMA	2005 A Single Family	- 4.49	11/28/06	10/20/36	211,265.38	215,187.06			(914.36)		210,351.02	218,511.66	4,238.96	0.00
GNMA	2005 A Single Family	4.49	12/12/06 01/16/07	10/20/36 12/20/36	242,253.96	246,754.36			(1,047.96) (1,022.53)		241,206.00 238,235.39	250,566.94 247,490.83	4,860.54	0.00 0.00
GNMA	2005 A Single Family	4.49			239,257.92	243,712.29 128,041.21					126,312,75	130,032,39	4,801.07 2,538.23	0.00
GNMA	2005 A Single Family	4.49 4.49	01/30/07 02/13/07	12/20/36 01/20/37	126,859.80 303,707,32	309.818.84			(547.05) (1,332.29)		302,375,03	314,486,93	6,000.38	0.00
GNMA GNMA	2005 A Single Family 2005 A Single Family	4.49	02/20/07	02/20/37	220,743.62	225,194.92			(980.84)		219,762.78	228,575.18	4,361.10	0.00
GNMA	2005 A Single Family	4.49	03/20/07	02/20/37	216,518,74	220,559.63			(914.45)		215,604.29	223,886.03	4,240.85	0.00
GNMA	2005 A Single Family	4.49	04/24/07	03/20/37	509,441.37	518,969.52			(2,137.86)		507,303,51	526,810,68	9,979.02	0.00
GNMA	2005 A Single Family	4.49	04/10/07	02/20/37	262,080.32	266,977,74			(1,105.77)		260,974.55	271,005.35	5,133.36	0.00
GNMA	2005 A Single Family	4.49	05/22/07	04/20/37	374.874.12	380.695.51			(1,556.61)		373,317.51	386.544.90	7.406.00	0.00
GNMA	2005 A Single Family	4.49	06/05/07	05/20/37	315,302.93	321,214.71			(1,305.83)		313,997.10	326,086.30	6,177.42	0.00
GNMA	2005 A Single Family	4.49	07/03/07	06/20/37	255,403.00	260,199.56			(1,046.12)		254,356.88	264,157.61	5,004.17	0.00
GNMA	2005 A Single Family	4.49	11/21/07	09/20/37	231,500,87	235,995,24			(927.88)		230,572,99	239,605,27	4.537.91	0.00
GNMA	2005 A Single Family	4,49	09/25/07	04/20/37	112,721.93	114,902.30		• •	(792.98)		111,928.95	116,305.20	2,195.88	0.00
GNMA	2005 A Single Family	4,49	12/11/07	08/20/37	135,199.17	137,826.58			(544.81)		134,654.36	139,931.74	2,649.97	0.00
GNMA	2005 A Single Family	4.49	01/30/08	01/20/38	391,109.76	398,750.88			(1,533.03)		389,576.73	404,945.70	7,727.85	0.00
GNMA	2005 A Single Family	4.49	01/30/08	01/20/38	118,172.29	120,094.95			(463.31)		117,708.98	121,977.65	2,346.01	0.00
GNMA	2005 A Single Family	4.49	03/26/08	03/20/38	359,792.18	366,844.44			(1,409.10)		358,383.08	372,544.43	7,109.09	0.00
FNMA	2005 A Single Family	4.49	10/20/05	10/01/35	153,422.34	155,437.11			(730.52)		152,691.82	158,131.73	3,425.14	0.00
FNMA	2005 A Single Family	4.49	11/10/05	11/01/35	111,624.98	113,091.97			(689.96)		110,935.02	114,888.51	2,486.50	0.00
FNMA	2005 A Single Family	4.49	12/15/05	12/01/35	154,578.92	156,612.98			(981.42)		153,597.50	159,073.84	3,442.28	0.00
FNMA	2005 A Single Family	4.49	01/05/06	12/01/35	330,848.54	335,204.73			(1,622.91)		329,225.63	340,966.82	7,385.00	0.00
FNMA	2005 A Single Family	4.49	02/09/06	02/01/36	191,269.94	193,349.96			(1,224.46)		190,045.48	196,150.71	4,025.21	0.00
FNMA	2005 A Single Family	4.49	02/23/06	01/01/36	234,243.38	236,791.72			(1,137.54)		233,105.84	240,595.40	4,941.22	0.00
FNMA	2005 A Single Family	4.49	03/16/06	03/01/36	364,031.21	367,995.55			(2,503.22)		361,527.99	373,148.14	7,655.81	0.00
FNMA	2005 A Single Family	4.49	04/06/06	03/01/36	255,850.24	258,638.82			(1,153.87)		254,696.37	262,884.89	5,399.94	0.00
FNMA	2005 A Single Family	4.49	04/20/06	04/01/36	360,479.31	364,410.82			(1,670.97)		358,808.34	370,347.03	7,607.18	0.00
FNMA	2005 A Single Family	4.49	05/11/06	04/01/36	280,412.20	283,473.07			(1,673.34)		278,738.86	287,704.97	5,905.24	0.00
FNMA	2005 A Single Family	4.49	06/08/06	04/01/36	265,528.97	268,430.31			(1,212.82)		264,316.15	272,821.33	5,603.84	0.00
FNMA	2005 A Single Family	4.49	06/27/06	06/01/36	160,573.37	162,329.70			(717.93)		159,855.44	165,001.11	3,389.34	0.00
FNMA	2005 A Single Family	4.49	07/13/06	06/01/36	336,978.59	340,666.81			(1,537.57)		335,441.02	346,241.12	7,111.88	0.00
FNMA	2005 A Single Family	4.49	07/19/06	07/01/36	398,340.41	402,701.45			(1,794.11)		396,546.30	409,315.44	8,408.10	0.00
FNMA	2005 A Single Family	4.49	08/02/06	07/01/36	463,739.45	468,819.30			(2,053.46)		461,685.99	476,555.56	9,789.72	0.00
FNMA	2005 A Single Family	4.49	08/09/06	07/01/36	347,957.04	351,769.68			(147,115.51)		200,841.53	207,310,48	2,656.31	0.00
FNMA	2005 A Single Family	4.49	09/12/06	08/01/36	268,731.51	271,680.13			(4,198.46)		267,533.05	276,154.50	5,672.83	0.00
FNMA	2005 A Single Family	4.49	10/17/06	09/01/36 10/01/36	246,262.99	248,969.08 385,699.21			(1,965.68)		244,297,31 379,811,35	252,174.04 392,062,45	5,170.64 8,053.90	0.00
FNMA	2005 A Single Family	4.49	11/14/06	10/01/36	381,502.01	303,099.21			(1,690.66)		21,91011192	392,002,43	0,000.80	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Type	Issue	Rate	Date -	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2005 A Single Family	4.49	11/21/06	10/01/36	266,842.86	269,779.45			(7,108.13)		259,734.73	268,113.24	5,441.92	0.00
FNMA	2005 A Single Family	4.49	12/12/06	11/01/36	300,374.65	303,683.32			(1,334.20)		299,040.45	308,690.31	6,341.19	0.00
FNMA	2005 A Single Family	4.49	01/30/07	11/01/36	52,056.29	52,630.79			(398.81)		51,657.48	53,325.50	1,093.52	0.00
FNMA	2005 A Single Family	4.49	02/13/07	01/01/37	56,109.94	56,762.03			(252.22)		55,857.72	57,698.61	1,188.80	0.00
FNMA	2005 A Single Family	4.49	03/20/07	02/01/37	157,369.46	159,100.63			(680.80)		156,688.66	161,742.62	3,322.79	0.00
FNMA	2005 A Single Family	4.49	04/10/07	01/01/37	212,271.76	214,608.59			(914.45)		211,357.31	218,176.34	4,482.20	0.00
FNMA	2005 A Single Family	4.49	04/24/07	04/01/37	360,642.59	364,616.04			(1,514.77)		359,127.82	370,717.68	7,616.41	0.00
FNMA	2005 A Single Family	4.49	05/22/07	04/01/37	218,642.32	221,053.95			(914.34)		217,727.98	224,757.30	4,617.69	0.00
FNMA	2005 A Single Family	4.49	06/05/07	05/01/37	257,083.37	259,920.81			(1,072.92)		256,010.45	264,277.54	5,429.65	0.00
FNMA	2005 A Single Family	4.49	07/03/07	06/01/37	670,358.59	677,765.55			(2,804.94)		667,553.65	689,119.31	14,158.70	0.00
FNMA	2005 A Single Family	4.49	09/25/07	09/01/37	350,389.67	355,947.69			(1,427.77)		348,961.90	361,934.79	7,414.87	0.00
FNMA	2005 A Single Family	4.49	11/08/07	09/01/37	343,734.00	351,063.18			(1,570.20)		342,163.80	356,583.03	7,090.05	0.00
FNMA	2005 A Single Family	4.49	11/21/07	09/01/37	141,074.12	144,083.72			(567.84)		140,506.28	146,429.00	2,913.12	0.00
FNMA	2005 A Single Family	4.49	12/11/07	11/01/37	315,081.64	321,810.27			(1,270.81)		313,810.83	327,045.77	6,506.31	0.00
FNMA	2005 A Single Family	4.49	03/26/08	02/01/38	590,036.54	602,641.69			(2,653.06)		587,383.48	612,239,38	12,250.75	0.00
	2005 A Single Family Total			•	89,854,745.25	91,238,567.89	3,260,023.76	(5,050,488.13)	(2,228,110.48)	0.00	85,836,170.40	88,900,411.11	1,680,418.07	0.00
	Total Single Family Invest	nent Summary			1,114,892,380.51	1,154,770,337.21	48,044,687.55	(78,417,596.87)	(23,577,949.23)	0.00	1,060,941,521.96	1,120,086,308.14	19,266,829.48	0.00

## Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds Investment Summary For Period Ending November 30, 2009

investment Type	Issu <del>e</del>	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change in Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	0.16	11/30/09	12/01/09	2,723.43	2,723,43	0.72				2,724.15	2,724.15	<u> </u>	0.00
Tape / G	1989 A&B RMRB Total			-	2,723.43	2,723.43	0.72	0.00	0.00	0.00	2,724.15	2,724.15	0.00	0.00
Repo Agmt	1998 A/B RMRB	0.16	11/30/09	12/01/09	626,817,26	626.817.26		(591,051.98)			35,765,28	35,765,28	_	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	3.681.725.16	3.681,725,16	2.329,425,41	(55.,55.155)			6,011,150.57	6,011,150.57	_	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,536,431.34	1,536,431.34	0.00				1,536,431.34	1,536,431.34		0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	889,897.27	932,639.03	****		(7,653.59)	6	882,243.68	942,421.49	17,436.05	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	1,972,249.37	2,066,976.49			(14,243.55)		1,958,005.82	2,091,561.38	38,828.44	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	101,602.79	106,341.55			(848.17)		100,754.62	107,743.97	2,250.59	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	759,694.89	796,745.13			(6,057.64)		753,637.25	805,600.46	14,912.97	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	98,688,41	103,291.18			(751.34)		97,937.07	104,730.91	2,191.07	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	2,305,369,26	2,417,802.06			(20,130.83)		2,285,238.43	2,442,805.53	45,134.30	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	2.991.602.55	3,137,502.93			(26,374.89)		2,965,227.66	3,169,680.03	58,551.99	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	68,632.15	71,833.13			(519.91)		68,112.24	72,837.16	1,523.94	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	129,721.15	135,771.34			(1,018.06)		128,703.09	137,631.21	2,877.93	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	2,669,843.96	2,800,052.21			(99,105.73)		2,570,738.23	2,747,990.59	47,044.11	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	1,742,325.12	1,827,298.35			(57,657.00)		1,684,668.12	1,800,826.02	31,184.67	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	169,478.59	177,383.06			(1,158.30)		168,320.29	179,996.66	3,771.90	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	1,764,670.76	1,850,733.73			(14,758.28)		1,749,912.48	1,870,568.91	34,593.46	0.00
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	233,932.77	244,843.44			(4,402.05)		229,530.72	245,453.31	5,011.92	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	190,899.75	199,803.31			(2,491.80)		188,407.95	201,477.80	4,166.29	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	361,204.59	378,051.13			(4,681.84)		356,522.75	381,254.69	7,885.40	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	2,278,564.53	2,389,690.13			(55,946.18)		2,222,618.35	2,375,867.90	42,123.95	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	2,533,395.58	2,656,949.26			(19,063.67)		2,514,331.91	2,687,695.12	49,809.53	0.00 0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	3,890,824.66	4,080,580.05			(173,786.68)		3,717,037.98	3,973,327.68 2,046,877.59	66,534.31 37,892.07	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	1,932,339.38	2,025,149.56			(16,164.04)		1,916,175.34 2,212,973.00	2,363,919.83	40,744.57	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	2,294,447.08	2,404,649.34			(81,474.08) (68,193.55)		1,280,847.59	1,368,214.16	22,572.18	0.00
GNMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	03/27/00 02/23/00	03/20/30 01/01/30	1,349,041.14 361,292.90	1,413,835.53 378,143.55			(3,828.78)		357,464.12	382,261.35	7,946.58	0.00
FNMA	1998 A/B RMRB	5.35 5.35	03/27/00	02/01/30	233,552,49	244,120.74			(6,459.04)		227,093.45	242,606.20	4,944.50	0.00
FNMA FNMA	1998 A/B RMRB	5.35		04/01/30	287,133.77	300,126.56			(2,123.29)		285,010.48	304,479.53	6,476.26	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	1 665,072.14	1,745,045.61			(83,197.40)		1,581,874,74	1,689,774.44	27,926.23	0.00
GNMA	1998 A/B RMRB	5.35		05/20/30	1,383,675.11	1,450,132.97			(38,221.04)		1,345,454.07	1,437,227.42	25,315.49	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,072,163,79	1,123,659.85			(8,544.51)		1,063,619.28	1,136,168,76	21,053,42	0.00
FNMA	1998 A/B RMRB	5.35		05/01/30	300,365.54	313,957.07			(11,030.04)		289,335.50	309,099.99	6,172.96	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	92,378.96	96,559.10			(2,136.40)		90,242.56	96,407.02	1,984.32	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,500,119.27	1,572,169.95			(10,606.77)		1,489,512.50	1,591,112.12	29,548.94	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	408,377.91	427,992.30			(5,286.19)		403,091.72	430,586.60	7,880.49	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	367,110.97	383,722.73			(4,161.15)		362,949.82	387,742.91	8,181.33	0.00
FNMA	1998 A/B RMRB	5.35		07/01/30	182,330.08	190,580.51			(2,445.10)		179,884.98	192,172.91	4,037.50	0.00
GNMA	1998 A/B RMRB	5.35		12/20/30	276,583.71	289,868.02			(6,324.96)		270,258.75	288,693.09	5,150.03	0.00
GNMA	1998 A/B RMRB	5.35		12/20/30	181,368.42	190,079.54			(2,131.34)		179,237.08	191,462.83	3,514.63	0.00
GNMA	1998 A/B RMRB	5.35		08/20/30	57,273.02	60,023.79			(353.94)		56,919.08	60,801.48	1,131.63	0.00
GNMA	1998 A/B RMRB	5.35		11/20/30	282,454.83	296,021.12			(4,535.64)		277,919.19	296,876.04	5,390.56	0.00
GNMA	1998 A/B RMRB	5.35		11/20/30	613,309.11	642,766.31			(69,813.72)		543,495.39	580,567.17	7,614.58	0.00
GNMA	1998 A/B RMRB	5.35		11/20/30	126,570.51	132,649.69			(788.51)		125,782.00	134,361.58	2,500.40	0.00
GNMA	1998 A/B RMRB	5.35		12/20/30	278,078.76	291,434.88			(1,801.98)		276,276.78	295,121.61	5,488.71	0.00
FNMA	1998 A/B RMRB	5.35		09/01/30	386,798.99	404,301.60			(59,637.39)		327,161.60	349,509.96	4,845.75	0.00
FNMA	1998 A/B RMRB	5.35		12/01/30	366,881.67	383,483.01		42 520 553	(4,101.47)		362,780.20	387,561.66	8,180.12	0.00
Repo Agmt	1998 A/B RMRB	0.16		12/01/09	1,391,790.21	1,391,790.21		(17,579.55)	/100 FM		1,374,210.66	1,374,210.66	535.88	0.00 0.00
GNMA	1998 A/B RMRB	5.49		01/20/36	26,168.72	27,688.01			(100.50)		26,068.22 16,686.56	28,123.39 18,002.99	341.51	0.00
GNMA	1998 A/B RMRB	5.49		03/20/36	16,777.28	17,752.20			(90.72) (70.24)		18,282.98	19,725.23	375.86	0.00
GNMA	1998 A/B RMRB	5,49 5,49		03/20/36 02/20/36	18,353.22 34.308.50	19,419,61 36,301.72			(641.77)		33,666.73	36,322.30	662.35	0.00
GNMA	1998 A/B RMRB	5.49 5.49		02/20/36	28,569.27	30,229.60			(10,242.40)		18,326.87	19,772.80	(214.40)	0.00
GNMA	1998 A/B RMRB 1998 A/B RMRB	5.49		03/20/36	29,370.76	31,022.34			(117.79)		29,252.97	31,505.87	601.32	0.00
GNMA	1990 AND LIMITO	5.43	03/30/00	00/20/00	23,010.10	01,022,04			(,,,,,,,)			0.,000.01		4.20

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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
investment		interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA FNMA	1998 A/B RMRB 1998 A/B RMRB	5.49 5.49	04/06/06 04/27/06	04/20/36 03/01/36	35,571.80 16,432.52	37,639.86 17,223.25			(152.55) (62.92)		35,419,25 16,369,60	38,214,58 17,513.97	727.27 353.64	0.00 0.00
GNMA	1998 A/B RMRB	5.75	10/29/09	09/20/39	10,432.32	17,223.23	3,640.81		(02.92)		3,640.81	3,640.81	353.04	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	11/20/39			23,234,32				23,234.32	23,234.32	-	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	09/20/39			2,284.40				2,284.40	2,284.40	-	0.00
Civilia	1998 A/B RMRB Total	VI. V		-	48,593,633.74	50,588,801.40	2,358,584.94	(608,631.53)	(1,015,488.73)	0.00	49,328,098.42	52,098,975.58	775,709.50	0.00
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Repo Agmt	2000 BCDE RMRB	0.16	11/30/09	12/01/09	198,743.48	198,743.48	53.22				198,796.70	198,796.70	-	0.00
Repo Agmt	2000 BCDE RMRB	0.16	11/30/09	12/01/09	583,650.88	583,650.88		(24,844.34)			558,806.54	558,806.54	-	0.00
Repo Agmt	2000 BCDE RMRB	0.16	11/30/09	12/01/09	2,168,633.48	2,168,633.48	2,456,729.01				4,625,362.49	4,625,362,49	-	0.00
Repo Agmt	2000 BCDE RMRB	0.16	11/30/09	12/01/09	1,228.19	1,228.19	0.00				1,228.19	1,228.19	7	0.00
Repo Agmt	2000 BCDE RMRB 2000 BCDE RMRB	0.16 6.10	11/30/09 02/22/01	12/01/09 02/20/31	2,106.07	2,106.07 697,294.17	0.57		(3,781.48)		2,106.64 644,624.55	2,106.64 700,353,34	6,840.65	0.00 0.00
GNMA GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	648,406.03 172,707.58	185,728.68			(1,161.49)		171,546.09	186,376.08	1,808.89	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	111,619.78	120,034.78			(604.00)		111,015.78	120,612.55	1,181.77	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	108,067.29	116,215.76			(578.93)		107,488.36	116,781.37	1,144.54	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,181,288.84	1,270,360.10			(68,796.38)		1,112,492.46	1,208,674.06	7,110.34	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	90,510.31	97,334.95			(529.25)		89,981.06	97,760.45	954.75	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	223,029.63	239,847.87			(1,190.84)		221,838.79	241,019.49	2,362.46	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	650,004.64	699,020.32			(3,878.51)		646,126.13	701,991.76	6,849.95	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	25,712.11	27,651.12			(139.48)		25,572.63	27,783.84	272.20	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	240,276.59	258,396.48			(1,941.58)		238,335.01	258,943.37	2,488.47	0.00
GNMA	2000 BCDE RMRB	6.10 6.10	04/16/01 04/16/01	03/20/31	172,997.80	186,045.13			(943.38)		172,054.42	186,932.56	1,830.81	0.00 0.00
gnma gnma	2000 BCDE RMRB 2000 BCDE RMRB	6.10	04/30/01	04/20/31 04/20/31	493,994.97 329,438.09	531,253.21 354,286.78			(3,738.65) (2,441.08)		490,256.32 326,997.01	532,652.59 355,276.34	5,138.03 3,430.64	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	580,135,86	623,894,18			(69,981.87)		510,153.99	554,273.21	360.90	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	91,723.50	98,642.00			(482.45)		91,241.05	99,131.77	972.22	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	159,434.32	171,461.10			(1,014.76)		158,419.56	172,121.21	1,674.87	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	379,493.85	408,120.67			(2,371.95)		377,121.90	409,739.10	3,990.38	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	105,646.82	113,616.31			(1,085.94)		104,560.88	113,604.32	1,073.95	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,057,071.30	1,136,811.68			(6,275.10)		1,050,796.20	1,141,679.27	11,142.69	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	109,651.20	117,923.12			(585.43)		109,065.77	118,499.31	1,161.62	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01 05/30/01	05/20/31	44,844.23	48,227.35 289,385.46			(248.51)		44,595.72	48,453.08	474.24	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	05/30/01	05/20/31 05/20/31	269,085.26 45,620.63	49,062,32			(34,787.59) (241.56)		234,297.67 45,379.07	254,563.50 49,304,18	(34.37) 483.42	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	125,871.09	135,367.80			(721.85)		125,149.24	135,974.94	1,328.99	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,111,030.17	1,194,855.33			(99,389.98)		1,011,640.19	1,099,149.91	3,684.56	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	41,075.16	44,174.20			(230.81)		40,844.35	44,377.50	434.11	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	233,913.94	251,564.07			(1,467.46)		232,446.48	252,555.52	2,458.91	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	774,136.86	832,549.89			(45,379.93)		728,756.93	791,802.02	4,632.06	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	246,393.60	264,985.41			(1,721.67)		244,671.93	265,838.61	2,574.87	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	207,067.64	222,693.90			(1,723.01)		205,344.63	223,111.15	2,140.26	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	387,832.88	417,102.11			(2,147.36)		385,685.52	419,056.37	4,101.62	0.00
GNMA	2000 BCDE RMRB	6.10 6.10	07/25/01 08/08/01	06/20/31 07/20/31	127,176.18	136,773.45 147,665.12			(2,986.69)		124,189.49	134,934.39	1,147.63	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	08/08/01	08/20/31	137,302.51 878,593.01	944.906.83			(827.75) (88,297.51)		136,474.76 790.295.50	148,283.76 858,681.54	1,446.39 2,072.22	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	163,658.35	176,010.13			(2,470.96)		161,187.39	175,134.77	1,595.60	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	264,223.74	284,168.62			(1,472.56)		262,751.18	285,489.90	2,793.84	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	731,506.90	786,724.57			(6,398.91)		725,107.99	787,859.52	7,533.86	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	108,686.84	116,891.04			(897.94)		107,788.90	117,117.05	1,123.95	0.00
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	238,268.12	254,962.13			(1,511.91)		236,756.21	257,897.52	4,447.30	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	219,035.71	235,578.08			(1,181.55)		217,854.16	236,715.77	2,319.24	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	232,065.95	249,592.42			(5,480.82)		226,585.13	246,202.66	2,091.06	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	142,035.11	152,762.59			(738.96)		141,296.15	153,530.06	1,506.43	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	247,337.99	266,010.40			(1,300.94)		246,037.05	267,331.20	2,621.74	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	09/25/01 09/25/01	09/20/31 08/20/31	569,233.56 169,185.32	612,209.37 181,957.71			(81,278.25) (1,544.07)		487,955.31 167,641.25	530,189 <u>.22</u> 182,150.36	(741.90) 1,736.72	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	54,846.57	161,957.71 58,987.78			(1,544.07)		54,570.08	59,293.69	1,736.72 582.40	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	651,164.73	700,331.10			(3,980.30)		647,184.43	703,205.06	6,854.26	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	188,045.17	202,243.58			(1,102.82)		186,942.35	203,124.19	1,983.43	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	90,228.40	97,041.61			(456.55)		89,771.85	97,543.14	958.08	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	196,754.62	211,613.19			(1,025.99)		195,728.63	212,673.79	2,086.59	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	96,150.93	102,888.57			(516.01)		95,634.92	104,175.64	1,803.08	0.00
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	124,807.02	134,236.13			(681.85)		124,125.17	134,875.07	1,320.79	0.00
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	283,426.00	303,294.29			(7,268.21)		276,157.79	300,827.74	4,801.66	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	300,404.78	322,491.04			(2,749.90)		297,654.88	322,653.59	2,912.45	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	257,950.73	276,039.56			(6,095.62)		251,855.11	274,360.37	4,416.43	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	408,479.11	438,526.56			(2,197.62)		406,281.49	440,419.15	4,090.21	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	106,197.82	114,010.01			(530.89)		105,666.93	114,545.92	1,066.80	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	134,931.27	144,852.82			(1,805.02)		133,126.25	144,308.12	1,260.32 2,503.02	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	249,307.22	267,642.86			(1,262.09)		248,045.13 329,841.19	268,883.79 357,552.78	3,320.14	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	331,627.44	356,018.89			(1,786.25)		72,508.22	78,600.68	733.07	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	72,858.30	78,217.69			(350.08) (207.82)		42,353.34	45,911.61	427.91	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	42,561.16	45,691.52			(4,651.33)		799,406.60	866,614,83	8,023.20	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	804,057.93	863,242.96			(3,993.79)		412,416.86	447,072.78	4,021.85	0.00
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	416,410.65	447,044.72 453,864.84			(2,089.71)		420,671.59	456,023.91	4,248.78	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02 06/19/02	06/20/32 06/20/32	422,761.30 438,393.10	470,648.14			(8,148.42)		430,244.68	466,402,92	3,903.20	0.00
GNMA	2000 BCDE RMRB	6.10 6.10	06/25/02	06/20/32	320,438.76	344,015.96			(2,134.30)		318,304.46	345,055.84	3,174.18	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	552,868.71	593,549.31			(4,107.49)		548,761.22	594,882.66	5,440.84	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	07/22/02	07/20/32	578,607.32	621,187.43			(3,051.63)		575,555.69	623,934.79	5,798.99	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	84,135.76	90,327.55			(451.44)		83,684.32	90,718,71	842.60	0.00
GNMA GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	186,419.00	200,138.29			(903.87)		185,515.13	201,109.45	1,875.03	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,154,917.57	1,239,921.16			(105,718.01)		1,049,199.56	1,137,402.82	3,199.67	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	982,341,21	1,054,647.19			(92,375.53)		889,965.68	964,785.51	2,513.85	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	436,358.27	468,492,28			(2,878.11)		433,480.16	469,938.63	4,324.46	0.00
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	713,625.34	766,156.92			(69,055.30)		644,570.04	698,764.27	1,662.65	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	276,663.22	297,030.87			(55,616.12)		221,047.10	239,633.81	(1,780.94)	0.00
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,246,100.43	1,337,839.47			(63,300.14)		1,182,800.29	1,282,258.25	7,718.92	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	877,777.94	942,408.25			(4,592.75)		873,185.19	946,616.12	8,800.62	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	550,278.32	590,797.41			(3,175.63)		547,102.69	593,113.36	5,491.58	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	395,111.92	424,207.65			(2,234.12)		392,877.80	425,920.91	3,947.38	0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	504,967.47	540,389.30			(35,718.79)		469,248.68	511,190.13	6,519.62	0.00
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	216,909.79	232,882.82			(1,811.07)		215,098.72	233,189.39	2,117.64	0.00
GNMA	2000 BCDE RMRB	6.10		11/20/32	28,280.86	30,363.65			(371.19)		27,909.67	30,257.23	264.77	0.00
GNMA	2000 BCDE RMRB	6.10		11/20/32	112,608.31	120,901.92			(1,182.36)		111,425.95	120,798.56	1,079.00 1,492.74	0.00 0.00
GNMA	2000 BCDE RMRB	6.10		11/20/32	149,024.23	159,999.86			(794.28)		148,229.95 18,872.05	160,698.32 20,459.60	128.18	0.00
GNMA	2000 BCDE RMRB	6.10		11/20/32	19,813.43	21,272.80			(941.38)		60,950.95	66,077.31	615.31	6.00
GNMA	2000 BCDE RMRB	6.10		06/20/32	61,257.02	65,768.07			(306.07) (891.21)		72,635,99	78,746.17	694.51	0.00
GNMA	2000 BCDE RMRB	6.10		09/20/32 11/20/32	73,527.20 32,987.79	78,942.87 35,417.73			(164.48)		32,823.31	35,584.67	331.42	0.00
GNMA	2000 BCDE RMRB	6.10 6.10		12/20/32	32,967.79 111,959.11	120,206.94			(1,323.39)		110,635.72	119,943.90	1,060.35	0.00
GNMA	2000 BCDE RMRB	6.10		01/20/33	12,644.99	13,509.50			(801.73)		11,843,26	12,779.41	71.64	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	. 6.10		01/20/33	316,838,54	338,499.92			(1,586.13)		315,252.41	340,171,44	3,257.65	0.00
GNMA	2000 BCDE RMRB	6.10		02/20/33	162,122.28	173,207.87			(1,620.20)		160,502.08	173,190.48	1,602.81	0.00
GNMA FNMA	2000 BCDE RMRB	6.10		09/01/31	289,913.04	310,440.52			(4,226.83)		285,686,21	311,406.65	5,192.96	0.00
GNMA	2000 BCDE RMRB	6.10		02/20/33	243,332.84	259,972.23			(1,331.11)		242,001.73	261,133.83	2,492.71	0.00
GNMA	2000 BCDE RMRB	6.10		02/20/33	98,715.00	105,465.46			(462.54)		98,252.46	106,020.39	1,017.47	0.00
GNMA	2000 BCDE RMRB	6.10		03/20/33	181,993.77	194,441.25			(845.93)		181,147.84	195,471.72	1,876.40	0.00
GNMA	2000 BCDE RMRB	6.10		03/20/33	143,047.30	152,831.50			(640.43)		142,406.87	153,667.85	1,476.78	0.00
GNMA	2000 BCDE RMRB	6.10		04/20/33	139,178.08	148,698.83			(711.89)		138,466.19	149,416.75	1,429.81	0.00
GNMA	2000 BCDE RMRB	6.10		04/20/33	25,968.50	27,745.01			(140.15)		25,828.35	27,871.04	266.18	0.00
GNMA	2000 BCDE RMRB	6.10		04/20/33	257,832.28	275,470.90			(1,160.59)		256,671.69	276,971.63	2,661.32	0.00
GNMA	2000 BCDE RMRB	6.10		04/20/33	78,610.81	83,988.93			(449.70)		78,161.11	84,343.05	803.82	0.00
GNMA	2000 BCDE RMRB	6.10		04/20/33	69,043.88	73,767.70			(302.87)		68,741.01	74,178.04	713.21	0.00
GNMA	2000 BCDE RMRB	6.10		05/20/33	140,463.91	150,074.87			(673.49)		139,790.42	150,847.83	1,446.45	0.00
GNMA	2000 BCDE RMRB	6.10		04/20/33	58,862.17	62,889.69			(260.83)		58,601.34	63,236.70	607.84	0.00
GNMA	2000 BCDE RMRB	6.10		05/20/33	95,804.64	102,360.49			(496.34)		95,308.30	102,847.90	983.75	0.00
GNMA	2000 BCDE RMRB	6.10		06/20/33	183,710.22	196,282.58			(1,198.88)		182,511.34	196,950.55	1,866.85	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	57,892.00	61,853.89			(290.81)		57,601.19	62,158.25	595.17	0.00

		Current	Current	Current	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Investment	lanua	Interest	Purchase Date	Maturity Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Type GNMA	Issue 2000 BCDE RMRB	Rate 6.10	06/26/03	06/20/33	94,812.31	101,301,18	i ut Glases	Cuics	(410.26)	T GII GIG	94,402.05	101,870.78	979.86	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	69,461.63	74,215.90			(302.01)		69,159.62	74,631.64	717.75	0.00
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	460,073.76	491,564.25			(2,065.36)		458,008.40	494,248.26	4,749.37	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	182,399.93	194,885.17			(927.63)		181,472.30	195,831.66	1,874,12	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	46,992.17	50,208,87			(202.79)		46,789.38	50,491.83	485.75	0.00
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	163,351.01	174,533.06			(912.77)		162,438.24	175,292.37	1,672.08	0.00
GNMA	2000 BCDE RMRB	6.10	08/07/03	08/20/33	163,268.33	174,445,77			(738.50)		162,529.83	175,392.09	1,684.82	0.00
GNMA	2000 BCDE RMRB	6.10	08/14/03	08/20/33	162,595.82	173,727.57			(699.22)		161,896.60	174,709.27	1,680.92	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	213,568.34	228,561.37			(1,283.60)		212,284.74	231,270.78	3,993.01	0.00
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	195,463.62	208,846.01			(1,084.56)		194,379.06	209,762.86	2,001.41	0.00
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	326,109.83	348,437.93			(1,474.46)		324,635.37	350,328.78	3,365.31	0.00
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	149,444.85	159,677.36			(821.04)		148,623.81	160,387.19	1,530.87	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	365,030.32	390,027.14			(50,768.97)		314,261.35	339,137.10	(121.07)	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	78,080.23	83,426.82			(337.86)		77,742.37	83,896.00	807.04	0.00
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	311,016.30	332,315.65		,	(1,421.86)		309,594.44	334,102.12	3,208.33	0.00
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	159,170.42	170,071.41			(2,315.55)		156,854.87	169,272,27	1,516.41	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	85,013.26	90,835.78			(361.70) (967.93)		84,651.56 166,604.94	91,353.18 179.072.96	879.10 3,378.85	0.00
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	167,572.87	176,662.04					166,665.93	179,861,29	1,729.52	0.00
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	167,397.21	178,863.05			(731.28) (479.12)		101,468.86	109,062.80	2.063.96	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	101,947.98	107,477.96 59,549.05			(260.40)		55,471,48	59,863.11	574.46	0.00
GNMA	2000 BCDE RMRB	6.10	10/30/03 11/13/03	08/20/33 11/20/33	55,731.88 369,422.51	389,463.66			(1,838.52)		367,583.99	395,096,53	7,471.39	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.40 6.10	11/13/03	11/20/33	130,765.94	139,724.00			(588.93)		130,177.01	140.484.86	1,349,79	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	473,777.47	499,481,33			(2,341.46)		471,436.01	506,722.52	9,582.65	0.00
GNMA GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	45.439.48	48,552.29			(195.95)		45,243.53	48,826.07	469.73	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	255,086.80	268,926.58			(1,211.50)		253,875.30	272,878.45	5,163.37	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	346,790.45	365,606.76			(1,699.42)		345,091.03	370,922.65	7,015.31	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	309,475,09	326,268.35			(2,216.60)		307,258.49	330,259.82	6,208.07	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	739,850.22	779,998.73			(6,206.43)		733,643.79	788,566.60	14,774.30	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	775,368.32	817,445.93			(4,278.79)		771,089.53	828,817.34	15,650.20	0.00
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	123,845.30	130,403.03			(627.74)		123,217.56	132,287.44	2,512.15	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	988,748.97	1,041,107.61			(6,060.46)		982,688.51	1,055,025.40	19,978.25	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	233,062.53	244,964.89			(1,288.58)		231,773.95	248,400.82	4,724.51	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	46,591.58	49,059.05			(275.62)		46.315.96	49,725.58	942.15	0.00
GNMA	2000 BCDE RMRB	6.10		12/20/33	42,370.77	45,274.77			(210.91)		42,159.86	45,499.63	435.77	0.00 0.00
GNMA	2000 BCDE RMRB	5.75		03/20/34	154,989.14	164,521.00			(962.10)		154,027.04	166,178.98	2,620.08 11,202.30	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	657,795.13	698,281.29			(3,043.39)		654,751.74 228,362.40	706,440.20 246,390.14	3,878.99	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	229,880.43	244,029.18			(1,518.03) (697.25)		155,524.38	167,795.49	2,662.57	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	156,221.63	165,830.17 211,688.18			(904.32)		198,517,65	214,181.61	3,397,75	0.00
GNMA	2000 BCDE RMRB	5.75 5.75		04/20/34 04/20/34	199,421.97 63,239,99	67,129.93			(269.41)		62,970.58	67,939.37	1,078.85	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75 5.75		04/20/34	189,884,63	201,565.25			(867.73)		189.016.90	203,932.06	3,234.54	0.00
GNMA GNMA	2000 BCDE RMRB	5.75		05/20/34	127,259.19	135,088.10			(584,18)		126,675.01	136,671.49	2,167.57	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	286,991,48	304,647.66			(54,236.06)		232,755.42	251,123.92	712.32	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	433,934,21	460,631,91			(60,664.75)		373,269,46	402,727.77	2,760.61	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	232,198.90	246,485.39			(1,199.31)		230,999.59	249,230.77	3,944.69	0.00
GNMA	2000 BCDE RMRB	5.75		06/20/34	335,411.65	356,050,27			(1,777.86)		333,633.79	359,966.95	5,694.54	0.00
GNMA	2000 BCDE RMRB	5.75		06/20/34	361,318.29	383,552.23			(26,067.82)		335,250.47	361,712.03	4,227.62	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	93,421.35	99,170.25			(417.87)		93,003.48	100,344.58	1,592.20	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	302,837.01	321,473.84			(1,376.55)		301,460.46	325,256,54	5,159.25	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	100,484.50	106,671.52			(436.21)		100,048.29	107,948.98	1,713.67	0.00
GNMA	2000 BCDE RMRB	5.75		08/20/34	100,764.61	106,969.19			(421.49)		100,343.12	108,267.29	1,719.59	0.00
GNMA	2000 BCDE RMRB	5.75		09/20/34	90,542.32	96,117.95			(377.99)		90,164.33	97,285.17	1,545.21	0.00
GNMA	2000 BCDE RMRB	5.75		08/20/34	92,160.21	97,835.48			(42,136.68)		50,023.53	53,974.22	(1,724.58)	0.00
GNMA	2000 BCDE RMRB	5.75		09/20/34	221,739.30	235,395.04			(943.36)		220,795.94	238,234.77	3,783.09	0.00
GNMA	2000 BCDE RMRB	5.75		10/20/34	136,143.60	144,528.66			(607.35)		135,536.25	146,241.82	2,320.51	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	402,009.33	426,753.20			(1,782.94)		400,226.39	431,823.03	6,852.77 3,715.02	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	502,062.31	532,966.01			(63,567.09)	-	438,495.22	473,113.94 341,476.55	3,715.02 2,512.73	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	365,112.88	387,587.67			(48,623.85) (2,355.12)		316,489.03 394,880.44	426,059, <b>2</b> 6	6,724.59	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	397,235.56	421,689.79			(2,300.12)		J34,00U.4 <del>4</del>	720,000.20	0,124.05	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	372,620.12	395,560.19			(50,373.25)		322,246.87	347,691.42	2,504.48	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	230,360.87	244,194.13			(1,159.41)		229,201.46	246,952.45	3,917.73	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	73,234.91	77,743.94			(310.66)		72,924.25	78,682.73	1,249.45	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	13,183.72	13,996.05			(67.97)		13,115.75	14,152.05	223.97	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	180,762.62	191,901.53			(980.11)		179,782.51	193,988.80	3,067.38	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	55,702.61	59,133.51			(229.97)		55,472.64	59,854.39	950.85	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	50,591.06	53,707.39			(218.87) (252.96)		50,372.19 59,372,38	54,351.37 64.062.64	862.85 1.017.27	0.00 0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04 11/23/04	10/20/34	59,625.34	63,298.33 61,900.45			(237.55)		58,070.47	62,658.49	995.59	0.00
GNMA	2000 BCDE RMRB	5.75 5.75	12/23/04	11/20/34 12/20/34	58,308.02 286,843.07	304,519.78			(1,208.64)		285,634.43	308,205.71	4,894.57	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75	02/17/05	02/20/35	50,332.12	53,293.62			(201.39)		50,130.73	53,952,05	859.82	0.00
GNMA GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	133,301.82	141,149.93			(566.32)		132,735.50	142,858.21	2,274.60	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	116,988,79	125,211.36			(60,091.41)		56,897,38	61,990.89	(3,129.06)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	60,687.72	64,545.20			(234.64)		60,453.08	65,348.71	1,038.15	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	118,814.66	126,372.55			(484.27)		118,330.39	127,918.86	2,030.58	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	131,584.94	139,951.64			(573.75)		131,011.19	141,623.62	2,245.73	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	162,638.33	172,228.75			(619.47)		162,018.86	174,390.12	2,780.84	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	113,841.93	120,556.73			(979.53)		112,862.40	121,482.17	1,904.97	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	261,743.59	280,049.26			(1,918.18)		259,825.41	282,797.08	4,666.00	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	152,940.39	161,661.27			(578.59)		152,361.80	163,691.74	2,609.06	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	255,844.27	273,741.48			(1,417.42)		254,426.85	276,925.39	4,601.33	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	124,550.19	133,266.27			(629.24) (585.91)		123,920.95 107,749.79	134,882.45 117,086.87	2,245.42 1,883.48	0.00 0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03 07/03/03	03/01/33 05/01/33	108,335.70 169,732.40	115,789.30 181,416.52			(748.93)		168,983.47	183,633.03	2,965.44	0.00
FNMA	2000 BCDE RMRB	6.10 6.10	08/14/03	08/01/33	236,465.78	252,749.30			(1,142.16)		235,323.62	255,730.26	4,123.12	0.00
FNMA FNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	09/04/03	08/01/33	170,649.10	182,401.81			(2,566.55)		168,082.55	182,659.51	2,824.25	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	108,013.56	115,456.81			(1,195.58)		106,817.98	116,086.08	1,824.85	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	203.543.29	213,383,92			(1,106.06)		202,437.23	216,434.50	4,156.64	0.00
FNMA	2000 BCDE RMRB	5,40	01/29/04	01/01/34	168,791.05	176,955.43			(977.79)		167,813.26	179,420.47	3,442.83	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	242,190.56	256,005.84			(1,288.23)		240,902.33	259,666.55	4,948.94	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	221,006.41	233,616.12			(1,082.32)		219,924.09	237,057.39	4,523.59	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	275,395.89	291,113.20			(1,486.04)		273,909.85	295,253.09	5,625.93	0.00
FNMA	2000 BCDE RMRB	5.75		08/01/34	166,223.89	175,713.23			(2,565.09)		163,658.80	176,413.87	3,265.73	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	70,427.78	74,449.31			(314.54)		70,113.24	75,578.64	1,443.87	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	43,288.63	45,761.45			(197.95)		43,090.68	46,450.69	887.19 4,535.99	0.00 0.00
FNMA	2000 BCDE RMRB	5.75		02/01/35	222,680.38	235,094.91			(962.08)		221,718.30 60,875.27	238,668.82 65,533.00	4,535.99 1,246.75	0.00
FNMA	2000 BCDE RMRB	5.75 5.75		04/01/35 10/01/35	61,116.37 128,352.25	64,527.35 135,523.45			(241.10) (680.40)		127,671.85	137,448,17	2.605.12	0.00
FNMA	2000 BCDE RMRB	5.75 5.75	01/12/06	12/01/35	144,640.95	152,727.29			(548.73)		144,092.22	155,131.08	2,952.52	0.00
FNMA	2000 BCDE RMRB 2000 BCDE RMRB	0.16	11/30/09	12/01/09	1,958.23	1,958.23	0.51		(0-10.10)		1,958.74	1,958.74	2,002.02	0.00
Repo Agmt GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	13,934,23	14,690.10	0.51		(80.50)		13,853.73	14,890.58	280.98	0.00
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	8,477.45	8,937.18			(39.84)		8,437.61	9,068.97	171.63	0.00
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	30,718.83	32,385.35			(152.85)		30,565.98	32,853.74	621.24	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	39,396.36	41,533.72			(194.70)		39,201.66	42,135.85	796.83	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	21,211.39	22,362.24			(100.74)		21,110.65	22,690.85	429.35	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	28,836.87	30,401.56			(141.31)		28,695.56	30,843.59	583.34	0.00
GNMA	2000 BCDE RMRB	5.40		12/20/33	25,734.01	27,130.42			(184.32)		25,549.69	27,462.32	516.22	0.00
GNMA	2000 BCDE RMRB	5.40		12/20/33	61,521.25	64,859.79			(516.08)		61,005.17	65,572.24	1,228.53	0.00
GNMA	2000 BCDE RMRB	5.40		12/20/33	64,474.76	67,973.66			(355.79)		64,118.97	68,919.23	1,301.36	0.00
GNMA	2000 BCDE RMRB	5.40		01/20/34	10,298.16	10,843.49			(52.19)		10,245.97	11,000.19	208.89	0.00 0.00
GNMA	2000 BCDE RMRB	5.40		01/20/34	82,218.13	86,571.95			(503.95)		81,714.18 19,272.89	87,729.27 20,655.44	1,661.27 392.86	0.00
GNMA	2000 BCDE RMRB	5.40		01/20/34	19,380.04	20,369.73 4,079.44			(107.15) (22.91)		3,851.36	4,134.86	78.33	0.00
GNMA	2000 BCDE RMRB	5.40 5.75		01/20/34 03/20/34	3,874.27 5,998.41	6,367.30			(37.23)		5,961.18	6,431.47	101,40	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75 5.75		03/20/34	25.458.04	27.024.91			(117.79)		25,340.25	27,340.67	433,55	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75 5.75		07/20/34	25,456.04 8,896.84	9,444.42			(58.76)		8,838.08	9,535.80	150.14	0.00
GNMA	2000 BCDE RMRB	4.75		04/20/34	6,046.10	6,417.96			(26.99)		6,019.11	6,494.02	103.05	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	7,718.01	8,192.76			(34.99)	•	7,683.02	8,289.26	131.49	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	2,447.50	2,598.06			(10.42)		2,437.08	2,629.39	41.75	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	7,348.97	7,800.98			(33.57)		7,315.40	7,892.58	125.17	0.00

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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	4,925.16	5,228.18			(22.61)		4,902.55	5,289.46	83.89	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,107.18	11,790.48			(2,099.04)		9,008.14	9,719.00	27.56	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	16,794.15	17,827.39			(2,347.85)		14,446.30	15,586.38	106.84	0.00
GNMA	2000 BCDE RMRB	. 5.75	05/27/04	05/20/34	8,986.59	9,539.48			(46.42)		8,940.17	9,645.73	152.67	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	12,981.10	13,779.87			(68.82)		12,912.28	13,931.45	220.40	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	13,983.78	14,844.24			(1,008.88)		12,974.90	13,998.98	163.62	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	3,615.62	3,838.09			(16.17)		3,599.45	3,883.54	61.62	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	11,720.43	12,441.69			(53.28)		11,667.15	12,588.09	199.68	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	3,888.97	4,128.40			(16.88)		3,872.09	4,177.84	66.32	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	3,899.81	4,139.92			(16.31)		3,883.50	4,190.16	66.55	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,504.18	3,719.96			(14.63)		3,489.55	3,765.13	59.80	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,566.81	3,786.43			(1,630.77)		1,936.04	2,088.91	(66.75)	0.00 0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	8,581.78	9,110.26			(36.51)		8,545.27	9,220.17	146.42	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,269.04	5,593.55			(23.51)		5,245.53	5,659.85	89.81	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	15,558.58	16,516.21			(69.01)		15,489.57	16,712.43	265.23 143.79	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	19,430.81	20,626.86			(2,460.18)		16,970.63	18,310.47	97.24	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	14,130.62	15,000.43			(1,881.84)		12,248.78	13,215.83 16,489.35	260.25	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	15,373.85	16,320.25			(91.15)		15,282.70 12,471.63	13,456.36	96.92	0.00
GNMA	2000 BCDE RMRB	5.75		08/20/34	14,421.17	15,308.98			(1,949.54)			9,557.56	151.62	0.00
GNMA	2000 BCDE RMRB	5.75		08/20/34	8,915.45	9,450.80			(44.86)		8,870.59 2,822.32	3,045.18	48.35	0.00
GNMA	2000 BCDE RMRB	5.75		08/20/34	2,834.34	3,008.85			(12.02) (2.63)		2,622.32 507.64	547.71	8.67	0.00
GNMA	2000 BCDE RMRB	5.75		11/20/34	510.27	541.67 7,426.98			(37.93)		6,957.94	7.507.76	118,71	0.00
GNMA	2000 BCDE RMRB	5.75		12/20/34	6,995.87	2,288,58			(8,89)		2,146.92	2,316.48	36.79	0.00
GNMA	2000 BCDE RMRB	5.75		10/20/34	2,155.81	2,200.36 2,078.58			(8.48)		1,949.52	2,103.50	33.40	0.00
GNMA	2000 BCDE RMRB	5.75		10/20/34 10/20/34	1,958.00 2,307.59	2,076.36			(9.79)		2.297.80	2,479.35	39.37	0.00
GNMA	2000 BCDE RMRB	5.75 5.75		11/20/34	2,256.65	2,395.67			(9.19)		2,247.46	2,425.01	38.53	0.00
GNMA	2000 BCDE RMRB	5.75 5.75		12/20/34	11,101.37	11.785.53			(46.77)		11,054.60	11,928,18	189.42	0.00
GNMA	2000 BCDE RMRB	5.75 5.75		02/20/35	1,947.94	2,062.57			(7.79)		1,940.15	2,088.05	33.27	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/35	5.159.06	5,462.79			(21.93)		5,137.13	5,528.90	88.04	0.00
GNMA	2000 BCDE RMRB	5.75		08/20/35	2,348.77	2,498.03			(9.08)		2,339,69	2,529.12	40.17	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75		10/20/35	4.618.58	4.890.87			(19.02)		4,599,56	4,950.71	78.86	0.00
GNMA	2000 BCDE RMRB	5.75		09/20/35	5,092.62	5,416.41			(22.22)		5,070.40	5,481.12	86,93	0.00
GNMA GNMA	2000 BCDE RMRB	5.75		11/20/35	6,294.42	6,665.60			(23.98)		6,270.44	6,749.25	107.63	0.00
GNMA	2000 BCDE RMRB	5.75		12/20/35	4,405.88	4,665.79			(37.91)		4,367.97	4,701.60	73.72	0.00
GNMA	2000 BCDE RMRB	5.75		01/20/36	5,919,09	6,256.61			(22.38)		5,896,71	6,335.20	100.97	0.00
FNMA	2000 BCDE RMRB	5.40		11/01/33	16,925.36	17.743.66			(91.96)		16,833.40	17,997.33	345.63	0.00
FNMA	2000 BCDE RMRB	5.40		01/01/34	14,035,57	14,714.49			(81.31)		13,954.26	14,919.47	286.29	0.00
FNMA	2000 BCDE RMRB	5.75		05/01/34	9,373.26	9,907.95			(49.86)		9,323.40	10,049.62	191.53	0.00
FNMA	2000 BCDE RMRB	5.75		06/01/34	8,553,40	9,041,42			(41.89)		8,511.51	9,174.60	175.07	0.00
FNMA	2000 BCDE RMRB	5.75		07/01/34	10,658.39	11,266.67			(57.52)		10,600.87	11,426.89	217.74	0.00
FNMA	2000 BCDE RMRB	5.75		08/01/34	6,433,20	6,800.45			(99.28)		6,333.92	6,827.57	126.40	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,725.71	2,881.34			(12.17)		2,713.54	2,925.05	55.88	0.00
FNMA	2000 BCDE RMRB	5.75		10/01/34	1,675.36	1,771.05			(7.66)		1,667.70	1,797.73	34.34	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	8,618.19	9,098.65			(37.24)		8,580.95	9,236.97	175.56	0.00
FNMA	2000 BCDE RMRB	5.75		04/01/35	2,365.38	2,497.33			(9.33)		2,356.05	2,536.25	48.25	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	4,967.48	5,245.03			(26.33)		4,941.15	5,319.52	100.82	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	5,597,90	5,910.85			(21.24)		5,576.66	6,003.88	114.27	0.00
	2000 BCDE RMRB Total				56,967,021.43	60,676,721.50	2,456,783.31	(24,844.34)	(1,649,422.66)	0.00	57,749,537.74	62,062,353.83	603,116.02	0.00
D A	0004 A E DMDD	0.40	11/30/09	12/01/09	5,031.20	5,031.20	1.38				5,032.58	5,032.58	_	0.00
Repo Agmt	2001 A-E RMRB	0.16 0.16		12/01/09	5,031.20 32.10	32.10	0.00				32.10	32.10	-	0.00
Repo Agmt	2001 A-E RMRB				32.10 368.13	368.13	0.02				368.15	368.15	-	0.00
Repo Agmt	2001 A-E RMRB	0.16		12/01/09 12/01/09	1,559,327.88	1,559,327.88	2,317,587,12				3,876,915.00	3,876,915.00	-	0.00
Repo Agmt	2001 A-E RMRB	0.16 0.16		12/01/09	406,641,75	406,641.75	108.88				406,750.63	406,750.63	-	0.00
Repo Agmt	2001 A-E RMRB	0.16 8.19		06/20/15	117,803.99	127,026.66	100.00		(4,288.15)		113,515.84	123,053.63	315.12	0.00
GNMA	2001 A-E RMRB	7.19		06/20/15	32,871.87	35,140.18			(2,032.31)		30,839.56	33,105.54	(2.33)	0.00
GNMA	2001 A-E RMRB	7.19 8.19		06/20/15	36,466.36	39,321.15			(1,250.46)		35,215.90	38,174,70	104.01	0.00
GNMA	2001 A-E RMRB	8.19 7.19		11/20/14	103,849.08	110,569.95			(14,154.81)		89,694.27	95,810.33	(604.81)	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	7.19 8.19		11/20/14	18,568,69	19,951,92			(965.67)		17,603.02	18,995.30	9.05	0.00
GNMA	ZOUT A-E RIVING	0.19		1/20/14	10,000.03	13,331.32			(00001)		,000.02	. 0,000100	Ţ5	

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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change In Market	Deservined
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/		T	Carrying Value 11/30/09	Market Value 11/30/09	value	Recognized Gain
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities (3,077,19)	Transfers	60,878.20	65,029.12	12.14	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	63,955.39 29,282.26	68,094.17 31,463.46			(1,175.91)		28,106,35	30,329,29	41.74	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14 12/20/14	59,845.87	63,719.89			(3,017.04)		56,828.83	60,704.77	1.92	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90		100,531.58	108,023.00			(5,483.13)		95,048.45	102,568.63	28.76	0.00
GNMA	2001 A-E RMRB	8.19 7.19	02/28/90 01/20/90	12/20/14 01/20/15	149,829,73	160,148.94			(6,286.96)		143,542.77	154.070.85	208.87	0.00
GNMA	2001 A-E RMRB	8.19	01/20/90	01/20/15	164,823.18	177,704.65			(22,741.54)		142,081.64	154,000.30	(962.81)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	54,080,30	57,805.31			(2,204.89)		51,875,41	55,680.52	80.10	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	8.19	02/27/90	12/20/14	48,137,31	51,724.37			(2,012.78)		46,124.53	49,773.83	62.24	0.00
gnma gnma	2001 A-E RMRB	7.19	02/27/90	01/20/15	79,902.80	85,406.46			(3,578.58)		76,324,22	81,922.68	94.80	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	82,614.70	89,072.19			(7,803.72)		74,810.98	81,087,37	(181.10)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	35.771.34	38,235.43			(1,893.98)		33,877.36	36,362.48	21.03	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	66,330,76	71,515.82			(3,644.45)		62,686.31	67,945.85	74.48	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	30,033.56	32,103.06			(964.84)		29,068.72	31,201.72	63.50	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	148,260.64	159,853.07			(18,324.93)		129,935.71	140,840.23	(687.91)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	128,791.56	137,668.86			(5,238.93)		123,552.63	132,621.32	191.39	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	122,683.50	132,278.82			(8,654.88)		114,028.62	123,600.75	(23.19)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	132,759.48	141,910.28			(20,293.98)		112,465.50	120,720.42	(895.88)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	295,453.42	318,561.34			(14,589.44)		280,863.98	304,440.99	469.09	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	36,526.52	39,045.09			(1,820.41)		34,706.11	37,254.36	29.68	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	25,799.86	27,817.92			(960.22)		24,839.64	26,925.01	67.31	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	78,225.47	83,619.36			(5,594.17)		72,631.30	77,964.26	(60.93)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	272,654.32	293,986.29			(10,412.96)		262,241.36	284,262.15	688.82	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	43,215.11	46,196.03			(1,723.45)		41,491.66	44,539.25 42,488.96	66.67	0.00 0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	40,709.29	43,895.41			(1,512.78)		39,196.51	42,488.96 36,106.41	106.33 54.74	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	35,023.19	37,439.06			(1,387.39)		33,635.80 160,719.80	174,219.81	431,14	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	166,984.49	180,053.36			(6,264.69) (2,292.60)		59,979.88	63,466.96	278.13	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	62,272.48	65,481.43 41,718,99			(1,576.77)		37,449.24	40,200.90	58.68	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	39,026.01	41,718.99 22,821.09			(798.90)		20,548.87	22,058.93	36.74	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90 09/13/90	06/20/15 07/20/15	21,347.77 55,562.10	59,913.57			(2,173.80)		53,388.30	57,875.64	135.87	0.00
GNMA	2001 A-E RMRB	8.19 7.19	09/13/90	07/20/15	43,735.68	46,754.80			(1,612,47)		42,123.21	45,219,41	77.08	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	79,820.00	86,072.76			(7,400.79)		72,419.21	78,507.45	(164.52)	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	6.19	09/13/90	07/20/15	73,079.18	76,848.80			(18,979.97)		54,099.21	57,247.23	(621.60)	0.00
GNMA GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	71,621.79	77,232.59			(2,883.47)		68,738.32	74,517.35	168.23	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	119,272.31	125,427.40			(19,541.29)		99,731.02	105,536.62	(349.49)	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	08/20/15	120,359.86	128,671.21			(5,030.09)		115,329.77	123,809.58	168.46	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	225,232.04	242,876.54			(8,641.94)		216,590.10	234,799.45	564.85	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	6,630.88	7,088.80			(223.21)		6,407.67	6,878.83	13.24	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	52,959.83	57,110.15			(1,921.90)		51,037.93	55,330.28	142.03	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	64,182.13	67,495.95			(2,788.88)		61,393.25	64,968.71	261.64	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	16,684.03	17,836.55			(673.28)		16,010.75	17,188.35	25.08	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	185,006.53	199,504.83			(23,401.24)		161,605.29	175,196.36	(907.23)	0.00
GNMA	2001 A-E RMRB	6.19		10/20/15	92,706.28	97,494.94			(3,510.40)		89,195.88	94,392.56	408.02	0.00
GNMA	2001 A-E RMRB	8.19		10/20/15	317,823.63	342,737.95			(11,464.25)		306,359.38	332,131.66	857.96	0.00
GNMA	2001 A-E RMRB	7.19		10/20/15	38,758.75	41,437.35			(1,256.24)		37,502.51	40,261.99	80.88	0.00
GNMA	2001 A-E RMRB	8.19		11/20/15	79,316.06	85,535.60			(2,898.87)		76,417.19	82,847.60	210.87 45.89	0.00 0.00
GNMA	2001 A-E RMRB	8.19		10/20/15	15,367.29	16,572.26			(501.72)		14,865.57 87,309.48	16,116.43 92,398.93	407.81	0.00
GNMA	2001 A-E RMRB	6.19		11/20/15	90,580.98	95,262.62			(3,271.50) (1,252.06)		27,654.61	29,981.97	60.38	0.00
GNMA	2001 A-E RMRB	8.19		11/20/15	28,906.67	31,173.65			(16,659.16)		32,302.64	35.004.26	(1,069,28)	0.00
GNMA	2001 A-E RMRB	8.19		01/20/16	48,961.80 45,732.29	52,732.70 49,259.06			(3,635.98)		42,096.31	45,621.19	(1.89)	0.00
GNMA	2001 A-E RMRB	8,19 8.75		02/20/16 02/20/20	109,807.22	124,322.69			(1,641.44)		108,165.78	122,354.98	(326.27)	0.00
GNMA	2001 A-E RMRB	8.75 8.19		04/20/16	69,791,41	75,176.80			(2,140.14)		67,651.27	73,319.16	282.50	0.00
GNMA	2001 A-E RMRB	7.19		02/20/16	150,433.57	161,252.40			(5,351.01)		145.082.56	156,278.85	377.46	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	7.19 6.19		04/20/16	227,497.94	239,413.72			(8,639.12)		218,858.82	231,941.56	1,166.96	0.00
GNMA GNMA	2001 A-E RMRB	7.19		04/20/16	33,198.46	35,587,26			(1,267.48)		31,930.98	34,396.38	76.60	0.00
GNMA GNMA	2001 A-E RIMRB 2001 A-E RIMRB	6.19		09/20/17	201,284.61	212,084.60			(21,569.34)		179,715.27	190,792.76	277.50	0.00
GNMA	2001 A-E RMRB	8.19		01/20/17	13,002.36	14,276.73			(416.35)		12,586.01	13,913.92	53.54	0.00
GNMA	2001 A-E RMRB	7.19		08/20/17	187,160.30	202,309.21			(4,858.93)		182,301.37	198,144.83	694.55	0.00
GNMA	2001 A-E RMRB	6.00		09/20/17	259,724.61	276,586.51			(6,836.83)		252,887.78	272,434.70	2,685.02	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	432,250.69	458,141.27			(2,481.32)		429,769.37	464,270.58	8,610.63	0.00
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	850,155.87	885,865.74			(11,181.99)		838,973.88	893,621.84	18,938.09	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	214,774.59	227,657.32			(1,151.85)		213,622.74	230,790.63	4,285.16	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	905,133.82	943,222.27			(5,491.93)		899,641.89	958,311.95	20,581.61	0.00
GNMA	2001 A-E RMR8	4.95	05/24/02	05/20/32	705,025.02	734,697.32			(3,985.41)		701,039.61	746,762.43	16,050.52	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	316,496.71	335,483.05			(1,713.88)		314,782.83	340,082.60	6,313.43	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	703,518.85	745,674.98			(4,003.41)		699,515.44	755,689.01	14,017.44	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	93,536.21	99,141.06			(807.86)		92,728.35	100,174.76	1,841.56	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	462,542.90	481,979.25			(5,480.07)		457,062.83	486,842.20	10,343.02	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,231,336.43	1,305,162.34			(7,802.78)		1,223,533.65	1,321,830.29	24,470.73	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	146,742.43	155,539.42			(777.00)		145,965.43	157,690.94	2,928.52	0.00
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	1,059,348.12	1,103,898.26			(158,519.19) (308.28)		900,828.93 58.711.24	959,552,32 63,428,52	14,173,25 1,178,20	0.00
GNMA	2001 A-E RMRB	5.45 4.95	04/29/02 04/29/02	04/20/32 04/20/32	59,019.52 1,460,710.31	62,558.60 1,522,151.71			(10,567.13)		1,450,143.18	1,544,687.79	33,103.21	0.00
GNMA	2001 A-E RMRB	4.95 5.45	04/29/02	04/20/32	601,178.20	637,227.55			(3,436.31)		597,741.89	645,768.71	11,977.47	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.95	04/29/02	04/20/32	75,438.76	78,611.92			(466.24)		74,972.52	79,860,49	1,714.81	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	271,090.75	287,351.50		·	(92,951.64)		178,139.11	192,455.36	(1,944.50)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	305,142,62	317,980.94			(1,722.17)		303,420.45	323,205.74	6,946.97	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	49,935.94	52,930.86			(275.65)		49,660.29	53,650.89	995.68	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	249,123.81	264,091.12			(113,902.03)		135,221.78	146,102.32	(4,086.77)	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	320,900,95	334,435.28			(1,798.09)		319,102,86	339,944,30	7,307,11	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	92,773,74	98,339.84			(485.72)		92,288.02	99,706.11	1,851.99	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	609,140.06	634,781,25			(4,096.66)		605,043.40	644,509.68	13,825.09	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	379,446.64	395,420.72			(105,000.14)		274,446.50	292,349.52	1,928.94	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	92,917.50	98,493.91			(549.18)		92,368.32	99,794.57	1,849.84	0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	173,376.92	180,678.18			(987.56)		172,389.36	183,637.28	3,946.66	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	88,431.55	93,738.56			(462.93)		87,968.62	95,040.85	1,765 <i>.2</i> 2	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	181,048.15	188,673.21			(1,037.57)		180,010.58	191,756.53	4,120.89	0.00
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	334,513.38	354,593.03			(106,648.20)		227,865.18	246,187.85	(1,756.98)	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	773,725.19	806,317.24			(74,236.15)		699,489.04	745,136.96	13,055.87	0.00
GNMA	2001 A-E RMRB	5.45	07/15/02	06/20/32	112,025.05	118,750.35			(741.80)		111,283.25	120,232.40	2,223.85	0.00
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	274,302.12	285,858.73			(1,869.18)		272,432.94	290,213.68	6,224.13	0.00
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	101,207.51	107,283.93			(522.07)		100,685.44	108,782.78	2,020.92	0.00 0.00
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	323,485.23	337,117.68			(2,530.10)		320,955.13	341,906.50 174,974.43	7,318.92 3,244.48	0.00
GNMA	2001 A-E RMRB	5.45 4.95	07/29/02 07/29/02	06/20/32 07/20/32	162,893.61 261,177.86	172,674.31 272,185.94			(944.36) (1,453.96)		161,949.25 259,723.90	276,679,67	5,947.69	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.95 5,45	08/01/02	07/20/32	60,432.32	64,061.47			(311.60)		60,120.72	64,956.68	1,206.81	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	52,782.54	55.006.93			(306,74)		52,475,80	55,901.33	1,201.14	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	155,650.56	164,999.02			(858.19)		154,792.37	167,244.63	3,103,80	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	225,677.71	235,191.65			(1,349.25)		224,328.46	238,975.62	5,133.22	0.00
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	811,357.53	860,100,31			(4,303.24)		807,054,29	871,990.11	16,193.04	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	794,739.18	828,254.82			(4,603.15)		790,136.03	841,738.51	18,086.84	0.00
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	329,959.06	349,805.51			(3,546.28)		326,412.78	352,700.20	6,440.97	0.00
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	222,477.61	235,846.37			(1,349.14)		221,128.47	238,923.87	4,426.64	0.00
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	410,630.61	427,953.75			(2,295.16)		408,335.45	435,009.32	9,350.73	0.00
GNMA	2001 A-E RMRB				108,980.72	115,530.71			(108,980.72)				(6,549.99)	0.00
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	513,423.86	535,089.38			(110,027.22)		403,396.64	429,752.64	4,690.48	0.00
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	566,394.14	600,438.70			(3,330.26)		563,063.88	608,386.51	11,278.07	0.00
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	362,330.66	377,622.24			(2,033.18)		360,297.48	383,839.51	8,250.45	0.00
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	565,404.55	599,395.10			(113,040.36)		452,364.19	488,780.72	2,425.98	0.00
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	312,899.50	326,107.88			(1,965.64)		310,933.86	331,253.46	7,111.22	0.00
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	144,398.87	153,081.89			(777.95)		143,620.92	155,184.98	2,881.04	0.00
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	291,999.39	304,329.81			(2,521.89)		289,477.50	308,399.27	6,591.35	0.00
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	48,524.27	51,442.76			(244.34)		48,279.93	52,167.96	969.54	0.00
GNMA	2001 A-E RMRB	4.95	10/29/02	11/20/32	297,253.93	309,809.98			(1,649.24)		295,604.69	314,930.77	6,770.03	0.00
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	403,200.62	427,450.26			(2,170.86)		401,029.76	433,324.22	8,044.82	0.00
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	245,306.61	255,667.88			(1,325.95)		243,980.66	259,931.14 112,672.93	5,589.21 2,094.11	0.00 0.00
GNMA	2001 A-E RMRB	5.45 4.95	11/19/02	11/20/32	104,800.33	111,105.11			(526.29) (374.99)		104,274.04 69,581.51	74,131.67	1,594.11	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	4.95 5.45	11/19/02 11/26/02	11/20/32 11/20/32	69,956.50 183,558.30	72,912.50 194,602.18			(923.06)		182,635.24	197,346.86	3,667.74	0.00
GNMA	AUU I M-E NIVINO	5.45	11/20/02	11120132	100,000.30	134,002.10			(323.00)		192,033.24	101,000	0,001.17	0.00

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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	75,225.92	78,404.98			(410.67)		74,815.25	79,708.06	1,713.75	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	164,181.58	174,059.61			(1,354.20)		162,827.38	175,943.40	3,237.99	0.00
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	72,457.12	75,520.00			(399.07)		72,058.05	76,771.39	1,650,46	0.00
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	291,700.37	309,254.05			(1,650.26)		290,050.11	313,417.64	5,813.85	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	302,350.57	320,548.69			(1,688.49)		300,662.08	324,888.12	6,027.92	0.00
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	62,360.11	64,996.50			(330.93)		62,029.18	66,086.86	1,421.29	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	326,986.07	346,669.76			(1,855.69)		325,130.38	351,330.81	6,516.74	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	41,507.69	44,006.35			(209.21)		41,298.48	44,626.49	829.35	0.00
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	54,991.37	57,317.04			(379.33)		54,612.04	58,185.34	1,247.63	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	97,495.20	103,364.78			(779.11)		96,716.09	104,510.53	1,924.86	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	363,383.05	385,068.55			(2,010.02)		361,373.03	390,393.47	7,334.94	0.00 0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	353,832.10	368,900.67			(2,070.32)		351,761.78	374,428.14	7,597.79	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	88,726.31	94,021.21			(438.62)		88,287.69	95,377.73	1,795.14 886.72	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	43,250.96	45,092.88		•	(904.95)		42,346.01	45,074.65	3,768.68	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	190,940.44	202,438.83			(1,539.67)		189,400.77 68,938.48	204,667.84 73,381.02	1,484,49	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	69,450.66	72,408.71			(512.18)		223,730.23	241,700.53	4,537.25	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	225,040.61	238,473.66			(1,310.38) (820.56)		152,935,77	162,793,72	3,306.74	0.00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	153,756.33	160,307.54	•				170,880.67	184,608.26	3,473.06	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	171,754.73	182,009.26			(874.06) (732.85)		132,377.24	140,911.59	2.861.29	0.00
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	133,110.09	138,783.15			(816.35)		153,111.20	162,983.74	3,310.80	0.00
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	153,927.55	160,489.29			(1,707.15)		251,906,99	272,148.99	5,094,96	0.00
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	253,614.14	268,761.18 102,350,63			(600.18)		97,565.26	103,856.75	2,106.30	0.00
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	98,165.44 108,759,73	115,257.12			(541.95)		108,217.78	116,915.39	2,200.22	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03 04/10/03		117,963,29	125,011.14			(709.88)		117,253.41	126,677.87	2,376.61	0.00
GNMA	2001 A-E RMRB	5.45 5.46	04/10/03	03/20/33	47,386.07	50,217.46			(751.79)		46,634,28	50,382.85	917.18	0.00
GNMA	2001 A-E RMRB	5.45 5.45	04/17/03	04/20/33	212,545.99	225,249.33			(1,125.38)		211,420.61	228,418.53	4,294.58	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	5.45	05/08/03	04/20/33	197.403.80	209.203.40			(1,220.08)		196,183.72	211,957,90	3,974.58	0.00
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	141,203.98	147,231.65			(736.42)		140,467.56	149,533.29	3,038.06	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	146,109.34	154,844,42			(818.36)		145,290.98	156,974.71	2,948.65	0.00
GNMA GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	273,786.81	290,157.97			(1,438.69)		272,348.12	294,252.24	5,532.96	0.00
GNMA	2001 A-E RMRB	5.45		05/20/33	96,438.95	102,206.47			(462.15)		95,976.80	103,696.86	1,952.54	0.00
GNMA	2001 A-E RMRB	5.45		06/20/33	108,710.34	115,213.14			(664.01)		108,046.33	116,738.63	2,189.50	0.00
GNMA	2001 A-E RMRB	5.45		06/20/33	200,237.42	212,215.16			(1,945.99)		198,291.43	214,243.92	3,974.75	0.00
GNMA	2001 A-E RMRB	5.45		06/20/33	98,190.79	104,064.86			(581.40)		97,609.39	105,462.58	1,979.12	0.00
GNMA	2001 A-E RMRB	5.45		06/20/33	47,841,84	50,704.40			(225.71)		47,616.13	51,447.62	968.93	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	51,210.30	54,274.94			(240.03)		50,970.27	55,072.20	1,037.29	0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	47,707.34	50,562.61			(227.54)		47,479.80	51,301.08	966.01	0.00
GNMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	50,216.93	53,222.62			(238.34)		49,978.59	54,001.21	1,016.93	0.00
GNMA	2001 A-E RMRB	5.45		07/20/33	89,033.14	94,362.70			(625.52)		88,407.62	95,523.84	1,786.66	0.00
GNMA	2001 A-E RMRB	5.45		08/20/33	52,289.84	55,421.10			(307.62)		51,982.22	56,167.63	1,054.15	0.00
GNMA	2001 A-E RMRB	5.45		09/20/33	51,785.52	54,888.13			(246.40)		51,539.12	55,690.43	1,048.70	0.00
GNMA	2001 A-E RMRB	5.45		10/20/33	47,935.63	50,808.71			(228.13)		47,707.50	51,551.32	970.74 1.037.51	0.00 0.00
GNMA	2001 A-E RMRB	5.45		10/20/33	51,205.14	54,275.28			(237.03)		50,968.11	55,075.76	1,239.16	0.00
GNMA	2001 A-E RMRB	5.45		06/20/33	61,261.11	64,933.07			(308.54)		60,952.57 236,201.64	65,863.69 255,241.81	4,806.47	0.00
GNMA	2001 A-E RMRB	5.45		11/20/33	237,328.35	251,562.05			(1,126.71)		57,603.86	62,247.92	1,172.45	0.00
GNMA	2001 A-E RMRB	5.45		12/20/33	57,874.24	61,345.85			(270.38)		90,540.44	96,359.01	844.48	0.00
GNMA	2001 A-E RMRB	4.95		01/20/34	118,105.56	123,079.65			(27,565.12) (119,553.86)		242,658.50	257,642.78	643.99	0.00
GNMA	2001 A-E RMRB	4.95		01/20/34	362,212.36	376,552.65					50,030.05	54.065.14	1.018.73	0.00
GNMA	2001 A-E RMRB	5.45		12/20/33	50,258.08	53,274.44			(228.03) (228.46)		49,330.28	53,308.93	1,004.26	0.00
GNMA	2001 A-E RMRB	5.45		11/20/33	49,558.74	52,533.13 52,533.13			(254.93)		49,425.17	53,412.01	1,004.58	0.00
GNMA	2001 A-E RMRB	5.45		11/20/33	49,680.10	52,662.36 53,622.58			(227.83)		50,420.86	54,423,43	1,028.68	0.00
GNMA	2001 A-E RMRB	5.45		02/20/34	50,648.69 123,362.55	128,564.00			(599.61)		122,762.94	130,658.34	2,693.95	0.00
GNMA	2001 A-E RMRB	4.95		02/20/34	123,362.55 97,229.27	128,564.00			(470.87)		96,758.40	102,739.59	2,125,48	0.00
GNMA	2001 A-E RMRB	4.95		02/20/34	97,229.27	96,873.54			(472.82)		90,929,11	98,250.81	1,850.09	0.00
GNMA	2001 A-E RMR8	5.49		04/20/34 03/01/32	91,401.93 271,345.24	284,892.59			(1,622.60)		269,722.64	288,970.17	5,700.18	0.00
FNMA	2001 A-E RMRB	5.45		03/01/32	271,345.24 81,493.14	84,333.59			(2,569.50)		78,923.64	83,248.30	1,484,21	0.00
FNMA	2001 A-E RMRB	4.95		06/01/32	79,472.12	82,243.37			(1,191.51)		78,280.61	82,571.28	1,519.42	0.00
FNMA	2001 A-E RMRB	4.95			222,031.84	229,777.48			(85,087.95)		136,943.89	144,451.87	(237.66)	0.00
FNMA	2001 A-E RMRB	4.95	01122102	00/01/32	222,001.84	223,111.40			(00,001,00)		.50,0 10,00	,	,,,,,,,,	

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value 4,808.28	Gain 0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	228,301.85	239,716.31			(1,195.90)		227,105.95 82,558.02	243,328.69 87,087.07	1,630.47	0.00
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	83,012.34	85,910.92			(454.32) (1,152.35)		214,445.77	229,776.16	4,539.50	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	215,598.12 209,545.91	226,389.01 216,885.35			(1,760.67)		207,785.24	219,206.59	4,081.91	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03 09/18/03	09/01/32 01/01/33	52,837.07	55,471.19			(511.03)		52,326.04	56,023.85	1,063.69	0.00
FNMA	2001 A-E RMRB	5.45 5.45	04/08/04	01/01/32	24,051.29	25,258.38			(192.90)		23,858.39	25,567.22	501.74	0.00
FNMA	2001 A-E RMRB 2001 A-E RMRB	0.16	11/30/09	12/01/09	496.08	496.08	0.04		(,		496.12	496.12	-	0.00
Repo Agmt Repo Agmt	2001 A-E RMRB	0.16	11/30/09	12/01/09	183.83	183.83	0.00				183.83	183.83	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,670.81	4,955.13			(22.40)		4,648.41	5,027.22	94.49	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,308.15	11,996.53			(54.90)		11,253.25	12,170.33	228.70	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	19,504.53	20,692.14			(107.84)		19,396.69	20,977.72	393.42	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	10,663.65	11,058.49			(59.12)		10,604.53	11,230.39	231.02	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	47,831.85	49,603.48			(253.14)		47,578.71	50,387.36 46,636.47	1,037.02 871.40	0.00 0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	43,413.08	46,057.23			(292.16)		43,120.92 9,006.65	46,636.47 9,538.31	195.89	0.00
GNMA	2001 A-E RMR8	4.80	04/17/03	03/20/33	9,066.14	9,401.91			(59.49) (56.51)		10,697.74	11,329.35	233.18	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	10,754.25	11,152.68 7,147.25			(32.54)		6,704.31	7,250.99	136.28	0.00
GNMA	2001 A-E RMRB	5.49 4.80	04/29/03 04/29/03	04/20/33 03/20/33	6,736.85 9,177.96	9,517.96			(50.99)		9,126.97	9,665.80	198.83 .	0.00
GNMA	2001 A-E RMRB	4.80 5.49	05/08/03	05/20/33	26,853.36	28,489.53			(129.34)		26,724.02	28,903.40	543.21	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	5.49	05/15/03	05/20/33	14,500.58	15,384.14			(69.16)		14,431,42	15,608.38	293.40	0.00
GNMA GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	13,493.00	13,993.11			(76.76)		13,416.24	14,208.57	292.22	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	35,863.58	38,049.09			(192.89)		35,670.69	38,580.02	723.82	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	25,009.10	25,936.18			(131.75)		24,877.35	26,346.68	542.25	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	5,708.31	6,056.22			(28.96)		5,679.35	6,142.62	115.36	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	19,062.37	19,769.23			(100.52)		18,961.85	20,082.03	413.32	0.00 0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	10,825.55	11,485.39			(51.19)		10,774.36	11,653.27 9,165.00	219.07 188.61	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	8,700.30	9,022.96			(46.57)		8,653.73 5,517.87	9,165.00 5,968.06	112.19	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	5,543.93	5,881.93			(26.06) (52.02)		9,980.15	10,569.95	217.57	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,032.17	10,404.40 13,206.87			(63.29)		12,384.71	13,395.12	251.54	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03 06/19/03	06/20/33 06/20/33	12,448.00 6,392.77	6,629.93			(33.77)		6,359.00	6,734.75	138.59	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	4.80 5.49	06/26/03	06/20/33	4,867.89	5,164.72			(23.21)		4,844.68	5,240.00	98.49	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	5.49	07/03/03	06/20/33	14,203.78	15,069.86			(106.23)		14,097.55	15,247.87	284.24	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	14,739.25	15,638.11			(69.49)		14,669.76	15,866.91	298.29	0.00
GNMA	2001 A-E RMRB	4.80		06/20/33	13,652.61	14,159.39			(71.28)		13,581.33	14,384.19	296.08	0.00
GNMA	2001 A-E RMRB	4.80		06/20/33	49,239.30	51,067.16			(337.42)		48,901.88	51,792.79	1,063.05	0.00
GNMA	2001 A-E RMRB	5.49		07/20/33	37,200.54	39,469.72			(264.88)		36,935.66	39,950.38	745.54	0.00 0.00
GNMA	2001 A-E RMRB	4.80		07/20/33	37,524.63	38,918.02			(199.70)		37,324.93	39,531.87 7,102.00	813.55 133.53	0.00
GNMA	2001 A-E RMRB	5.49		07/20/33	6,596.76	6,999.21			(30.74)		6,566.02 26,048.37	28,174,79	527.08	0.00
GNMA	2001 A-E RMRB	5.49		07/20/33	26,214.16	27,813.50			(165.79) (53.97)		10,346.16	10,957.95	225.54	0.00
GNMA	2001 A-E RMRB	4.80		06/20/33 08/20/33	10,400.13 15,578.14	10,786.38 16,528.73			(73.25)		15,504.89	16,770.77	315.29	0.00
GNMA	2001 A-E RMRB	5.49 4.80		07/20/33	30,272.37	31,396.98			(157.13)		30,115.24	31,896.42	656.57	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	5.49		08/20/33	6,026.49	6,394.30			(28.99)		5,997.50	6,487.23	121.92	0.00
gnma gnma	2001 A-E RMRB	4.80		08/20/33	12,265.76	12,721.61			(65.92)		12,199.84	12,921.58	265.89	0.00
GNMA	2001 A-E RMRB	5.49		08/20/33	5,102.70	5,414.15			(27.53)		5,075.17	5,489.60	102.98	0.00
GNMA	2001 A-E RMRB	5.49		09/20/33	32,081.62	34,040.30			(157.91)		31,923.71	34,531.15	648.76	0.00
GNMA	2001 A-E RMRB	4.80		09/20/33	32,505.60	33,714.36			(167.91)		32,337.69	34,251.51	705.06	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	7,148.10	7,413.89			(36.40)		7,111.70	7,532.58	155.09	0.00
GNMA	2001 A-E RMRB	5.49		09/20/33	41,551.87	44,089.12			(199.89)		41,351.98	44,729.86	840.63	0.00 0.00
GNMA	2001 A-E RMRB	4.80		09/20/33	33,016 <b>.2</b> 6	34,244.30			(174.54)		32,841.72	34,785.65	715.89 192.64	0.00
GNMA	2001 A-E RMRB	5.49		09/20/33	9,516.24	10,097.45			(44.30)		9,471.94 22,150.88	10,245.79 23,918,95	450.84	0.00
GNMA	2001 A-E RMRB	5.49		10/20/33	22,256.08	23,573.31			(105.20)		164,568.05	173,900.80	3,590.45	0.00
GNMA	2001 A-E RMRB	4.80		10/20/33	165,467.99	171,210.29 10,923,08			(899.94) (47.80)		10,264.82	11,084.25	208,97	0.00
GNMA	2001 A-E RMRB	5.49		10/20/33	10,312.62 100,083.29	10,923.08			(525.89)		99,557.40	105,454.24	2,170.39	0.00
GNMA	2001 A-E RMRB	4.80 5.49		10/20/33 11/20/33	4,987,16	5,291.95			(30.01)		4,957.15	5,362.34	100.40	0.00
GNMA	2001 A-E RMRB	5.48 4.80		11/20/33	146,064.89	151,137.02			(809.55)		145,255.34	153,496.08	3,168.61	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.60 5.49		10/20/33	5,985.83	6,351.65			(66.87)		5,918.96	6,402.75	117.97	0.00
GNMA GNMA	2001 A-E RMRB	4.80		11/20/33	50,387.91	52,264.83			(267.40)		50,120.51	53,089.99	1,092.56	0.00
GINING	POOL USE LANGE	4.00			,									

						100								
Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	56,273.23	58,228.25			(364.92)		55,908.31	59,081.09	1,217.76	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	4,818.05	5,112.51			(22.30)		4,795.75	5,187.76	97.55	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	41,798.30	43,250.62			(289.61)		41,508.69	43,864.47	903.46	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	10,029.05	10,641.98			(54.19)		9,974.86	10,790.20	202.41	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,402.86	5,733.20			(24.87)		5,377.99	5,817.73	109.40	0.00
GNMA	2001 A-E RMRB	`4.80	12/18/03	12/20/33	40,438.93	41,946.14			(219.61)		40,219.32	42,603.10	876.57	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	5,898.38	6,259.05			(26.89)		5,871.49	6,351.61	119.45	0.00 0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	5,369.25	5,555.85			(26.82)		5,342.43	5,645.67 26,154.57	116.64 488.47	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	24,401.19	25,859.73			(193.63)		24,207.56 37,110.62	40,025.38	734.19	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	37,670.01	39,850.58			(559.39)		36,640.80	38,790.01	797.94	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	36,831,57 5,733,32	38,182.84 6,076.11			(190.77) (31.00)		5,702.32	6,161.04	115.93	0.00
GNMA	2001 A-E RMRB	5.49 4.80	01/29/04 01/29/04	01/20/34 11/20/33	8,032.20	8,331.79			(41.63)		7,990.57	8,464,39	174.23	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	01/20/33	19,613.80	20,284.45			(112.48)		19,501.32	20,596.74	424.77	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	41.689.90	44,183.06			(192.33)		41,497.57	44,836.43	845.70	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	4,80	02/26/04	02/20/34	25,831.34	26,715.04			(145.07)		25,686.27	27,129.57	559.60	0.00
GNMA GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	20,986.46	22,201.97			(97.18)		20,889.28	22,530.67	425.88	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	24,453,10	25,290.09			(121.85)		24,331.25	25,698.86	530,62	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	55,214.07	58,517.51			(268.48)		54,945.59	59,367.99	1,118.96	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	27,699.10	29,304.15			(123.08)		27,576.02	29,743.59	562.52	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	7,501.06	7,950.68			(36.43)		7,464.63	8,066.29	152.04	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,391.66	9,714.06			(46.40)		9,345.26	9,871.50	203.84	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	27,763.52	37,381.31			(5,979.21)		21,784.31	29,820.29	(1,581.81)	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	29,830.21	30,927.19			(148.24)		29,681.97	31,425.61	646.66	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	18,273.28	19,367.26			(90.14)		18,183.14	19,647.34	370.22	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	21,547.87	22,286.28			(122.93)		21,424.94	22,630.07	466.72	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,226.55	10,838.81			(47.35)		10,179.20	10,998.92	207.46	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	16,838.50	17,457.92			(84.80)		16,753.70	17,738.07	364.95	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	6,742.11	7,145.80			(29.65)		6,712.46	7,253.03	136.88	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	10,575.19	10,964.26			(51.66)		10,523.53	11,141.88	229.28	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	18,069.63	19,151.98			(86.97)		17,982.66	19,431.31	366.30	0.00 0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,377.22	6,759.26		*	(27.81)		6,349.41 13.194.50	6,860.95 14,257,79	129.50 269.03	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,253.52	14,047.78			(59.02) (69.83)		15,511.65	16,733.31	316.43	0.00
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	15,581.48	16,486.71 15,083.32			(60.79)		14,168.73	15,311.62	289.09	0.00
GNMA	2001 A-E RMRB	5.49 5.49	09/09/04 09/16/04	09/20/34 09/20/34	14,229.52 16,441.74	17,428.32			(70.17)		16,371.57	17,692.18	334.03	0.00
GNMA	2001 A-E RMRB	5.49 4.80	09/29/04	09/20/34	13,338,80	13,831.26			(63.45)		13,275.35	14,057.18	289.37	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	5.49	09/29/04	09/20/34	16,106.72	17,073.40			(6,925.12)		9,181.60	9.922.34	(225.94)	0.00
GNMA GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	11,869.47	12,581.94			(51.76)		11,817.71	12,771.22	241.04	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,124.75	13,609.41			(63.77)		13,060.98	13,830.27	284.63	0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,431.05	12,116.17			(50.76)		11,380.29	12,297.47	232.06	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,113.36	11,779,69			(48.12)		11,065,24	11,957.29	225.72	0.00
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,329.49	6,708.98			(27.25)		6,302.24	6,810.30	128.57	0.00
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	25,246.19	26,760.21			(113.05)		25,133.14	27,159.63	512.47	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	21,015.88	22,276.44			(144.32)		20,871.56	22,554.68	422.56	0.00
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	12,953.44	13,730.43			(55.80)		12,897.64	13,937.75	263.12	0.00
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	36,375.45	38,560.84			(160.21)		36,215.24	39,139.29	738.66	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	24,705.32	25,618.93			(118.29)		24,587.03	26,036.56	535.92	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,097.47	3,211.81			(18.16)		3,079.31	3,260.66	67.01	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	9,478.16	9,804.51			(87.04)		9,391.12	9,920.93	203.46	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,237.40	15,092.28			(61.32)		14,176.08	15,320.19	289.23	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	23,410.31	24,817.37			(98.17)		23,312.14	25,194.98	475.78	0.00
GNMA	2001 A-E RMRB	4.80		12/20/34	14,380.47	14,912.65			(66.76)		14,313.71	15,157.98	312.09	0.00
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	10,748.35	11,384.79			(44.49)		10,703.86	11,559.06	218.76	0.00
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	11,699.41	12,402.74			(50.14)		11,649.27	12,590.30	237.70	0.00 0.00
GNMA	2001 A-E RMRB	5.49		01/20/35	40,380.85	42,695.47			(167.64)		40,213.21	43,350.37	822.54	0.00
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,404.85	12,091.00			(47.66)		11,357.19	12,275.17	231.83 128.75	0.00
GNMA	2001 A-E RMRB	5.49		03/20/35	6,329.07	6,704.43			(27.13)		6,301.94 7,818.06	6,806.05 8,443.98	128.75	0.00
GNMA	2001 A-E RMRB	5.49		06/20/35	7,850.72	8,316.85			(32.66) (38.57)		7,818.06 8,270.68	8,443.98 8,598.97	181.72	0.00
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,309.25	8,455.82			(30.57)		0,210.00	0,030.97	101.12	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	33,309.19	33,815.62			(189.21)		33,119.98	34,353.97	727.56	0.00
GNMA	2001 A-E RMR8	5.49	09/08/05	08/20/35	13,620.11	14,403.72			(57.62)		13,562.49	14,623.50	277.40	0.00
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	25,422.78	26,885.64			(103.47)		25,319.31	27,300.27	518.10	0.00
GNMA	2001 A-E RMR8	5.49	08/04/05	08/20/35	33,711.91	35,714.72			(137.17)		33,574.74	36,263.96	686.41	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	12,774.66	12,998.76			(59.70)		12,714.96	13,218.41	279.35	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	21,118.98	22,375.01			(83.76)		21,035.22	22,721.44	430.19	0.00
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	23,849.29	25,269.19			(4,818.59)		19,030.70	20,557.44	106.84	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	25,810.72	27,346.63			(102.06)		25,708.66	27,770.39	525.82	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	23,974.94	24,086.97			(132.52)		23,842.42	24,475.86	521.41	0.00
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	21,595.54	21,972.86			(97.72)		21,497.82	22,347.47	472.33	0.00
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	18,823.16	19,943.91			(73.76)		18,749.40	20,253.67	383.52	0.00
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,134.74	8,607.02			(31.24)		8,103.50	8,742.36	166.58	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	27,375.05	28,773.24			(133.70)		27,241.35	29,200.30	560.76	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,196.38	8,422.54			(43.48)		8,152.90	8,555.02	175.96	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	6,048.42	6,357.94			(27.94)		6,020.48	6,454.02	124.02	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	30,460.35	31,302.52			(416.22)		30,044.13	31,527.71	641.41 222.86	0.00 0.00
FNMA	2001 A-E RMRB	4.80	02/26/04 04/08/04	01/01/34 06/01/33	10,308.87	10,586,35 7,621,53			(76.73) (42.49)		10,232.14 7,207.90	10,732.48 7,727.06	148.02	0.00
FNMA	2001 A-E RMRB	5.49 5.49	09/01/04	08/01/33	7,250.39 26,329.66	27,771.66			(116.85)		26,212.81	28,208.22	553.41	0.00
FNMA FNMA	2001 A-E RMRB 2001 A-E RMRB	4.80	11/10/04	10/01/34	6,566.58	6.744.07			(31.34)		6,535.24	6,855.57	142.84	0.00
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,140.61	4,345.78			(17.59)		4,123.02	4,416.40	88.21	0.00
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,008.16	8,077.31			(62.80)		7,945.36	8,182.13	167.62	0.00
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	26,168.81	27,466.99			(121.18)		26,047.63	27,902.61	556.80	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	7,660.76	7,725.24			(35,77)		7,624,99	7,850.49	161,02	0.00
1 141144	2001 A-E RMRB Total			,	41,468,734.04	43,590,888.66	2,317,697.44	0,00	(1,796,575.69)	0.00	41,989,855.79	44,740,302.48	628,292.07	0.00
					,	,			<b>,</b> ,		,			
Repo Agmt	2002 RMRB	0.16	11/30/09	12/01/09	0.15	0.15	0.00				0.15	0.15	-	0.00
Repo Agmt	2002 RMRB	0.16	11/30/09	12/01/09	222,669.61	222,669.61	3,997.70				226,667.31	226,667,31	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	504,893.37	504,893.37	744,878.48				1,249,771.85	1,249,771.85	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	10.12	10.12	0.00				10.12	10.12	-	0.00
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	38,180.63	40,504.82			(183.05)		37,997.58	41,094.14	772.37	0.00
GNMA	2002 RMRB	5.49	03/20/03	02/20/33	92,436.50	98,063.42			(448.76)		91,987.74	99,484.14	1,869.48	0.00
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	159,436.04	169,144.06			(881.43)		158,554.61	171,478.42	3,215.79	0.00
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	87,168.12	90,395.63			(483.37)		86,684.75	91,800.81	1,888.55	0.00
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	390,992.70	405,474.39			(2,069.27)		388,923.43 352.484.04	411,882.06 381,221.08	8,476.94 7,123.02	0.00 0.00
GNMA GNMA	2002 RMRB 2002 RMRB	5.49 4.80	04/17/03 04/17/03	04/20/33 03/20/33	354,872.15 74,109.43	376,486,17 76,854.21			(2,388.11) (486.24)		73,623.19	77,969.16	1,601.19	0.00
GNMA	2002 RMRB	4.80	04/17/03	04/20/33	87,908.61	91,165.50			(461.98)		87,446.63	92,609.64	1,906.12	0.00
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	55,069.31	58,423.90			(265.94)		54,803.37	59,271.86	1,113.90	0.00
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	75,023,50	77,802.79			(416.83)		74,606.67	79,011,27	1,625,31	0.00
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	219,507.84	232,882.29			(1,057.18)		218,450.66	236,265.40	4,440.29	0.00
GNMA	2002 RMRB	5,49	05/15/03	05/20/33	118,532.27	125,754.84			(565.31)		117,966.96	127,587.84	2,398.31	0.00
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	110,296.06	114,384.07			(627.50)		109,668.56	116,145.32	2,388.75	0.00
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	293,160.40	311,025.21			(1,576.83)		291,583.57	315,365.14	5,916.76	0.00
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	204,432.23	212,010.42			(1,077.03)		203,355.20	215,365.99	4,432.60	0.00
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	46,661.77	49,505.48			(236.67)		46,425.10	50,211.74	942.93	0.00
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	155,822.08	161,599.95			(821.68)		155,000.40	164,156.85	3,378.58	0.00
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	88,491.28	93,885.15			(418.36)		88,072.92	95,257.50	1,790.71	0.00
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	71,118.80	73,756.57			(380.66)		70,738.14	74,917.61	1,541.70	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	45,317.89	48,080.75			(213.10)		45,104.79	48,784.80	917.15	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	82,006.28	85,048.84			(425.25)		81,581.03	86,402.13	1,778.54	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	101,753.55	107,957.14			(517.32)		101,236.23	109,495.97	2,056.15	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	52,256.26	54,195.11			(276.18)		51,980.08	55,051.97	1,133.04	0.00
GNMA	2002 RMRB	5,49	06/26/03	06/20/33	39,791.91	42,218.07			(189.74)		39,602.17	42,833.44	805.11	0.00
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	116,105.97	123,185.78			(868.36)		115,237.61	124,640.92	2,323.50 2,438.28	0.00 0.00
GNMA	2002 RMRB	5.49	07/10/03 07/10/03	06/20/33 06/20/33	120,483.44	127,830.82 115,743.29			(568.00) (582.60)		119,915.44 111,018.34	129,701.10 117,580.87	2,438.28 2,420.18	0.00
GNMA	2002 RMRB 2002 RMRB	4.80 4.80	07/10/03	06/20/33	111,600.94 402,497.09	417,438.96			(2,758.25)		399,738,84	423,370.47	2,420.18 8,689.76	0.00
GNMA GNMA	2002 RMRB	4.60 5.49	07/17/03	07/20/33	304,088.82	322,637.82			(2,165.27)		301,923.55	326,566.90	6,094.35	0.00
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	306,737.90	318,128.07			(1,632.42)		305,105.48	323,145.84	6,650.19	0.00
GITINA	EVOL IMPRIME		G1/2 <del>4</del> /U3	07720700	00,101,00	010,120.01			(1,002,72)		000,100.70	U.U. 170.04	0,000.10	0.00

			Current	Current	Current	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
investment			Interest	Purchase Date	Maturity Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Type	****	Issue	Rate 5.49	07/30/03	07/20/33	53,924,23	57,213.72	,		(251.25)		53,672.98	58,054.03	1,091.56	0.00
GNMA	2002 RMRB 2002 RMRB		5,49	08/07/03	07/20/33	214,282.97	227,356.23			(1,355.17)		212,927.80	230,309.53	4,308.47	0.00
GNMA	2002 RMRB		4.80	08/07/03	06/20/33	85,013.97	88,171.28			(441.22)		84,572.75	89,573.77	1,843.71	0.00
GNMA	2002 RMRB		5.49	08/14/03	08/20/33	127,340.53	135,111.02			(598.73)		126,741.80	137,089.54	2,577.25	0.00
GNMA GNMA	2002 RMRB		4.80	08/14/03	07/20/33	247,455.97	256,648.71			(1,284.36)		246,171.61	260,731.26	5,366.91	0.00 0.00
GNMA	2002 RMRB		5.49	08/21/03	08/20/33	49,262.75	52,269.06			(237.01)		49,025.74	53,028.66	996.61 2,173.50	0.00
GNMA	2002 RMRB		4.80	08/28/03	08/20/33	100,264.04	103,990.42			(538.81)		99,725.23 41,485.99	105,625.11 44,873,70	841,79	0.00
GNMA	2002 RMRB		5.49	09/04/03	08/20/33	41,711.07	44,256.99			(225.08)		260,954,48	282,268.41	5,303.01	0.00
GNMA	2002 RMRB		5.49	09/18/03	09/20/33	262,245.19	278,256.11			(1,290.71)		264,338.36	279,982.61	5,763.39	0.00
GNMA	2002 RMRB		4.80	09/18/03	09/20/33	265,710.89	275,591.75			(1,372.53) (297.48)		58,133.17	61,573.66	1,267.63	0.00
GNMA	2002 RMRB		4.80	09/18/03	09/20/33	58,430.65	60,603.51 360,398.26			(1,633.99)		338,024.19	365,635.83	6,871.56	0.00
GNMA	2002 RMRB		5.49	09/29/03	09/20/33	339,658.18 269,885.18	279,923.59			(1,426.80)		268,458.38	284,348.81	5,852.02	0.00
GNMA	2002 RMRB		4.80	09/29/03	09/20/33 09/20/33	77,788.81	82,539.72			(362.13)		77,426.68	83,752.33	1,574.74	0.00
GNMA	2002 RMRB		5.49	10/16/03 10/30/03	10/20/33	181,928.10	192,695.59			(859.94)		181,068.16	195,521.01	3,685.36	0.00
GNMA	2002 RMRB		5.49 4.80	10/30/03	10/20/33	1,352,586.90	1,399,526.34			(7,356.34)		1,345,230.56	1,421,519.45	29,349.45	0.00
GNMA	2002 RMRB		5,49	11/13/03	10/20/33	84,298.49	89,288.65			(390.79)		83,907.70	90,606.15	1,708.29	0.00
GNMA	2002 RMRB		4.80	11/13/03	10/20/33	818,111.89	848,573,20			(4,298.83)		813,813.06	862,015.86	17,741.49	0.00
GNMA GNMA	2002 RMRB 2002 RMRB		5.49	11/20/03	11/20/33	40,766.76	43,258.15			(245.36)		40,521.40	43,833.54	820.75	0.00
GNMA	2002 RMRB		4.80	11/20/03	11/20/33	1,193,979.78	1,235,441.14			(6,617.55)		1,187,362.23	1,254,724.85	25,901.26	0.00 0.00
GNMA	2002 RMRB		5.49	11/26/03	10/20/33	48,930.21	51,920.43			(546.69)		48,383.52	52,338.18 433.974.21	964.44 8,930.95	0.00
GNMA	2002 RMRB		4.80	11/26/03	11/20/33	411,886.52	427,229.05			(2,185.79)		409,700.73 457,012.25	482,947.27	9,954.29	0.00
GNMA	2002 RMRB		4.80	12/04/03	12/20/33	459,995.19	475,975.92			(2,982.94)		39,201.71	42,406.43	797.38	0.00
GNMA	2002 RMRB		5.49	12/04/03	11/20/33	39,384.02	41,791.36			(182.31) (2,367.40)		339,304.90	358,561.87	7,385.18	0.00
GNMA	2002 RMRB		4.80	12/11/03	12/20/33	341,672.30	353,544.09			(443.00)		81,537.49	88,202.54	1,654.62	0.00
GNMA	2002 RMRB		5.49	12/11/03	09/20/33	81,980.49	86,990.92 46,864.94			(203.32)		43,961.43	47,555.91	894.29	0.00
GNMA	2002 RMRB		5.49		12/20/33 12/20/33	44,164.75 330,560.46	342,880.91			(1,795.09)		328,765.37	348,251.08	7,165.26	0.00
GNMA	2002 RMRB		4.80 5.49		12/20/33	48,215.38	51,163.45			(219.86)		47,995.52	51,920.07	976.48	0.00
GNMA	2002 RMRB		4.80		12/20/33	43,889,80	45,415.26			(219.27)		43,670.53	46,149.48	953.49	0.00
GNMA	2002 RMRB		5.49		01/20/34	199,462.57	211,385.57			(1,582.76)		197,879.81	213,795.62	3,992.81	0.00
GNMA	2002 RMRB 2002 RMRB		5.49		01/20/34	307,926,46	325,751.08			(4,572.60)		303,353.86	327,179.98	6,001.50	0.00
GNMA GNMA	2002 RMRB		4.80		01/20/34	301,072.81	312,118.52			(1,559.43)		299,513.38	317,081.71	6,522.62 947.65	0.00 0.00
GNMA	2002 RMRB		5.49		01/20/34	46,866.03	49,668.04			(253.40)		46,612.63	50,362.29 69,190.60	1,424.20	0.00
GNMA	2002 RMRB		4.80	01/29/04	11/20/33	65,657.82	68,106.69			(340.29)		65,317.53 159,409.54	168,364.22	3,472.24	0.00
GNMA	2002 RMRB		4.80		01/20/34	160,328.99	165,811.43			(919.45) (1,572.14)		339,213.93	366,507.07	6,913.02	0.00
GNMA	2002 RMRB		5.49		02/20/34	340,786.07	361,166.19			(1,185.87)		209,967.57	221,765.58	4,574.38	0.00
GNMA	2002 RMRB		4.80		02/20/34	211,153.44	218,377.07			(794.37)		170,755.46	184,172.72	3,481.28	0.00
GNMA	2002 RMRB		5.49		02/20/34	171,549.83 199,887.78	181,485.81 206,729.10			(996.10)		198,891.68	210,070.49	4,337.49	0.00
GNMA	2002 RMRB		4.80		03/20/34 03/20/34	451,336.93	478,340.40			(2,194.58)		449,142.35	485,292.53	9,146.71	0.00
GNMA	2002 RMRB		5.49 5.49		03/20/34	226,421.17	239,541.27			(1,006.12)		225,415.05	243,133.37	4,598.22	0.00
GNMA	2002 RMRB		5.49		07/20/34	61,315.85	64,991.40			(297.78)		61,018.07	65,936.36	1,242.74	0.00
GNMA	2002 RMRB 2002 RMRB		4.80		06/20/34		79,405.78			(379.20)		76,390.96	80,692.78	1,666.20	0.00
GNMA GNMA	2002 RMRB		5.49		04/20/34	226,947.73	305,566.49			(48,875.97)		178,071.76	243,760.37	(12,930.15)	0.00 0.00
GNMA	2002 RMRB		4.80		04/20/34	243,841.86	252,808.49			(1,211.79)		242,630.07	256,882.77	5,286.07 3,026.37	0.00
GNMA	2002 RMRB		5.49		04/20/34	149,371.56	158,314.06			(736.89)		148,634.67	160,603.54 184,985.30	3,815.12	0.00
GNMA	2002 RMRB		4.80		04/20/34		182,175.00			(1,004.82)		175,134.32 83,207.87	89,908.66	1,695.73	0.00
GNMA	2002 RMRB		5.49		04/20/34	83,594.83	88,599.89			(386.96) (693.23)		136,950.27	144,996.55	2,983.22	0.00
GNMA	2002 RMRB		4.80		04/20/34		142,706.56			(242.39)		54,869,51	59,288.52	1,118.93	0.00
GNMA	2002 RMRB		5.49		04/20/34		58,411.98			(422.37)		86,022.72	91,077.29	1,874.34	0.00
GNMA	2002 RMRB		4.80				89,625.32 156,554.36			(710.86)		146,995.76	158,837.63	2,994.13	0.00
GNMA	2002 RMRB		5.49				55,252.32			(227.36)		51,902.11	56,083.58	1,058.62	0.00
GNMA	2002 RMRB		5.49			•	114,830.96			(482.59)		107,855.94	116,547.67	2,199.30	0.00
GNMA	2002 RMRB		5.49 5.49				134,767.58			(570.76)		126,797.10	136,783.35	2,586.53	0.00
GNMA	2002 RMRB		5.4				123,295.81			(496.93)		115,820.25	125,161.96	2,363.08	0.00
GNMA	2002 RMRB		5.4				142,464.52			(573.60)		133,825.81	144,621.44	2,730.52	0.00
GNMA	2002 RMRB 2002 RMRB		4.8				113,061.11			(518.59)		108,516.81	114,907.84	2,365.32	0.00
GNMA GNMA	2002 RMRB		5.4				139,563.40			(56,608.14)	+	75,053.04	81,108.34	(1,846.92)	0.00
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I		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Investment Type	Issue		Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2002 RMRB	5.49		09/20/34	97,024.79	102,848,75			(423.15)		96,601,64	104.395.99	1.970.39	0.00
GNMA	2002 RMRB	4.80	10/07/04	09/20/34	107,285.79	111,247.57			(521.21)		106,764.58	113,052.99	2,326.63	0.00
GNMA	2002 RMRB	5.49	07/15/04	04/20/34	93,441.11	99,041.39			(414.96)		93,026.15	100,523.41	1,896.98	0.00
GNMA	2002 RMRB	5,49	07/22/04	07/20/34	90,844.41	96,290.88			(393.32)		90,451.09	97,742.66	1,845.10	0.00
GNMA	2002 RMRB	5.49	07/29/04	07/20/34	51,739.02	54,841.28			(222.70)		51,516.32	55,669.53	1,050.95	0.00
GNMA	2002 RMRB	5.49		08/20/34	206,370.29	218,746.29			(924.07)		205,446.22	222,011.30	4,189.08	0.00
GNMA	2002 RMRB	5.49		08/20/34	171,790.29	182,094.59			(1,179.67)		170,610.62	184,368.99	3,454.07	0.00
GNMA	2002 RMRB	5.49 5.49	08/26/04 12/02/04	08/20/34 11/20/34	105,885.06 297,344.19	112,236.84			(456.15)		105,428.91 296,034.60	113,931.52 319.936.73	2,150.83 6.037.99	0.00 0.00
GNMA	2002 RMRB 2002 RMRB	5.49 4.80		11/20/34	201.949.18	315,208.33 209.417.13			(1,309.59) (966.90)		200,982.28	212,830.96	4,380.73	0.00
GNMA GNMA	2002 RMRB	4.80		09/20/34	25,319.25	26,254.40			(148.36)		25,170.89	26,653.65	547.61	0.00
GNMA	2002 RMRB	4.80		09/20/34	77,477.47	80,145.22			(711,47)		76,766.00	81,096.88	1.663.13	0.00
GNMA	2002 RMRB	5,49		10/20/34	116,380.69	123,369.02			(501,15)		115,879,54	125,232.01	2,364,14	0.00
GNMA	2002 RMRB	5.49	12/29/04	12/20/34	191,362.92	202,864.94			(802.47)		190,560.45	205,951.68	3,889.21	0.00
GNMA	2002 RMRB	4.80	12/29/04	12/20/34	117,550.65	121,900.66			(545.61)		117,005.04	123,906.05	2,551.00	0.00
GNMA	2002 RMRB	5.49		01/20/35	87,860.76	93,062.89			(363.69)		87,497.07	94,487.38	1,788.18	0.00
GNMA	2002 RMRB	5.49		12/20/34	95,634.57	101,383.89			(409.81)		95,224.76	102,917.05	1,942.97	0.00
GNMA	2002 RMRB	5.49		01/20/35	330,085.51	349,006.12		•	(1,370.38)		328,715.13	354,359.47	6,723.73	0.00
GNMA	2002 RMRB 2002 RMRB	5.49 5.49		12/20/34 03/20/35	93,226.88 51,735.52	98,835.63 54,804.18			(389.49) (221.75)		92,837.39 51,513.77	100,341.06 55,634.84	1,894.92 1,052.41	0.00 0.00
GNMA GNMA	2002 RMRB 2002 RMRB	5.49		06/20/35	64,174.03	67,984.58			(266.96)		63,907.07	69,023.76	1,306.14	0.00
GNMA	2002 RMRB	4.80		06/20/35	67,922.77	69,120.51			(315.31)		67,607.46	70,290.69	1,485.49	0.00
GNMA	2002 RMRB	4.80		04/20/35	272,279.93	276,419.49			(1,546.65)		270,733.28	280,820.13	5,947.29	0.00
GNMA	2002 RMRB	5.49		08/20/35	111,335.30	117,740.58			(471.03)		110,864.27	119,537.08	2,267.53	0.00
GNMA	2002 RMRB	5.49	09/15/05	09/20/35	207,813.81	219,771.62			(845.82)		206,967.99	223,160.91	4,235.11	0.00
GNMA	2002 RMRB	5.49		08/20/35	275,572.02	291,943.36			(1,121.27)		274,450.75	296,433.00	5,610.91	0.00
GNMA	2002 RMRB	5.49		09/20/35	229,797.53	243,017.62			(1,206.89)		228,590.64	246,472.57	4,661.84	0.00
GNMA	2002 RMRB	4.80		09/20/35	104,632.83	106,255.93			(474.92)		104,157.91	108,051.42	2,270.41	0.00
GNMA	2002 RMRB	5.49		10/20/35	172,633.15	182,900.31			(684.70)		171,948.45	185,732.19	3,516.58	0.00
GNMA	2002 RMRB	5.49 5.49		12/20/35 11/20/35	194,951.48 210,984.82	206,558.31 223,539.91			(39,388.71) (834.22)		155,562.77 210,150.60	168,043.00 227,003.81	873.40 4,298.12	0.00 0.00
GNMA GNMA	2002 RMRB 2002 RMRB	4.80		10/20/35	193,506.84	196,894.41			(1,046.68)		192,460.16	200,073.32	4,225.59	0.00
GNMA	2002 RMRB	4.80		12/20/35	176,528.41	179,613.09			(798.72)		175,729.69	182,675.28	3,860.91	0.00
GNMA	2002 RMRB	5.49		11/20/35	153,866.34	163,027.72			(602.93)		153,263.41	165,559.83	3,135.04	0.00
GNMA	2002 RMRB	5.49		01/20/36	280,407.22	296,686.96			(1,076.88)		279,330.34	301,352.23	5,742.15	0.00
GNMA	2002 RMRB	5.49	03/09/06	03/20/36	137,142.52	145,112.04			(741.55)		136,400.97	147,162.05	2,791.56	0.00
GNMA	2002 RMRB	5.49		03/20/36	150,024.74	158,742.02			(574.23)		149,450.51	161,240.26	3,072.47	0.00
GNMA	2002 RMRB	5.49		02/20/36	280,448.72	296,741.64			(5,246.07)		275,202.65	296,909.91	5,414.34	0.00
GNMA	2002 RMRB	5.49		03/20/36	233,533.82	247,106.19			(83,724.57)		149,809.25	161,629.08	(1,752.54)	0.00
GNMA .	2002 RMRB	. 5.49		03/20/36	240,085.63	253,586.27			(962.82)		239,122.81 289,528.07	257,538.82 312,377,90	4,915.37 5,944,87	0.00 0.00
GNMA FNMA	2002 RMRB 2002 RMRB	5.49 5.49		04/20/36 04/01/33	290,775.01 223,772.12	307,679.97 235,201.47			(1,246.94) (1,092.90)		209,528.07	238,692.35	5,944.67 4,583.78	0.00
FNMA	2002 RMRB	4.80		07/01/33	66,999,63	68.848.54			(355.48)		66,644.15	69,931.48	1,438.42	0.00
FNMA	2002 RMRB	5.49		11/01/33	49,442,14	51,971.78			(228.42)		49,213.72	52,757.19	1,013.83	0.00
FNMA	2002 RMRB	4.80		11/01/33	248,992.10	255,876,62			(3,402.28)		245,589,82	257,717.36	5,243.02	0.00
FNMA	2002 RMRB	4.80		01/01/34	84,267.89	86,536.14			(627.30)		83,640.59	87,730.66	1,821.82	0.00
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	59,266.41	62,300.85			(347.31)		58,919.10	63,163,44	1,209.90	0.00
FNMA	2002 RMRB	5.49		08/01/34	215,226.97	227,014.23			(955.13)		214,271.84	230,582.83	4,523.73	0.00
FNMA	2002 RMRB	4.80		10/01/34	53,677.04	55,128.16			(256.17)		53,420.87	56,039.61	1,167.62	0.00
FNMA	2002 RMRB	5.49		05/01/35	33,846.62	35,523.84			(143.82)		33,702.80	36,101.10	721.08	0.00
FNMA	2002 RMRB	4.80		04/01/35	65,461.14	66,026.52			(513.29)		64,947.85	66,883.36	1,370.13	0.00
FNMA	2002 RMRB 2002 RMRB	5.49 4.80		10/01/35 10/01/35	213,911.88 62,621,46	224,523.76 63,148.52			(990.44) (292.42)		212,921.44 62,329.04	228,084.70 64,172.42	4,551.38 1,316.32	0.00 0.00
FNMA FNMA	2002 RMRB 2002 RMRB	4.80 5.49		03/01/36	134,324,40	140,788.23			(514.38)		133,810,02	143,164,70	2,890.85	0.00
Repo Agmt	2002 RMRB	0.16		12/01/09	6,099.10	6,099.10	1.67		(517.36)		6,100.77	6.100.77	2,000.00	0.00
· who want	2002 RMRB Total	0.10	,00,00	.20.,00	25,931,979.83	27,187,953.03	748,877.85	0.00	(363,862.89)	0.00	26,316,994.79	28,068,848.45	495,880.46	0.00
Money Market	2009 AB RMRB				3,117,473.07	3,117,473.07		(3,117,473.07)					-	0.00
Repo Agmt	2009 AB RMRB	0.16	11/30/09	12/01/09			3,047,318.44				3,047,318.44	3,047,318.44	-	0.00
Money Market	2009 AB RMRB				250,755.45	250,755.45		(250,755.45)					-	0.00

lavantunant		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Investment Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Repo Agmt	2009 AB RMRB	0.16	11/30/09	12/01/09	17,435.91	17,435.91	1,515,865.17				1,533,301.08	1,533,301.08	-	0.00
Money Market	2009 AB RMRB	0110	11,740,40	120,000	2,800,000.00	2,800,000.00	.,,	(2,800,000.00)					-	0.00
Repo Agmt	2009 AB RMRB	0.16	11/30/09	12/01/09			2,800,975.68	• • • • • • • • • • • • • • • • • • • •			2,800,975.68	2,800,975.68	-	0.00
GNMA	2009 AB RMRB	8.18	08/01/90	06/20/20	156,320.38	175,917.19			(3,030.65)		153,289.73	173,434.65	548.11	0.00
GNMA	2009 AB RMRB	7.18	08/01/90	06/20/20	60,539.66	66,512.24			(1,376.25)		59,163.41	66,022.87	886.88	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	174,725.67	196,632.84			(3,363.52)		171,362.15	193,884.92	615.60	0.00
GNMA	2009 AB RMRB	8.18	07/02/90	05/20/20	10,489.25	11,804.07			(1,156.31)		9,332.94	10,559.32	(88.44)	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	09/20/20	149,759.95	168,541.57			(3,348.15)		146,411.80	165,659.85	466.43	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	08/20/20	110,452.78	124,302.54			(2,919.24)		107,533.54	121,668.17	284.87 279.58	0.00 0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	93,535.41	105,262.94			(2,180.60)		91,354.81 68,866.65	103,361.92 77,919.47	295.30	0.00
GNMA	2009 AB RMRB	8.18 8.18	11/01/90 11/01/90	08/20/20 09/20/20	69,836.06 62,952.57	78,593.58 70,847.58			(969.41) (1,540.75)		61,411.82	69,485.33	178.50	0.00
GNMA	2009 AB RMRB 2009 AB RMRB	7.18	11/01/90	09/20/20	75,631.39	83,096.35			(1,183.31)		74,448.08	83,083.08	1,170.04	0.00
GNMA GNMA	2009 AB RMRB	8,18	12/03/90	10/20/20	8.309.12	9,351,38			(429.92)		7,879.20	8.915.23	(6.23)	0.00
GNMA	2009 AB RMRB	8.75	12/28/89	09/20/18	787,907.17	871,064.73			(16,688.09)		771,219.08	866,851.70	12,475.06	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	10/20/18	82,452,37	91,155.10			(1,759,89)		80,692,48	90,699.08	1,303.87	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	09/20/18	83,654.37	92,483.15			(1,723.07)		81,931.30	92,090.61	1,330.53	0.00
GNMA	2009 AB RMRB	8.75	01/01/90	11/20/18	185,131.96	204,675.36			(4,302.25)		180,829.71	203,257.22	2,884.11	0.00
GNMA	2009 AB RMRB	8.75	01/01/90	12/20/18	18,358.47	20,296.66			(823.42)		17,535.05	19,710.01	236.77	0.00
GNMA	2009 AB RMRB	8.75	02/27/90	01/20/19	91,174.37	101,241,35			(1,971.50)		89,202.87	100,479.09	1,209.24	0.00
GNMA	2009 AB RMRB	8.75	05/29/90	04/20/19	114,903.88	127,596.33			(1,955.10)		112,948.78	127,232.23	1,591.00	0.00
GNMA	2009 AB RMRB	8.75	06/28/90	05/20/19	42,766.29	47,491.05			(745.16)		42,021.13	47,335.78	589.89	0.00 0.00
GNMA	2009 AB RMRB	7.18	02/01/91 02/25/91	11/20/20	93,324.78	102,539.61 67,752.61			(2,876.19) (941.57)		90,448.59 59,258.71	100,942.89 67,051.65	1,279.47 240.61	0.00
GNMA	2009 AB RMRB 2009 AB RMRB	8.18 7.18	02/25/91	11/20/20 02/20/21	60,200.28 60,124.99	66,225.94			(894.92)		59,230.07	66,357.83	1,026.81	0.00
GNMA GNMA	2009 AB RMRB	8.75	09/28/90	08/20/19	58,286.21	64,728.35			(8,962.22)		49,323.99	55,564.72	(201.41)	0.00
GNMA	2009 AB RMRB	8.75	10/23/90	09/20/19	35,410.99	39,325.38			(571.50)		34,839.49	39,248.11	494.23	0.00
GNMA	2009 AB RMRB	8.75	11/28/90	09/20/19	84,753.28	94,122.55			(1,037.48)		83,715,80	94,309,78	1,224.71	0.00
GNMA	2009 AB RMRB	8.75	12/21/90	09/20/19	45,615.33	50,658.28			(793.12)		44,822.21	50,494.55	629.39	0.00
GNMA	2009 AB RIMRB	8.75	01/25/91	12/20/19	73,307.22	81,414.29			(884.46)		72,422.76	81,590.78	1,060.95	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	02/20/20	37,538.78	42,469.92			(1,481.83)		36,056.95	40,757.71	(230.38)	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	12/20/19	49,868.23	55,383.73			(756.49)		49,111,74	55,329.36	702.12	0.00
GNMA	2009 AB RMRB	8.18	05/02/91	03/20/21	136,897.23	154,638.25			(2,417.60)		134,479.63	152,822.50	601.85	0.00
GNMA	2009 AB RMRB	6.10	07/28/00	07/20/30	1,274,221.16	1,366,258.17		•	(96,668.76)		1,177,552.40	1,275,642.52	6,053.11	0.00 0.00
FNMA	2009 AB RMRB	6.10	04/28/00 04/20/00	04/01/30 04/20/30	116,521.45 743,431.56	124,335.38 797,129.62		•	(741.21) (74,364.38)		115,780.24 669,067,18	125,767,44 724,800,47	2,173.27 2,035.23	0.00
GNMA GNMA	2009 AB RMRB 2009 AB RMRB	6.10 6.10	04/27/00	04/20/30	779,253.40	835,538.84			(7,321.71)		771,931.69	836,233.54	8,016.41	0.00
GNMA	2009 AB RMRB	6.10	06/26/00	06/20/30	1,077,910.42	1,155,767.89			(7,851.91)		1,070,058.51	1,159,194.34	11,278.36	0.00
GNMA	2009 AB RMRB	6.10	05/30/00	03/20/30	1,618,147.73	1,735,026.58			(124,375.92)		1,493,771.81	1,618,203.03	7,552.37	0.00
FNMA	2009 AB RMRB	6.10	05/30/00	05/01/30	199,682,42	213,073.12			(2,325.99)		197,356.43	214,380.38	3,633.25	0.00
FNMA	2009 AB RMRB	6.10	06/26/00	06/01/30	88,056.59	93,961.66			(907.95)		87,148.64	94,666.08	1,612.37	0.00
GNMA	2009 AB RMRB	6.10	09/14/00	08/20/30	2,254,592.82	2,417,442.08			(308,890.08)		1,945,702.74	2,107,779.78	(77 <u>2.22</u> )	0.00
GNMA	2009 AB RMRB	6.10	10/19/00	09/20/30	721,718.56	773,848.33			(13,720.94)		707,997.62	766,973.85	6,846.46	0.00
GNMA	2009 AB RMRB	6.10		10/20/30	306,641.73	328,790.47			(63,922.95)		242,718.78	262,937.25	(1,930.27)	0.00
GNMA	2009 AB RMRB	6.10		10/20/30	245,611.53	263,352.04			(1,595.68)		244,015.85	264,342.35	2,585.99	0.00 0.00
GNMA	2009 AB RMRB	6.10		10/20/30	194,177.75	208,203.18			(58,821.32)		135,356.43 97,317.72	146,631.59 105,424.28	(2,750,27) 1,000,34	0.00
GNMA	2009 AB RMRB	6.10 6.10		12/20/30 12/20/30	98,383.23 52,892,81	105,489.45 56,713.26			(1,065.51) (477.86)		52,414.95	56,781.11	545.71	0.00
GNMA GNMA	2009 AB RMRB 2009 AB RMRB	6.10		11/20/30	437,783.43	469,404.50			(3,397.75)		434,385.68	470,569.97	4,563.22	0.00
GNMA	2009 AB RMRB	6.10		12/20/30	230,419.62	247,062.83			(2,194.08)		228,225.54	247,236,72	2,367,97	0.00
GNMA	2009 AB RMRB	6.10		01/20/31	59,144.29	63,387.28			(342.12)		58,802.17	63,670.96	625.80	0.00
GNMA	2009 AB RMRB	6.10		03/20/31	192,380.65	206,182.03			(1,173.46)		191,207.19	207,039.14	2,030.57	0.00
GNMA	2009 AB RMRB	6.10	03/29/01	03/20/31	100,734.15	107,960.82			(545.82)		100,188.33	108,483.92	1,068.92	0.00
GNMA	2009 AB RMRB	6.10		04/20/31	485,812.56	520,664.76			(48,716.74)		437,095.82	473,287.36	1,339.34	0.00
FNMA	2009 AB RMRB	6.10		08/01/30	710,057.16	757,673.62			(6,191.24)		703,865.92	764,581.40	13,099.02	0.00
FNMA	2009 AB RMRB	6.10		10/01/30	97,338.37	103,865.87			(1,714.81)		95,623.56	103,872.03	1,720.97	. 0.00
GNMA	2009 AB RMRB	6.10		05/20/31	249,152.15	267,026.31			(1,542.94)		247,609.21	268,111.24 210,116.53	2,627.87 2,004.47	0.00 0.00
GNMA	2009 AB RMRB	6.10 6.10		04/20/31 06/20/31	196,024.54 418,540.97	210,087.34 448,567.10			(1,975.28) (3,152.51)		194,049.26 415,388.46	210,116.53 449,782.62	4,368.03	0.00
GNMA GNMA	2009 AB RMRB 2009 AB RMRB	6.10		08/20/31	426,587.21	457,190.60			(2,342.08)		424,245.13	459,372.63	4,524.11	0.00
GRIVIA	SANS COUNTY	0.10	50/5/101	00/20/01	700,001.21	-01,100.00			(-,0-2.00)		1,2 10110	,	.,	

											Ending	Ending	Change	
		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Investment	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Type FNMA	2009 AB RMRB	6.10	12/27/00	11/01/30	134,106.20	143,099.35		•	(1,323.18)		132,783.02	144,236.86	2,460.69	0.00
FNMA	2009 AB RMRB	6.10	01/12/01	12/01/30	38,064.99	40,617.63			(883.78)		37,181.21	40,388.45	654.60	0.00
FNMA	2009 AB RMRB	6.10	02/05/01	01/01/31	235,706.70	251,513.19			(2,157.82)		233,548.88 49,817.00	253,694.80 53,941.84	4,339.43 513.61	0.00 0.00
GNMA	2009 AB RMRB	6.10	12/27/01	10/20/31	50,337.75	53,948.98 245,520,76		~	(520.75) (2,179.73)		226,906,42	245,694.24	2,353.21	0.00
GNMA	2009 AB RMRB	6.10 6.10	09/20/01 10/17/01	08/20/31 09/20/31	229,086.15 103,257.01	245,520.76 110.664.67			(543,79)		102,713.22	111,217.87	1,096.99	0.00
GNMA GNMA	2009 AB RMRB 2009 AB RMRB	6.10	10/30/01	05/20/31	39.652.72	42,497,41			(272.11)		39,380.61	42,641.32	416.02	0.00
FNMA	2009 AB RMRB	6.10	03/15/01	02/01/31	222,361.60	237,273.17			(1,715.47)		220,646.13	239,679.06	4,121.36	0.00
GNMA	2009 AB RMRB	6.10	02/25/02	02/20/32	723,967.09	774,427.59			(4,449.31)		719,517.78	777,201.50	7,223.22	0.00
GNMA	2009 AB RMRB	6.10	05/24/02	05/20/32	226,792.89	242,600.36			(1,240.09)		225,552.80	243,635.36	2,275.09	0.00
GNMA	2009 AB RMRB	6.10	03/21/02	03/20/32	315,658.14	337,659.56	•		(2,119.81)		313,538.33 549,675.47	338,674.73 593,742.88	3,134.98 5,532.13	0.00
GNMA	2009 AB RMRB	6.10	04/17/02	03/20/32	552,874.23	591,409.51 414,680.43			(3,198.76) (2,024.15)		385,636.34	416,552.79	3,896.51	0.00
GNMA	2009 AB RMRB	6.10 6.10	04/29/02 06/03/02	04/20/32 05/20/32	387,660.49 297,270,49	317,990,24			(1,433.03)		295,837.46	319,554.74	2,997.53	0.00
GNMA	2009 AB RMRB	6.10	06/19/02	03/20/32	202.028.34	216,109.71			(969.56)		201,058.78	217,177.66	2,037.51	0.00
GNMA GNMA	2009 AB RMRB 2009 AB RMRB	6.10	06/28/02	06/20/32	58,076.39	62,124.32			(278.16)		57,798.23	62,431.91	585.75	0.00
GNMA	2009 AB RMRB	6.10		01/20/33	102,969.82	109,602.11			(465.41)		102,504.41	110,201.46	1,064.76	0.00
FNMA	2009 AB RMRB	6.10	10/17/01	09/01/31	75,034.18	80,018.70			(488.32)		74,545.86	80,929.96	1,399.58	0.00
FNMA	2009 AB RMRB	6.10	01/28/02	11/01/31	194,969.82	207,921.67			(1,033.61)		193,936.21	210,544.90	3,656.84	0.00
FNMA	2009 AB RMRB	6.10	04/17/02	02/01/32	33,632.38	35,854.13		(75 700 400 00)	(164.46)		33,467.92	36,296.29	606.62	0.00 0.00
Money Market	2009 AB RMRS				75,796,466. <b>22</b>	75,796,466.22	046 504 07	(75,796,466.22)			216,531,37	233,537.08	17,005,71	0.00
GNMA	2009 AB RMRB	5.75		09/20/39 11/20/39			216,531.37 1,376,510.98				1,376,510.98	1,484,655.42	108,144.44	0.00
GNMA	2009 AB RMRB 2009 AB RMRB	5.75 5.75		09/20/39			135,338.94				135,338.94	145,971.73	10,632.79	0.00
GNMA Book Asmt	2009 AB RIMRB	0.16		12/01/09			74,094,268.00				74,094,268.00	74,094,268.00	-	0.00
Repo Agmt Repo Agmt	2009 AB RMRB	0.16		12/01/09	733,402.30	733,402.30		(700,322.37)			33,079.93	33,079.93		0.00
140ho x dine	2009 AB RMRB Total	•			103,428,487.03	105,031,194.49	83,186,808.58	(82,665,017.11)	(936,886.27)	0.00	103,013,392.23	104,923,548.92	307,449.23	0.00
	• • • • • • • • • • • • • • • • •	0.16	11/30/09	12/01/09			568.69				568.69	568.69		0.00
Repo Agmt	1999 B-D RMRB 1999 B-D RMRB	0.16		12/01/09	2,123,425.00	2,123,425.00	0.00				2,123,425.00	2,123,425.00	-	0.00
Repo Agmt	1999 B-D RMRB Total	Ų.1 <del>0</del>	1 1/30/03	1201103	2,123,425.00	2,123,425.00	568.69	0.00	0.00	0.00	2,123,993.69	2,123,993.69	0.00	0.00
	1999 2-0 10/1102 1002				• •									
Repo Agmt	2000 A RMRB	0.16		12/01/09	36,957.09	36,957.09	9.78				36,966.87	36,966.87 10,287.84	•	0.00 0.00
Repo Agmt	2000 A RMRB	0.16		12/01/09	166,028.48	166,028.48	950 964 94	(155,740.64)			10,287.84 1,695,180.51	1,695,180.51	-	0.00
GIC's	2000 A RMRB	6.51		07/01/31 07/01/31	844,919.50 323.871.38	844,919.50 323,871.38	850,261.01 0.00				323,871.38	323,871,38	_	0.00
GIC's	2000 A RMRB	6.51 6.45		07/01/31	273,355.78	295,308.92	0.00		(74,755.04)		198,600.74	216,937.48	(3,616.40)	0.00
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45		08/20/30	1,690,980.18	1,826,782.74			(11,621.57)		1,679,358.61	1,834,413.76	19,252.59	0.00
GNMA	2000 A RMRB	6.45		09/20/30	150.071.41	162,123.60			(799.23)		149,272.18	163,054.45	1,730.08	0.00
GNMA	2000 A RMRB	6.45		10/20/30	413,474.39	446,680.48			(2,609.14)		410,865.25	448,800.39	4,729.05	0.00
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	405,617.72	438,192.86			(2,629.17)		402,988.55	440,196.45	4,632.76	0.00
FNMA	2000 A RMR8	6.45		06/01/30	50,600.92	54,590.29			(360.06)		50,240.86	54,800.21	569.98	0.00 0.00
GNMA	2000 A RMRB	6.45		12/20/30	156,081.49	168,616.36			(831.36)		155,250.13 105,042.53	169,584.35 114,669.64	1,799.35 1,142.43	0.00
GNMA	2000 A RMRB	6.45		01/20/31	106,431.41	114,916.09			(1,388.88) (55,017.09)		560,246.21	611,973.74	2,315.74	0.00
GNMA	2000 A RMRB	6.45		11/20/30 11/20/30	615,263.30 305,421.78	664,675.09 329,950,21			(66,171.95)		239,249.83	261,339,77	(2,438.49)	0.00
GNMA	2000 A RMRB	6.45 6.45		11/20/30	285,475.01	308,401.48			(2,332.21)		283,142.80	309,285.34	3,216.07	0.00
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45		01/20/31	209,702.34	226,419.82			(85,840.52)		123,861.82	135,213.77	(5,365.53)	0.00
GNMA	2000 A RMRB	6.45		02/20/31	230,970.03	249,382.95			(1,705.15)		229,264.88	250,276.98	2,599.18	0.00
GNMA	2000 A RMRB	6.45		06/20/31	311,779.22	336,634.27			(1,702.48)		310,076.74	338,495.28	3,563.49	0.00
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	93,531.74	100,988.08			(993.98)		92,537.76	101,018.84	1,024.74	0.00
GNMA	2000 A RMRB	6.45		04/20/31	176,950.36	191,056.88			(915.58)		176,034.78	192,168.42	2,027.12	0.00 0.00
FNMA	2000 A RMRB	6.45		08/01/30	329,640.85	355,629.71		•	(2,168.50)		327,472.35 27,225.60	357,190.45 29,696.32	3,729.24 312.61	0.00
FNMA	2000 A RMRB	6.45		09/01/30	27,373.40	29,531.51			(147.80) (404.73)		64,966.43	70,862.13	741.84	0.00
FNMA	2000 A RMRB	6.45 6.45		10/01/30 05/30/31	65,371.16 394,035.04	70,525.02 425,447.71			(2.133.95)		391,901.09	427,819.02	4,505.26	0.00
GNMA	2000 A RMRB 2000 A RMRB	6.45		03/20/31	202,408,31	218,544.29			(1,251.08)		201,157.23	219,593,28	2,300.07	0.00
GNMA GNMA	2000 A RMRB 2000 A RMRB	6,45		06/20/31	121,715.92	131,419.11			(1,193.13)		120,522.79	131,568.70	1,342.72	0.00
GNMA GNMA	2000 A RMRB	6.45		07/20/31	126,403.58	136,480.47			(627.47)		125,776.11	137,303.48	1,450.48	0.00
GNMA	2000 A RMRB	6.45		08/20/31	98,077.41	105,896.11			(504.15)		97,573.26	106,515.81	1,123.85	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	196,963.28	212,491.86			(1,184.78)		195,778.50	213,545.40	2,238.32	0.00
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	79,032.82	85,263.76			(666.15)		78,366.67	85,478.44	880.83	0.00
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	382,755.92	413,269.13			(2,210.88)		380,545.04	415,421.90	4,363.65	0.00
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	147,828.97	159,613.87			(3,172.16)		144,656.81	157,914.57	1,472.86	0.00
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	<b>413,743.18</b>	446,726.79			(2,214.53)		411,528.65	449,245.24	4,732.98	0.00
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	85,733.81	92,568.49			(1,188.60)		84,545.21	92,293.75	913.86	0.00
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	463,214.74	500,142.20			(2,947.35)		460,267.39	502,450.87	5,256.02	0.00
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	253,041.59	273,214.03			(3,255.57)		249,786.02	272,678.88	2,720.42	0.00
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	251,010.83	271,021.43			(2,548.16)		248,462.67	271,234.28	2,761.01	0.00
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	187,876.47	202,854.00			(1,177.54)		186,698.93	203,809.91	2,133.45	0.00
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	104,601.49	112,848.27			(563.04)		104,038.45	113,479.93	1,194.70	0.00
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	537,778.30	578,891.44			(4,040.18)		533,738.12	580,493.56	5,642.30 517.88	0.00
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	45,049.84	48,641.21			(213.42)		44,836.42	48,945.67	7,987.70	0.00
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,128,368.71	1,214,632.47			(52,438.41)		1,075,930.30	1,170,181.76 42,413.15	447.55	0.00
FNMA	2000 A RMRB	6.45	07/12/01	06/01/31	39,104.33	42,163.06			(197.46)		38,906.87 85,206.61	92,670.70	919.70	0.00
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	85,603.62	92,148.01			(397.01)		197,015.05	214,273.56	2,092.25	0.00
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	198,381.48	213,547.74			(1,366.43)		370,483.56	402,937.95	3,987.59	0.00
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	372,357.96	400,824.76			(1,874.40) (40,502.49)		230,702.60	250,912.10	(524.09)	0.00
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	271,205.09	291,938.68			(420.53)		87,602.15	95,276.09	944.61	0.00
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	88,022.68	94,752.01 68,474.85			(308.26)		63,303.48	68,848.86	682.27	0.00
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32 08/20/32	63,611.74	66,037.46			(275.48)		61,071.97	66,421.87	659.89	0.00
GNMA	2000 A RMRB	6.45	08/29/02 06/03/02	08/20/32	61,347,45 56,939,02	61,292.00			(806.21)		56,132.81	61,050.04	564.25	0.00
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	33,279.55	35,823.77			(33,279.55)		30, 132.01	01,000.04	(2,544.22)	0.00
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	58,604.96	63,085.30			(267.22)		58,337.74	63,448,12	630.04	0.00
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	126,423.40	136,088,46			(562.47)		125,860.93	136,886.34	1,360.35	0.00
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	70,596,79	75,993.91			(312.00)		70,284.79	76,441.73	759.82	0.00
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	37,163.89	40,005.06			(283.09)		36,880.80	40,111.55	389.58	0.00
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	63,879.59	68,763,18			(278.45)		63,601.14	69,172.59	687.86	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	74,713.88	79,872.12			(349.03)		74,364.85	80,424.84	901.75	0.00
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45	01/23/03	01/20/33	49,636.64	53,063,55			(233.70)		49,402.94	53,428.78	598.93	0.00
FNMA	2000 A RMRB 2000 A RMRB	6.45	09/28/01	09/01/31	148,325.85	159,927.89			(1,002.67)		147,323.18	160,599.94	1,674.72	0.00
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	153,129.84	165,107.65			(765.28)		152,364,56	166,095.65	1,753.28	0.00
FNMA	2000 A RMRB	6.45		11/01/31	73,100.57	78,818.49			(956.57)		72,144.00	78,645.61	783.69	0.00
FNMA	2000 A RMRB	6.45		03/01/32	113,429,43	122,234.95			(601.41)		112,828.02	122,918.22	1,284.68	0.00
Repo Agmt	2000 A RMRB	0.16	11/30/09	12/01/09	401.93	401.93	0.00		, ,		401.93	401.93	-	0.00
repo Agiin	2000 A RMRB Total	••			14,728,768.84	15,782,514.28	850,270.79	(155,740.64)	(480,964.70)	0.00	14,942,334.29	16,109,638.44	113,558.71	0.00
								, ,						
Repo Agmt	2003A RMRB	0.16	11/30/09	12/01/09	14.83	14.83	0.00				14.83	14.83	-	0.00
Repo Agmt	2003A RMRB	0.16	11/30/09	12/01/09	1,159,131.12	1,159,131.12	1,910,821.74				3,069,952.86	3,069,952.86	-	0.00
Repo Agmt	2003A RMRB	0.16	11/30/09	12/01/09	0.77	0.77	0.00				0.77	0.77	•	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	8,615,422.16	8,756,141.18			(49,618.00)		8,565,804.16	8,884,676.12	178,152.94	0.00
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,609,526.20	1,635,821.82			(8,741.07)		1,600,785.13	1,660,381.24	33,300.49	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	995,647.27	1,012,007.48			(5,973.85)		989,673.42	1,026,614.49	20,580.86	0.00
GNMA	2003A RMRB	5.49		06/20/34	160,090.49	169,685.99			(726.76)		159,363.73	172,208.00	3,248.77	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	169,404.29	172,717.33			(952.01)		168,452.28	175,244.36	3,479.04	0.00
GNMA	2003A RMRB	5.49	07/08/04	07/20/34	82,833.32	87,641.63			(415.30)		82,418.02	88,904.94	1,678.61	0.00
GNMA	2003A RMRB	4.49		04/20/34	1,296,333.02	1,321,577.44			(9,410.24)		1,286,922.78	1,338,702.78	26,535.58	0.00
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	935,725.83	953,952.72			(5,664.24)		930,061.59	967,487.99	19,199.51	0.00
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	59,963.57	63,553.12			(274.25)		59,689.32	64,495.50	1,216.63	0.00
GNMA	2003A RMRB	4.49		04/20/34	1,006,953.45	1,026,572.93			(5,384.46)		1,001,568.99	1,041,878.14	20,689.67	0.00
GNMA	2003A RMRB	4.49		04/20/34	1,014,393.31	1,030,992.94			(5,354.87)		1,009,038.44	1,046,632.68	20,994.61	0.00
GNMA	2003A RMRB	5.49		04/20/34	57,531.59	60,976.17			(317.96)		57,213.63	61,821.09	1,162.88	0.00
GNMA	2003A RMRB	4.49		05/20/34	631,536.63	641,877.65			(3,272.54)		628,264.09	651,678.23	13,073.12	0.00
GNMA	2003A RMRB	4,49		05/20/34	409,320.60	416,025.06			(2,641.47)		406,679.13	421,837,36	8,453.77	0.00
GNMA	2003A RMRB	5.49		04/20/34	88,655.06	93,963.28			(758.95)		87,896.11	94,974.64	1,770.31	0.00
GNMA	2003A RMRB	4.49		05/20/34	1,059,320.38	1,076,676.96			(5,571.79)		1,053,748.59	1,093,031.81	21,926.64	0.00
GNMA	2003A RMRB	4.49		05/20/34	617,484.27	627,605.35			(117,257.54)		500,226.73	518,877.57	8,529.76	0.00
GNMA	2003A RMRB	4.49		06/20/34	898,613.13	913,351.27		,	(5,273.38)		893,339.75	926,656.97	18,579.08	0.00
GNMA	2003A RMR8	4.49	06/10/04	06/20/34	523,560.97	532,150.59			(2,803.40)		520,757.57	540,182.05	10,834.86	0.00

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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue -	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,121,946.83	1,140,359.38			(5,877.94)		1,116,068.89	1,157,704.52	23,223.08	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,206,156.47	1,225,957.16			(6,296.51)		1,199,859.96	1,244,627.73	24,967.08	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	897,570.17	951,359.07			(3,976.27)		893,593.90	965,605.33	18,222.53	0.00
	2003A RMRB	4.49	09/02/04	08/20/34	127,225.69	129,322.23			(653.50)		126,572,19	131,302,78	2,634.05	0.00
GNMA		5.49	09/09/04	09/20/34	75,579.62	80,114.63		•	(505.73)		75,073.89	81,129.63	1,520.73	0.00
GNMA	2003A RMRB	4,49	09/09/04	09/20/34	147,711,71	150,147.35			(748.55)		146,963.16	152,457.39	3,058.59	0,00
GNMA	2003A RMRB	5,49	09/16/04	09/20/34	161,807.73	171,517.56			(688.76)		161,118.97	174,116.29	3,287.49	0.00
GNMA	2003A RMRB		09/16/04	09/20/34	1,058,972.09	1,076,439.04			(96,912.78)		962,059.31	998,031.02	18,504.76	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	72,540.79	76,894.24			(312.91)		72,227.88	78,054,84	1,473.51	0.00
GNMA	2003A RMRB	5.49				190,545.94			(1,069.78)		185,808,70	193,313.46	3,837.30	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	186,878.48	431,526.13			(2,170.47)		422,349.15	438,145.35	8,789.69	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	424,519.62				(960.31)		192,499.71	207,665.74	3,921.42	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	193,460.02	204,704.63			(556.82)		130,356.76	140,874.65	2,659.72	0.00
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	130,913.58	138,771.75					310,776.83	322,403,38	6,465.43	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	312,515.69	317,676.81			(1,738.86)			54,580.84	1,030.27	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	50,729.40	53,770.34			(219.77)		50,509.63	348,601.69	6,993.82	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	337,761.77	343,313.52			(1,705.65)		336,056.12			0.00
GNMA	2003A RMR8	5.49	07/22/04	07/20/34	59,780.18	63,364.24			(257.54)		59,522.64	64,320.97	1,214.27	
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	432,341.98	439,450.56			(2,205.38)		430,136.60	446,196.62	8,951.44	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	526,210.92	536,510.12			(2,673.77)		523,537.15	544,654.64	10,818.29	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	201,026.11	213,079.50			(869.86)		200,156.25	216,292.64	4,083.00	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	223,520.84	227,897.98			(1,766.41)		221,754.43	230,701.49	4,569.92	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	104,193.46	110,441.49			(451.34)		103,742.12	112,106.39	2,116.24	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	362,536.04	369,637.33			(2,594.12)		359,941.92	374,466.65	7,423.44	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	81,832.01	86,739.56			(352.23)		81,479.78	88,049.58	1,662.25	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	365,085.04	372,238.51			(2,280.17)		362,804.87	377,447.03	7,488.69	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	201,449.08	213,532.35			(1,310.01)		200,139.07	216,278.65	4,056.31	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	133,469.49	135,679.45			(662.13)		132,807.36	137,781.68	2,764.36	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	133,711.72	135,926.92			(685.91)		133,025.81	138,009.57	2,768.56	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	110,764.51	117,420.91			(552.39)		110,212.12	119,112.56	2,244.04	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	281,061.57	285,720.81			(2,166.56)		278,895.01	289,346.61	5,792.36	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	323,733.77	329,080.48			(2,168.04)		321,565.73	333,596.24	6,683.80	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	38,981.06	41,321.13			(184.42)		38,796.64	41,927.22	790.51	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	177,296.57	187,941.55			(789.74)		176,506.83	190,751.25	3,599.44	0.00
GNMA	2003A RIMRB	4,49	10/21/04	10/20/34	183,723.01	187,333.27			(48,413.16)		135,309.85	140,778.52	1,858.41	0.00
GNMA	2003A RMRB	· 4,49	10/28/04	10/20/34	395,711.40	402,252.96			(156,995.59)		238,715.81	247,650.46	2,393.09	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	51,405.31	54,492.04			(234.41)		51,170.90	55,300.81	1,043.18	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	455,852.85	482,365.74			(5,950.99)		449,901.86	485,364.39	8,949.64	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	179,486.38	182,454.41			(884.58)		178,601.80	185,287.42	3,717.59	0.00
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	63,122.60	66,913.87			(269.14)		62,853.46	67,927.22	1,282.49	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	110,122.53	112,288.20			(573.06)		109,549.47	113,978.74	2,263.60	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	102,169.86	108,307.03			(436.49)		101,733.37	109,946.32	2,075.78	0.00
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	229,268.03	233,778.22			(1,135.09)		228,132.94	237,358.17	4,715.04	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	255,395.38	270,737.37			(1,219.21)		254,176.17	274,696.68	5,178.52	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	166,263.03	169,012.74			(978.91)		165.284.12	171,471.58	3,437.75	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	311,639.19	330,370.49			(1,387.81)		310,251.38	335,309.84	6,327.16	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	149,338.02	151,815.17			(841.52)		148,496.50	154,062.97	3,089.32	0.00
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	49,901.99	52,856.63			(214.67)		49,687.32	53,656.93	1,014.97	0.00
		4.49	03/30/05	01/20/35	165,737.34	168,198.25			(914.67)		164,822.67	170,892.39	3,608.81	0.00
GNMA	2003A RMRB	4.49 5.49	03/30/05	01/20/35	212,682.85	225,276.71			(926.29)		211,756.56	228,675.35	4,324.93	0.00
GNMA	2003A RMRB		01/19/05	01/20/35	102,327.90	104,163.56			(618.99)		101,708.91	105,755.40	2,210.83	0.00
GNMA	2003A RMRB	4.49									629,709.41	652,868.03	13,792.99	0.00
GNMA	2003A RMRB	4.49		01/20/35	632,847.27	642,212.90 129,058.74			(3,137.86) (535.98)		121,525.51	131,006.85	2,484.09	0.00
GNMA	2003A RMRB	5.49		01/20/35	122,061.49						596,971.31	620,731.20	12,955.27	0.00
GNMA	2003A RMRB	4.49		02/20/35	601,782.26	612,586.88			(4,810.95)			57,194.22	1,082.22	0.00
GNMA	2003A RMRB	5.49		01/20/35	53,183.29	56,334.03			(222.03)		52,961.26	57,194.22 107,845.54		0.00
GNMA	2003A RMRB	5.49		02/20/35	100,275.39	106,218.15			(413.65)		99,861.74	27,295.09	2,041.04	0.00
GNMA	2003A RMRB	4.49		01/20/35	26,377.22	26,851.57			(127.66)		26,249.56		571.18	
GNMA	2003A RMRB	5.49		03/20/35	114,010.45	120,768.31			(489.26)		113,521.19	122,598.16	2,319.11	0.00
GNMA	2003A RMRB	5.49		04/20/35	297,643.01	315,291.89			(1,317.81)		296,325.20	320,025.32	6,051.24	0.00
GNMA	2003A RMRB	5.49		04/20/35	215,307.98	228,077.06			(1,015.03)		214,292.95	231,434.46	4,372.43	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	59,256.82	60,324.88			(284.25)		58,972.57	61,323.87	1,283.24	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Iss		Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
GNMA	2003A RMRB	5.4		04/20/35	174,780.86	185,147.56			(733.45)		174,047.41	187,970.77	3,556.66	0.00
GNMA	2003A RMRB	5.4		05/20/35	153,663.25	162,779.71			(3,512.41)		150,150.84	162,164.83	2,897.53	0.00
GNMA	2003A RMRB	4.4		05/20/35	1,188,839.38	1,206,556.13			(6,353.54)		1,182,485.84	1,226,098.62	25,896.03	0.00
GNMA	2003A RMRB	5.4	9 07/07/05	07/20/35	544,534.50	576,870.05			(2,205.71)		542,328.79	585,752.17	11,087.83	0.00
GNMA	2003A RMRB	5.4	9 07/14/05	07/20/35	344,213.17	363,998.99			(1,374.58)		342,838.59	369,641.02	7,016.61	0.00
GNMA	2003A RMRB	4.4	9 05/26/05	04/20/35	120,896.94	123,079.11			(578.73)		120,318.21	125,118.70	2,618.32	0.00
GNMA	2003A RMRB	5.4		05/20/35	311,780.17	330,280.97			(1,370.95)		310,409.22	335,249.64	6,339.62	0.00
GNMA	2003A RMRB	5.4		05/20/35	271,621.68	287,742.70			(1,331.93)		270,289.75	291,922.57	5,511.80 5,463.75	0.00 0.00
GNMA	2003A RMRB	5.4		06/20/35	268,333.55	284,261.71			(1,086.49)		267,247.06 171,491.41	288,638.97 184,894.54	3,508.56	0.00
GNMA	2003A RMRB	5.4		06/20/35	172,199.38	182,093.95			(707.97)		264,216.38	285,387.86	5,400.42	0.00
GNMA	2003A RMRB	5.4		09/20/35 09/20/35	265,323.96 468,110.42	281,095.02 495,938.24			(1,107.58) (1,972.96)		466,137.46	503,491.26	9,525.98	0.00
GNMA	2003A RMRB	5.4		09/20/35	129,562,12	137,264.91			(524.72)		129,037.40	139,378.49	2,638.30	0.00
GNMA	2003A RMRB	5.4 4.4		07/20/35	82.742.82	84,241.41			(443.92)		82,298,90	85,587,66	1,790.17	0.00
GNMA	2003A RMRB 2003A RMRB	5.4			331,253.39	350,927.39			(2,191.75)		329,061.64	355,412.62	6,676.98	0.00
GNMA GNMA	2003A RMRB	5.4		07/20/35	219,327.76	232,355,62			(958.61)		218,369.15	235,857.41	4,460.40	0.00
GNMA	2003A RMRB	5.4			257,786.01	273,099.64			(1,292.00)		256,494.01	277,036.93	5,229.29	0.00
GNMA	2003A RMRB	5.4			249,274,20	264,084.58			(1,005.49)		248,268.71	268,155.28	5,076.19	0.00
GNMA	2003A RMRB	5.4		07/20/35	297,621.47	315,305.00			(1,201.38)		296,420.09	320,164.28	6,060.66	0.00
GNMA	2003A RMRB	5.4	19 08/30/05	08/20/35	817,932.81	866,542.57			(4,051.07)		813,881.74	879,087.73	16,596.23	0.00
GNMA	2003A RMRB	5.4	19 08/30/05	08/20/35	392,885.84	416,235.07			(94,986.92)		297,898.92	321,765.79	517.64	0.00
GNMA	2003A RMRB	5.4			253,810.76	268,908.85			(1,029.54)		252,781.22	273,047.70	5,168.39	0.00
GNMA	2003A RMRB	5.4			462,966.62	490,494.07			(1,865.26)		461,101.36	498,057.10	9,428.29	0.00
GNMA	2003A RMRB	5.4			401,526.11	425,402 <b>.5</b> 6			(1,583.56)		399,942.55	431,998.81	8,179.81	0.00 0.00
GNMA	2003A RMRB	5.4			313,757.90	332,418.30			(1,237.24)		312,520.66	337,572.94 339,356.98	6,391.88 6,423.44	0.00
GNMA	2003A RMRB	5.4			315,451.87	334,214.70			(1,281.16)		314,170.71 276,003.99	298,130.53	5,637.58	0.00
GNMA	2003A RMRB	5.4			277,222.41	293,711.37 156,333.34			(1,218.42) (594,40)		146,954.79	158,743.95	3,005.01	0.00
GNMA	2003A RMRB	5.4			147,549.19 197,351.07	209,091.04			(782.47)		196,568.60	212,328.72	4,020.15	0.00
GNMA	2003A RMRB	5.· 5.·			263,808.90	279,503.15			(62,121.78)		201,687.12	217,858.28	476.91	0.00
GNMA GNMA	2003A RMRB 2003A RMRB	5.			154,999.53	164,222.09			(605.55)		154,393.98	166,774.71	3,158.17	0.00
GNMA	2003A RMRB	5.			117,118.85	124.086.48			(466.17)		116,652.68	126,005.83	2,385.52	0.00
GNMA	2003A RMRB	5.			276,289.54	292,729.52			(122,332.01)		153,957.53	166,303.60	(4,093.91)	0.00
GNMA	2003A RMRB	5.			211,485.22	224,070.97			(866.95)		210,618.27	227,509.88	4,305.86	0.00
GNMA	2003A RMRB	5.	49 12/29/05	12/20/35	414,182.78	438,055.93			(1,637.06)		412,545.72	444,864.11	8,445.24	0.00
GNMA	2003A RMRB	5.	49 01/12/06		206,091.87	218,057.06			(890.47)		205,201.40	221,379.11	4,212.52	0.00
GNMA	2003A RMRB	5.			76,123.71	80,657.42			(293.48)		75,830.23	81,915.38	1,551.44	0.00
GNMA	2003A RMRB	5.			305,612.84	322,791.75			(1,218.49)		304,394.35	327,830.65	6,257.39 (3,000.30)	0.00 0.00
GNMA	2003A RMRB	5.			194,483.75	205,784.76			(89,264.12)		105,219.63 68,078,79	113,520.34 73,447. <del>6</del> 4	(6,194.85)	0.00
GNMA	2003A RMRB	5.			199,096.09	210,659.79			(131,017.30) (345.20)		89,768.66	96,849.09	1,845.47	0.00
GNMA	2003A RMRB	5.			90,113.86 352.056.52	95,348.82 372,513,72			(1,360.68)		350,695,84	378,362.02	7,208.98	0.00
GNMA	2003A RMRB	5.	49 03/09/06 49 03/30/06		330,384.76	349,589.71			(1,250.60)		329,134.16	355,106.52	6,767.41	0.00
GNMA	2003A RMRB 2003A RMRB		49 03/30/06 49 04/27/06		135,219.55	143,082.91			(527.84)		134,691.71	145,323.62	2,768.55	0.00
GNMA GNMA	2003A RMRB		49 04/27/06		116,309.92	117,887.83			(518.95)		115,790.97	119,718.48	2,349.60	0.00
FNMA	2003A RMRB		49 03/25/04		191,265.99	193,922.47			(1,001.72)		190,264.27	197,301.81	4,381.06	0.00
FNMA	2003A RMRB		49 07/29/04		294,665.63	298,775.32			(1,529.31)		293,136.32	303,996.01	6,750.00	0.00
FNMA	2003A RMRB		49 08/26/04		100,377.94	101,779.13			(632.71)		99,745.23	103,441.79	2,295.37	0.00
FNMA	2003A RMRB	5.	49 09/23/04	08/01/34	194,188.32	203,968.56			(854.97)		193,333.35	207,190.77	4,077.18	0.00
FNMA	2003A RMRB	4.	49 09/29/04	09/01/34	313,566.23	317,948.15			(1,587.67)		311,978.56	323,545.06	7,184.58	0.00
FNMA	2003A RMRB	4.	49 11/10/04		155,917.95	158,099.52			(800.31)		155,117.64	160,871.48	3,572.27	0.00
FNMA	2003A RMRB		49 03/29/05		217,326.59	220,112.03			(1,084.17)		216,242.42	223,877.16	4,849.30	0.00 0.00
FNMA	2003A RMRB		49 06/23/05		339,397.90	356,214.18			(1,425.30)		337,972.60	362,020.67	7,231.79 6,268.68	0.00
FNMA	2003A RMRB		49 08/18/05		298,114.93	312,892.35			(2,425.93)		295,689.00 178,122.32	316,735.10 190,802.54	6,268.68 3,812.48	0.00
FNMA	2003A RMRB		49 09/08/05		178,849.47	187,717.21			(727.15) (1,844.29)		250,824.54	190,602.5 <del>4</del> 268.684.09	5,327.96	0.00
FNMA	2003A RMRB		49 10/06/05		252,668.83 178,528.34	265,200.42 187,383.73			(1,192.88)		250,624.54 177,335.46	189,963.49	3,772.64	0.00
FNMA	2003A RMRB	5.	49 10/20/05	10/01/35	178,528.34 86,224.84	187,383.73 87,339.35			(86,224.84)		111	100,000,40	(1,114.51)	0.00
FNMA	2003A RMRB	£	49 12/29/05	12/01/35	299,459.18	314,322.48			(1,184.89)		298,274,29	319,523,98	6,386.39	0.00
FNMA FNMA	2003A RMRB 2003A RMRB		49 12/29/05 49 01/12/06		71,277.74	72,200.57			(326.79)		70,950.95	73,465.41	1,591.63	0.00
FINIMA	ZUUSA KIVIKD	4.	-U U I/ 12/00		11,211.17	, 2,200,01			(			• •		

investmen Type FNMA Repo Agmt	t Issue 2003A RMRB 2003A RMRB 2003A RMRB Total	Current Interest Rate 5.49 0.16	Current Purchase Date 02/02/06 11/30/09	Current Maturify Date 01/01/36 12/01/09	Beginning Carrying Value 08/31/09 109,903.21 4,120.64 53,223,190.15	Beginning Market Value 08/31/09 115,187.69 4,120.64 54,867,881.64	Accretions/ Purchases 1.08 1,910,822.82	Amortizations/ Sales	Maturities (425.74) (1,267,695.30)	Transfers	Ending Carrying Value 11/30/09 109,477,47 4,121,72 53,866,317.67	Ending Market Value 11/30/09 117,126,94 4,121,72 56,529,795,93	Change In Market Value 2,364.99 1,018,786.77	Recognized
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	256,493,54	279.908.42			(6,263.12)		250,230.42	274,958.89	1,313.59	0.00
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	455,941,99	497.578.67			(10,495.28)		445,446.71	489,481_24	2,397.85	0.00
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	54.516.70	60,270.07			(1,895.92)		52,620.78	59,145.49	771.34	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	478,179.92	525,459.27			(11,724.80)		466,455.12	516,245.63	2,511.16	0.00
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	33,237.14	37.349.45			(1,262.84)		31,974,30	36,557,51	470.90	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	244,879,80	267,249,98			(6,994.51)		237,885.29	261,408.92	1,153.45	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	103,508.27	114,435.10			(1,739.02)		101,769.25	114,391,28	1,695.20	0.00
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	145,956,27	159,291.26			(2,920.49)		143,035.78	157,181.69	810.92	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	28,712.14	31,335.69			(546.83)		28,165.31	30,951.08	162.22	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	52,177,86	57,940.57			(2,048.20)		50,129.66	56,468.08	575.71	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	200,702.88	219,589.49			(4,059.42)		196,643.46	216,787.32	1,257.25	0.00
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	16,143,65	17,926.23			(271.67)		15,871.98	17,878.46	223.90	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	160,294.57	175,382.81			(3,632.38)		156,662.19	172,714.52	964.09	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	112,337,44	124,744,50			(2,937.44)		109,400.00	123,232.83	1,425.77	0.00
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	303,016.01	331,543.15			(6,315.35)		296,700.66	327,106.69	1,878.89	0.00
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	14,659.22	16,278.58			(464.13)		14,195.09	15,990.27	175.82	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	30,411.67	33,276.58			(507.47)		29,904.20	32,970.59	201.48	0.00
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	21,819.82	23,875,74			(367.29)		21,452.53	23,652.68	144.23	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	24,724.99	27,055.86			(788.41)		23,936.58	26,392.68	125.23	0.00
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	107,038.84	121,098.91			(3,147.73)		103,891.11	117,434.82	(516.36)	0.00
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	19,888.43	21,763.70			(223.65)		19,664.78	21,682.94	142.89	0.00
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	21,272.64	22,294.38			(131.46)		21,141.18	22,583.23	420.31	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	138,881.86	145,060.71			(886.51)		137,995.35	146,960.90	2,786.70	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	141,827.29	148,244.97			(1,183.62)		140,643.67	150,251.03	3,189.68	0.00
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	60,249.52	62,891.46			(782.95)		59,466.57	63,380.65	1,272.14	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	37,394,36	39,210.22			(208.02)		37,186.34	39,750.33	748.13	0.00
Repo Agmt	1999 A RMRB	0.16	11/30/09	12/01/09	401,199.23	401,199.23	0.00				401,199.23	401,199.23	<b>-</b> _	0.00
	1999 A RMRB Total				3,665,466.05	3,962,255.00	0.00	0.00	(71,798.51)	0.00	3,593,667.54	3,916,758.98	26,302.49	0.00
	Total Residential Mortgage Revenu		350,133,429.54	363,814,358.43	93,830,415.14	(83,454,233.62)	(7,582,694.75)	0.00	352,926,916.31	370,576,940.45	3,969,095.25	0.00		

## Texas Department of Housing and Community Affairs Collateralized Home Mortgage Revenue Bonds Investment Summary For Period Ending November 30, 2009

Investment Type	issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change In Market Value	Recognized Gain
Repo Agmt	1992 A-C CHMRB	0.16	11/30/09	12/01/09	161,162.22	161,162.22		(120,861.95)			40,300.27	40,300.27	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	68,084.41	68,084.41	449,747.36				517,831.77	517,831.77	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	27,573.15	30,504.93			(307.19)		27,265.96	30,508.37	310.63	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	95,828.35	106,011.20			(1,220.61)		94,607.74	105,851.87	1,061.28	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	174,001.02	192,621.38			(3,265.95)		170,735.07	191,732.20	2,376.77	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	902,477.31	997,784.44			(22,839.10)		879,638.21	984,882.07	9,936.73	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	501,362.42	554,313.25			(7,810.15)		493,552.27	552,606.92	6,103.82	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	128,494.52	142,065.34			(4,459.93)		124,034.59	138,875.64	1,270.23	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	503,188.52	556,340.52			(7,549.82)		495,638.70	554,951.88	6,161.18	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	615,847.48	681,220.89			(33,491.30)		582,356.18	652,590.01	4,860.42	0.00
GNMA	1992 A-C CHMR8	6.91	06/30/96	12/20/22	116,043.99	126,781.98			(1,524.28)		114,519.71	126,932.82	1,675.12	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	153,129.54	167,245.46			(2,226.35)		150,903.19	167,242.03	2,222.92	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	105,002.89	114,687.00			(2,780.96)		102,221.93	113,294.46	1,388.42	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	306,824.84	335,135.39			(4,963.29)		301,861.55	334,572.09	4,399.99	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	74,432.79	81,301.84			(928.82)		73,503.97	81,470.24	1,097.22	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	12,411.58	13,557.17			(689.57)		11,722.01	12,992.62	125.02	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	205,753.70	224,753.11			(3,130.93)		202,622.77	224,594.60	2,972.42	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	36,653.45	40,034.40			(452.10)		36,201.35	40,123.18	540.88	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	448,796.03	490,843.66			(5,413.28)		443,382.75	492,615.20	7,184.82	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	438,953.46	480,084.37			(51,432.62)		387,520.84	430,555.35	1,903.60	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	328,106.33	358,854.89			(30,300.25)		297,806.08	330,881.63	2,326.99	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.00	100,000.00	0.00				100,000.00	100,000.00	· · · · · · · · ·	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	103,007.97	113,952.84			(2,205.51)		100,802.46	112,781.94	1,034.61	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	514,013.46	561,396.12			(8,256.18)		505,757.28	560,517.46	7,377.52	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,498,976.72	1,639,315.34			(19,014.24)		1,479,962.48	1,644,194.55	23,893.45	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,165,935.11	1,275,108.74			(11,265.74)		1,154,669.37	1,282,818.95	18,975.95	0.00
GNMA	1992 A-C CHMR8	6.91	04/28/95	03/20/25	1,224,906.20	1,339,616.46			(49,406.94)		1,175,499.26	1,305,975.10	15,765.58	0.00
Repo Agmt	1992 A-C CHMRB	0.16	11/30/09	12/01/09	13,041.31	13,041.31	3.53				13,044.84	13,044.84	· · · · · ·	0.00
. , .	1992 A-C CHMRB Total				10,024,008.77	10,965,818.66	449,750.89	(120,861.95)	(274,935.11)	0.00	10,077,962.60	11,144,738.06	124,965.57	0.00
	Total CHMRB Investment Summary					10,965,818.66	449,750.89	(120,861.95)	(274,935.11)	0.00	10,077,962.60	11,144,738.06	124,965.57	0.00

## Texas Department of Housing and Community Affairs Multi Family Investment Summary For Period Ending November 30, 2009

investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities <sup>.</sup>	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change In Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.01	11/01/09	12/01/09	44,824.97	44,824.97		(1,374.99)			43,449.98	43,449.98		0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.00	11/01/09	12/01/09	25,731.04	25,731.04	6,258.45	•			31,989.49	31,989.49	-	0.00
	1996 A&B MF (Brighton/LasColi) Total	ı		_	70,556.01	70,556.01	6,258.45	(1,374.99)	0.00	0.00	75,439.47	75,439.47	0.00	0.00
Mutual Fund	1996 A&B MF (Braxton's)	0.00	11/01/09	12/01/09	76,121.48	76,121.48		(2,303.61)			73,817.87	73,817.87	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	0.00	11/01/09	12/01/09	36,923.97	36,923.97	9,938.52				46,862.49	46,862.49		0.00
	1996 A&B MF (Braxton's) Total				113,045.45	113,045.45	9,938.52	(2,303.61)	0.00	0.00	120,680.36	120,680.36	0.00	0.00
Money Market	1987 South Tx. Rental Housing	0.00	11/01/09	12/01/09	20.09	20.09	0.00				20.09	20.09	-	0.00
Repo Agmt	1987 South Tx. Rental Housing	0.16	11/30/09	12/01/09	522,417.24	522,417.24	139.94				522,557.18	522,557.18	-	0.00
Mutual Fund	1987 South Tx. Rental Housing	0.00	11/01/09	12/01/09	1,532.85	1,532.85	0.00				1,532.85	1,532.85		0.00
	1987 South Tx. Rental Housing Total				523,970.18	523,970.18	139.94	0.00	0.00	0.00	524,110.12	524,110.12	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)	0.00	11/01/09	12/01/09	99,344,11	99,344.11	19,788.71				119,132.82	119,132.82	-	0.00
inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	138,478.43	138,478.43	184,943.51				323,421.94	323,421.94	-	0.00
Money Market	1998 M/F (Pebble Brook)	0.00	11/01/09	12/01/09	3,006.71	3,006.71	0.00		0,00		3,006.71	3,006.71	<del></del>	0.00
	1998 M/F (Pebble Brook) Total				240,829.25	240,829.25	204,732.22	0.00	0.00	0.00	445,561.47	445,561.47	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	11/01/09	12/01/09	82,779.91	82,779.91		(9,683.71)			73,096.20	73,096.20	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	11/01/09	12/01/09	13,935.47	13,935.47		(8,199.40)			5,736.07	5,736.07	-	0.00
Money Market	1998 M/F (Residence Oaks Proj)	0.00	11/01/09	12/01/09	2,680.26	2,680.26		(1,970.02)			710.24	710.24	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	11/01/09	12/01/09	55,308.62	55,308.62		(41,518.52)			13,790.10	13,790.10	•	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	11/01/09	12/01/09	139,830.31	139,830.31	40.000.00	(104,889.55)			34,940.76	34,940.76	•	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	11/01/09	12/01/09	14,961.70	14,961.70	10,200.00	(400.004.00)	0.00		25,161.70	25,161.70		0.00
	1998 M/F (Residence Oaks Proj) Total				309,496.27	309,496.27	10,200.00	(166,261.20)	0.00	0.00	153,435.07	153,435.07	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.00	11/01/09	12/01/09	78,326.44	78,326.44	13,428.10				91,754.54	91,754.54	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.00	11/01/09	12/01/09	160,730.66	160,730.66	51,603.76				212,334.42	212,334.42	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.01	11/01/09	12/01/09	135,000.00	135,000.00		(67,500.00)			67,500.00	67,500.00	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.01	11/01/09	12/01/09	314,105.28	314,105.28		(158,409.37)			155,695.91	155,695.91	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.01	11/01/09	12/01/09	31,807.02	31,807.02	25 224 22	(9,333.25)			22,473.77	22,473.77	<u>-</u>	0.00
	1998 M/F (Greens-Hickory Trail Total				719,969.40	719,969.40	65,031.86	(235,242.62)	0.00	0.00	549,758.64	549,758.64	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	11/01/09	12/01/09	121,384.41	121,384.41	34,136.88				155,521.29	155,521.29	-	0.00
Mutuai Fund	1999 M/F (Mayfield Apts)	0.00	11/01/09	12/01/09	97,915.87	97,915.87	4,967.09				102,882.96	102,882.96	•	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	11/01/09	12/01/09	29,169.23	29,169.23		(17,850.08)			11,319,15	11,319.15	•	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	11/01/09	12/01/09	58,000.04	58,000.04		(58,000.01)			0.03	0.03	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	11/01/09	12/01/09	142,158.01	142,158.01		(142,158.00)			0.01	0.01	<u>-</u>	0.00
	1999 M/F (Mayfield Apts) Total				448,627.56	448,627.56	39,103.97	(218,008.09)	0.00	0.00	269,723.44	269,723.44	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	11/01/09	12/01/09	153.11	153.11	1,848.76				2,001.87	2,001.87	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	11/01/09	12/01/09	43,085.75	43,085.75	3,539.50				46,625.25	46,625.25		0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	11/01/09	12/01/09	68,623.40	68,623.40	32,871.00				101,494.40	101,494.40		0.00
	2000 M/F (Timber Point Apts) Total			_	111,862.26	111,862.26	38,259.26	0.00	0.00	0.00	150,121.52	150,121.52	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/09	12/01/09	134,641.07	134,641.07	55,801.84				190,442.91	190,442.91	_	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/09	12/01/09	287,870.25	287,870.25	14,287.11				302,157.36	302,157.36	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/09	12/01/09	92,626.67	92,626.67		(2.10)			92,624.57	92,624.57	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/09	12/01/09	20,449.19	20,449.19	3,273.15				23,722.34	23,722.34		0.00
	2000 A&B M/F (Oaks at Hampton) Total	ai			535,587.18	535,587.18	73,362.10	(2.10)	0.00	0.00	608,947.18	608,947.18	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	0.01	11/01/09	12/01/09	15,090,02	15,090,02	3,905,58				18,995,60	18.995.60	_	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	125,653.83	125,653.83	123,429.51				249,083.34	249,083,34	_	0.00
	2000 M/F (Deerwood Apts) Total				140,743.85	140,743.85	127,335.09	0.00	0.00	0.00	268,078.94	268,078.94	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	11/01/09	12/01/09	8,681.85	8,681.85	1,132.53				9,814.38	9,814.38	-	0.00

Investment Type Mutual Fund	Issue 2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts)	Current Interest Rate 0.00 0.00	Current Purchase Date 11/01/09 11/01/09	Current Maturity Date 12/01/09 12/01/09	Beginning Carrying Value 08/31/09 24,726.62 86,694.73	Beginning Market Value 08/31/09 24,726.62 86,694.73	Accretions/ Purchases 2,681.47 28,656.00	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09 27,408.09 115,350.73	Ending Market Value 11/30/09 27,408.09 115,350.73	Change In Market Value	Recognized Gain 0.00 0.00
Money Market	2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts) Total	0.00	11/01/09	12/01/09 _	120,103.20	120,103.20	32,470.00	0.00	0.00	0.00	152,573.20	152,573.20	0.00	0.00
	2000 mer (order route spes) rotal				120,100.20	120,100.20	02,410.00	0.00	0.00		102,070.25	102,010.20	0.00	0.50
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/09	12/01/09	20,120.33	20,120.33	3,328.04				23,448.37	23,448.37	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/09	12/01/09	275,479.05	275,479.05	14,286.79				289,765.84	289,765.84		0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/09	12/01/09	91,732.43	91,732.43		(12.46)			91,719.97	91,719.97	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/09	12/01/09	153,298,51	153,298.51	57,715.61				211,014.12	211,014.12		0.00
	2000 M/F (Parks @ Westmoreld) Tota	al			540,630.32	540,630.32	75,330.44	(12.46)	0.00	0.00	615,948.30	615,948.30	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	11/01/09	12/01/09	97,987.59	97,987.59	40.818.46				138,806.05	138,806.05	_	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	11/01/09	12/01/09	102,215.36	102,215.36	4,411,14				106,626.50	106,626.50	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	11/01/09	12/01/09	72,206.39	72,206.39	15,624.99				87,831.38	87,831.38	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows				33,000.00	33,000.00		(33,000.00)					-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	11/01/09	12/01/09	144,889.10	144,889.10		(139,185.00)			5,704.10	5,704.10	<del> </del>	0.00
	2000 A-C MF Highland Meadows Tota	ai i			450,298.44	450,298.44	60,854.59	(172,185.00)	0.00	0.00	338,968.03	338,968.03	0.00	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	11/01/09	12/01/09	16,144.68	16,144.68	0.00				16,144.68	16,144.68	_	0.00
Money Market	2000 A/B MF Greenbridge	0.01	11/01/09	12/01/09	32,275,35	32,275,35	0.81				32,276.16	32,276.16	_	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	11/01/09	12/01/09	15,024.22	15,024.22	1.26				15,025.48	15,025.48	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	11/01/09	12/01/09	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
Money Market	2000 A/B MF Greenbridge	0.01	11/01/09	12/01/09	47,038.68	47,038.68	1,126.20				48,164.88	48,164.88		0.00
	2000 A/B MF Greenbridge Total				122,258.38	122,258.38	1,128.27	0.00	0.00	0.00	123,386.65	123,386.65	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	11/01/09	12/01/09	52,635.06	52,635.06	26,121.78				78,756.84	78,756.84	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	11/01/09	12/01/09	18,155.62	18,155.62		(4,382.95)			13,772.67	13,772.67	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	11/01/09	12/01/09	125,086.33	125,086.33	14,664.64				139,750.97	139,750.97	-	0.00
Mutual Fund	2000 A-C MF Collingham Park				56,500.65	56,500.65		(56,500.65)					-	0.00
Mutual Fund	2000 A-C MF Collingham Park			-	210,892.63	210,892.63		(210,892.63)						0.00
	2000 A-C MF Collingham Park Total				463,270.29	463,270.29	40,786.42	(271,776.23)	0.00	0.00	232,280.48	232,280,48	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	11/01/09	12/01/09	13.09	13.09	0.00				13.09	13.09	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	11/01/09	12/01/09	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Wiltams Run	0.01	11/01/09	12/01/09	10,659.56	10,659.56	1,000.27				11,659.83	11,659.83	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	11/01/09	12/01/09	1,593.64	1,593.64	0.03				1,593.67	1,593.67	<u> </u>	0.00
	2000 A/B MF Willams Run Total				12,281.01	12,281.01	1,000.30	0.00	0.00	0.00	13,281.31	13,281.31	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	11/01/09	12/01/09	20,790,95	20,790,95	3,848.22				24,639.17	24,639.17	_	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	11/01/09	12/01/09	130,776.08	130,776.08	75,924.11				206,700.19	206,700.19	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	11/01/09	12/01/09	201,963.26	201,963.26	14,425.25.				216,388.51	216,388.51	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	11/01/09	12/01/09	102,572.00	102,572.00	520.84				103,092.84	103,092.84	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	11/01/09	12/01/09	42,061.77	42,061.77	1.07		<u> </u>		42,062.84	42,062.84		0.00
	2001A MF Bluffview Sr. Apts. Total				498,164.06	498,164.06	94,719.49	0.00	0.00	0.00	592,883.55	592,883.55	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/09	12/01/09	9,366.57	9,366.57	4,602,86				13,969.43	13,969.43	_	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/09	12/01/09	137,214,52	137,214.52	64,704,87				201,919.39	201,919.39	_	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/09	12/01/09	125,409.72	125,409.72	13,201.19				138,610.91	138,610.91	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/09	12/01/09	119,533.99	119,533.99	550.00				120,083.99	120,083.99		0.00
	2001A MF Knollwood Villas Apts Tot	al		-	391,524.80	391,524.80	83,058.92	0.00	0.00	0.00	474,583.72	474,583.72	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/09	12/01/09	15,047.15	15,047.15	14,113.08				29,160.23	29,160.23	_	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/09	12/01/09	225,981.58	225,981.58	14,499.99				240,481.57	240.481.57	_	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/09	12/01/09	5,643.15	5.643.15	16.16			•	5,659.31	5,659.31	_	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/09	12/01/09	116,239,12	116,239.12	12,154.22				128,393.34	128,393.34	_	0.00
Mutual Fund	2001A MF Skyway Viilas	0.01	11/01/09	12/01/09	66,704.55	66,704.55	. –	(29,505.15)			37,199.40	37,199.40	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/09	12/01/09	28,333.39	28,333.39	24,999.99	•			53,333.38	53,333.38	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/09	12/01/09	135,912.48	135,912.48	87,821.81				223,734.29	223,734.29		0.00
	2001A MF Skyway Villas Total				593,861.42	593,861.42	153,605.25	(29,505.15)	0.00	0.00	717,961.52	717,961.52	0.00	0.00

Marcia Find	Investment Type Mutual Fund	Issue 2001AB MF Cobb Park Apts	Current Interest Rate 0.01 0.01	Current Purchase Date 11/01/09 11/01/09	Current Maturity Date 12/01/09 12/01/09	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases 318,662.67 38,396.68	Amortizations/ Sales	Maturities .	Transfers	Ending Carrying Value 11/30/09 318,662.67 38,396,68	Ending Market Value 11/30/09 318,662.67 38,396.68	Change In Market Value - -	Recognized Gain 0.00 0.00
Marie Fard	Mutual Fund		0.01	1801109	1201708	0.00	0.00		0.00	0.00	0.00			0.00	
Modes Park   2001 A M From the Park   1,000		1001AD Mil GOOD Fark Apas Tour						,							
Second Process   Second Publisher   Second Publis	Mutual Fund	2001A MF Greens Road Apts							(5,361.75)					-	
Marcial Final   2011-AB MF Referent Board Agen   Total   14,100-04   148,100-04   148,100-04   150,000   100,000   12,000-00	Mutual Fund						.,							•	
Marie Frant   Control & Principle Nation Age   Control   179/190   120/190   120/190   48,804.5   48,605.5   12,005.5	Inv Agmt		4.01	09/14/01	06/01/34				/E 361 76\	0.00	0.00			0.00	
Maria Find 2011-86 Pf Welderin Age 2011-86 Pf Welderin		2001A MF Greens Road Apts Total				149,120.46	149,120.46	139,911.20	(0,001.10)	0.00	0.00	200,000.00	200,000.00		****
Mains First   Month First   Month Meridian Agis   Color   110100   120100	Mutual Fund	2001AB MF Meridian Apts	0.00	11/01/09	12/01/09	850.81	850.81	12,065.61						-	
Major   Free														•	
Minist Fund   2001AB MF Workdam Agis Total   10010   120100   12	Money Market													•	
Minus Fund   2001-86 MF Visioned Branch   0.00   110109   120109   163/144.00   159/14	Mutual Fund		0.00	11/01/09	12/01/09				0.00	0.00				0.00	
Montal Fund   2007AB MF Wilshood Branch   0.00   1107109   1207109   108,744.00   109,744.00   109,744.00   109,744.00   109,074.00		2001AB MF Meridian Apts Total				400,919.35	400,919.33	23,321.51	0.00	0.00	0.00	727,277.02	727,277.02	0.00	0.50
Mutual Fired   2001-AB MF Widewood Branch   0.00   1101/09   2001-09   108,744.00   109,744.00   159,872.00   229,414.01   169,031.72   0.00   140,031.72   0.00   0.00   140,031.72   0.00   0.00   140,031.72   0.00	Meteral Fund	2001AB ME Wildwood Branch	0.00	11/01/09	12/01/09	402.91	402.91	8,574.34				8,977.25		-	
Marian Fluid   2001-ABC MF Fallsmock Ages   0.00   1101/09   201/09   32,048/11   20,048/12   20,148				11/01/09	12/01/09	108,744.00		150,672.00						-	
Multast Fund   More	Mutual Fund	2001 AB MF Wildwood Branch							(73,234.29)					-	
Multial Fund	Money Market		0.00	11/01/09	12/01/09										
Mattal Fund		2001AB MF Wildwood Branch Total				360,510.43	360,510.43	188,412.99	(73,234.29)	0.00	0.00	475,689.13	475,689.13	0.00	0.00
Mahasi Fund   2001-ABC MF Failbrook Apts   0.01   110/10/9   120/10/9   37,384.87   37,384.87   37,704.17   45,089.58   45,089.58   - 0.00   Multus Fund   2001-ABC MF Failbrook Apts   0.01   110/10/9   120/10/9   10,120   10,1	Mutual Fund	2001ABC ME Fallbrook Ants	0.00	11/01/09	12/01/09	144,971,75	144.971.75	59.413.77				204,385.52	204,385.52	-	
Minuta Fund   2011-ABC MF Fallmook Apts   0.01   1101/109   2201/09   36,496.91   0.02   0.02   0.00   0.							37,364.87	7,704.71				45,069.58		-	
Multial Fund			0.01	11/01/09	12/01/09	36,496.91	36,496.91							-	
Mathail Fland   2017 ABC MF Fallbrook Apts   0.01   110/109   120/109   220/108 CM Fallbrook Apts   0.01   110/109   120/109   220/865.24   209.886.24   209.886.84   0.00   0.	Mutual Fund	2001ABC MF Falibrook Apts												-	
Michael Fund 2001ABC MF Fallbrook Apts Total 2010ABC MF Fallbrook Apts Total 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 32.558.11 4.094.47 38.652.58 38.652.58 - 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 59.428.44 50.428.44 8.225.73 59.236.17 59.236.17 59.236.17 - 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 59.428.44 50.428.44 8.225.73 59.236.17 59.236.17 59.236.17 - 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 58.580.43 83.800.43 35.144.48 0.00 10.00 271.208.41 79.208.41 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 58.580.43 83.800.43 35.144.48 0.00 0.00 271.208.41 271.208.41 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 58.580.43 83.800.43 35.144.48 0.00 0.00 271.208.41 271.208.41 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 58.580.43 83.800.43 35.144.48 0.00 0.00 271.208.41 271.208.41 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09 58.580.13 83.800.43 35.144.48 0.00 0.00 271.208.41 271.208.41 0.00 Michael Fund 2010 MF Oak Hollow Apts 0.01 11/01/09 12/01/09	Mutual Fund													-	
Muttai Fund 2001 MF Calk Hollow Apts Total 201 HD 024 Hollow Apts Call 1101/09 1201/09 32.588.11 32.589.11 4.094.47														•	
Mutual Fund 201 MP Cask Hollow Apts 0.01 11/01/09 12/01/09 50,428.41 50,428.43 525.73 53,652.58 36,652.58 - 0.00 Mutual Fund 201 MP Cask Hollow Apts 0.01 11/01/09 12/01/09 50,428.44 50,428.44 50,428.73 53,252.17 59,252.17 - 0.00 Mutual Fund 201 MP Cask Hollow Apts 0.01 11/01/09 12/01/09 50,428.44 50,428.43 53,428.44 50,428.43 525.73 53,252.17 59,252.17 - 0.00 Mutual Fund 201 MP Cask Hollow Apts 0.01 11/01/09 12/01/09 22,018/09 43,888.04.3 83,880.43 35,144.48 59,478.75 56,478.75 - 0.00 Mutual Fund 201 MP Cask Hollow Apts 0.01 11/01/09 12/01/09 22,380.50 48,113.32 0.00 0.00 0.00 0.00 27,208.41 118,824.91 118,82	Mutual Fund		0.01	11/01/09	12/01/09				0.00	0.00	0.00			0.00	
Michael Fund 2001 Mr Colk Hollow Apts 0.01 11/01/09 12/01/09 55.420.14 50.426.44 50.266.44 50.426.44 50.266.44 50.42		2001ABC MF Fallbrook Apts Total				627,062.99	627,062,99	344,000.00	0.00	0.00	0.00	31 1,703.07	37 1,7 03.07	0.00	0.00
Mutual Fund 2001 MF Coak Hollow Apts 0.01 11/01/09 12/01/09 55,430.11 56,430.11 1 46.64 59.27.7 59,252.17 59,252.17 50.00 Mutual Fund 2001 MF Coak Hollow Apts 0.01 11/01/09 12/01/09 83,480.43 83,880.43 83,144.48 118,824.99 118,824.99 118,824.99 118,824.99 118,824.99 118,000 0.00 0.00 0.00 0.00 0.00 0.00 0.00	Mutual Fund	2001 MF Oak Hollow Apts	0.01	11/01/09	12/01/09	32,558.11	32,558.11	4,094.47						•	
Mutual Fund 2001 MF Oak Hollow Apts 1041			0.01											-	
Mutual Fund 2001AB MF Hillside Apts 0.01 11/01/09 12/01/09 21,343.83 21,343.53 7,466.70 22,770.23 28,770.23 2.8 70.23 - 0.00 Mutual Fund 2001AB MF Hillside Apts 0.01 11/01/09 12/01/09 52,822.12 59,282.12 13,099.96 72,322.08 - 2.00 Mutual Fund 2001AB MF Hillside Apts 0.01 11/01/09 12/01/09 1	Mutual Fund	2001 MF Oak Hollow Apts												-	
Mutual Fund 2001 AB MF Hillside Apts 0.01 11/01/09 12/01/09 92;343.53 21,343.53 7,426.70 28,770.23 28,770.23 - 0.00 Mutual Fund 2001 AB MF Hillside Apts 0.01 11/01/09 12/01/09 98,282.12 59,282.12 13,039.96 72,322.08 72,322.08 - 0.00 Mutual Fund 2001 AB MF Hillside Apts 0.01 11/01/09 12/01/09 102,376.18 129,48 129,48 102,596.66 1	Mutual Fund		0.01	11/01/09	12/01/09					0.00	0.00				
Multial Fund 2001AB MF Hilliside Apts 0.01 11/01/09 12/01/09 0102.376.18 102.376.18 129.48 129.49 120.256.66 102.505.66 - 0.00 102.000 11/01/09 12/01/09 102.376.18 102.376.18 129.48 129.49 188.230.96 188.220.96 - 0.00 189.2001AB MF Hilliside Apts 0.01 11/01/09 12/01/09 102.376.18 102.376.18 129.48 189.200.00 0.00 0.00 0.00 0.00 0.00 0.00 0		2001 MF Oak Hollow Apts Total				223,095.09	223,095.09	48,113.32	0.00	0.00	0.00	211,206.41	271,200,41	0.00	0.00
Mutual Fund 2001AB MF Hillside Apts 0.01 11/01/09 12/01/09 59.282.12 59.282.12 13,099.96 72,322.08 72,322.08 - 0.00 Mutual Fund 2001AB MF Hillside Apts 0.01 11/01/09 12/01/09	Mutual Fund	2001AB MF Hillside Ants	0.01	11/01/09	12/01/09	21,343.53	21,343.53	7,426.70				28,770.23	28,770.23	-	
Mutual Fund   2001AB MF Hilliside Apts   0.01   11/01/09   12/01/09   12/2973.52   132,973.52   52.574.4   128,250.66   102,250.66   - 0.00				11/01/09			59,282.12	13,039.96						-	
Mutual Fund   2002A MF Milistone Apts   0.01   11/01/09   12/01/09   2,273.71   2,273.71   8,863.07   11,136.78   11,136.78   - 0.00	Mutual Fund	2001AB MF Hillside Apts												-	
Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 169,427.07 169,427.07 15,504.54 11,136.78 11,136.78 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 169,427.07 15,504.54 134,931.61 184,931.61 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 82,442.23 82,442.23 (39,590.53) 131,129.19 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 82,442.23 82,442.23 (39,590.53) 42,851.70 42,851.70 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 21,667.32 21,667.32 32,500.93 54,168.25 54,168.25 54,168.25 5 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 21,667.32 21,667.32 32,500.93 54,168.25 54,16	Mutual Fund		0.01	11/01/09	12/01/09										
Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 169,427.07 169,427.07 15,504.54 184,931.61 184,931.61 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 121,600.36 121,600.36 9,528.83 131,129.19 131,129.19 - 0.00 Mutual Fund 2002A MF Milistone Apts 0.01 11/01/09 12/01/09 82,424.23 82,442.2		2001AB MF Hillside Apts Total				315,975.35	315,975.35	75,853.58	0.00	0.00	0.00	391,828.93	391,626.93	0.00	0.00
Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 122,600.36 121,600.36 9,528.63 131,129.19 131,129.19 - 0.00 Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 82,442.23 82,442.23 82,442.23 (39,590.53) 42,851.70 42,851.70 - 0.00 Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 21,667.32 21,667.32 32,500.93 54,168.25 54,168.25 - 0.00 Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09	Method Fund	20024 ME Milistone Ants	0.01	11/01/09	12/01/09	2,273,71	2.273.71	8,863.07				11,136.78	11,136.78	-	0.00
Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 121,600.36 121,600.36 9,528.83 131,129.19 131,129.19 - 0.00 Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 21,667.32 21,667.32 32,500.93 54,168.25 54,168.25 - 0.00 Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/								15,504.54				184,931.61		-	
Mutual Fund   2002A MF Millistone Apts   0.01   11/01/09   12/01/09   82,442.23   82,442.23   32,500.93   42,851.70   42,851.70   - 0.00			0.01	11/01/09	12/01/09	121,600.36	121,600.36	9,528.83						-	
Mutual Fund 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 103,061.78 112,610.02 215,671.80 215,671.80 - 0.00 2002A MF Millistone Apts 0.01 11/01/09 12/01/09 150,840.06 52,705.28 203,545.34 203,545.34 - 0.00 2002A MF Millistone Apts Total 11/01/09 12/01/09 150,840.06 52,705.28 203,545.34 203,545.34 - 0.00 2002A MF Millistone Apts Total 2002 MF SugarCreek Apts 0.01 11/01/09 12/01/09 275.19 275.19 0.00 275.19 275		2002A MF Millstone Apts	0.01	11/01/09					(39,590.53)					-	
Mutual Fund 2002 MF Millstone Apts Total 2002 MF Millstone Apts Total 11/01/09 12/01/09 150,840.06 150,840.06 52,705.28 203,545.34 203,545.34 - 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0	Mutual Fund	2002A MF Millstone Apts												-	
Mutual Fund   2002 MF SugarCreek Apts   0.01   11/01/09   12/01/09   275.19   275.19   0.00														•	
Mutual Fund 2002 MF SugarCreek Apts 0.01 11/01/09 12/01/09 275.19 275.19 0.00 275.19 275.19 - 0.00 412,216.89 - 0.00 412	Mutual Fund		0.01	11/01/09	12/01/09				(20 500 62)	0.00	0.00			0.00	
Mutual Fund		2002A MF Millstone Apts Total				651,312.53	651,312.53	231,712.07	(55,550.55)	0.00	0.00	10.404,040	040,404.07	0.00	0.00
Mutual Fund         2002 MF SugarCreek Apts         0.01         11/01/09         12/01/09         170,915.64         170,915.64         241,301.25         412,216.89         412,216.89         -         0.00           Mutual Fund         2002 MF SugarCreek Apts         0.01         11/01/09         12/01/09         0.04         0.04         0.04         3,590.47         3,590.51         3,590.51         -         0.00           Mutual Fund         2002 MF SugarCreek Apts         0.01         11/01/09         12/01/09         0.05         0.05         0.00         0.00         0.00         0.05         0.05         0.00           Mutual Fund         2002 MF SugarCreek Apts Total         0.01         11/01/09         12/01/09         880.29         171,190.92         244,891.72         0.00         0.00         0.00         416,082.64         416,082.64         0.00           Mutual Fund         2002 MF West Oaks Apts         0.01         11/01/09         12/01/09         880.29         880.29         0.03         880.32         880.32         -         0.00           Mutual Fund         2002 MF West Oaks Apts         0.01         11/01/09         12/01/09         39,180.35         9,180.95         9,413.09         48,593.44         -         0.00	Mutual Fund	2002 MF SugarCreek Apts	0.01	11/01/09	12/01/09	275.19								-	
Mutual Fund         2002 MF SugarCreek Apts         0.01         11/01/09         12/01/09         0.04         0.04         0.04         3,590.47         3,590.51         3,590.51         - 0.00           Mutual Fund         2002 MF SugarCreek Apts         0.01         11/01/09         12/01/09         0.05         0.05         0.00         0.00         0.00         0.00         416,082.64         416,082.64         0.00         0.00           Mutual Fund         2002 MF West Oaks Apts         0.01         11/01/09         12/01/09         880.29         880.29         0.03         880.32         880.32         - 0.00           Mutual Fund         2002 MF West Oaks Apts         0.01         11/01/09         12/01/09         39,180.35         39,180.35         9,413.09         48,593.44         48,593.44         - 0.00			0.01											-	
Number   2002 MF SugarCreek Apts Total   171,190.92   171,190.92   244,891.72   0.00   0.00   0.00   416,082.64   416,082.64   0.00   0.00	Mutual Fund													-	
Mutual Fund 2002 MF West Oaks Apts 0.01 11/01/09 12/01/09 880.29 880.29 0.03 880.32 880.32 - 0.00 Mutual Fund 2002 MF West Oaks Apts 0.01 11/01/09 12/01/09 39,180.35 39,180.35 9,413.09 48,593.44 48,593.44 48,593.44 - 0.00 48,593.44 1,593	Mutual Fund		0.01	11/01/09	12/01/09						0.00				
Mutual Fund 2002 MF West Oaks Apts 0.01 11/01/09 12/01/09 39,180.35 39,180.35 9,413.09 48,593.44 48,593.44 - 0.00		2002 MF SugarCreek Apts Total				171,190.92	171,190.92	244,891.72	0.00	0.00	0.00	416,082.64	415,082.64	0.00	0.00
Mutual Fund 2002 MF West Oaks Apts 0.01 11/01/09 12/01/09 39,180.35 39,180.35 9,413.09 48,593.44 48,593.44 - 0.00	Mutual Fund	2002 MF West Oaks Ants	0.01	11/01/09	12/01/09	880.29	880.29	0.03				880.32		-	
AC 000 50 AE 000 50 AE 000 50								9,413.09						-	
		•	0.01	11/01/09	12/01/09	12,605.74	12,605.74	2,597.78				15,203.52	15,203.52	-	0.00

investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change In Market Value	Recognized Gain
Mutual Fund	2002 MF West Oaks Apts	0.01	11/01/09	12/01/09			82,178.56				82,178.56	82,178.56	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	11/01/09	12/01/09	56,196.55	56,196.55	46,676.04				102,872,59	102,872.59		0.00
	2002 MF West Oaks Apts Total			_	108,862.93	108,862.93	140,865.50	0.00	0.00	0.00	249,728.43	249,728.43	0.00	0.00
Mutual Fund	2002 MF Park Meadows Apts	0.00	11/01/09	12/01/09	147,462.84	147,462.84	28,804.72				176,267.56	176,267.56		0.00
Mutual Fund	2002 MF Park Meadows Apts	0.00	11/01/09	12/01/09	52.41	52.41	0.00				52.41	52.41	-	0.00
	2002 MF Park Meadows Apts Total				147,515.25	147,515.25	28,804.72	0.00	0.00	0.00	176,319.97	176,319.97	0.00	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	11/01/09	12/01/09	33,484.43	33,484.43		(19,787.52)			13,696.91	13,696.91	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	11/01/09	12/01/09	139,135.30	139,135.30	8,323.05				147,458.35	147,458.35	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	115,030.67 160,582.61	115,030.67	0.00				115,030.67	115,030.67	-	0.00
Money Market	2002 MF Clarkridge Villas Apts 2002 MF Clarkridge Villas Apts Total		11/01/09	12/01/09	448,233.01	160,582.61 448,233.01	65,139.92 73,462.97	(19,787.52)	0.00	0.00	225,722.53 501,908.46	225,722.53 501,908.46	0.00	0.00
Makes Sund	<del>-</del>	0.01	11/01/09	12/01/09										
Mutual Fund Mutual Fund	2002 MF Hickory Trace Apts 2002 MF Hickory Trace Apts	0.01	11/01/09	12/01/09	17,895.82 54,320.72	17,895.82 54,320.72	10,181.71	(15,681.36)			2,214.46 64,502.43	2,214.46 64,502.43	•	0.00 0.00
Money Market	2002 MF Hickory Trace Apts	0.01	11/01/09	12/01/09	91,067.59	91,067,59	375.00				91,442.59	91,442.59	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	11/01/09	12/01/09	112,663,30	112.663.30	43.418.66				156,081,96	156,081,96	-	0.00
Midiosi Puliu	2002 MF Hickory Trace Apts Total	0.01	11/01/03	1201709	275,947.43	275,947.43	53,975.37	(15,681.36)	0.00	0.00	314,241.44	314,241,44	0.00	0.00
	·						00,510.01		0.00	0.00			0.00	
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/09	12/01/09	235,618.13	235,618.13		(132,602.11)			103,016.02	103,016.02	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/09	12/01/09	144,462.73	144,462.73	9,903.18				154,365.91	154,365.91	•	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/09	12/01/09	1,580,79 381,661.65	1,580,79 381,661.65	9,903.21	(400,000,44)	0.00	0.00	1,580.82	1,580.82		0.00
	2002 MF Green Crest Apts Total							(132,602.11)	0.00	0.00	258,962.75	258,962.75	0.00	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	11/01/09	12/01/09	276,587.28	276,587.28	15,951.77				292,539.05	292,539.05	-	0.00
Mutual Fund	2002 MF Ironwood Apts				3,997.65	3,997.65		(3,997.65)					-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	11/01/09	12/01/09	0.06	0.06	3,997.74				3,997.80	3,997.80	-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	11/01/09	12/01/09	19,626.11	19,626.11	14,099,29	10.000.00			33,725.40	33,725.40	<u>-</u> -	0.00
	2002 MF Ironwood Apts Total				300,211.10	300,211.10	34,048.80	(3,997.65)	0.00	0.00	330,262.25	330,262.25	0.00	0.00
Mutual Fund	2002 MF Woodway Village	0.00	11/01/09	12/01/09			2,393.63				2,393.63	2,393.63	-	0.00
Mutual Fund	2002 MF Woodway Village	0.00	11/01/09	12/01/09	144,786.97	144,786.97	128,416,94				273,203.91	273,203.91	<u>-</u>	0.00
	2002 MF Woodway Village Total				144,786.97	144,786.97	130,810.57	0.00	0.00	0.00	275,597.54	275,597.54	0.00	0.00
Money Market	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	22,383.26	22,383.26		(13,091.32)			9,291.94	9,291.94	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	26,704.00	26,704.00	39,393.75				66,097.75	66,097.75	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	5,811.47	5,811.47	1,043.17				6,854.64	6,854.64	-	0.00
Money Market	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	125,992.10	125,992.10	50,096.29				176,088.39	176,088.39	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	11/01/09	12/01/09	0.16	0.16	0.00				0.16	0.16	-	0.00
	2003 AB MF Reading Road Total				180,906.91	180,906.91	90,533.21	(13,091.32)	0.00	0.00	258,348.80	258,348.80	0.00	0.00
Money Market	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	64,079.00	64,079.00	0.00				64,079.00	64,079.00	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	398.66	398.66	0.00				398.66	398.66	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	114,528.94	114,528.94	82,679.60				197,208.54	197,208.54	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	153,073.77	153,073.77		(4,539.20)			148,534.57	148,534.57	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	37,061.21	37,061.21		(37,060.17)			1.04	1.04	-	0.00
Money Market	2003 AB MF North Vista Apts	0.01	11/01/09	12/01/09	42,500.20	42,500.20	42,499.98				85,000.18	85,000.18	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	123,983.98	123,983.98	123,969.99				247,953.97	247,953.97	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	11/01/09	12/01/09	9,366.14	9,366.14	0.00				9,366.14	9,366.14		0.00
	2003 AB MF North Vista Apts Total				544,991.90	544,991.90	249,149.57	(41,599.37)	0.00	0.00	752,542.10	752,542.10	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.09	11/01/09	12/01/09	50,288.49	50,288.49	15,955.12				66,243.61	66,243.61	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.09	11/01/09	12/01/09	136,253.12	136,253.12		(25,322.17)			110,930.95	110,930.95	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.09	11/01/09	12/01/09	105,090.04	105,090.04	16,590.26				121,680.30	121,680.30	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.09	11/01/09	12/01/09	96,191.30	96,191,30	8,881.18				105,072.48	105,072.48	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.09	11/01/09	12/01/09	32,000.88	32,000.88		(31,838.67)			162.21	162.21	•	0.00
Money Market	2003 AB MF West Virginia Apts	0.09	11/01/09	12/01/09	30,866.05	30,866.05	32,506.02				63,372.07	63,372.07	•	0.00

Investment Type	issue	Current Interest Rate	Current Purchase Date 11/01/09	Current Maturity Date 12/01/09	Beginning Carrying Value 08/31/09 89,035,44	Beginning Market Value 08/31/09 89,035,44	Accretions/ Purchases 88,960.11	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09 177,995.55	Ending Market Value 11/30/09 177,995.55	Change in Market Value	Recognized Gain 0.00
Mutual Fund	2003 AB MF West Virginia Apts 2003 AB MF West Virginia Apts Total	0.09	11/01/09	1201709 _	539,725.32	539,725.32	162,892.69	(57,160.84)	0.00	0.00	645,457.17	645,457.17	. 0.00	0.00
				400400			0.07				2,054.21	2.054.21		0.00
Mutual Fund	2003AB MF Sphinx @ Murdeaux 2003AB MF Sphinx @ Murdeaux	0.01 5.10	11/01/09 12/30/04	12/01/09 12/15/42	2,054.14 14,439,066,20	2,054.14 14,439,066,20	0.07		(39,378.93)		14,399,687,27	14,399,687.27		0.00
GNMA Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	149,533.21	149,533.21	223,310.50		(00,0:0:0)		372,843.71	372,843.71		0.00
	2003AB MF Sphinx @ Murdeaux Total	l		_	14,590,653.55	14,590,653.55	223,310.57	0.00	(39,378.93)	0.00	14,774,585.19	14,774,585.19	0.00	0.00
Mutual Fund	2003 AB MF Primrose Houston	0.01	11/01/09	12/01/09	99,828.08	99,828.08		(80.0)			99,828.00	99,828.00		0.00
Money Market	2003 AB MF Primrose Houston	0.01	11/01/09	12/01/09	19,807.10	19,807.10		(530.89)			19,276.21	19,276.21	<u>-</u>	0.00
	2003 AB MF Primrose Houston Total				119,635.18	119,635.18	0.00	(530.97)	0.00	0.00	119,104_21	119,104.21	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/09	12/01/09	58,276.02	58,276.02		(21,548.01)			36,728.01	36,728.01	· -	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/09	12/01/09	231,145.31	231,145.31	14,552.32				245,697.63	245,697.63	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/09	12/01/09	93,373.29	93,373.29 7,262.85	4,895.55	(93,369.61)			3.68 12,158.40	3.68 12,158.40		0.00 0.00
Mutual Fund	2003 AB MF Timber Oaks Apts 2003 AB MF Timber Oaks Apts Total	0.01	11/01/09	12/01/09	7,262.85 390,057.47	390,057.47	19.447.87	(114,917.62)	0.00	0.00	294,587.72	294,587.72	0.00	0.00
	2000 AD III THINCI COIG APIG TOGS					·		(,,						
Mutual Fund	2003 AB MF Ash Creek	0.01	11/01/09	12/01/09	1,217.18	1,217.18	0.15				1,217.33 4,828.48	1,217.33 4,828.48	-	0.00 0.00
Mutual Fund	2003 AB MF Ash Creek	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	4,828.48 99,271.85	4,828.48 99,271.85	0.00	(0.11)			99,271,74	99,271.74		0.00
Mutual Fund Money Market	2003 AB MF Ash Creek 2003 AB MF Ash Creek	0.01	11/01/09	12/01/09	2,511.85	2,511.85		(373.25)			2,138.60	2,138.60	-	0.00
Worley Walker	2003 AB MF Ash Creek Total	0.01	( 110 1100		107,829.36	107,829.36	0.15	(373.36)	0.00	0.00	107,456.15	107,456.15	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	11/01/09	12/01/09	2.223.75	2.223.75		(2,211.75)			12.00	12.00	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	11/01/09	12/01/09	351,413,13	351,413.13		(210,213.69)			141,199.44	141,199.44	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	11/01/09	12/01/09	7,087.38	7,087.38		(4,999.57)			2,087.81	2,087.81	<u> </u>	0.00_
	2003 AB MF Peninsula Total				360,724.26	360,724.26	0.00	(217,425.01)	0.00	0.00	143,299.25	143,299.25	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/09	12/01/09	31.43	31.43	0.00				31.43	31.43	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/09	12/01/09	130,684.15	130,684.15	10,132.67				140,816.82	140,816.82	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/09	12/01/09	81,374.91	81,374,91 1,012,99	1,431.08 0.03				82,805.99 1.013.02	82,805.99 1,013.02	-	0.00 0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite 2003 A MF Evergreen @ Mesquite	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	1,012.99 0.03	0.03	0.00				0.03	0.03	-	0.00
Mutual Fund Money Market	2003 A MF Evergreen @ Mesquite	0.01	11/01/09	12/01/09	37.65	37.65	0.00				37.65	37.65	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/09	12/01/09	13,964.40	13,964.40	4,175.29				18,139.69	18,139.69		0.00
	2003 A MF Evergreen @ Mesquite Tof	tal			227,105.56	227,105.56	15,739.07	0.00	0.00	0.00	242,844.63	242,844.63	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	11/01/09	12/01/09	108,411.89	108,411.89	14.77				108,426.66	108,426.66	-	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	11/01/09	12/01/09	23,819.06 132,230.95	23,819.06 132,230.95	14.77	(17,081.42)	0.00	0.00	6,737.64	6,737.64 115,164,30	0.00	0.00
	2003 AB Artington Villas Total				132,230.95	132,230.95	14.17	(17,001.42)	0.00	0.00	113, 104.30	(15,104.50	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	11/01/09	12/01/09	5,710.65	5,710.65	0.15				5,710.80	5,710.80	-	0.00
Mutual Fund	2003 AB Parkview Twohms	0.01	11/01/09	12/01/09	101,649.34	101,649.34		(6,213.70)			95,435.64	95,435.64	-	0.00 0.00
***************************************	2003 AB Parkview Twnhms	0.01	11/01/09	12/01/09	1.28 181,800,71	1.28 181,800.71	93,422,93	(1.28)			275,223.64	275,223.64	_	0.00
Mutual Fund Mutual Fund	2003 AB Parkview Twithms 2003 AB Parkview Twithms	0.01	11/01/09	12/01/09	221,115,80	221,115,80	5.58				221,121.38	221,121.38	_	0.00
Hiddai i did	2003 AB Parkview Twnhms Total	•••			510,277.78	510,277.78	93,428.66	(6,214.98)	0.00	0.00	597,491.46	597,491.46	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/09	12/01/09	43,862.68	43,862.68	132,278.90				176,141,58	176,141,58	_	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01		12/01/09	69,163.24	69,163.24	13,147.37				82,310.61	82,310.61	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/09	12/01/09	682.73	682.73	0.01				682.74	682.74	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/09	12/01/09	99,602.99	99,602.99	2.52	0.00	0.00	0.00	99,605.51 358,740.44	99,605.51 358,740.44	0.00	0.00
	2003 MF NHP-Asmara-Refunding Total	aı			213,311.64	213,311.64	145,428.80	0.00	0.00	0.00	330,740.44	330,740.44	0.00	
Money Market	2004 A&B Timber Ridge	0.01		12/01/09	10,963.18	10,963.18	3,023.84				13,987.02	13,987.02	-	0.00
Money Market	2004 A&B Timber Ridge	0.01	11/01/09	12/01/09	54,137.93	54,137.93	604.16				54,742.09	54,742.09		0.00
	2004 A&B Timber Ridge Total				65,101.11	65,101.11	3,628.00	0.00	0.00	0.00	68,729.11	68,729.11	0.00	0.00
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	21,138.00	21,138.00	16,923.02				38,061.02	38,061.02	•	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	61,633.36	61,633.36		(44,739.56)			16,893.80	16,893.80	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	6,596.92	6,596.92	0.17				6,597.09	6,597.09	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	18,248.28	18,248.28	507.23				18,755.51	18,755.51	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	38,352.17	38,352.17	37,501.03				75,853.20	75,853.20	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	77,296.92	77,296.92	15,001,97				92,298.89	92,298.89	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/09	12/01/09	139,345,88	139,345.88	132,963.76				272,309.64	272,309.64	<u></u> -	0.00
·	2004 A&B Century Park Total				362,611.53	362,611.53	202,897.18	(44,739.56)	0.00	0.00	520,769.15	520,769.15	0.00	
Money Market	2004 A&B M.F Veterans Memorial	0.01	11/01/09	12/01/09	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/09	12/01/09	187,042.60	187,042.60	18,542.05				205,584.65	205,584.65	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/09	12/01/09	84,998.15	84,998.15	12,462.59				97,460.74	97,460.74	-	0.00
Money Market	2004 A&B MF Veterans Memorial				0.56	0.56		(0.56)				2.04	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/09	12/01/09	0.91	0.91	0.00				0.91	0.91		0.00
-	2004 A&B MF Veterans Memorial Total	al			272,042.39	272,042.39	31,004.64	(0.56)	0.00	0.00	303,046.47	303,046.47	0.00	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	82,529.64	82,529.64	7,869.75				90,399.39	90,399.39	•	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	1,329.90	1,329.90	0.03				1,329.93	1,329.93	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	0.13	0.13	0.00				0.13	0.13	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	70,326.90	70,326.90	1,030.36				71,357.26	71,357.26	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	73.26	73.26	0.00				73.26	73.26	•	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	20,280.61	20,280.61	0.51				20,281.12	20,281.12	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	15,815.42	15,815.42	3,996.29				19,811.71	19,811.71	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01		12/01/09	126,884.96	126,884.96	37,380.73				164,265.69	164,265.69	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01		12/01/09	0.30	0.30	0.00				0.30	0.30	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/09	12/01/09	325.73	325.73	0.00				325.73	325.73		0.00
	2004 MF Rush Creek Apts Total				317,566.85	317,566.85	50,277.67	0.00	0.00	0.00	367,844.52	367,844.52	0.00	
Money Market	2004 MF Humble Parkway	0.01	11/01/09	12/01/09	119,223.86	119,223.86		(9,204.48)			110,019.38	110,019.38	-	0.00
Money Market	2004 MF Humble Parkway	0.01	11/01/09	12/01/09	136,124.64	136,124.64	39,077.63				175,202.27	175,202.27	-	0.00
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	180,700.71	180,700.71	215,600.27				396,300.98	396,300.98	-	0.00
Money Market	2004 MF Humble Parkway	0.01	11/01/09	12/01/09	4,466.68	4,466.68	7,600.02				12,066.70	12,066.70	<del></del>	0.00
•	2004 MF Humble Parkway Total				440,515.89	440,515.89	262,277.92	(9,204.48)	0.00	0.00	693,589.33	693,589.33	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	11/01/09	12/01/09	1,445.52	1,445.52	0.00				1,445.52	1,445.52	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.01	11/01/09	12/01/09	77,878.16	77,878.16	39,636.65				117,514.71	117,514.71	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	11/01/09	12/01/09	2,283.25	2,283.25	0.00			+	2,283.25	2,283.25	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	11/01/09	12/01/09	15,514.90	15,514.90	3,481.68				18,996.58	18,996.58	:	0.00
, <u>,</u> <u>,</u>	2004 MF Chisholm Trail Apts Total				97,121.83	97,121.83	43,118.23	0.00	0.00	0.00	140,240.06	140,240.06	0.00	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/09	12/01/09	89,436.91	89,436.91	54,514.04				143,950.95	143,950.95	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00		12/01/09	6,669.69	6,669.69	6,835.24				13,504.93	13,504.93	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00		12/01/09	2,173.29	2,173.29	0.00				2,173.29	2,173.29	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/09	12/01/09	7.78	7.78	7,459.75				7,467.53	7,467.53	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/09	12/01/09	82.38	82.38	79,421.06				79,503.44	79,503.44	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/09	12/01/09	1,164.08	1,164.08	0.00				1,164.08	1,164.08	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00		12/01/09	192,226.92	192,226.92	17,814.30				210,041.22	210,041.22		0.00
,	2004 MF Evergreen at Plano Total				291,761.05	291,761.05	166,044.39	0.00	0.00	0.00	457,805.44	457,805.44	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	11/01/09	12/01/09	8,586.46	8,586.46		(4,726.02)			3,860.44	3,860.44	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00		12/01/09	113,372.59	113,372.59		(56,448.94)			56,923.65	56,923.65	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00		12/01/09	1,087.28	1,087,28	0.00	,			1,087.28	1,087,28		0.00
MOLEY MAINEL	2004 MF Montgomery Pines Apts To			,,,	123,046.33	123,046.33	0.00	(61,174.96)	0.00	0.00	61,871.37	61,871.37	0.00	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/09	12/01/09	392.77	392.77	0.00				392.77	392.77	-	0.00
Money Market	2004 MF Bristol Apts	0.00		12/01/09	0.04	0.04	0.00				0.04	0.04	-	0.00
Money Market	2004 MF Bristol Apts	0.00		12/01/09	11,923.89	11,923.89		(2,473.89)			9,450.00	9,450.00	-	0.00
Money Market	2004 MF Bristol Apts	0.00		12/01/09		76,056,11	24,589.32	\			100,645,43	100,645.43		0.00
Money Market	2004 MF Bristol Apts Total	5.00		.2030	88,372.81	88,372.81	24,589.32	(2,473.89)	0.00	0.00	110,488.24	110,488.24	0.00	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/09	12/01/09	664.98	664.98	4,055.86				4,720.84	4,720.84	-	0.00

Investment		Current interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Type	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Money Market	2004 MF Pinnacle Apts	0.00	11/01/09	12/01/09	103,422,92	103,422,92		(71,463.84)			31,959.08	31,959,08	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/09	12/01/09	1,027.27	1,027.27	0.00	, ,,			1,027.27	1,027.27	_	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/09	12/01/09	51.54	51.54	0.00				51.54	51,54		0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/09	12/01/09	0.08	0.08	0.00				0.08	0.08	_	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/09	12/01/09	44.36	44.36	0.00				44.36	44.36	-	0.00
·	2004 MF Pinnacle Apts Total			-	105,211,15	105,211,15	4,055.86	(71,463.84)	0.00	0.00	37,803.17	37,803.17	0.00	0.00
	-					,	,	(,	*	****	0.,000	01,000.11	0.00	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/09	12/01/09	106,750.93	106,750.93		(13,125.00)			93,625.93	93,625.93	_	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/09	12/01/09	262.15	262.15	0.00	,			262.15	262.15	_	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/09	12/01/09	1,186.80	1,186.80	0.00				1,186.80	1,186.80	_	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/09	12/01/09	192,151.90	192,151.90		(85,981.51)			106,170,39	106,170,39	_	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/09	12/01/09	34,187.33	34,187.33	1,165.91	,			35,353.24	35,353.24	_	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/09	12/01/09	2.01	2.01	0.00				2.01	2.01	·_	0.00
	2004 MF Tranquility Bay Apts Total			-	334,541.12	334,541.12	1,165.91	(99,106.51)	0.00	0.00	236,600.52	236,600.52	0.00	0.00
								, ,			,	,		
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,042,687.37	11,042,687.37			(26,183.73)		11,016,503.64	11,016,503,64		0.00
inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	60,041.80	60,041.80	175,694.61				235,736.41	235,736.41	_	0.00
Money Market	2004 MF Sphinx @ Delafield	0.01	11/01/09	12/01/09	5,622.56	5,622.56	3,226.87				8,849.43	8,849.43	_	0.00
	2004 MF Sphinx @ Delafield Total				11,108,351.73	11,108,351.73	178,921.48	0.00	(26,183.73)	0.00	11,261,089.48	11,261,089,48	0.00	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09	8,443.23	8,443.23	0.00				8,443.23	8,443.23		0.00
Money Market	2004 MF Churchill @ Pinnaide	0.00	11/01/09	12/01/09	181,487.55	181,487.55	66,615.20				248,102.75	248,102.75	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09	359.01	359.01	0.00				359.01	359.01	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09	153,205.78	153,205.78	14,145.32				167,351.10	167,351.10		0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09	2.56	2.56	6,287.83				6,290.39	6,290.39	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09	85.79	85.79	54,240.23				54,326.02	54,326.02	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09	754.17	754.17		(0.01)			754.16	754.16	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/09	12/01/09 _	30,579.32	30,579.32	444.000.00	(26,208.68)			4,370.64	4,370.64		0.00
	2004 MF Churchill @ Pinnacle Total				374,917.41	374,917.41	141,288.58	(26,208.69)	0.00	0.00	489,997.30	489,997.30	0.00	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.00	11/01/09	12/01/09	3,043.43	3,043,43	0.00							
Money Market	2004 A/B MF Post Oak East Apts	0.00	11/01/09	12/01/09	2.89	2.89	0.00				3,043.43	3,043.43		0.00
Money Market	2004 A/B MF Post Oak East Apts	0.00	11/01/09	12/01/09	6,01	6.01	0.00				2.89	2.89	-	0.00
money market	2004 A/B MF Post Oak East Apts Tota		11101103	1201103 _	3,052.33	3,052.33	0.00	0.00	0.00	0.00	6.01 3.052.33	6.01 3.052.33	0.00	0.00
	201772 111 1 001 0211 22017 pts 1011				0,002.00	0,002.00	0.00	0.00	0.00	0.00	3,032.33	3,052.33	0.00	B.00
Money Market	2004 MF Village Fair	0.01	11/01/09	12/01/09	246,604.02	246,604,02	68,087,81				314,691.83	314,691.83		0.00
Money Market	2004 MF Village Fair	0.01	11/01/09	12/01/09			96,422.30				96,422,30	96,422,30	_	0.00
Money Market	2004 MF Village Fair	0.01	11/01/09	12/01/09	111,332,24	111,332,24		(1.84)			111,330.40	111,330.40		0.00
Money Market	2004 MF Village Fair	0.01	11/01/09	12/01/09	22,578.65	22,578.65	5,793.85	· · · · · ·			28,372.50	28,372.50	_	0.00
	2004 MF Village Fair Total			_	380,514.91	380,514.91	170,303.96	(1.84)	0.00	0.00	550,817.03	550.817.03	0.00	0.00
								` '				,		0.00
Money Market	2005 MF Pecan Grove				0.66	0.66		(0.66)						0.00
Money Market	2005 MF Pecan Grove			_	0.02	0.02		(0.02)					_	0.00
	2005 MF Pecan Grove Total	,			0.68	0.68	0.00	(0.68)	0.00	0.00	0.00	0.00	0.00	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/09	12/01/09	30,257.67	30,257.67	4,124.51				34,382.18	34,382.18	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/09	12/01/09	86,804.46	86,804.46	7,270.54				94,075.00	94,075.00	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/09	12/01/09	25,574.72	25,574.72	0.65				25,575.37	25,575.37	-	0.00
Money Market	2005 MF Prairie Oaks 2005 MF Prairie Oaks	0.01 0.01	11/01/09	12/01/09	88,060.96	88,060.96		(0.47)			88,060.49	88,060.49	-	0.00
Money Market	2005 MF Prairie Oaks Total	0.01	11/01/09	12/01/09 _	167,769.34	167,769.34	55,098.84				222,868.18	222,868.18		0.00
	2005 mir Prairie Cars Total				398,467.15	398,467.15	66,494.54	(0.47)	0.00	0.00	464,961.22	464,961.22	0.00	0.00
Money Market	2006 MF Port Royal				0.88	0.88		(0.88)						
money manet	2005 MF Port Royal Total			-	0.88	0.88	0.00	(0.88)	0.00	0.00	0.00			0.00
	acto iii i ottivojai totat				0.00	0.00	0.00	(0.88)	0.00	0.00	0.00	0.00	0.00	0.00
Money Market	2005 MF Mission Del Rio				58.67	58,67		(58.67)						0.00
	2005 MF Mission Del Rio Total			_	58.67	58.67	0.00	(58.67)	0.00	0.00	0.00	0.00	0.00	0.00
					55.07	w.01	0.00	(55.57)	0.00	0.00	0.00	0.00	0.00	0.00
Money Market	2005 MF Atascocita Apts	0.01	11/01/09	12/01/09	12,471.15	12,471,15	6,224.59				18,695.74	18,695,74	_	0.00
Money Market	2005 MF Atascocita Apts	0.01	11/01/09	12/01/09	0.70	0.70	0.33				1.03	1.03	<u>-</u>	0.00
•	•			· · ·	•								-	0.00

Investment Type Money Market	Issue 2005 MF Atascocita Apts	Current Interest Rate 0.01	Current Purchase Date 11/01/09	Current Maturity Date 12/01/09	Beginning Carrying Value 08/31/09 27.36	Beginning Market Value 08/31/09 27.36	Accretions/ Purchases 0.00	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09 27.36	Ending Market Value 11/30/09 27,36	Change In Market Value	Recognized Gain 0.00
Money Market	2005 MF Atascocita Apts	0.01	11/01/09	12/01/09	21,005.56	21,005.66	29,474.46				50,480.02	50,480.02	-	0.00
	2005 MF Atascocita Apts Total				33,504.77	33,504.77	35,699.38	0.00	0.00	0.00	69,204.15	69,204.15	0.00	0.00
Money Market	2005 MF Tower Ridge	0.00	11/01/09	12/01/09	17.491.82	17,491,82		(10,968.14)			6,523,68	6.523.68	_	0.00
Money Market	2005 MF Tower Ridge	0.00	11/01/09	12/01/09	916.51	916.51	0.00	<b>,</b> ,,,,,,,			916.51	916.51	-	0.00
Money Market	2005 MF Tower Ridge	0.00	11/01/09	12/01/09	86.21	86.21	0.00				86.21	86.21	-	0.00
Money Market	2005 MF Tower Ridge	0.00	11/01/09	12/01/09	1,826.66	1,826.66	0.00				1,826.66	1,826.66		0.00
	2005 MF Tower Ridge Total				20,321.20	20,321.20	0.00	(10,968.14)	0.00	0.00	9,353.06	9,353.06	0.00	0.00
GNMA	2005 MF Prairie Ranch	4.99	03/28/06	01/15/45	11,919,616.28	11,919,616,28			(29,198.11)		11,890,418.17	11,890,418.17	_	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	146,018.60	146,018.60	169,420.11				315,438,71	315,438.71	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	11/01/09	12/01/09	3,585.05	3,585.05	0.09				3,585.14	3,585.14	_	0.00
Money Market	2005 MF Prairie Ranch	0.01	11/01/09	12/01/09	268.27	268.27	3,954.62				4,222.89	4,222.89	_	0.00
	2005 MF Prairie Ranch Total				12,069,488.20	12,069,488.20	173,374.82	0.00	(29,198.11)	0.00	12,213,664.91	12,213,664.91	0.00	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/09	12/01/09	0.05	0.05	0.00				0.05	0.05	· _	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/09	12/01/09	55,124.41	55,124.41	21,267.70				76,392.11	76,392.11	-	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/09	12/01/09	17,201.25	17,201.25		(10,429,57)			6,771.68	6,771.68	-	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/09	12/01/09	12.50	12.50	0.00				12.50	12.50	<u>-</u>	0.00
	2005 MF St. Augustine Total				72,338.21	72,338.21	21,267.70	(10,429.57)	0.00	0.00	83,176.34	83,176.34	0.00	0.00
Mutual Fund	2005 MF Park Manor	0.00	11/01/09	12/01/09	101.24	101.24	0.03				101.27	101.27	-	0.00
Money Market	2005 MF Park Manor	0.00	11/01/09	12/01/09	118.96	118.96	0.03				118.99	118.99	-	0.00
Money Market	2005 MF Park Manor	0.00	11/01/09	12/01/09	6,603.16	6,603.16	1.66				6,604.82	6,604.82		0.00
	2005 MF Park Manor Total				6,823.36	6,823.36	1.72	0.00	0.00	0.00	6,825.08	6,825.08	0.00	0.00
Money Market	2005 MF Pr Mockingbird	0.01	11/01/09	12/01/09	54,813.24	54,813.24		(4,264.49)			50,548.75	50,548.75	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	11/01/09	12/01/09	120,388.54	120,388.54	67,434.58				187,823.12	187,823.12	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	11/01/09	12/01/09	112,374.25	112,374.25		(1.86)			112,372.39	112,372.39	-	0.00
Money Market	2005 MF Pr Mockingbird 2005 MF Pr Mockingbird Total	0.01	11/01/09	12/01/09	13,889.45	13,889.45	6,051.20	(4.000.00)			19,940.65	19,940.65		0.00
	_				301,465.48	301,465.48	73,485.78	(4,266.35)	0.00	0.00	370,684.91	370,684.91	0.00	0.00
Money Market	2005 MF PI @ Chase Oaks	0.00	11/01/09	12/01/09	411.19	411.19	0.00				411.19	411.19	-	0.00
Money Market	2005 MF Pt @ Chase Oaks	0.00	11/01/09	12/01/09	120.06	120.06	0.00				120.06	120.06		0.00
	2005 MF PI @ Chase Oaks Total				531.25	531.25	0.00	0.00	0.00	0.00	531.25	531.25	0.00	0.00
Money Market	2005 MF Canal Place	0.01	11/01/09	12/01/09	28,163.44	28,163.44		(15,699.25)			12,464.19	12,464.19	_	0.00
Money Market	2005 MF Canal Place	0.01	11/01/09	12/01/09	101,252.05	101,252.05	6,101.79				107,353.84	107,353.84	-	0.00
Money Market	2005 MF Canal Place	0.01	11/01/09	12/01/09	27,150.53	27,150.53	6,120.72				33,271.25	33,271.25		0.00
	2005 MF Canal Place Total				156,566.02	156,566.02	12,222.51	(15,699.25)	0.00	0.00	153,089.28	153,089.28	0.00	0.00
Money Market	2006 MF Coral Hills	0.00	11/01/09	12/01/09	79,756.64	79,756.64	81,023.52				160,780,16	160,780.16	_	0.00
	2006 MF Coral Hills Total			-	79,756.64	79,756.64	81,023.52	0.00	0.00	0.00	160,780.16	160,780,16	0.00	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/09	12/01/09	72,792.48	72,792.48		(51,243.50)			21,548.98	21,548.98	_	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/09	12/01/09	4,733.52	4,733.52	0.12				4,733,64	4.733.64	_	0.00
. Money Market	2006 MF Harris Branch	0.01	11/01/09	12/01/09	28,269.76	28,269.76		(1,534.47)			26,735.29	26,735.29		0.00
Money Market	2006 MF Harris Branch	0.01	11/01/09	12/01/09	3,555.99	3,555.99	0.09	, . ,			3,556.08	3,556.08	-	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/09	12/01/09	17,325.19	17,325.19	1,20				17,326.39	17,326.39	-	0.00
	2006 MF Harris Branch Total				126,676.94	126,676.94	1.41	(52,777.97)	0.00	0.00	73,900.38	73,900.38	0.00	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/09	12/01/09	43,933.18	43,933.18	30,619.90				74,553.08	74,553.08	-	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/09	12/01/09	240,395.52	240,395.52	6.06				240,401.58	240,401.58		0.00
Money Market	2006 MF Bella Vista	0.01	11/01/09	12/01/09	18,750.27	18,750.27	11,250.51				30,000.78	30,000.78		0.00
Money Market	2006 MF Bella Vista	0.01	11/01/09	12/01/09	172,714.84	172,714.84		(103,624.55)			69,090.29	69,090.29	_	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/09	12/01/09	6,482.42	6,482.42	3,364.24				9,846.66	9,846.66		0.00
	2006 MF Bella Vista Total				482,276.23	482,276.23	45,240.71	(103,624.55)	0.00	0.00	423,892.39	423,892.39	0.00	0.00
Money Market	2006 MF Village Park	0.00	11/01/09	12/01/09	3.82	3.82	0.00				3.82	3.82	-	0.00

Investment Type Money Market	Issue 2006 MF Village Park	Current Interest Rate 0.00	Current Purchase Date 11/01/09	Current Maturity Date 12/01/09	Beginning Carrying Value 08/31/09 209,886,23	Beginning Market Value 08/31/09 209,886.23	Accretions/ Purchases 170,131.09	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09 380,017.32	Ending Market Value 11/30/09 380,017.32	Change In Market Value	Recognized Gain 0.00
money marror	2006 MF Village Park Total			_	209,890.05	209,890.05	170,131.09	0.00	0.00	0.00	380,021.14	380,021.14	0.00	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/09	12/01/09	38,899.25	38,899.25	5,280.47				44,179.72	44,179.72	-	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/09	12/01/09	45,479.33	45,479.33	12,399.99				57,879.32	57,879.32	-	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/09	12/01/09	80,637.00	80,637.00	0.00				80,637.00	80,637.00	-	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/09	12/01/09	194,609.32	194,609.32	61,784.22				256,393.54	256,393.54	<del>-</del>	0.00
·	2006 MF Cakmoor Total				359,624.90	359,624.90	79,464.68	0.00	0.00	0.00	439,089.58	439,089.58	0.00	0.00
Money Market	2006 MF Hillcrest				4,909.69	4,909.69		(4,909.69)					-	0.00
Money Market	2006 MF Hillcrest	0.00	11/01/09	12/01/09	388,238,71	388,238.71		(230,344.05)			157,894.66	157,894.66	-	0.00
Money Market	2006 MF Hillcrest				373,479.15	373,479.15		(373,479.15)					•	0.00
Money Market	2006 MF Hillcrest			_	24.60	24.60		(24.60)						0.00
,	2006 MF Hillcrest Total				766,652.15	766,652.15	0.00	(608,757.49)	0.00	0.00	157,894.66	157,894.66	0.00	0.00
Money Market	2006 MF Pleasant Village	0.00	11/01/09	12/01/09	123,568.47	123,568.47		(1,814.51)			121,753.96	121,753.96	-	0.00
Mutual Fund	2006 MF Pleasant Village	0.00	11/01/09	12/01/09	18,725.25	18,725.25	17,499,00	(··/-			36,224.25	36,224.25	-	0.00
Money Market	2006 MF Pleasant Village	0.00	11/01/09	12/01/09		,	284,960.00				284,960.00	284,960.00	-	0.00
Money Market	2006 MF Pleasant Village				3,089.52	3,089.52		(3,089.52)					-	0.00
Money Market	2006 MF Pleasant Village	0.00	11/01/09	12/01/09	36.295.12	36,295.12	0.00	• • • •			36,295.12	36,295.12	=	0.00
<b>,</b>	2006 MF Pleasant Village Total			•	181,678.36	181,678.36	302,459.00	(4,904.03)	0.00	0.00	479,233.33	479,233.33	0.00	0.00
Money Market	2006 MF Grove Village	0.00	11/01/09	12/01/09	154,388,48	154,388.48		(8,106.12)			146,282.36	146,282.36	_	0.00
Money Market	2006 MF Grove Village	0.00	1 1/0 1/00	12,011,00	12.87	12.87		(12.87)					_	0.00
Money Market	2006 MF Grove Village	0.00	11/01/09	12/01/09	16,552,64	16,552.64		(1,997.29)			14,555.35	14,555.35	-	0.00
Money Market	2006 MF Grove Village	0.00	11/01/09	12/01/09	2.61	2.61	0.00	\- <b>,</b>			2.61	2.61		0.00
Money Market	2006 MF Grove Village	0.00	11/01/09	12/01/09	37,383.97	37,383.97	0.00				37,383.97	37,383.97		0.00
mondy market	2006 MF Grove Village Total				208,340.57	208,340.57	0.00	(10,116.28)	0.00	0.00	198,224.29	198,224.29	0.00	0.00
Money Market	2006 MF Red Hills	0.01	11/01/09	12/01/09	27,602.73	27.602.73		(8,457.55)			19,145,18	19.145.18	-	0.00
Money Market	2006 MF Red Hills	0.01	11/01/09	12/01/09	6,630,50	6,630.50	10,729.26	(0,707170)			17,359.76	17,359.76	_	0.00
Money Market	2006 MF Red Hills	0.01	11/01/09	12/01/09	1.24	1.24	0.53				1.77	1.77	_	0.00
Worley Warket	2006 MF Red Hills Total	0.01	11101140	1201100	34,234.47	34,234.47	10,729.79	(8,457.55)	0.00	0.00	36,506.71	36,506.71	0.00	0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/09	12/01/09	97.36	97.36	0.08				97.44	97.44		0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/09	12/01/09	25,376,58	25,376,58	0.00	(7,508.43)			17,868.15	17,868,15	_	0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/09	12/01/09	88,486.54	88,486.54		(82,437.79)			6,048.75	6,048.75		0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/09	12/01/09	1.20	1.20	0,48	(02,101117)			1.68	1.68	-	0.00
MARKEY MELICIC	2006 MF Champion Crossing Total	0.0.		,,,,	113,961.68	113,961.68	0.56	(89,946.22)	0.00	0.00	24,016.02	24,016.02	0.00	0.00
Money Market	2006 MF Stonehaven	0.01	11/01/09	12/01/09	75,623.37	75,623.37		(65,833,44)			9,789.93	9,789,93		0.00
	2006 MF Stonehaven Total				75,623.37	75,623.37	0.00	(65,833.44)	0.00	0.00	9,789.93	9,789.93	0.00	0.00
Money Market	2006 MF Center Ridge	0.00	11/01/09	12/01/09	79.60	79.60	0.00				79.60	79.60		0.00
Money Market	2006 MF Center Ridge	0.00	11/01/09	12/01/09	11,558.33	11,558.33	0.00				11,558.33	11,558.33	-	0.00
•	2006 MF Center Ridge Total				11,637.93	11,637.93	0.00	0.00	0.00	0.00	11,637.93	11,637.93	0.00	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/09	12/01/09	53.340.02	53,340.02	409,606.00				462,946.02	462,946.02	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/09	12/01/09	22,124.07	22,124.07	3,293.51				25,417.58	25,417.58	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/09	12/01/09	235,874,48	235,874,48	64,621.96				300,496.44	300,496.44	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/09	12/01/09	8,206.29	8,206.29	72,186.87				80,393.16	80,393.16	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/09	12/01/09	3,933.33	3,933.33	11,799.99				15,733.32	15,733.32	-	0.00
Money Market	2006 MF Meadowlands	2.4.			31.94	31.94	•	(31.94)						0.00
manag manac	2006 MF Meadowlands Total				323,510.13	323,510.13	561,508.33	(31.94)	0.00	0.00	884,986.52	884,986.52	0.00	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/09	12/01/09	19,500.49	19,500.49		(15,853.66)			3,646.83	3,646.83	-	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/09	12/01/09			183,001.43				183,001.43	183,001.43	-	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/09	12/01/09	326,263.45	326,263.45		(182,421.11)			143,842.34	143,842.34	-	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/09	12/01/09	78,187.73	78,187.73	15,626,98				93,814.71	93,814.71		0.00
•	2006 MF East Texas Pines Total		,		423,951.67	423,951.67	198,628.41	(198,274.77)	0.00	0.00	424,305.31	424,305.31	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change in Market Value	Recognized Gain
Money Market	2006 MF Vilias at Henderson	0.01	11/01/09	12/01/09	3.11	3.11	0.00				3.11	3.11	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/09	12/01/09			7,555.00				7,555.00	7,555.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/09	12/01/09	19.00	19.00	0.00				19.00	19.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/09	12/01/09	8.38	8.38	0.00				8.38	8.38	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/09	12/01/09	21,047,78	21,047.78		(7,333.48)			13,714.30	13,714.30		0.00
	2006 MF Villas at Henderson Total				21,078.27	21,078.27	7,555.00	(7,333.48)	0.00	0.00	21,299.79	21,299.79	0.00	0.00
Money Market	2006 MF Aspen Parks Apts	0.01	11/01/09	12/01/09	142,288.84	142,288.84	146,985.42				289,274.26	289,274.26	•	0.00
Money Market Money Market	2006 MF Aspen Parks Apts 2006 MF Aspen Parks Apts	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	13,301.99 38,085.81	13,301.99 38,085.81		(13,299.66)			2.33	2.33	•	0.00
Wolley Warket	2006 MF Aspen Parks Apts Total	0.01	1 00 009	12/01/09 _	193,676.64	193,676.64	0.95 146,986.37	(13,299.66)	0.00	0.00	38,086.76 327,363.35	38,086.76 327,363.35	0.00	0.00
Money Market	2006 MF Idlewilde Apts	0.01	11/01/09	12/01/09	32,262.13	32,262.13		(15,552.35)			16,709.78	16,709.78	•	0.00
Money Market	2006 MF Idlewilde Apts	0.01	11/01/09	12/01/09	97,419.19	97,419.19		(69,778.93)			27,640.26	27,640.26	•	0.00
Money Market Money Market	2006 MF Idlewilde Apts 2006 MF Idlewilde Apts	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	22,609.71	22,609.71	1.41				22,611.12	22,611.12	-	0.00
Money Warker	2006 MF Idlewilde Apts Total	0.01	11/01/09	12/01/09 _	152,291.03	152,291,03	0.79 2.20	(85,331.28)	0.00	0.00	0.79 66,961.95	0.79 66,961.95	0.00	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/09	12/01/09	31,187,55	31.187.55	6,583,13	(05,55120)	0.00	0.00	37,770,68	37.770.68	0.00	
Money Market	2007 MF Landcaster Apts	0.01	11/01/09	12/01/09	888.02	888.02	0.00				\$7,770.68 \$88.02	37,770.68 888.02	_	0.00 0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/09	12/01/09	97,419.19	97,419.19	0.00	(69,778.93)			27,640.26	27,640,26	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/09	12/01/09	28,830.87	28,830.87	1.56	(00), 10100)			28,832,43	28.832.43	_	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/09	12/01/09	<u> </u>	·	0.79				0.79	0.79	_	0.00
	2007 MF Landcaster Apts Total				158,325.63	158,325.63	6,585.48	(69,778.93)	0.00	0.00	95,132.18	95,132.18	0.00	0.00
Money Market	2007 MF Park Place	0.01	11/01/09	12/01/09			12,600.04				12,600.04	12,600.04	-	0.00
Money Market	2007 MF Park Place	0.01	11/01/09	12/01/09	822,025.74	822,025.74	9.10				822,034.84	822,034.84	•	0.00
Money Market	2007 MF Park Place	0.01	11/01/09	12/01/09	32,190.00	32,190.00	156,451.45				188,641.45	188,641.45	-	0.00
Money Market	2007 MF Park Place 2007 MF Park Place Total	0.01	11/01/09	12/01/09	30,265.00	30,265.00	5,075.29				35,340.29	35,340.29		0.00
			44/04/04		884,480.74	884,480.74	174,135.88	0.00	0.00	0.00	1,058,616.62	1,058,616.62	0.00	0.00
Money Market Money Market	2007 MF Terrace @ Cibolo 2007 MF Terrace @ Cibolo	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	187,552,73	407 550 70	10,056.00	(45 400 00)			10,056.00	10,056.00	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	11/01/09	12/01/09	26,906.32	187,552.73 26,906.32	0.68	(45,490.82)			142,061.91 26,907.00	142,061.91	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	11/01/09	12/01/09	14,677,93	14,677.93	4,037.92				26,907.00 18,715.85	26,907.00 18,715.85	-	0.00 0.00
money mame	2007 MF Terrace @ Cibolo Total	2,41	1,00,00	120,000	229,136.98	229,136.98	14,094.60	(45,490.82)	0.00	0.00	197,740.76	197,740.76	0.00	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/09	12/01/09	120,000,00	120,000.00	90,002,10				210,002.10	210,002.10	_	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/09	12/01/09	1,161,612.00	1,161,612.00	12.80				1,161,624.80	1,161,624.80	_	0.00
Money Market	2007 MF Santora Villas	0.00	11/01/09	12/01/09	.,,.		39,010.66				39,010,66	39,010.66	_	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/09	12/01/09	9,497.35	9,497.35	5,638.13				15,135.48	15,135.48	-	0.00
	2007 MF Santora Villas Total				1,291,109.35	1,291,109.35	134,663.69	0.00	0.00	0.00	1,425,773.04	1,425,773.04	0.00	0.00
GNMA	2007 A/B MF Villas @ Mesquite	5.17	07/30/07	03/15/11	15,994,547.00	15,994,547.00	0.00				15,994,547.00	15,994,547.00	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	11/01/09	12/01/09	2,614.10	2,614.10	0.00				2,614.10	2,614.10	-	0.00
GIC's	2007 A/B MF Villas @ Mesquite	5.04	06/26/07	01/15/10	848,914.22	848,914.22	0.00				848,914,22	848,914.22	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	11/01/09	12/01/09	3,568.27	3,568.27	0.00				3,568.27	3,568.27	-	0.00
GIC's Money Market	2007 A/B MF Villas @ Mesquite 2007 A/B MF Villas @ Mesquite	4.78 0.01	08/23/07 11/01/09	07/20/47	109,488.89 21,008.19	109,488.89	217,434.71				326,923.60	326,923.60	-	0.00
waxey warket	2007 A/B MF Villas @ Mesquite Tota		1 1/0 1/09	12/01/09	16,980,140.67	21,008.19 16,980,140,67	1,050.54 218,485,25	0.00	0.00	0.00	22,058.73	22,058.73		0.00
Manay Market	• .	0.01	44/04/00	40/04/05		,	,	U.UQ	0.00	0.00	17,198,625.92	17,198,625.92	0.00	0.00
Money Market GNMA	2007 MF Summit Point 2007 MF Summit Point	5.32	11/01/09 07/30/07	12/01/09 12/15/09	10,000.09 11,674,248.00	10,000.09 11,674,248.00	0.48 0.00				10,000.57	10,000.57	-	0.00
Money Market	2007 MF Summit Point	0.01	11/01/09	12/01/09	229,246.15	229,246,15	155,273,87				11,674,248.00 384,520.02	11,674,248.00 384,520.02	-	0.00 0.00
Money Market	2007 MF Summit Point	2.01		12,01,00	0.24	0.24	100,270.07	(0.24)			304,320.02	JU4,J20.02	-	0.00
······································	2007 MF Summit Point Total			_	11,913,494.48	11,913,494.48	155,274.35	(0.24)	0.00	0.00	12,068,768.59	12,068,768.59	0.00	0.00
Money Market Money Market	2007 MF Costa Rialto 2007 MF Costa Rialto	0.01 0.01	11/01/09 11/01/09	12/01/09 12/01/09	0.02	0.02	0.01 0.00				0.01 0.02	0.01 0.02	•	0.00 0.00

investment Type Money Market	issue 2007 MF Costa Rialto	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09 0.02	Beginning Market Value 08/31/09 0.02	Accretions/ Purchases	Amortizations/ Sales (0.02)	Maturities	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change In Market Value	Recognized Gain 0.00
-	2007 MF Costa Rialto Total			_	0.04	0.04	0.01	(0.02)	0.00	0.00	0.03	0.03	0.00	0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/09	12/01/09	14,035.65	14,035.65	4,839.05				18,874.70	18,874.70		0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/09	12/01/09	4.45	4.45	0.00				4.45	4.45	-	0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/09	12/01/09			25,090.39				25,090.39	25,090.39	-	0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/09	12/01/09	36,122.67	36,122.67		(35,562.50)			560.17	560.17		0.00
	2007 MF Windshire Apts Total				50,162.77	50,162.77	29,929.44	(35,562.50)	0.00	0.00	44,529.71	44,529.71	0.00	0.00
Money Market	2007 MF Residences @ Onion Crk	0.00	11/01/09	12/01/09	239,328.54	239,328.54		(16,682.78)			222,645.76	222,645.76	-	0.00
Money Market	2007 MF Residences @ Onion Crk	0.00	11/01/09	12/01/09	16,581.37	16,581.37	2.46				16,583.83	16,583.83	-	0.00
Money Market	2007 MF Residences @ Onion Crk	0.00	11/01/09	12/01/09	147.91	147.91	0.00				147.91	147.91	-	0.00
	2007 MF Residences @ Onion Crk Tot	tal			256,057.82	256,057.82	2.46	(16,682.78)	0.00	0.00	239,377.50	239,377.50	0.00	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/09	12/01/09	1,074,203.87	1,074,203.87		(875,815.45)			198,388.42	198,388.42	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/09	12/01/09	28.09	28.09	0.08				28.17	28.17	•	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/09	12/01/09	191,768.88	191,768.88	•	(124,228.93)			67,539.95	67,539.95	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/09	12/01/09	2,657.35	2,657.35	1,014.05				3,671.40	3,671.40	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/09	12/01/09	23,082.68	23,082.68	4,822.39				27,905.07	27,905.07	•	0.00
<ul> <li>Money Market</li> </ul>	2008 MF West Oaks Apts	0.01	01/01/09	02/01/09	1,291,740.87	1,291,740.87	0.00 5,836.52	(1,000,044.38)	0.00	0.00	297,533.01	0.00 297,533.01	0.00	0.00
	2008 MF West Oaks Apts Total				1,291,740.67	- 1,291,740.67	3,030.32	(1,000,044.38)	0.00	0.00	257,533.01	257,333.01	0.00	0.00
Moriey Market	2008 MF Costa Ibiza Apts	0.01	11/01/09	12/01/09	5.20	5.20	2,932.33				2,937.53	2,937.53	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	11/01/09	12/01/09	326,123.72	326,123.72		(237,588.04)			88,535.68	88,535.68	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	11/01/09	12/01/09	598,378.38	598,378.38		(146,213.63)			452,164.75	452,164.75	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	01/01/09	02/01/09			0.00				0.00	0.00		0.00
	2008 MF Costa Ibiza Apts Total				924,507.30	924,507.30	2,932.33	(383,801.67)	0.00	0.00	543,637.96	543,637.96	0.00	0.00
Money Market	2008 MF Addison Park Apts	0.01	11/01/09	12/01/09	2.18	2.18	0.00				2.18	2.18	-	0.00
Mutual Fund	2008 MF Addison Park Apts	0.01	11/01/09	12/01/09	52,723.16	52,723.16	26,157.08				78,880.24	78,880.24	-	0.00
Money Market	2008 MF Addison Park Apts	0.01	11/01/09	12/01/09	4,857.70	4,857.70		(4,857.62)			0.08	80.0	-	0.00
Mutual Fund	2008 MF Addison Park Apts	1.33	08/01/08	09/01/08			0.00				0.00	0.00		0.00
	2008 MF Addison Park Apts Total				57,583.04	57,583.04	26,157.08	(4,857.62)	0.00	0.00	78,882.50	78,882.50	0.00	0.00
Money Market	2008 MF Alta Cullen Ref	0.00		12/01/09	0.49	0.49	0.00				0.49	0.49		0.00
Money Market	2008 MF Alta Cullen Ref	0.00		12/01/09	20,235.90	20,235.90	5,750.02				25,985.92	25,985.92	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	10/01/09	11/01/09			0.00				0.00	0.00		0.00
	2008 MF Alta Cullen Ref Total				20,236.39	20,236,39	5,750.02	0.00	0.00	0.00	25,986.41	25,986.41	0.00	0.00
Money Market	2009 MF Costa Mariposa				914.69	914.69		(914.69)					-	0.00
GIC's	2009 MF Costa Mariposa	0.68	06/25/09	11/01/10	10,070,923.34	10,070,923.34		(2,669,960.28)			7,400,963.06	7,400,963.06	-	0.00
Money Market	2009 MF Costa Mariposa	0.01	11/01/09	12/01/09	0.53	0.53	5,000.52				5,001.05	5,001.05	-	0.00
GIC's	2009 MF Costa Mariposa	0.68		11/01/10	20,840.88	20,840.88	35.06				20,875.94	20,875.94	-	0.00
Money Market	2009 MF Costa Mariposa	0.01	10/01/09	11/01/09	5,000.30	5,000.30		(5,000.30)			0.00	0.00		0.00
	2009 MF Costa Mariposa Total				10,097,679.74	10,097,679.74	5,035.58	(2,675,875.27)	0.00	0.00	7,426,840.05	7,426,840.05	0.00	0.00
Money Market	2009 MF Woodmont Apts	0.00		12/01/09	12,115,850.70	12,115,850.70		(620,889.22)			11,494,961.48	11,494,961.48	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	11/01/09	12/01/09	66,736.96	66,736.96	1.69				66,738.65	66,738.65	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	11/01/09	12/01/09	1,335,682.51	1,335,682.51		(60,292.35)			1,275,390.16	1,275,390.16	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	10/01/09	11/01/09	30,430.02	30,430.02		(30,430.02)			0.00	0.00		0.00
	2009 MF Woodmont Apts Total				13,548,700.19	13,548,700.19	1.69	(711,611.59)	0.00	0.00	12,837,090.29	12,837,090.29	0.00	0.00
	Total Multi-Family Investment	Summary			117,923,466.04	117,923,466.04	8,287,836.11	(8,403,514.37)	(94,760.77)	0.00	117,713,027.01	117,713,027.01	0.00	0.00

#### Texas Department of Housing and Community Affairs Commercial Paper Investment Summary For Period Ending November 30, 2009

Investment Type Repo Agmt	Issue Commercial Paper	Current Interest Rate 0.16	Current Purchase Date 11/30/09	Current Maturity Date 12/01/09	Beginning Carrying Value 08/31/09 26,424.19	Beginning Market Value 08/31/09 26.424.19	Accretions/ Purchases 7.07	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09 26,431,26	Ending Market Value 11/30/09 26.431.26	Change in Market Value	Recognized Gain 0.00
reportant	Commercial Paper Total	3.1.0	(		26,424.19	26,424.19	7.07	0.00	0.00	0.00	26,431.26	26,431.26	0.00	0.00
	Total Commercial Paper II	nvestment Summar			26,424.19	26,424.19	7.07	0.00	0.00	0.00	26,431,26	26,431.26	0.00	0.00

#### Texas Department of Housing and Community Affairs General Fund Investment Summary For Period Ending November 30, 2009

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	Issue	Rate	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	6,835,392.54	6,835,392.54		(3,156,377.70)			3,679,014.84	3,679,014.84	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	225,643.02	225,643.02	60.42				225,703.44	225,703.44	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	63,652.47	63,652.47	17.04				63,669.51	63,669.51	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	897,361.77	897,361.77		(309,044.90)			588,316.87	588,316.87	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	502,246.75	502,246.75	134.53				502,381.28	502,381.28	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	3,279.12	3,279.12	1,224.91				4,504.03	4,504.03	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	228,442.13	228,442.13	493,481.77				721,923.90	721,923.90	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	344,922.85	344,922.85	92.37				345,015.22	345,015.22	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	427,541.63	427,541.63	114.50				427,656.13	427,656.13	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	2,336,289.92	2,336,289.92		(957,483.50)			1,378,806.42	1,378,806.42	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	233,760.67	233,760.67	50,068.16				283,828.83	283,828.83	-	0.00
Repo Agmt	General Fund	0.16	11/30/09	12/01/09	1,403.93	1,403.93	0.34				1,404,27	1,404.27		0.00
	General Fund Total				12,099,936.80	12,099,936.80	545,194.04	(4,422,906.10)	0.00	0.00	8,222,224.74	8,222,224.74	0.00	0.00
	Total General Fund Inv	restment Summary			12,099,936.80	12,099,936.80	545,194.04	(4,422,906.10)	0.00	0.00	8,222,224.74	8,222,224.74	0.00	0.00

# Texas Department of Housing and Community Affairs Housing Trust Fund Investment Summary For Period Ending November 30, 2009

Investment		Current interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/	Manager	<b>-</b>	Ending Carrying Value	Ending Market Value	Change In Market	Recognized
Туре	lssue	Rate.	Date	Date	08/31/09	08/31/09	Purchases	Sales	Maturities	Transfers	11/30/09	11/30/09	Value	Gain
Repo Agmt	Housing Assistance Fund	0.16	11/30/09	12/01/09	227,021.54	227,021.54	6,388.67				233,410.21	233,410.21	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	33,384.59	33,384.59	0.00				33,384.59	33,384.59	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	84,062.03	84,062.03	48,232.57				132,294.60	132,294.60	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	470,314.22	470,314.22	755.70				471,069.92	471,069.92	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	112,749.76	112,749.76	12,224.55				124,974.31	124,974.31	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	97,207.76	97,207.76	2.82				97,210.58	97,210.58		0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	115,233.61	115,233.61	35,515.10				150,748.71	150,748.71	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	91,194.30	91,194.30	1,38				91,195.68	91,195.68	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	314,962.45	314,962.45	0.00				314,962.45	314,962.45	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	935,805.00	935,805.00		(41,350.00)			894,455.00	894,455.00	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	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	0.16	11/30/09	12/01/09	1,919,292.59	1,919,292.59	32,908.00				1,952,200.59	1,952,200.59	-	0.00
Repo Agmt	Housing Trust Fund	0.16	11/30/09	12/01/09	563,034.23	- 563,034.23		(131,129.84)			431,904.39	431,904.39	-	0.00
Repo Agmt	General Revenue Appn	0.16	11/30/09	12/01/09	98,128.11	98,128.11	153,230.52				251,358.63	251,358.63	-	0.00
Repo Agmt	General Revenue Appn	0.16	11/30/09	12/01/09	447,731.27	447,731.27		(301,549.80)			146,181.47	146,181.47	-	0.00
Repo Agmt	General Revenue Appn	0.16	11/30/09	12/01/09	4,294.53	4,294.53	9,226,439.59				9,230,734.12	9,230,734.12		0.00
Repo Agmt	General Revenue Appn	0.16	11/30/09	12/01/09	844,397.00	844,397.00	0.00				844,397.00	844,397.00	-	0.00
Repo Agmt	General Revenue Appn	0.16	11/30/09	12/01/09	1,890,000.00	1,890,000.00		(167,700.00)			1,732,300.00	1,732,300.00	-	0.00
Repo Agmt	Disaster Recover - GR	0.16	11/30/09	12/01/09	361,756.53	361,756.53		(52,540.24)			309,216.29	309,216.29	_	0.00
Repo Agmt	Housing Trust Fund-GR	0.16	11/30/09	12/01/09	750,000.00	750,000.00	0.00				750,000.00	750,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.16	11/30/09	12/01/09	1,000,000.00	1,000,000.00		(10,000.00)			990,000.00	990,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.16	11/30/09	12/01/09	1,000,000.00	1,000,000.00	0.00	, , ,			1,000,000.00	1,000,000.00	-	0.00
Repo Agmt	Boostrap -GR				3,650,40	3,650,40		(3,650.40)					-	0.00
Repo Agmt	Boostrap -GR	0.16	11/30/09	12/01/09	88,165,50	88,165.50		(57,584.75)			30,580.75	30,580.75		0.00
Repo Agmt	Boostrap -GR	0.16	11/30/09	12/01/09	1,592,005.24	1,592,005.24		(375,380.50)			1,216,624.74	1,216,624.74	_	0.00
Repo Agmt	Boostrap -GR	0.16	11/30/09	12/01/09	2,223,491.70	2,223,491.70		(141,311.30)			2,082,180.40	2,082,180.40	-	0.00
Repo Agmt	Boostrap -GR				97,461.00	97,461.00		(97,461.00)				•		0.00
Repo Agmt	Boostrap -GR	0.16	11/30/09	12/01/09	.,	• • • • • • • • • • • • • • • • • • • •	636,767.42	, , ,			636,767.42	636,767.42	-	0.00
Fr	Housing Trust Fund Total				16,865,343.36	16,865,343.36	10,152,466.32	(1,369,657.83)	0.00	0.00	25,648,151.85	25,648,151.85	0.00	0.00
	Total Housing Trust Fund In	vestment Summa	ary		16,865,343.36	16,865,343.36	10,152,466.32	(1,369,657.83)	0.00	0.00	25,648,151.85	25,648,151.85	0.00	0.00

# Texas Department of Housing and Community Affairs Administration Investment Summary For Period Ending November 30, 2009

Investment Type Repo Agmt	issue Administration	Current Interest Rate 0.16	Current Purchase Date 11/30/09	Current Maturity Date 12/01/09	Beginning Carrying Value 08/31/09 158.774.79	Beginning Market Value 08/31/09 158,774.79	Accretions/ Purchases 17.23	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09 158,792.02	Ending Market Value 11/30/09 158,792.02	Change In Market Value	Recognized Gain 0.00
reporting.	Administration Total			-	158,774.79	158,774.79	17.23	0.00	0.00	0.00	158,792.02	158,792.02	0.00	0.00
	Total Administration Inve	stment Summary			158,774.79	158,774.79	17.23	0.00	0.00	0.00	158,792.02	158,792.02	0.00	0.00

# Texas Department of Housing and Community Affairs Compliance Investment Summary For Period Ending November 30, 2009

Investment Type	issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change In Market Value	Recognized Gain
Repo Agmt	RTC	0.16	11/30/09	12/01/09	117,785.26	117,785.26	757.55				118,542.81	118,542.81	-	0.00
Repo Agmt	Mutti Family	0.16	11/30/09	12/01/09	830,656,71	830,656.71		(86,106.33)			744,550.38	744,550.38	-	0.00
	Multi Family	0.16	11/30/09	12/01/09	206,015,14	206,015.14	14.82	,			206,029.96	206,029.96	-	0.00
Repo Agmt Repo Agmt	Low Income Tax Credit Prog.	0.16	11/30/09	12/01/09	3.168,890,04	3,168,890.04		(1.058,823,64)			2,110,066.40	2,110,066.40		0.00
Repo Agric	Compliance Total		7 17 00 7 00		4,323,347.15	4,323,347.15	772.37	(1,144,929.97)	0.00	0.00	3,179,189.55	3,179,189.55	0.00	0.00
	Total Compliance Investr	nent Summary	÷		4,323,347.15	4,323,347.15	772.37	(1,144,929.97)	0.00	0.00	3,179,189.55	3,179,189.55	0.00	0.00

# Texas Department of Housing and Community Affairs Housing Initiatives Investment Summary For Period Ending November 30, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/09	Beginning Market Value 08/31/09	Accretions/ Purchases	Amortizations/ Sales	Maturities .	Transfers	Ending Carrying Value 11/30/09	Ending Market Value 11/30/09	Change In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	0.16	11/30/09	12/01/09	536,715.43	536,715.43	86.66				536,802.09	536.802.09		0.00
Repo Agmt	S/F Interim Construction	0.16	11/30/09	12/01/09	197.66	197.66	0.00				197.66	197.66	-	0.00
Repo Agmt	S/F Interim Construction	0.16	11/30/09	12/01/09	7.26	7.26	0.00				7.26	7.26	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.16	11/30/09	12/01/09	626,797.47	626,797.47		(286,855.30)			339,942.17	339,942.17	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.16	11/30/09	12/01/09	6,720,004.62	6,720,004.62	641,083.66				7,361,088.28	7,361,088.28		0.00
Repo Agmt	Low Income Tax Credit Prog.	0.16	11/30/09	12/01/09	393,858.44	393,858.44		(4,822.06)			389,036.38	389,036.38	-	0.00
	Low Income Tax Credit Prog. Total			_	8,277,580.88	8,277,580.88	641,170.32	(291,677.36)	0.00	0.00	8,627,073.84	8,627,073.84	0.00	0.00
	Total Housing Initiatives Investr	nent Summar	у		8,277,580.88	8,277,580.88	641,170.32	(291,677.36)	0.00	0.00	8,627,073.84	8,627,073.84	0.00	0.00
	Total Investment Sum	mary			1,634,724,692.03	1,689,225,387.51	161,952,317.04	(177,625,378.07)	(31,530,339.86)	0.00	1,587,521,291.14	1,665,382,876.92	23,360,890.30	0.00

#### FINANCIAL ADMINISTRATION DIVISION

# BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the Department's Investment Policy, though the adoption of Resolution No. 10-015.

#### **RESOLUTION NO. 10-015**

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:

<u>Section -- 1 Review of the Department's Investment Policy</u>. The 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.

<u>Section -- 2 Effective Date</u>. 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 <u>Texas Register</u> 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 made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 11th day of March, 2010.

ATTEST:	Chairman, Governing Board	
Secretary to the Board (SEAL)	_	

#### **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 which the Department would have to adhere. 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 Tim Nelson, Director of Bond Finance. TDHCA Staff has reviewed the current investment policy that was approved February 5, 2009. There are no changes or amendments to this policy as it is the same as last year's Investment Policy.

The Department's investments are 98% the result of the use of Bond proceeds and the other 2% are Housing Trust Funds and other housing initiatives.

# **INVESTMENT POLICY**

As approved by the Board on March 11, 2010

2010

March 11, 2010

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#### **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. <u>Safety</u>. 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. <u>Liquidity</u>. 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. <u>Yield</u>. 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 78<sup>th</sup> 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.

<u>Applicability</u>. 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.

<u>Definition</u>. 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.

<u>Construction With Other Law</u>. 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.

<u>Disclosure Requirements For Outside Financial Advisor Or Service Provider</u>. 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).

<u>Public Information</u>. 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
- 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.

#### 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.

#### **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.

#### **Attachment C**

## ACKNOWLEDGMENT OF RECEIPT OF INVESTMENT POLICY

1.	I am a qualified representative of (19 "Business Organization").	the
2.	The Business Organization proposes to engage in an investment transaction (the "Investments") we the Texas Department of Housing and Community Affairs (the "Department").	ith
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 an effort to preclude investment transactions conducted between the business organization and to 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 white requires an interpretation of subjective investment standards.	
Da	ted this,	
	Name:	
	Title:	
	Business Organization:	

#### **Attachment D**

## CERTIFICATE OF COMPLIANCE WITH PUBLIC FUNDS INVESTMENT ACT

I,	, a qualified representative of
	(the "Business
Organizati	on")
	ecute and deliver this certificate in conjunction with the proposed sale of investments to the artment 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:

#### **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.

,			R ENDING DECEMBER 31, 20
NAME OF INDIVIDUAL			JOB TITLE
NAME OF BUSINESS ENTITY			TYPE OF SERVICE PROVIDED
ADDRESS			
CITY	STATE	ZIP	PHONE
NAME OF STATE GOVERNMEN BOARD MEMBER TO WHICH YO			i 
PART 2: DISCLOSURES DEFINITION: (Texas Government Financial advisor or service provious consultant, money or investment in	rider includes a pers		entity who acts as a financial advisor, financial
Government Code, Section 2263. Financial advisors and service properties and direct or indirect pecuniary into whether the relationships are discovernmental entity (other the or your business entity performance).	outlets (see definition terests in, any party to terests in, any party to terest, indirect, person terest, indirect, person terest, indirect, person and a relationship necession for the state gove or your business entity?	on) must disclose to a transaction val, private, common relationship with essary to the invernmental entity) ty's independence	h any party to a transaction with the state restment or funds management services that you for which a reasonable person could expect the se of judgment in the performance of your

that you or your business entity provides to the state of connection with the management or investment of states.  Yes No	ansaction is connected with any financial advice or service governmental entity or to a member of the governing body in the funds?
If yes, please explain in detail. (Attach additional she	
,	is complete and accurate. I acknowledge my or my firm's disclosure statement to the parties listed in step 4 of the
Signature	Date

#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Attachment F

#### **RESOLUTION NO. 10-015**

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:

<u>Section -- 1 Review of the Department's Investment Policy</u>. The 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.

<u>Section -- 2 Effective Date</u>. 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 made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made

meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 11th day of March, 2010.

Chairman, Governing Board

ATTEST:

Secretary to the Board

(SEAL)

### MULTIFAMILY FINANCE DIVISION BOARD ACTION REQUEST

March 11, 2010

#### **Requested Action**

Approve the requests for extensions related to one (1) 2003, two (2) 2006, (1) 2007 and (1) 2008 Housing Tax Credit allocations.

WHEREAS, the Board requires compliance with the deadlines it sets through its Qualified Allocation Plan (QAP) and authorizes the Executive Director to approve reasonable extensions of such deadlines when requested with good cause prior to the deadline, and

WHEREAS, the Board may consider and approve with good cause or deny extensions of deadlines requested after the deadline, and

WHEREAS, four applicants who have missed deadlines requested extensions after their respective deadline had passed but provided good cause for granting the extension and the required \$2,500 extension request fee.

It is hereby:

RESOLVED, that the extensions presented in this meeting relating to Application No. 03604 (Timber Oaks Apartments), Application No. 060193 (Villa Main Apts), 060417 (Artisan at Salado Falls), Application No. 07249 (Bluff Landing Senior Village), Application No. 09019 (Timber Village II) and Application No. 08261 (Towne Center Apartment Homes) be and are hereby approved in the form presented to this meeting.

#### **Background**

Pertinent facts about the request for extension are given below.

#### HTC No. 03406 Timber Oaks Apartments

(Cost Certification Extension)

<u>Summary of Request:</u> The owner elected to initiate the credit period in 2009 and missed the January 15, 2010 deadline to submit cost certification documentation for the above referenced development. The reason given for the request was that the partnership has been working through some material non-compliance issues related to the construction of the project. The owner indicated that a plan of correction for the non-compliance issue has been submitted to the Department for review and the final cost certification documentation will be submitted once the material non-compliance issues are resolved. The Syndicator has been actively involved in discussions with the Department and is committed to stepping in and bringing the development into compliance.

Owner:OHC/GP I, Ltd.

General Partner: Outreach Housing Corporation and Colonial Equities, Inc.

Developer: Colonial Equities, Inc.

Principals/Interested Parties: Richard C. Ruschman and Richard Shaw.

Syndicator: Centerline Capital Group
City/County: Grand Prairie/Tarrant County

Set-Aside: N/A Type of Area: Urban

Type of Development: New Construction

Population Served: Family

Units: 264 HTC units 2003 Allocation: \$640,007 Allocation per HTC Unit: \$2,424 Extension Request Fee Paid: \$2,500

Current Deadline: January 15, 2010 New Deadline Requested: July 1, 2010 New Deadline Recommended: July 1, 2010

Previous Extensions: N/A

100 Congress Avenue, Suite 300 Austin, Texas 78701-2748 Telephone: 512-305-4700 Fax: 512-305-4800 www.lockelord.com

Christine R. Richardson Direct Telephone: 512-305-4754 Direct Fax: 512-391-4754 crichardson@lockelord.com

February 25, 2010

#### **VIA E-MAIL**

Kent Bedell, *Multifamily Housing Specialist* Texas Department of Housing & Community Affairs 221 East 11th Street Austin, Texas 78701

Re: Timber Oaks Apartments (the "**Project**")

**TDHCA No. 03406** 

Request for Extension of Deadline for Submission of Cost Certification

Dear Mr. Bedell:

We represent Related Capital Guaranteed Partners II, L.P. – Series C, a Delaware limited partnership ("Investor"), which is the tax credit investor in OHC/GP I, Ltd. (the "Partnership"). The Partnership is the Development Owner with respect to the above-referenced Project. On behalf of Investor and the Partnership, we are submitting this letter to request an extension of the deadline for submission of the cost certification documentation for the Project. A check in the amount of \$2,500 for payment of the extension fee will be submitted under separate cover.

The deadline for the Partnership to submit its cost certification documentation has already passed. However, as the Department is aware, the Partnership has been working through some material non-compliance issues related to the construction of the Project. Centerline, on behalf of the Partnership, has submitted a plan of correction to address the non-compliance items and this documentation is currently under review by the Department. The Partnership will not be in a position to finalize and submit its cost certification documentation until the material non-compliance issues are resolved.

In light of the foregoing, the Partnership respectfully requests an extension of the deadline for submission of its cost certification to <u>July 1, 2010</u>.

Mr. Bedell February 25, 2010

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Robbye Meyer (TDHCA)
Patricia Murphy (TDHCA)
Audrey Martin (TDHCA)
Bill Lee
Joyce Roth
Mark Horinbein
Richard C. Ruschman
Cynthia Bast, Esq. (Firm)

#### HTC No. 060193 Villa Main Apartments

#### (Cost Certification Extension)

<u>Summary of Request:</u> Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2009 and missed the January 15, 2010 deadline to submit cost certification documentation for the above referenced development. The owner has requested a change in the deadline from January 15, 2010 to April 15, 2010. The reason given for the request was that the physical rehabilitation of the property was not completed until late December 2009; therefore, additional time is needed for the auditors to review the cost certification documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Should there be any credit that ultimately is unused but is not released by the applicant or can not be identified as returned by the Department within 180 days of the end of the first year of the credit period, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's.

Owner: Villa Main Housing Associates.

General Partner: Madhouse Development Services, Inc.
Developer: Madhouse Development Services, Inc.

Principals/Interested Parties: Enrique Flores

City/County: Port Arthur/Jefferson

Set-Aside: At-Risk
Type of Area: Urban
Type of Development: Acq/Rehab
Population Served: Family

Units: 140 HTC units 2007 Allocation: \$440,440 Allocation per HTC Unit: \$3,146 Extension Request Fee Paid: \$2,500

Current Deadline: January 15, 2010 New Deadline Requested: April 15, 2010 New Deadline Recommended: April 15, 2010

Previous Extensions: N/A

## VILLA MAIN HOUSING ASSOCIATES, LTD.

January 15, 2010

Michael Gerber, Executive Director Texas Department of Housing and Community Affairs 221 East 11<sup>th</sup> Street Austin, Texas 78711

Re: Villa Main Apartments, TDHCA Project #060193

JAN 2 0 REC'D

901 Main Avenue

Port Arthur, Texas 77643

Dear Mr. Gerber:

Please accept this correspondence as a formal request to extend the submission of the cost certification documentation for the referenced project to April 15, 2010. The physical rehabilitation of the property was not completed until late in December of 2009 and therefore additional time is needed to prepare a complete and accurate cost certification package. We have included the corresponding \$2,500 extension fee related to this request.

I can be reached at 512-633-4037 should you have any questions or need additional information. Thank you for your consideration of this matter.

Sincerely,

**Enrique Flores** 

Owner's Representative

Emigue Hors

#### HTC No. 060417 Artisan at Salado Falls

#### (Cost Certification Extension)

#### **Summary of Request:**

As with the immediate prior development, the owner of this development elected to initiate the credit period in 2009 but missed the January 15, 2010 deadline to submit cost certification documentation. The owner in this case submitted the full cost certification documentation two weeks after the deadline on February 2, 2010. The documentation is currently under review by staff.

Owner: ARDC Salado, Ltd.
General Partner: 252 ARDC Binz. LLC

Developer: Franklin Development Company

Principals/Interested Parties: Aubra Franklin and Las Varas Public Facility Corp.

City/County: San Antonio/Bexar

Set-Aside: N/A Type of Area: Urban

Type of Development: New Construction

Population Served: Family

Units: 252 HTC units 2006 Allocation: \$1,106,360 Allocation per HTC Unit: \$4,390 Extension Request Fee Paid: \$2,500

Current Deadline: January 15, 2010 New Deadline Requested: February 2, 2010 New Deadline Recommended: February 2, 2010

Previous Extensions: N/A



January 26, 2010

FEB 0 2 RECT (2010)

Texas Department of Housing And Community Affairs Attn: Mr. Kent Bedell 221 East 11<sup>th</sup> Street Austin, Texas 78711

Re: Extension for Artisan at Salado Falls Cost Certification Package (TDHCA #060417)

Dear Mr. Bedell,

As required by the QAP, Franklin Development is requesting an extension on the submission of the Artisan at Salado Falls Cost Certification which is being submitted to TDHCA today, January 26, 2010.

The delay in our submission was due to obtaining approval from MMA on the 263 A Election. This item took additional time causing the delay in our submission.

The required fee of \$2,500 is submitted with this request.

If you have any further questions, please don't hesitate to contact me.

Sincerely,

Ryan Wilson

Franklin Development

#### HTC No. 07249 Bluffs Landing Senior Village

#### (Cost Certification Extension)

Like the prior two developments, the owner of this development elected to initiate the credit period in 2009 but missed the January 15, 2010 deadline to submit cost certification documentation for the above referenced development. The owner has requested a change in the deadline from January 15, 2010 to July 15, 2010. The reason given for the request was that the final building was not issued a certificate of occupancy until December 18; therefore, additional time is needed for the auditors to review the cost certification documentation for completeness.

Owner: DDC RRTC, Ltd.

General Partner: DDC RRTCGP, LLC, and DDC Industries, Ltd.

Developer: DDC Investments, Ltd. and Crossroads Housing

Development Corp.

Principals/Interested Parties: Colby Dennison

City/County: Round Rock/Williamson

Set-Aside: N/A Type of Area: Urban

Type of Development: New Construction

Population Served: Elderly

Units: 144 HTC units 2007 Allocation: \$1,189,481 Allocation per HTC Unit: \$8,260 Extension Request Fee Paid: \$2,500

Current Deadline: January 15, 2010 New Deadline Requested: July 15, 2010 New Deadline Recommended: July 15, 2010

Previous Extensions: N/A

### DDC RRTC, Ltd.

January 15, 2010

TDHCA
Real Estate Analysis Department
221 E, 11<sup>th</sup> Street
Austin, TX 78701-2410

Re: Request for Cost Certification Extension

To: Kent Bedell

DDC RRTC, Ltd. is requesting a 180 day extension until July 15, 2010 to complete the cost certification requirements for Bluffs Landing Senior Village (TDHCA # 07249) located in Round Rock, Texas.

The final building was not issued the certificate of occupancy until December 18, 2009 and there is not adequate time from this last placed in service date to meet the deadline.

Thank you for your consideration. A check for the Extension Request Fee is attached (\$2,500.00).

Sincerely,

Colby Denison

#### HTC No. 08261, Towne Center Apartment Homes

#### (Commencement of Substantial Construction)

The owner is requesting an extension of the deadline to submit documentation fulfilling the commencement of substantial construction requirement for the above referenced development. The extension requested a change in the deadline from December 1, 2009 to July 1, 2010.

The reason given for the request is that, the owner had a difficult time finding a lender and investor partner to underwrite the development due to the difficult financial market. The owner has indicated that a lender and investor have been secured, all parties are comfortable with the structure, closing should occur within the month of February, construction will commence upon closing, and they intend to have the Development meet the placed in service requirement.

Owner: Bryan Towne Center Apartment Homes, L.P.

General Partner: Bryan Towne Center Apartment Homes I, LLC and

Lankford Interests, LLC

Developer: Lankford Interests, LLC

Principals/Interested Parties: Michael Lankford City/County: Bryan/Brazos

Set-Aside: N/A Type of Area: Urban

Type of Development: New Construction

Population Served: Elderly

Units: 141 HTC units 2008 Allocation: \$1,099,702 Allocation per HTC Unit: \$7,799 Extension Request Fee Paid: \$2,500

Current Deadline: December 1, 2009 New Deadline Requested: July 1, 2010

New Deadline Recommended: July 1, 2010

Previous Extensions: N/A



January 29, 2010

Ms. Robbye Meyer Director of Multifamily Programs Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701-2410

Re: Bryan Mid Towne Apartment Homes LP

Bryan, Texas TDHCA# 08261

Dear Ms. Meyer:

Please allow this letter to serve as our formal request to extend the Commencement of Substantial Construction deadline from December 1, 2009 to July 1, 2010. Enclosed with this letter you will find the requisite \$2,500 extension fee.

The reasons for this extension request are as follows:

- 1. This development is proceeding on its own as a "normal" tax credit transaction. We were able to find a lender and investor partner willing to underwrite the development just before the Exchange program application was due to TDHCA. However, because of the continuing difficult financial market, it has taken an extended period of time to get all parties comfortable with the structure. As of the date of this letter, assuming the Department will grant this request; we anticipate closing with all parties on February 3, 2010.
- 2. Prior to our investors and lenders signing off on the deal, we had to provide evidence that TDHCA approved the reduction of units, acreage and clubhouse size from the original application. This was accomplished at the last board meeting which in turn allowed us to proceed with our permitting at the City of Bryan.

Upon review of the definition of Commencement of Substantial Completion we notice that receipt of ALL building permits is a requirement. Since the City of Bryan's permitting process requires that grading, all roads and slabs be completed and inspected prior to issuance of the individual building permits, we must ask for an extension until July 1, 2010 to comply with that condition.

We are hopeful that this extension can be granted quickly at the staff level as one of the major concerns with our partners is the ability to complete construction by the December 31, 2010 deadline. We have our subcontractors standing by to begin as soon as we close and have no doubt that if we start immediately we can have all buildings completed by that time. However, our partners have requested that we receive the Department's approval before closing.

We appreciate your immediate attention to this request and if there is any additional information that you will require, please contact Jeff Gannon at 713-626-9655.

Sincerely,

### MULTIFAMILY FINANCE DIVISION BOARD ACTION REQUEST

March 11, 2010

#### **Required Action**

Approve the extension of the Placement in Service to June 30, 2010.

RESOLVED, that the extension presented in this meeting related to Application #060199, Legacy Senior Housing of Port Arthur until June 30, 2010 is hereby approved.

#### **Background**

The Legacy Senior Housing development was awarded housing tax credits in 2006. In March 2009, the Department granted an extension of the placement in service date to December 31, 2009 in accordance of Revenue Procedure 2007-54 and FEMA disaster declaration 1780-DR. The reason given for the extension was due to the disaster and aftermath of Hurricane Ike. The development owner requested an additional extension due to additional delays which was considered at the December board meeting.

The development owner has received a legal opinion (copy attached inboard materials) to the effect that an extension of the placement in service deadline to December 31, 2010 is permitted under federal law. The development owner understands that, by granting the extension, the Department is not providing legal counsel that the extension is permissible under federal law and that the Department is not liable to the owner in any way if the Internal Revenue Service (IRS) disagrees with the opinion and recaptures any of the credits. If the IRS were to recapture credits because the owner failed to timely place the development in service, in reliance on this extension, the owner understands the development would continue to be bound by the affordability restrictions of the tax credit land use restriction agreement.

It should be noted that in the event of recapture, the Department may lose the ability to reallocate the credits. Staff believes the relief granted previously should have been sufficient to complete the development.

At the December meeting the Board requested the owner to return in March to give an update as to the progress of the development. The owner expects to receive certificates of occupancy (CO's) on the two largest buildings (total of 96 units) and the community building by the occurrence of the March board meeting with the CO's on the remaining buildings (total of 30 units) to be received later in March and April. According to the owner, pre-leasing activity is going very well.

Although, the owner has requested the extension be given until December 31, 2010, staff believes an extension until June 30, 2010 will be sufficient for successful completion of placement in service.



Rec'd TDHCA Fri 12/4/2009 1:17 PM 100 Congress Avenue, Suite 300 Austin, Texas 78701-2748 Telephone: 512-305-4700

Fax: 512-305-4800 www.lockelord.com

Cynthia L. Bast Direct Telephone: 512-305-4707

Direct Fax: 512-391-4707 cbast@lockelord.com

December 4, 2009

#### VIA E-MAIL

Texas Department of Housing and Community Affairs ATTN: Kent Bedell 221 East 11<sup>th</sup> Street Austin, Texas 78701

RE: Development:

Legacy Senior Housing of Port Arthur

TDHCA Development Number:

060199

Project Owner:

LRG Legacy Senior Housing of Port Arthur, L.P.

#### Ladies and Gentlemen:

We represent the Project Owner. On behalf of our client, we request an extension of the placement in service deadline for the Development to December 31, 2010.

The Development received an award of 2006 low income housing tax credits (the "Tax Credits") from the Texas Department of Housing and Community Affairs (the "Department"), and is located in Jefferson County, which is part of the Hurricane Rita GO Zone. Tax Credit developments located in the GO Zone have received special consideration and allowances under federal law.

The construction of the Development is 95% complete. The Project Owner and general contractor have worked through challenges over the last several months to prepare for completion of the Development. The Project Owner's limited partner has loaned an additional \$1,400,000 to the Project Owner and has committed an additional \$325,000 to finish the Development. Construction permits were renewed by the City of Port Arthur on November 13, 2009, and construction has recommenced. The remaining work includes installation of plumbing fixtures and fire alarm equipment and general finish work.

The Project Owner has received an opinion of the law firm of Ballard Spahr, LLP to the effect that an extension of the placement in service deadline to December 31, 2010 is permitted under federal law. A copy of the letter containing such opinion (the "Opinion Letter") is attached to this request. The Project Owner is relying upon the Opinion Letter in seeking this extension. The Project Owner understands that, by granting the extension, TDHCA is not providing the Project Owner with legal counsel that the extension is permissible under federal law and is not liable to the Project Owner in any way if the Internal Revenue Service disagrees with the Project Owner's position on this matter and recaptures any tax credits. If the Internal Revenue Service were to recapture tax credits because the Project Owner failed to timely place the Project in service, in reliance on this extension, the Project Owner understands that the Project would continue to be bound by the affordability restrictions of the tax credit land-use restrictive agreement.

Texas Department of Housing and Community Affairs December 4, 2009 Page 2

A check in the amount of \$2,500, payable to the Department, for an extension fee, will be sent to your attention under separate cover.

If you require any additional information to process this request, please let me know.

Sincerely,

LOCKE LORD BISSELL & LIDDELL LLP

By:

Cynthia L. Bast

**Enclosure** 

cc: Robbye Meyer Seledonia Quesada

Lee Stevens (all w/ encl.)

## Ballard Spahr

1225 17th Street, Suite 2300 Denver, CO 80202-5596 TEL 303.292.2400 FAX 303.296.3956 www.ballardspahr.com

December 2, 2009

SunAmerica Housing Fund 1531, A Nevada Limited Partnership 1 SunAmerica Center, Century City Los Angeles, California 90067-6022

LRG Legacy Senior Housing of Port Arthur, L.P. 920 Dequeen Boulevard Port Arthur, Texas 77640

Re: <u>LRG Legacy Senior Housing of Port Arthur, L.P.</u>

#### Ladies and Gentlemen:

We have been requested by SunAmerica Housing Fund 1531, A Nevada Limited Partnership (the "<u>Investor Limited Partner</u>"), the limited partner of LRG Legacy Senior Housing of Port Arthur, L.P., a Texas limited partnership (the "<u>Partnership</u>"), to render the specific federal income tax opinion set forth below to the Partnership. The Partnership was formed to acquire, develop, construct, own and operate a residential rental property consisting of 126 apartment units in 11 residential buildings located in Port Arthur, Texas (the "<u>Project</u>").

Our opinion relates solely to the federal income tax issue set forth below, and is based on our interpretation of the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code" or "I.R.C."), the existing and proposed Treasury Regulations interpreting the pertinent provisions of the Code (the "Treasury Regulations" or "Treas. Reg."), the existing published rulings by the Internal Revenue Service (the "Service" or "IRS"), reported judicial and administrative decisions, present administrative practices and other relevant authorities and interpretations, all through the date hereof, which we consider appropriate for purposes of this opinion. Because all of such Code provisions, Regulations, rulings, decisions and other interpretations are subject to change, our opinions are specifically based upon the Code provisions, Regulations, rulings, decisions and other interpretations as in effect on the date of this opinion letter.

In issuing this opinion, we have considered and followed the regulations governing practice before the Service (Circular 230), issued by the U.S. Department of the Treasury. Our opinion is limited to the specific federal income tax issue discussed herein.

#### A. Background and Facts.

The Partnership expects to finance the Project, in part, with an allocation of low-income housing tax credits pursuant to Section 42 of the Code (the "Housing Tax Credits"). Pursuant to a Carryover Allocation Agreement dated November 28, 2006 (the "Carryover Allocation"), the Texas Department of Housing and Community Affairs (the "Credit Agency") issued the Partnership a carryover allocation of \$961,150 of annual Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code. The Carryover Allocation indicates that the Credit Agency allocated Housing Tax Credits to the Partnership for the Project from the Credit Agency's 2006 tax credit authority under Section 42(h)(3) of the Code. In accordance with Section 42(h)(1)(E)(i) of the Code, the Carryover Allocation required the Partnership to place the Project in service by December 31, 2008.

The Project is located in Jefferson County, Texas. On October 6, 2005, the President of the United States declared areas within the states of Louisiana and Texas as a major disaster area because of Hurricane Rita. The Rita Gulf Opportunity Zone ("Rita GO Zone") under Section 1400M(3) of the Code encompasses various counties in Texas, including Jefferson County. <u>See</u> IRS Publication 4492.

Pursuant to Revenue Procedure 2007-54, 2007-31 I.R.B. 293, which provides general disaster relief to Housing Tax Credit project owners in presidentially-declared major disaster areas, the Credit Agency extended the Partnership's December 31, 2008 placement in service deadline under Section 42(h)(1)(E)(i) of the Code by one year to December 31, 2009. A letter from the Credit Agency to the Partnership dated March 26, 2009, reflects the placement in service date extension and that the original extension was granted by the Credit Agency in November 2008 (the "Placement in Service Extension").

Due to construction and other project delays, the Partnership has requested that the Credit Agency provide a further extension of the placement in service deadline to a date that is no later than December 31, 2010.

#### B. Opinion Requested.

We have been asked by the Investor Limited Partner to render an opinion as to the following specific issue:

Whether, for federal income tax purposes, the Housing Tax Credit allocation requirements in Sections 42(h)(1)(B) and 42(h)(1)(E) of the Code should be treated as satisfied if the Project buildings are placed in service on or before December 31, 2010.

#### C. Documents Reviewed.

In rendering our opinion, we have examined such instruments and documents as we considered necessary for purposes of this opinion including, without limitation:

- 1. The Carryover Allocation;
- A certification letter dated June 14, 2007, from Novogradac & Company, LLP, certified public accountants, to the Credit Agency verifying that the Partnership timely incurred more than 10% of its reasonably expected basis in the Project

pursuant to the requirements of Section 42(h)(1)(E)(ii) of the Code (the "CPA 10% Test Certification"); and

3. The Placement in Service Extension.

#### D. Material Assumptions and Representations.

In rendering this opinion, we have relied upon the representations made in the foregoing documents as to various questions of fact material to the matters set forth herein. We have not conducted any independent investigation or verification of any factual matters set forth or represented in any of the foregoing documents, but have relied entirely upon such documents and the representations therein. Our opinion is based solely upon such facts and any change in such facts may materially affect the opinions expressed herein. We have, however, no actual knowledge that any representations of factual matters in the documents upon which we have relied are false or inaccurate.

In rendering our opinions, we have assumed with your consent, that (i) the documents we reviewed for this opinion (including, without limitation, the documents specifically listed above) remain in full force and effect and have not been amended; (ii) those documents and the representations set forth therein are true and accurate; (iii) there are no adverse facts not apparent from the face of the instruments and documents we have examined; (iv) the copies of all documents submitted to us conform to the originals and the signatures appearing thereon are genuine; (v) each person executing any such document on behalf of any party to such document was duly authorized to do so; and (vi) the Credit Agency will grant a further extension of the placement in service date to the Partnership for the Project, but not beyond December 31, 2010.

#### E. Analysis, Opinion and Limitations.

Under Section 42(h)(1)(B) of the Code, an allocation Housing Tax Credits generally must be received in the calendar year in which the project buildings are placed in service. Section 42(h)(1)(B) of the Code contains an exception to the general rule for allocations which meet the requirements of Section 42(h)(1)(E) of the Code.

Under Section 42(h)(1)(E) of the Code, an allocation will be excepted from the general rule of Section 42(h)(1)(B) of the Code if (i) the taxpayer's basis in the project as of the date which is one year after the date that the allocation was made is more than 10% of its reasonably expected total basis in the project (the "10% Test"), and (ii) the taxpayer places the project in service no later than the close of the second calendar year following the calendar year in which the allocation is made (the "Second Year Placement in Service Rule").

Prior to the Housing and Economic Recovery Act of 2008 (the "HERA"), former Section 42(h)(1)(E)(ii) of the Code required a taxpayer to meet the 10% Test by the later of 6 months after the date the allocation was made or the close of the calendar year in which the allocation was made. HERA revised the 10% Test date in Section 42(h)(1)(E)(ii) of the Code to one year from the date of the allocation for projects whose buildings are placed in service after the July 30, 2008, date of enactment of HERA.

The Carryover Allocation required the Partnership to meet the 10% Test no later than 6 months from the date of the Carryover Allocation, in accordance with the requirements of former Section 42(h)(1)(E)(ii) of the Code which was in effect at the time of the Carryover Allocation. The CPA

10% Test Certification reflects that the 10% Test requirement of Section 42(h)(1)(E) of the Code was satisfied by the Partnership.

The Carryover Allocation also required the Partnership to place its Project buildings in service by December 31, 2008, in accordance with the Second Year Placement in Service Rule. However, pursuant to the general disaster relief provisions contained in Section 5 of Revenue Procedure 2007-54, 2007-31 I.R.B. 293, the Credit Agency extended the Partnership's placement in service deadline for the Project by one year to December 31, 2009.

Sections 1400M and 1400N of the Code contain various additional disaster relief provisions for owners of Housing Tax Credit projects located in the presidentially declared Hurricane Katina disaster area (the "Gulf Opportunity Zone"), the Hurricane Wilma disaster area (the "Wilma GO Zone"), and the Rita GO Zone (the Gulf Opportunity Zone, the Wilma GO Zone and the Rita GO Zone are sometimes collectively referred to herein as the "GO Zones"). The Project is located in Jefferson County, Texas, which is included in the Rita GO Zone. <u>See</u> IRS Publication 4492. Accordingly, the additional relief provisions contained in Sections 1400M and 1400N of the Code apply to the Project.

Section 1400N(c) of the Code expands, extends and modifies various Housing Tax Credit rules under Section 42 of the Code for projects located in the GO Zones. Section 1400N(c)(5) of the Code modifies the time period for making Housing Tax Credit allocations for projects located in the GO Zones. Section 1400N(c)(5) of the Code states:

"Section 42(h)(1)(B) [of the Code] shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011."

Section 1400N(c)(5) of the Code has the effect of eliminating the 10% Test and the Second Year Placement in Service Rule requirements for certain Housing Tax Credit projects located in the GO-Zones. The legislative history of Section 1400N(c)(5) provides:

"The provision makes two modifications to the carryover allocation rule for otherwise qualifying buildings located in the Go Zones placed in service before January 1, 2011. First, it repeals the requirement that the 10% of taxpayer's reasonably expected basis in the project (after the close of the second calendar year following the calendar year of the allocation) must be incurred as of the later of six months after the allocation is made or the end of the calendar year in which the allocation is made (the "10-percent rule"). Second, it repeals the requirement that such building be placed in service not later than the close of the second calendar year following the calendar year of the allocation (the "second-year placed in service rule"). These changes apply only to allocations made in 2006, 2007, or 2008 whether made out of regular credit cap or the additional Gulf Opportunity Zone credit cap. Therefore, an otherwise qualifying building is treated as qualifying for the credit regardless of whether the 10-percent rule or second-year placed in service rule are satisfied if such building in one of the GO Zones: (1) receives an allocation in 2006, 2007 or 2008; and (2) is placed in service before January 1, 2011."

<u>See</u> Joint Committee on Taxation, *Technical Explanation of the Small Business and Work Opportunity Act of 2007*, at p. 17.

As a result of Section 1400N(c)(5) of the Code, a project will be treated as qualifying for Housing Tax Credits regardless of whether the 10% Test or the Second Year Placement in Service Rule requirements are satisfied if (i) the project is located in the Gulf Opportunity Zone, the Rita GO Zone or the Wilma GO Zone, (ii) the project received an allocation in 2006, 2007 or 2008 (whether the allocation is made from regular credit cap or GO Zone credit cap), and (iii) is placed in service before January 1, 2011.

As noted, the Project is located in the Rita GO Zone and received an allocation of 2006 Housing Tax Credits from the Credit Agency pursuant to the Carryover Allocation. Therefore, the Project will be treated as qualifying for Housing Tax Credits, regardless of whether the Second Year Placement in Service Rule is met, as long as it is placed in Service on or before December 31, 2010.

Based on the foregoing and the assumptions set forth herein, it is our opinion that, for federal income tax purposes, the Housing Tax Credit allocation requirements in Sections 42(h)(1)(B) and 42(h)(1)(E) of the Code should be treated as satisfied if the Project buildings are placed in service on or before December 31, 2010.

Our opinion stated above is subject to the following qualifications and limitations:

- (a) The federal income tax consequences to the Partnership and the Investor Limited Partner cannot be predicted with absolute certainty;
- (b) No assurance can be given that the interpretation of current law will not be changed by the courts, or that the Service will not alter its present views with regard to any of the matters discussed herein, nor can any assurance be given that the Service will not audit or question the treatment given to the various items on the Partnership's or the Investor Limited Partner's federal income tax returns; and
- (c) The validity of any provisions of any agreement may be subject to or affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or similar laws affecting the rights of creditors generally.

Finally, it must be recognized that this opinion represents our views as to the interpretation of existing federal tax law and can in no way be taken as an assurance that the Service will agree with these views.

The opinion set forth above represent our conclusions based upon the documents reviewed by us and the facts presented to us. Any material amendments to such documents or changes in any significant fact could affect the opinion expressed herein. Moreover, our opinion is limited to the specific issue addressed and is limited in all respects to laws and facts existing on the date hereof. We do not render any opinion with respect to any matters other than those expressly set forth above, including without limitation any opinion as to the applicability of or compliance with any federal or state securities laws, and no other opinions should be inferred herefrom. By rendering our opinion herein, we do not undertake to advise you of any changes in such laws or facts which may occur after the date hereof.

Only the addressees of this opinion may rely upon this opinion, and no other person or entity may rely on this opinion for any purpose without our prior written consent.

In accordance with Circular 230, the advice set forth in this opinion is not intended or written by Ballard Spahr LLP to be used, and it cannot be used, by any taxpayer including, without limitation, the Partnership and the Investor Limited Partner, for the purpose of avoiding penalties that may be imposed on such taxpayer. The advice set forth in this opinion was written to support the promotion or marketing of the transaction and matters addressed in this opinion. The Partnership, the Investor Limited Partner, and any other taxpayer involved in the matters set forth herein should each seek advice based on its respective, particular circumstances from an independent tax advisor.

Nery truly yours

Ballard Stahn LLP

### HOME PROGRAM DIVISION BOARD ACTION REQUEST MARCH 11, 2010

#### **Recommended Action**

Approve HOME Program Award Recommendations, involving the award of one (1) application, totaling \$500,000 in project funds and \$20,000 in administrative funds, which will result in assistance for 7 low income households who were directly affected by the disaster which occurred on August, 2008.

RESOLVED, that the award of a contract to Starr County totaling \$500,000 in project funds and \$20,000 in administrative funds, resulting in assistance for 7 low income households, is hereby approved in the form presented to this meeting.

#### **Background**

An application for Owner Occupied Housing Assistance disaster relief funds for Starr County was received in response to a notification letter sent by the Department to the Starr County Judge informing the County of available disaster relief funds under the HOME Owner Occupied Housing Assistance disaster relief set-aside. The award recommendation of \$500,000 in project funds and \$20,000 in administrative funds will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of 7 homes owned by low-income households that were affected by severe storms and flooding that occurred in August 2008.

The Application has been reviewed by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

Attached are the Application and Award Recommendations Logs.

## Disaster - Application Log

Sorted by date/time received

### Total Set-Aside Amount - \$6,850,000

Total Amount Available Prior to Action: \$1,850,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0001	2/1/2008	8:23 AM	Crystal City	11	\$500,000	\$20,000	9	\$500,000	\$20,000	9	Awarded 3/13/2008
2008-0010	2/18/2008	11:36 AM	City of Ames	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0009	2/19/2008	9:30 AM	City of Cleveland	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0011	2/20/2008	10:27 AM	Liberty County	6	\$500,000	\$20,000	5	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0029	3/27/2008	11:15 AM	Baylor County	3	\$500,000	\$20,000	10	\$0	\$0	0	Declined
2008-0056	5/29/2008	4:06 PM	City of Dayton	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 7/31/2008
2008-0061	7/23/2008	4:13 PM	County of La Salle	11	\$500,000	\$10,000	9	\$500,000	\$10,000	7	Awarded 9/4/2008
2008-0131	2/13/2009	2:21 PM	City of Roma	11	\$500,000	\$20,000	7	\$500,000	\$20,000	7	Awarded 4/23/2009
2008-0164	4/22/2009	11:50 AM	City of Lyford	11	\$500,000	\$20,000	8	\$500,000	\$20,000	8	Awarded 7/16/2009
2008-0166	4/27/2009	3:50 AM	Jim Hogg County	11	\$500,000	\$20,000	6				Withdrawn

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0167	4/29/2009	1:08 PM	Starr County	5	\$490,000	\$19,600	7	\$500,000	\$20,000	7	Pending Award
2009-0018	6/5/2009	3:25 PM	Bastrop County	7	\$500,000	\$20,000	5	\$500,000	\$20,000	5	Awarded 7/16/2009
2009-0020	8/10/2009	2:07 PM	Montague County	2	\$500,000	\$10,000	10	\$500,000	\$10,000	10	Awarded 12/17/2009
				Totals:	\$6,490,000	\$239,600	94	\$5,500,000	\$160,000	81	

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## Disaster - Award Recommendations Log

Sorted by date/time received

### Total Set-Aside Amount - \$6,850,000

Total Amount Available Prior to Action: \$1,850,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0167	4/29/2009	1:08 PM	Starr County	5	\$490,000	\$19,600	7	\$500,000	\$20,000	7	Pending Award
				Totals	\$490,000	\$19,600	7	\$500,000	\$20,000	7	

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### HOME PROGRAM DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve HOME Program Award Recommendations from the 2009 Single Family Notice of Funding Availability (NOFA), involving the award of six (6) applications, totaling \$1,960,693 in project funds and \$78,427 in administrative funds, which will result in assistance for 49 low income households.

RESOLVED, that the award of contracts to City of Albany, City of Edgewood, City of George West, City of Hillsboro, City of Carrollton, and the Town of Combes, totaling \$1,960,693 in project funds and \$78,427 in administrative funds, resulting in assistance for 49 low income households, be and they hereby are approved in the form presented to this meeting.

#### **Background**

Staff is recommending for award applications received in response to the 2009 Single Family Owner-Occupied Housing Assistance, Tenant-Based Rental Assistance, and Homebuyer Assistance Programs NOFA. The award recommendations total \$1,960,693 in project funds and \$78,427 in administrative funds to assist 49 households for the following six applications:

City of Albany	Applicant will receive \$432,000 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of 5 homes owned by low-income households that are in significant disrepair.
City of Edgewood	Applicant will receive \$432,693 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of 5 homes owned by low-income households that are in significant disrepair.
City of George West	Applicant will receive \$400,000 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of 5 homes owned by low-income households that are in significant disrepair.
City of Hillsboro	Applicant will receive \$300,000 in project funds to provide up to \$20,000 in homebuyer assistance for

14 low-income first time homebuyers.

**City of Carrollton** Applicant will receive \$96,000 in project funds to

provide up to \$20,000 in homebuyer assistance for 5

low-income first time homebuyers.

**Town of Combes** Applicant will receive \$300,000 in project funds to

provide up to \$20,000 in homebuyer assistance for

15 low-income first time homebuyers.

The Board has previously approved funding for 24 applications totaling \$9,207,079 in project funds and \$416,281 in administrative funds under the 2009 HOME Program Single Family Owner-Occupied Housing Assistance (OCC), Tenant-Based Rental Assistance (TBRA), and Homebuyer Assistance (HBA) Programs Notice of Funding Availability (NOFA). In addition to the 6 applications being recommended for funding, 7 applications requesting a total of \$2,567,680 in project funds are still under review.

This NOFA, which was approved on July 16, 2009, made available \$25,923,970 in HOME funds originally restricted in set-asides for each activity and by region. As of December 1, 2009, any funds not awarded or requested were made available statewide for any eligible HOME Program Activity specified in the NOFA until all funds are awarded or April 30, 2010. If the attached award recommendations are approved, a total of \$14,756,198 will remain available in the NOFA.

All applications being recommended for funding have been reviewed by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

Attached are the Application and Award Recommendations Logs.

# 2009 SF Application Log Final Collapse

Sorted by date/time received

*Total NOFA Amount - \$25,923,970* 

Total Amount Available: \$16,716,890

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0019 2009 OCC	8/17/2009	1:45 PM	City of Cooper	4	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Awarded 10/15/2009
2009-0021 2009 TBRA	8/19/2009	3:27 PM	Ellis Community Resources Inc.	9	\$300,000	\$36,000	27				Withdrawn
2009-0022 2009 OCC	8/28/2009	2:06 PM	City of Weimar	6	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 10/15/2009
2009-0026 2009 HBA	8/31/2009		Community Development Corporation of Brownsville	11	\$300,000	\$12,000	30				Terminated
2009-0030 2009 OCC	8/31/2009	2:55 PM	City of Martindale	7	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 11/9/2009
2009-0025 2009 OCC	8/31/2009	4:00 PM	Community Development Corporation of Brownsville	11	\$432,000	\$17,280	10	\$432,000	\$17,280	10	Awarded 10/15/2009
2009-0023 2009 OCC	8/31/2009	4:00 PM	City of Bloomburg	4	\$240,000	\$9,600	3	\$240,000	\$9,600	3	Awarded 10/15/2009
2009-0024 2009 OCC	8/31/2009	4:00 PM	City of Huntsville	6	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 10/15/2009
2009-0031 2009 TBRA	9/2/2009	1:17 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	6	\$162,624	\$22,176	11				Terminated
2009-0033 2009 TBRA	9/2/2009	2:22 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$133,056	\$18,144	11				Terminated

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0028 2009 OCC	9/2/2009	4:38 PM	City of Commerce	3	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Awarded 11/9/2009
2009-0032 2009 OCC	9/3/2009	4:31 PM	City of Gatesville	8	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 10/15/2009
2009-0034 2009 HBA	9/18/2009	4:13 PM	City of Waxahachie	3	\$220,000	\$8,800	11	\$220,000	\$8,800	11	Awarded 11/9/2009
2009-0035 2009 TBRA	9/24/2009	2:43 PM	Housing Authority of New Braunfels	9	\$300,000	\$36,000	27	\$300,000	\$36,000	27	Awarded 11/9/2009
2009-0036 2009 OCC	9/29/2009	9:59 AM	City of Belton	8	\$400,000	\$16,000	5	\$0	\$0	0	Withdrawn
2009-0037 2009 TBRA	9/29/2009	10:00 AM	Affordable Caring Housing, Inc.	4	\$118,104	\$4,724	10				Withdrawn
2009-0039 2009 OCC	10/2/2009	12:07 PM	City of Lorenzo	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 12/17/2009
2009-0038 2009 OCC	10/2/2009	12:08 PM	City of Floydada	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 12/17/2009
2009-0040 2009 OCC	10/8/2009	4:15 PM	City of Sulphur Springs	4	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Awarded 11/9/2009
2009-0044 2009 TBRA	10/12/2009	2:15 PM	Ellis Community Resources Inc.	9	\$300,000	\$36,000	27	\$300,000	\$36,000	27	Awarded 11/9/2009
2009-0041 2009 OCC	10/14/2009	9:21 AM	Town of Van Horn	13	\$432,000	\$18,000	5				Withdrawn
2009-0042 2009 OCC	10/15/2009	11:39 AM	City of Bowie	2	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Awarded 12/17/2009

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0043 2009 TBRA	10/15/2009	4:31 PM	Catholic Charities of Corpus Christi, Inc	10	\$300,000	\$36,000	10				Withdrawn
2009-0050 2009 HBA	11/2/2009	11:50 AM	Town of Combes	11	\$300,000	\$12,000	15				Withdrawn
2009-0047 2009 OCC	11/2/2009	4:49 PM	City of Belton	8	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Awarded 12/17/2009
2009-0048 2009 OCC	11/4/2009	5:08 PM	City of Olton	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 12/17/2009
2009-0051 2009 OCC	11/10/2009	3:44 PM	Village of Vinton	13	\$320,000	\$12,800	4	\$320,000	\$12,800	4	Awarded 1/20/2010
2009-0054 2009 OCC	11/24/2009	12:00 PM	City of Muleshoe	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 1/20/2010
2009-0053 2009 OCC	11/25/2009		City of Atlanta	4	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 1/20/2010
2009-0052 2009 OCC	11/25/2009	12:36 PM	City of DeKalb	4	\$320,000	\$12,800	4	\$320,000	\$12,800	4	Awarded 1/20/2010
2009-0058 2009 HBA	11/25/2009	12:58 PM	Southeast Texas HFC	6	\$500,000	\$20,000	50				Withdrawn
2009-0057 2009 HBA	11/30/2009	5:33 PM	Temple Housing Authority	8	\$225,000	\$9,000	15	\$225,000	\$9,000	15	Awarded 1/20/2010
2009-0055 2009 HBA	12/1/2009	12:39 PM	Midland Neighborhood Housing Services, Inc.	12	\$300,000	\$12,000	24				Withdrawn
2009-0056 2009 OCC	12/9/2009	5:24 PM	County of Crane	12	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 1/20/2010

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0059 2009 HBA	12/21/2009	4:04 PM	City of Hillsboro	8	\$300,000	\$12,000	13	\$300,000	\$12,000	14	Pending Award
2009-0060 2009 OCC	12/27/2009	5:36 PM	City of Albany	2	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0061 2009 OCC	12/28/2009	12:27 PM	Town of Van Horn	13	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 1/20/2010
2009-0062 2009 OCC	12/28/2009	12:28 PM	City of Edgewood	4	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Pending Award
2009-0064 2009 HBA	12/28/2009	12:29 PM	The Nehemiah Foundation	4	\$200,000	\$8,000	10				Withdrawn
2009-0063 2009 HBA	12/28/2009	5:21 PM	City of Carrollton	3	\$96,000	\$3,840	5	\$96,000	\$3,840	5	Pending Award
2009-0067 2009 OCC	1/8/2010	12:29 PM	City of George West	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0068 2009 TBRA	1/29/2010	4:47 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$295,680	\$40,320	18				Under Review
2009-0069 2009 OCC	2/3/2010	4:44 PM	City of Asherton	11	\$400,000	\$16,000	5				Under Review
2009-0066 2009 OCC	2/3/2010	4:45 PM	City of Ingleside	10	\$400,000	\$16,000	5				Under Review
2009-0073 2009 OCC	2/18/2010	2:00 PM	Hill Country Home Opportunity Council, Inc.	9	\$240,000	\$9,600	3				Under Review
2009-0072 2009 OCC	2/18/2010	4:33 PM	City of Sinton	10	\$400,000	\$16,000	5				Under Review

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0070 2009 OCC	2/19/2010	4:55 PM	City of Encinal	11	\$432,000	\$18,000	7				Under Review
2009-0074 2009 OCC	2/22/2010	4:59 PM	City of West Tawakoni	3	\$400,000	\$16,000	5				Under Review
2009-0071 2009 HBA	2/23/2010	10:54 AM	Town of Combes	11	\$300,000	\$12,000	15	\$300,000	\$12,000	15	Pending Award
				Totals:	\$17,181,236	\$841,672	489	\$11,167,772	\$494,708	234	

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# 2009 HOME SF NOFA (2009 OCC) - Award Recommendations Log

March 04, 2010

#### Sorted by Date and Time Received

Statewide Summary	Totals
SF NOFA Amount:	\$25,923,971
OCC Set-Aside Amount:	\$18,146,779
Total Recommended:	\$1,264,693
Total Apps. Recommended:	3

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0060	12/27/2009	5:36 PM	City of Albany	2	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0062	12/28/2009	12:28 PM	City of Edgewood	4	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Pending Award
2009-0067	1/8/2010	12:29 PM	City of George West	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
		1		Totals:	\$1,264,693	\$50,587	15	\$1,264,693	\$50,587	15	

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# 2009 HOME SF NOFA (2009 HBA) - Award Recommendations Log

March 04, 2010

#### Sorted by Date and Time Received

Statewide Summary	Totals
SF NOFA Amount:	\$25,923,971
HBA Set-Aside Amount:	\$3,888,595
Total Recommended:	\$696,000
Total Apps. Recommended:	3

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App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0059	12/21/2009	4:04 PM	City of Hillsboro	8	\$300,000	\$12,000	13	\$300,000	\$12,000	14	Pending Award
2009-0063	12/28/2009	5:21 PM	City of Carrollton	3	\$96,000	\$3,840	5	\$96,000	\$3,840	5	Pending Award
2009-0071	2/23/2010	10:54 AM	Town of Combes	11	\$300,000	\$12,000	15	\$300,000	\$12,000	15	Pending Award
				Totals:	\$696,000	\$27,840	33	\$696,000	\$27,840	34	

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# HOME PROGRAM DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve HOME Program Award Recommendations from the 2009 Single Family Housing Programs for Persons with Disabilities (PWD) Notice of Funding Availability (NOFA), involving the award of one (1) application, totaling \$225,000 in project funds and \$13,500 in administrative funds, which will result in assistance for 25 low-income households.

RESOLVED, that the award of a contract to Spindletop MHMR, totaling \$225,000 in project funds and \$13,500 in administrative funds, resulting in assistance for 25 low-income households, is hereby approved in the form presented to this meeting.

#### **Background**

Staff is recommending for award an application from Spindletop MHMR received in response to the 2009 HOME Single Family PWD NOFA. The award recommendation of \$225,000 in project funds and \$13,500 in administrative funds will provide rental assistance to 25 persons with disabilities households.

This NOFA was approved on July 16, 2009 and made available \$1,763,538 in HOME funds to serve persons with disabilities and was not subject to the Regional Allocation Formula. The NOFA made available \$881,769 for HBA and TBRA activities, of which \$666,939 may be used in Participating Jurisdictions (PJs) and \$214,830 restricted to Non-PJs. For the first six months of the NOFA only applicants requesting TBRA funds proposing to assist persons transitioning from an institution where at least 25% of the total households proposed must be targeted to persons transitioning from an institutional setting into a community placement or community setting were eligible. On November 2, 2009 any funds not requested were made available under each activity specified in the NOFA. On February 3, 2010 any remaining funds not requested were made available to either activity specified in the NOFA until the award of all funds or May 28, 2010. The final collapse must maintain the PJ and non-PJ set-asides in accordance with state statute.

The Board has previously approved funding for three (3) applicants totaling \$966,939 in project funds and \$58,061 in administrative funds under the 2009 HOME Single Family Housing Programs for Persons with Disabilities Notice of Funding Availability (NOFA). If the award is approved a total of \$571,599 will remain in the NOFA.

The application being recommended for funding has been reviewed by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

Attached are the Application and Award Recommendations Logs.

# 2009 PWD - Application Log

Sorted by date/time received

#### Total Set-Aside Amount - \$1,763,538

Total Amount Available Prior to Action: \$796,599

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0045	10/2/2009	2:00 PM	United Cerebral Palsy of Texas	3678	\$476,000	\$28,560	28	\$476,000	\$28,560	28	Awarded 12/17/2009
2009-0046	10/12/2009	11:36 AM	El Paso Collaborative for Community and Economic Development	13	\$280,000	\$16,800	8	\$190,939	\$11,456	5	Awarded 12/17/2009
2009-0049	11/3/2009	4:47 PM	Tri-County Mental Health Mental Retardation	6	\$300,000	\$18,000	28	\$300,000	\$18,000	28	Awarded 12/17/2009
2009-0065	1/4/2010	12:19 PM	Spindletop MHMR Services	5	\$225,000	\$13,500	25	\$225,000	\$13,500	25	Pending Award
				Totals:	\$1,281,000	\$76,860	89	\$1,191,939	\$71,516	86	

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# 2009 PWD - Award Recommendations Log

Sorted by date/time received

#### Total Set-Aside Amount - \$1,763,538

Total Amount Available Prior to Action: \$796,599

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0065	1/4/2010	12:19 PM	Spindletop MHMR Services	5	\$225,000	\$13,500	25	\$225,000	\$13,500	25	Pending Award
				Totals:	\$225,000	\$13,500	25	\$225,000	\$13,500	25	

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#### HOME PROGRAM DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the HOME Program Amendment Recommendation, involving the execution of an amended and restated \$1,144,376 HOME CHDO Rental Housing Development Contract for the development of The Gardens of Weatherford (No. 1000767) located in Weatherford, Texas.

WHEREAS, the Board approved the award of HOME funds to the Gardens of Weatherford on October 11, 2006, and

WHEREAS, the original ownership structure has changed and the conventional construction lender has or is in the process of taking control of the development in order to complete the development and ensure the provision of affordable housing for the community.

Be it hereby:

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized and empowered, for and on behalf of this Department, to pursue execution of an amended and restated HOME Program Contract 1000767 for development of The Gardens of Weatherford, as presented to this meeting.

#### **Background**

On November 1, 2006 the Department executed a 24 month HOME Program contract with the The Gardens of Weatherford, LP for the development of a 76 unit multifamily development targeting elderly households in Weatherford, Texas. The development received a determination for \$283,232 in 4% housing tax credits and received \$4,777,319 in tax exempt bonds through a local issuer.

As of February 2010, the development remains incomplete with only a portion of the sitework having been done. Although the owner originally closed on the HOME loan, no HOME funds were drawn under the contract or construction loan agreement; these documents expired in mid-2009. In early 2009 the owner submitted an amendment request to the Department for the extension of the HOME contract and modification of the loan documents to allow construction to continue with a renewed commitment of the HOME funds. The request, which had the support of the bond holder, America First Tax Exempt Investors, LP, and subsequent correspondence reflected that the original development partner and Co-General Partner, Continental Associates VI, Inc, was in negotitations to

exit the transaction and assign their developer and ownership interest to Spectrum Housing Corporation, the nonprofit CHDO sponsor and owner of the managing general partner interest. This assignment was completed and executed in mid-2009. Concurrent with staff's evaluation of the HOME amendment request, a TCAP application was submitted to access funds to support a significant increase in costs and to fill the resulting gap in financing. Additionally, on January 7, 2010 the Department received notification from the bond holder of their intent to foreclose. This letter (attached) documents the details and background of the foreclosure. It should be noted that the letter also includes details of another related transaction, Gardens of DeCordova, that is not currently before the Board.

The letter indicates the bond holder's intent to restructure through foreclosure but directing the foreclosure deed to a new borrower that will maintain the tax credit and HOME LURAs and will include the original nonprofit managing General Partner as the new sole GP. The original investor limited partner, National Equity Fund, will exit the transaction through the foreclosure. The Real Estate Analysis Division has completed their evaluation of the transaction including the request for TCAP funds (attached). The bond holder has proposed the redemption of approximately \$1.2M in bonds and to provide an equivalent amount of funds as a soft loan that will be subordinate to the Department's TCAP and HOME loans. Additionally, an investor has been identified to purchase the \$70,808 in annual credits that are not being replaced through the TCAP Tax Credit Replacement Initiative. The underwriting report indicates that the HOME loan can be projected to be repaid at the same rate and terms originally approved and that the transaction can meet the long term feasibility criteria established by the Board.

Having met the financial feasibility criteria and the requirements of the TCAP Policy, on Febuary 10, 2010 the Department executed a TCAP Written Agreement with the owner subject to the following conditions which will ensure a satisfactory resolution to the foreclosure prior to any closing with the Department. The bond holder has indicated that they expect the foreclosure to be complete within the next month.

- 1. By cost certification evidence that the outstanding bonds have been partially redeemed, or otherwise reduced, to a maximum principal amount of \$3,526,500 with an amortization and term as described in the application.
- 2. Prior to closing previous participation exhibits for all development team members and Related Parties as defined in the Qualified Allocation Plan.
- 3. Prior to or at closing evidence satisfactory to the Department of clear title to the development has been or will be transferred to the new limited partnership as described and that the existing land use restriction agreement(s) relating to the bonds remain in place.
- 4. Prior to closing documentation satisfactory to the Department evidencing the release, or release created via the pending foreclosure, of any claims, potential claims, lawsuit or potential lawsuit or any other adverse action by any former entity or person formally involved in the development or construction of the property.
- 5. By cost certification an opinion and related calculations supporting that the property complies with the 50% test relating to the development's eligibility for the 4% tax credit allocation.

- 6. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
- 7. Any condition of previous underwriting reports that has not been satisfied.
- 8. Prior to or at closing an opinion by the issuer's bond counsel that the bonds remain tax-exempt.

Staff requests the Board's approval to pursue an amended and restated HOME contract with the new ownership entity provided all of the above conditions are met, as well as other conditions necessary to protect the State's interest and investment. This amendment will renew the 18-month development period and allow for a new loan closing to occur within 4 months between the Department and new owner. In addition to the above conditions, staff recommends requirements that HOME loan closing and recommencement of construction occur within 120 days and limiting disbursements of the HOME loan as follows:

- Up to 50% of the HOME loan at 50% completion, as documented by the greater of new construction contract or the construction costs reflected in the underwriting report; and
- The remaining 50% at completion of construction.

#### KUTAK ROCK LLP

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ATLANTA

January 7, 2010

#### VIA E-MAIL AND U.S. MAIL

Mr. Cameron Dorsey HOME Program Manager Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701-2410

Re: Gardens of DeCordova, Hood County, Texas (your file no.060420) Gardens of Weatherford, Parker County, Texas (your file no. 060419)

Dear Mr. Dorsey:

My client, America First Tax Exempt Investors, L.P., a Delaware limited partnership ("America First") is the sole owner of both series of tax-exempt housing bonds (the "Gardens of DeCordova Bonds" and "Gardens of Weatherford Bonds", each a "Series" and together, the "Bonds") issued by the Northwest Central Texas Housing Finance Corporation (the "Issuer") pursuant to two Trust Indentures dated as of May 1, 2007 (each an "Indenture" and together, the "Indentures") between the Issuer and Wells Fargo Bank, N.A. as trustee (the "Trustee") which financed the acquisition, construction and equipping of those two multifamily housing projects known as Gardens of DeCordova, located in Hood County, Texas (the "DeCordova Project") and Gardens of Weatherford, located in Parker County, Texas (the "Weatherford Project", together with the DeCordova Project, the "Projects" and individually, a "Project"), by The Gardens of DeCordova, L.P. and The Gardens of Weatherford, L.P., each a Texas limited partnership (each a "Borrower" and together, the "Borrowers"). Pursuant to loan commitment numbers 1000766 (DeCordova) and 100767 (Weatherford), the Texas Department of Housing and Community Affairs ("TDHCA") agreed to loan, on a subordinate basis, HOME funds in the amounts of \$1,194,376 (DeCordova) and \$1,144,376 (Weatherford). TDHCA also allocated noncompetitive low-income housing tax credits (the "Tax Credits") to each Project pursuant to those IRC Section 42(m) letters delivered in March of 2007 (the "42(m) letters"). The Borrowers' limited partner, National Equity Fund ("NEF") agreed to fund capital contributions to the Borrowers in exchanges for the Tax Credits.



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Mr. Cameron Dorsey January 7, 2010 Page 2

The Borrowers commenced construction of the Projects following the issuance of the Bonds in May of 2007. The Borrowers encountered obstacles, both internally and externally, in completing the Projects as scheduled, eventually abandoning the Projects in differing states of completion, with DeCordova now completed and in the rent-up phase and Weatherford in the initial stages of construction. In each case, the Trustee has exhausted all capitalized interest funded at the closing of the Bonds to pay accrued interest on the Bonds and the Bonds are in payment default. While NEF has currently contributed approximately \$3.5 million to the DeCordova Borrower and approximately \$300 thousand to the Weatherford Borrower, NEF has repudiated its obligations under the Borrowers' partnership agreements to make any further capital contributions to fund the completion of either Project. America First has attempted to substitute the Borrowers and work out the defaulted debt. However, NEF has refused America First's request for an assignment of NEF's partnership interests in the Borrower, instead instructing America First to direct a foreclosure of the deeds of trust (the "Bond Mortgages") held by the Trustee which secure the Bonds.

Reluctantly, America First finds itself with no other option than to direct the Trustee to foreclose upon the Bond Mortgages thus replacing the Borrowers as the owners of the Projects and terminating the equity interests of NEF and the defaulting co-general partner, Continental Associates VI, Inc., a Texas Corporation in the Projects. Following a credit bid by the Trustee at the foreclosure sales, America First will direct delivery of a foreclosure deed to the respective New Borrower, described below. The foreclosure mechanism will allow for transfer of the Projects to new limited partnerships (the "New Borrowers"), which will assume the Borrowers' obligations under the Bond financing documents, HOME loan documents and tax credit documents and deliver new deeds of trust on the Projects to secure such obligations. The New Borrowers will have as their general partners: (i) Spectrum Housing Corporation ("Spectrum") a Texas nonprofit corporation, the current managing general partner of each Borrower; and (ii) Foundation for Affordable Housing ("FAH") a Nebraska nonprofit Corporation. Retaining Spectrum as the managing general partner will permit the New Borrower to qualify for a possible ad valorem real estate tax exemption regarding each Project. The initial limited partners of the New Borrowers will be: TDHCA (Weatherford); and a special purpose partnership selected by America First (DeCordova). In both cases, the New Borrowers will step into the shoes of the Borrowers for all purposes under the above-described financing documents.

Before proceeding with the above-described restructuring of the Projects' ownership, America First would like to confirm: (i) that TDHCA will transfer the 42(m) letters from the Borrowers to the New Borrowers and agree that the New Borrowers shall be entitled to all benefits of the Borrowers under the HOME loans previously granted by TDHCA; (ii) TDHCA's agreement to re-execute as necessary, a tax credit land use restriction agreement between TDHCA and the New Borrowers; (iii) that TDHCA will provide the Projects with Tax Credit Assistance Program funds in not less than the following amounts (A) \$0 (DeCordova, your file 060420) and (B) \$3,686,083 (Weatherford, your file no. 060419); and (iv) TDHCA will provide to the New Borrower an IRS Form 8609 (Low-Income Housing Credit Allocation and

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Mr. Cameron Dorsey January 7, 2010 Page 3

Certification) for the DeCordova Project, following completion of TDHCA's underwriting and review process. America First would like to proceed with the foreclosure and restructuring of the ownership of the Projects as soon as possible. Thus, America First requests TDHCA to consider and approve the grant of TCAP funds and the transfer and agreements as described above at its January 20, 2010 board meeting. America First believes that this proposal is the only workable mechanism to preserve and maintain the 152 affordable housing units created by the Projects. I invite you to continue conversations with Michael Borcher at America First to resolve any questions you may have regarding America First's requests in advance of such meeting.

On behalf of my client, I wish to thank you for your consideration of the above and your continued support of affordable housing in the State of Texas.

Very truly yours?

J. Toger Swanson

cc:

Mr. Michael Borcher Jeffrey Pender, Esq.

#### Real Estate Analysis Division Underwriting Report ADDENDUM

REPORT DATE: 02/08/10 PROGRAM: R1 TCAP / 9% HTC FILE NUMBER: 09750/060419

	DEVELOPM	1ENT	
	Gardens of We	atherford	
Location: 1900 Old	Region: 3		
City: Weatherford	County: Parker	Zip: <u>76085</u>	QCT DDA
Key Attributes: Rur	al, Senior, New Construction, and D	uplex/Triplex	

#### **ALLOCATION**

	PREVI	ous requ	JEST	PREVIOUS RECOMMENDATION			
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	
Private Activity Mortgage Revenue Bonds	\$4,777,319	6.15%	40/18	\$4,777,319	6.15%	40/18	
HOME Activity Funds	\$1,144,376	1.00%	40/18	\$1,144,376	1.00%	40/18	
Housing Tax Credit (Annual)	\$295,247			\$283,232			

	CURR	ent requ	JEST	CURR	ENT RECO	MMENDATIO	N*
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
Private Activity Mortgage Revenue Bonds	\$3,526,500	6.00%	40/18	\$3,526,500	6.00%	40/18	
HOME Activity Funds	\$1,144,376	0.00%	40/18	\$1,144,376	1.00%	40/18	2nd
TCAP INITIATIVES:							
#2 Permanent Loan Replacement	\$1,986,691	0.00%	40/40	\$1,986,691	0.00%	40/18	3rd
#3 Tax Credit Replacement	\$1,699,392	0.00%	40/15	\$1,699,392	0.00%	40/15	4th
Housing Tax Credit (Annual)	\$70,808			\$70,808			

#### **CONDITIONS**

#### Receipt, Review and Acceptance:

- 1 By cost certification an architectural engineer's certification that the finished floor level for each building is at least one foot above the base flood elevation and that all drives, parking and amenities are not more than 6 inches below the base flood elevation.
- 2 By cost certification evidence that the outstanding bonds have been partially redeemed, or otherwise reduced, to a maximum principal amount of \$3,526,500 with an amortization and term as described in the application.
- 3 Prior to closing previous participation exhibits for all Development Team Members and Related Parties as defined in the Qualified Allocation Plan.
- 4 Prior to or at closing evidence satisfactory to the Underwriter of clear title to the development has been or will be transferred to the new limited partnership as described and that the existing land use restriction agreement(s) relating to the bonds remain in place.

- 5 Prior to closing documentation satisfactory to the Underwriter evidencing the release, or release created via the pending foreclosure, of any claims, potential claims, lawsuit or potential lawsuit or any other adverse action by any former entity or person formally involved in the development or construction of the property.
- 6 By cost certification an opinion and related calculations supporting that the property complies with the 50% test relating to the development's eligibility for the 4% tax credit allocation.
- 7 Prior to or at closing an opinion by the issuer's bond counsel that the bonds remain tax-exempt.
- 8 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
- 9 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.

#### **SALIENT ISSUES**

TDHCA SET-ASIDES for LURA								
Income Limit	Rent Limit	Number of Units						
50% of AMI	50% of AMI	3						
60% of AMI	60% of AMI	73						

The Applicant (The Gardens of Weatherford L.P.) closed on this deal in 2007 with the issuance of \$4.7M of tax-exempt bonds (non-TDHCA issued bonds) and the syndication of 4% tax credits. The general partner of the Applicant was Continental Associates VI (a Texas non-profit, George Hopper, President) and the limited partner was National Equity Fund ("NEF"). The original contractor, Continental Construction of Kansas (Ivan Haugh, principal) , was related to the original general partner. In addition to the bond proceeds and tax credit equity, the financing for the development included \$1.1M of TDHCA HOME funds (none of the HOME funds have been drawn and the commitment has expired). The bonds are solely owned by America First Tax Exempt Investors, L.P. ("America First") which is a publicly traded fund that syndicates tax-exempt bonds (ticker symbol "ATAX").

Due to major flaws in the original development plan, lack of capacity with the general partner (according to America First) and various entitlement issues, construction on the project stopped during the sitework phase. The Applicant was never able to secure building permits for vertical construction. As a result, a default occurred on the bonds. America First took control of the deal under rights provided by the loan agreement and functionally replaced the general partner with Spectrum Housing Corporation ("Spectrum").

America First approached TDHCA and requested an extension of the HOME commitment which expired in May 2009. At that time, NEF was still willing to fund capital if the rest of the capital structure was preserved and they could get comfortable with existing market conditions. NEF had additional exposure on another development in nearby Hood County that was not performing as planned (now constructed and in lease-up) which led to their discomfort on the Weatherford deal. NEF funded \$300K but ultimately decided to stop any further funding.

Burlington Capital Group ("BCG") is the backbone of the "America First" entities involved in this transaction. In addition to managing over \$5 billion of investment assets in 21 partnerships representing 100,000 investors, BCG is the controlling general partner of the bond holder and the founder of America First Real Estate Group ("AFREG"). AFREG is sponsoring a new tax credit fund that will be purchasing the subject's tax credits (America First Investors 23). Foundation for Affordable Housing, a Nebraska non-profit formed in 1995, is the general partner of this fund. The limited partners will be individual Accredited investors (high net worth individuals). A detailed organizational chart is attached.

A subsidiary of AFREG, America First Construction Services ("AFCS") is providing construction management and development services to Spectrum to facilitate construction of the development. AFREG has substantial experience in construction oversight.

On January 7th, 2010, TDHCA received a letter stating that America First is directing the trustee to foreclose on the bond mortgage which will formally terminate the equity interests of NEF and Continental Associates. America First will transfer the deed to a limited partnership entity with Spectrum Housing Corporation as the sole general partner. The limited partner will be America First Investors 23. The new owner entity will assume the original borrower's obligations under the bond documents.

The purpose of this analysis is to evaluate the extension of the HOME commitment and approval of the TCAP funds. The Applicant is also requesting a technical ownership change under the HOME commitment and the tax-credit determination to the newly created owner entity with the new general partners.

#### **ADDENDUM**

Gardens of Weatherford was originally underwritten during the 2006 as a 4% HTC with HOME Funds and was approved for an annual tax credit allocation of \$283,232 and TDHCA HOME Funds of \$1,144,376 at an interest rate of 1% fully amortized over 40 years subject to conditions.

The Applicant was previously awarded a 2006 tax credit allocation and is now requesting to change the financing structure, including a request for TCAP funds. The Applicant has requested \$1,986,691 under the TCAP Permanent Loan Replacement and \$1,699,392 under the TCAP Credit Replacement to replace a portion of the original \$4,777,319 bond debt and fund a gap in financing due to reduced syndication proceeds and higher total development costs.

In the TCAP application, the Applicant provided an updated rent schedule, expenses, sources and uses, and a commitment for 25% of the original tax credit allocation (\$70,808 of annual credit). The Underwriter has evaluated the impact of these changes on the financial viability of the transaction and the tax credit award based on the revised documentation provided.

The syndication rate decreased by \$0.18, and only 25% of the awarded credits are being purchased which significantly reduces syndication proceeds to only \$566,464. Additionally, the Applicant's total development costs increased by \$1,262,727 from the original costs in 2006. The increase in costs, the decrease in syndication proceeds and a reduction in first lien debt is debt will be filled by the TCAP Permanent Loan Replacement loan and the TCAP Tax Credit Replacement loan.

Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure.

		PRC	OPOSED SITE								
HIGHLIGHTS of ENVIRONMENTAL REPORTS											
Provider:	The Inspection Group	Date:	5/18/2006	_							
<ul><li>Accord therefore the floor</li></ul>	Recognized Environmental Concerns (RECs) and Other Concerns:  According to the survey, a section of the site is located within Zone A, a special flood hazard area; therefore, must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain. This will be a condition of this report.										
		OPERATING F	PROFORMA ANALYSIS								
Income:	Number of Revisions:	None	Date of Last Applicant Rev	vision:	N/A						
allowa	• •	ances from th	unit were calculated by subtrace Weatherford Housing Autho	_							

Based on conversations with the Applicant, the original limited partner and specific knowledge of other similar types of developments in other comparable market areas, the Underwriter was skeptical that the development could achieve the maximum program rents as indicated by the Applicant. While market information was provided by the Applicant, it was not conclusive and was primarily based on comparable properties outside the immediate market area.

To determine supportable rents, the Underwriter surveyed multifamily properties within the immediate market area, including conventional properties, and compared these properties to the subject property on a unit-by-unit basis. Due to the size of the overall market and the distance to other markets, the Underwriter concludes that conventional properties in the local market area will be competitive with the subject despite it's income restrictions.

The Underwriter adjusted rents on existing units in the market by comparing property amenities, unit amenities, product type and age to the subject. The proposed maximum program rents were then compared to the existing market rents, as adjusted, to determine whether the proposed rents would be a reasonably achievable for the subject (see attached Rent Comparable Analysis).

The analysis indicates that the subject's proposed rents fall below the mid-point of the "as-adjusted" market rents. This indicates that the maximum program rents are reasonably achievable based on current market conditions.

Expense:	Number of Revisions:	None	Date of Last Applicant Revision:	N/A
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The Applicant's revised total annual operating expense projection at \$3,168 per unit is within 5% of the Underwriter's estimate of \$3,321, derived from the TDHCA database, and third-party data sources. The Underwriter's estimate includes a TCAP Asset Oversight Fee of \$50/unit/year. With this fee included the Applicant's estimate the DCR is 1.16, which is within the Department's guidelines.

#### Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.17, which is within the Department's DCR guideline of 1.15 to 1.35.

#### Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% 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									
	ASSESSED VALUE								
Land Only: 12.7 acres	\$238,85	6 Tax Year:	2009						
Existing Buildings:	\$0	Valuation by:	Parker CAD						
Total Assessed Value:			2.4134						
-									
	EVIDENCE (	of PROPERTY CONTROL							
Type: Warranty Deed with V	'endor's Lien		Acreage: 13.21						
Contract Expiration:	N/A	Valid Through Board Date?	x Yes No						
Acquisition Cost: \$312,330		Other: Cost from settlement st	atement dated 5/31/06						
Seller: Continental Real Estat	e, Inc.	Related to Development Team?	x Yes No						

	CONSTRUCTION COST E	STIMATE EVALUATION	
COST SCHEDULE Number of	Revisions: None	Date of Last Applicant Revision:	N/A
Construction Cost:			

In conjunction with the TCAP application the Applicant provided a revised total development cost schedule reflecting an overall increase in total costs of \$1,262,727 or 14.2% more than the original development cost schedule provided in 2006. Compared to the Applicant's last estimate, which was used to determine the amount of the tax credit awarded in 2006, direct construction costs increased by \$435K or 10%, sitework costs increased by \$527K or 101.2% which was verified by the G702 change orders submitted, indirect construction increased by \$562K or 124% as a result of increased city permit fees and engineering and architectural costs due to city required re-draws (4 total city submission).

Through review of extensive third-party documentation, the Underwriter concludes that the cost increases are justified given the work-out nature of this development caused by the inexperience of the original development team and the passage of time. The Underwriter has evaluated the experience of the engineer (a large regional firm), the architect and AFREG and believes that the team is qualified to complete the construction. Also, the construction drawings are now complete, bid, reviewed by the city and ready for permit.

Also of note, the Underwriter re-evaluated the Applicant's direct construction cost estimate based on the current Marshall & Swift derived estimate, resulting in an increase of 8.5% or approximately \$370K from the original underwriting. This estimate is \$13.4K lower than the Applicant's current estimate and is therefore considered comparable.

Other eligible and ineligible costs have also shifted slightly according to the new cost schedule. Due to the increased indirect construction costs the Developer has reduced the developer fee substantially to offset these increased cost.

#### Ineligible Costs:

The Applicant included \$10K in marketing as an eligible cost. These costs are generally regarded to be ineligible, therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount.

#### Interim Interest Expense:

The Applicant included all the interest (\$1,465,656) from bond closing to construction start as eligible cost for basis. The Underwriter questions with the lack of activity for three years if all of this interest is eligible for basis. The Underwriter received documentation from the Applicant's CPA that this is allowable. There is a risk that this basis could be removed at cost certification.

The Underwriter included the Applicant's finance costs less their interest number and ineligible tax credit fees plus three years of interest on the original bond amount at 6%. This could be a basis issue at cost certification, but we have a CPA letter indicating that the interest from bond closing to the "in-earnest" construction start is eligible. Using three years of interest is extraordinary, but justifiable given the unique "work-out" nature of this development.

#### Conclusion:

The Applicant's total revised development cost is within 3% of the Underwriter's estimate; therefore, the Applicant's revised cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$9,632,512 supports annual tax credits of \$348,697. This figure will be compared to the Applicant's previously awarded credits and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

REQUESTED FINANCIN	G STRUCTURE
SOURCES & USES Number of Revisions: None	Date of Last Applicant Revision: N/A
Source: TDHCA HOME Funds	Type: Interim to Permanent Financing
Principal: \$1,144,376 Interest Rate: 0.0%	x Fixed Amort: 480 months
Source: America First Exempt Investors, L.P. (ATAX)	Type: Interim to Permanent Financing
Principal: \$1,236,621 Interest Rate: 0.0%	x Fixed Amort: 0 months
Comments:  To be repaid via residual cash flow.	
Source: TCAP Tax Credit Replacement	Type: Interim to Permanent Financing
Principal: \$1,699,392 Syndication Rate: Comments:	80% Anticipated HTC: \$ 212,424
\$70,808 in annual tax credits, which will be purchased be discussed. The Applicant is also requesting that the loan term.  Source: TCAP Permanent Loan Replacement	
Principal: \$1,986,691 Interest Rate: 0.0%	x Fixed Amort: 480 months
Issuer: North Central Texas Housing Finance Corp. Source: America First Exempt Investors, L.P. (ATAX)	Type: Interim to Permanent Bond Financing
Tax-Exempt: \$3,526,500 Interest Rate: 6.00% Comments:	x Fixed Amort: 480 months
\$4,702,000 reduced by 25% to \$3,526,500 following the F	PIS date.
Source: Foundation for Affordable Housing	Type: Syndication
Proceeds: \$566,464 Syndication Rate:  Comments:  The originally awarded annual tax credit allocation is \$2 return \$212,424 of this amount in order to qualify for a TO The Foundation for Affordable Housing has provided a at a value of \$0.80 per credit equaling \$566,464 in equit	CAP Tax Credit Replacement loan of \$1,699,392. commitment to purchase the remaining \$70,808
2.1 2. 70.00 0. 40.00 pc. 5. 00it oqualing 4000/101 in oquit	- <i>y</i>

#### CONCLUSIONS

#### Recommended Financing Structure:

The Underwriter evaluated this application as a work-out transaction on behalf of the bondholder. So far, \$2MM of contractor related fees (including penalties), general conditions and hard costs have been spent on the development and the bonds remain at risk. The bondholder's objective is to minimize their future losses, complete construction and provide the housing. In addition to the requested TCAP and HOME funds, the bondholder is contributing \$1.2M of their own funds (on a taxable basis) and the developer is foregoing most of the developer fee in the deal (foregoing \$940K). These contributions are made to cover a large portion of the cost increases as well as the partial redemption of the bonds.

The Applicant's total development cost estimate less the permanent loan of \$3,526,500, the HOME Loan of 1,144,376, the permanent loan of \$1,236,621, the TCAP permanent loan of \$1,986,691 and the TCAP tax credit replacement loan of \$1,699,392 indicates the need for \$566,464 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$70,808 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$70,808), the gap-driven amount (\$70,808), and eligible basis-derived estimate (\$348,697), the Applicant's request of \$70,808 is recommended resulting in proceeds of \$566,464 based on a syndication rate of 80%.

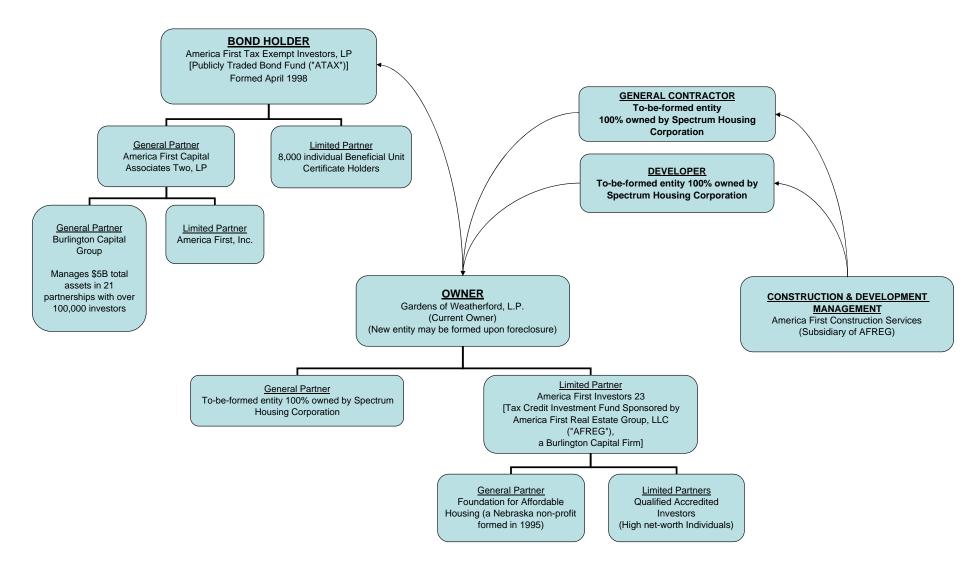
The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

The Underwriter recommends \$1,144,376 in TDHCA HOME funds with a 1% fixed interest rate and a 40 year amortization and a term of 18 years in a 2nd lien position throughout the permanent loan repayment period. It is also recommended that a TCAP permanent loan replacement not to exceed \$1,986,691 at 0.0% interest rate. The TCAP permanent loan replacement loan will therefore have an amortization period of 40 years and a term of 18 years. It is also recommended that the TCAP permanent loan replacement remain in a 3rd lien position throughout the permanent loan repayment period. A TCAP tax credit replacement loan of \$1,699,392 at 0.0% interest rate with an amortization period of 40 years and a term of 15 years. It is also recommended that the TCAP tax credit replacement remain in a 4th lien position throughout the permanent loan repayment period.

Underwriter:		Date:	February 8, 2010
	Carl Hoover	-	
Manager of Real Estate Analysis:		Date:	February 8, 2010
	Audrey Martin	-	
Director of Real Estate Analysis:		Date:	February 8, 2010
	Brent Stewart		

#### **TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**

Real Estate Analysis Division TCAP Underwriting Report ADDENDUM TCAP #09750 Gardens of Weatherford



# Texas Department of Housing & Community Affairs #09750 - Gardens of Weatherford (TCAP Addendum) Gardens of Weatherford

### Rent Comparable Analysis (Sorted by Adjusted Effective Rent)

Keni Comparat	100 1	Inuly	ous (	וטכו	ieu v	у лијі	isieu <u>L</u> j	jecuve n	eni)											
	One Bedroom Units - Less than 900 SF																			
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										1	1	Auju	Sunem	.s						
Community	Year Built	Desc.	# Units	Туре	NRA	Extras	Market Rent (\$/month)	Market Rent (\$/sf/month)	Monthly Concession (If not in Market Rent)	Cable W/D	Bath	Garage	Extra(s)	Age	Location	Quality/Finish	Total Adjustments	Adjusted Effective Rent (\$/month)	Adjusted Effective Rent (\$/sf/month)	Source
Gardens of Weaterford (Senior)	2010	TC60%	2	1x1	648		\$648	\$1.00				Inc.					\$0	\$648	\$1.00	Subject Property
Residences at Holly Oaks	2007	Market Rate		1x1	623		\$600	\$0.96				\$75		\$0		\$20	\$95	\$695	\$1.12	Rent.com (1/10)
Southgate Glen	1999	Market Rate		1x1	575		\$530	\$0.92				\$75		\$70		\$20	\$165	\$695	\$1.21	Rentmoney.com (1/10)
Southgate Glen	1999	Market Rate		1x1	670		\$619	\$0.92				\$75		\$70		\$20	\$165	\$784	\$1.17	Rentmoney.com (1/10)
Weatherford Town Center (Senior)	2004	Market Rate		1x1	762	carport	\$761	\$1.00				\$75	(\$15)	\$20		\$20	\$100	\$861	\$1.13	Rent.com (1/10)
Residences at Holland Lake	1996	Market Rate		1x1	650		\$670	\$1.03				\$75		\$100		\$20	\$195	\$865	\$1.33	Rent.com (1/10)
Residences at Holland Lake	1996	Market Rate		1x1	733		\$690	\$0.94				\$75		\$100		\$20	\$195	\$885	\$1.21	Rent.com (1/10)
							Two	Bedroom	Units - Le	ss th	an 1.2	200 SI	F							
											,,									
											1	Aaju	stment	is .						
Community	Year Built	Desc.	# Units	Type	NRA	Fytras	Market Rent (\$/month)	Market Rent	Monthly Concession (If not in Market Rent)	Cable M/D	Bath	Garage	Extra(s)	Age	ocation.	Quality/Finish	Total Adjustments	Effective Rent	Effective Rent (\$/sf/month)	Source
Cypress View Villas		Market Rate	Omio	2x2	959	LATIGO	\$564	\$0.59		<del>-                                    </del>	<del>  "</del>	\$75	ш	\$30	_	\$20	\$125	\$689	,	Rentmoney.com (1/10)
Gardens of Weaterford (Senior)		TC50%/LH	3	2x2	1,002		\$621	\$0.62				Inc.		\$0		Ψ23	\$0	\$621		Subject Property
Gardens of Weaterford (Senior)		TC60%/HH	8	2x2	1,002		\$717	\$0.72				Inc.		\$0			\$0	\$717		Subject Property
Gardens of Weaterford (Senior)	2010		63	2x2	1,002		\$770	\$0.77				Inc.		\$0			\$0	\$770		Subject Property
Residences at Holly Oaks		Market Rate	33	2x1	810		\$643	\$0.79			\$35			\$0		\$20	\$130	\$773		ADS (6/08)
Southgate Glen		Market Rate		2x2	926		\$699	\$0.75			130	\$75		\$70		\$20	\$165	\$864		Rentmoney.com (1/10)
Residences at Holland Lake		Market Rate		2x2	960		\$845	\$0.88				\$75		\$100		\$20	\$195	\$1,040		ADS (6/08)
Residences at Holland Lake		Market Rate		2x1	846		\$760	\$0.90			\$35	\$75		\$100		\$20	\$230	\$990		ADS (6/08)
Weatherford Town Center (Senior)	2004	Market Rate		2x1	930		\$908	\$0.98			\$35	\$75		\$20		\$20	\$150	\$1,058		ADS (6/08)

#### MULTIFAMILY COMPARATIVE ANALYSIS

#### Gardens of Weatherford, Weatherford, R1 TCAP / 9% HTC #09750/060419

TC 60%			No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected			Rent per Month	Rent per SF	Tnt-Pd Util	Trash Only
	2	1	1	771	\$742	648			\$1,295	\$0.84	\$94.50	\$17.00
TC50% LH	3	2	2	1002	\$742	621			\$1,862	\$0.62	\$121.50	\$17.00
TC60% HH	8	2	2	1002	\$838	717			\$5,732	\$0.72	\$121.50	\$17.00
TC 60%	63	2	2	1002	\$891	770			\$48,479	\$0.77	\$121.50	\$17.00
TOTAL:	76		AVERAGE:	996		\$755			\$57,367	\$0.76	\$120.79	\$17.00
INCOME		Tatal Nat F	)4-bl- 0- Ft	75 600	0	TDUCA	TOUCA LIM	APPLICATION	ADDITIONAL	00111177	IDEM DEGICAL	COMPT DECICAL
	L GROSS F		Rentable Sq Ft:	<u>75,690</u>	U	TDHCA \$688,404	TDHCA - UW \$673,236	\$672,900	APPLICANT \$688,860	COUNTY Parker	Fort Worth	COMPT. REGION
Secondary		VEIVI		Per Unit Per Month:	\$15.00	13,680	9,120	9,120	20,520	\$22.50	Per Unit Per Month	3
	ort Income: C	able TV		er Oriit i er Monti.	ψ10.00	0	18,194	18,240	20,020	\$0.00	Per Unit Per Month	
	L GROSS II				ŀ	\$702.084	\$700,550	\$700,260	\$709,380	φοισσ	TO CHILL OF MOULE	
	Collection Lo		% of Poter	ntial Gross Income:	-7.50%	(52,656)	(52,541)	(49,020)	(53,208)	-7.50%	of Potential Gross In	ncome
Employee of	or Other Non-	Rental Unit	s or Concessi	ions		0	0	0	,			
EFFECTIV	E GROSS II	NCOME				\$649,428	\$648,009	\$651,240	\$656,172			
<b>EXPENSES</b>	<u>s</u>		% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% OF EGI
General & A	Administrative	•	3.66%	\$313	0.31	\$23,794	26,600	14,570	\$23,850	\$0.32	\$314	3.63%
Manageme	nt		4.14%	354	0.36	26,890	25,920	26,728	26,247	0.35	345	4.00%
Payroll & Pa	ayroll Tax		7.81%	668	0.67	50,735	51,095	54,880	50,735	0.67	668	7.73%
Repairs & N	Maintenance		4.19%	358	0.36	27,200	28,458	25,800	27,200	0.36	358	4.15%
Utilities			1.85%	158	0.16	12,012	12,012	3,000	4,000	0.05	53	0.61%
Water, Sew	er & Trash		2.24%	191	0.19	14,520	9,558	10,000	14,520	0.19	191	2.21%
Property Ins			4.08%	349	0.35	26,492	22,939	26,600	26,492	0.35	349	4.04%
Property Ta		2.4134	5.79%	495	0.50	37,600	36,091	45,600	37,600	0.50	495	5.73%
	ıx r Replacemen		2.93%	495 250	0.50	19.000	19,000	19,000	19,000	0.50	495 250	2.90%
	mpliance Fee					3,040	15,000	15,000				
	•		0.47%	40	0.04	· +			3,800	0.05	50	0.58%
	et Oversight F					3,800	20.004	00.404		0.00	0	0.00%
	p. Serv. & Sed	curity	1.12%	96	0.10	7,300	32,204	29,164	7,300 \$240,744	0.10	96	1.11%
TOTAL EX			38.86%	\$3,321	\$3.33	\$252,382	\$263,876	\$255,342		\$3.18	\$3,168	36.69%
	RATING INC	:	61.14%	\$5,224	\$5.25	\$397,045	\$384,133	\$395,898	\$415,428	\$5.49	\$5,466	63.31%
DEBT SER	VICE											
	t Exempt Inve	estors	35.85%	\$3,064	\$3.08	\$232,839	\$321,440	\$359,528	\$234,377	\$3.10	\$3,084	35.72%
TDHCA HON	ME		4.41%	\$376	\$0.38	\$28,609	34,723		28,609	\$0.38	\$376	4.36%
TCAP Perma	anent Loan R	eplacement	7.65%	\$654	\$0.66	\$49,667			49,667	\$0.66	\$654	7.57%
America Firs	t Exempt Inve	estors	0.00%	\$0	\$0.00	0			0	\$0.00	\$0	0.00%
TCAP Tax C	redit Rplcmnt	Loan (repa	0.00%	\$0	\$0.00	0			42,485	\$0.56	\$559	6.47%
NET CASH	I FLOW		13.23%	\$1,131	\$1.14	\$85,929	\$27,969	\$36,370	\$60,290	\$0.80	\$793	9.19%
AGGREGAT	E DEBT COV	/ERAGE R/	ATIO			1.28	1.08	1.10	1.17			
			4110					1.11	1.15			
RECOMMEN	NDED DEBT (							1.11	1.10			
	NDED DEBT	COVERAGI					l	1.11	1.10			
CONSTRU	CTION COS	COVERAGI <u>ST</u>	E RATIO	PER UNIT	PER SQ FT	TDHCA	TDHCA - UW	APPLICATION	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
CONSTRU Descr	CTION COS	COVERAGI <u>ST</u> <u>Factor</u>	E RATIO	PER UNIT \$3,064		-		APPLICATION	APPLICANT	<u>PER SQ FT</u> \$3.08	PER UNIT \$3 064	% of TOTAL 2 29%
<u>Descr</u> Acquisition	CTION COS	COVERAGI <u>ST</u> <u>Factor</u>	% of TOTAL 2.36%	\$3,064	\$3.08	\$232,836	\$222,253	<b>APPLICATION</b> \$222,253	<b>APPLICANT</b> \$232,836	\$3.08	\$3,064	2.29%
Descr Acquisition Off-Sites	CTION COS	COVERAGI <u>ST</u> <u>Factor</u>	% of TOTAL 2.36% 0.21%	\$3,064 276	\$3.08 0.28	\$232,836 21,000	\$222,253 0	<b>APPLICATION</b> \$222,253	APPLICANT \$232,836 21,000	\$3.08 0.28	\$3,064 276	2.29% 0.21%
Descr Acquisition Off-Sites Sitework	iption Cost (site or t	COVERAGI <u>ST</u> <u>Factor</u>	% of TOTAL 2.36% 0.21% 10.62%	\$3,064 276 13,769	\$3.08 0.28 13.83	\$232,836 21,000 1,046,424	\$222,253 0 520,107	\$222,253 0 520,107	\$232,836 21,000 1,046,424	\$3.08 0.28 13.83	\$3,064 276 13,769	2.29% 0.21% 10.30%
Descr Acquisition Off-Sites Sitework Direct Cons	ction cos	COVERAGI ST Factor oldg)	% of TOTAL 2.36% 0.21% 10.62% 48.39%	\$3,064 276 13,769 62,736	\$3.08 0.28 13.83 62.99	\$232,836 21,000 1,046,424 4,767,971	\$222,253 0 520,107 4,397,709	\$222,253 0 520,107 4,346,823	\$232,836 21,000 1,046,424 4,781,390	\$3.08 0.28 13.83 63.17	\$3,064 276 13,769 62,913	2.29% 0.21% 10.30% 47.06%
Description Off-Sites Sitework Direct Const	CTION COS ription Cost (site or b	COVERAGI ST Factor bidg)	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94%	\$3,064 276 13,769 62,736 3,816	\$3.08 0.28 13.83 62.99 3.83	\$232,836 21,000 1,046,424 4,767,971 290,008	\$222,253 0 520,107 4,397,709 245,891	\$222,253 0 520,107 4,346,823 483,000	\$232,836 21,000 1,046,424 4,781,390 290,008	\$3.08 0.28 13.83 63.17 3.83	\$3,064 276 13,769 62,913 3,816	2.29% 0.21% 10.30% 47.06% 2.85%
CONSTRU  Descr  Acquisition  Off-Sites Sitework  Direct Cons  Contingenc  Contractor's	CTION COS iption Cost (site or the struction cy s Fees	COVERAGI ST Factor oldg)	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26%	\$3,064 276 13,769 62,736 3,816 10,711	\$3.08 0.28 13.83 62.99 3.83 10.75	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000	\$222,253 0 520,107 4,397,709 245,891 684,424	\$222,253 0 520,107 4,346,823 483,000 729,677	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000	\$3.08 0.28 13.83 63.17 3.83 10.75	\$3,064 276 13,769 62,913 3,816 10,711	2.29% 0.21% 10.30% 47.06% 2.85% 8.01%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Cons	CTION COS  iption  Cost (site or the struction cost)  s Fees nstruction	COVERAGI ST Factor bidg)	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11%	\$3,064 276 13,769 62,736 3,816 10,711 13,101	\$3.08 0.28 13.83 62.99 3.83 10.75	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034	\$3.08 0.28 13.83 63.17 3.83 10.75	\$3,064 276 13,769 62,913 3,816 10,711 13,329	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Con Ineligible Con	ction cost	COVERAGI Factor Factor oldg) 4.99% 14.00%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Col Ineligible C Developer's	ction costipution  Cost (site or bestruction by several service)  Service of the cost of t	COVERAGI ST Factor bidg)	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11%	\$3,064 276 13,769 62,736 3,816 10,711 13,101	\$3.08 0.28 13.83 62.99 3.83 10.75	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000	\$3.08 0.28 13.83 63.17 3.83 10.75	\$3,064 276 13,769 62,913 3,816 10,711 13,329	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Con Ineligible Con	ction costipution  Cost (site or bestruction by several service)  Service of the cost of t	COVERAGI Factor Factor oldg) 4.99% 14.00%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Col Ineligible C Developer's	ction costipution  Cost (site or bestruction by several service)  Service of the cost of t	COVERAGI Factor Factor oldg) 4.99% 14.00%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Col Ineligible C Developer's Interim Final	ction costiption  Cost (site or the struction cy)  s Fees nstruction costs s Fees ancing	COVERAGI Factor Factor oldg) 4.99% 14.00%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19%
Description  Construction  Acquisition  Off-Sites Sitework  Direct Constructor  Contractor  Indirect Constructor  Indirect Constructor  Interim Final  Reserves  TOTAL CO	ction costiption  Cost (site or the struction cy)  s Fees nstruction costs s Fees ancing	COVERAGI  Factor  Factor  oldg)  4.99%  14.00%  2.45%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29%
Description  Construction  Description  Acquisition  Off-Sites Sitework  Direct Constructor  Contractor  Indirect Con  Indirect Con  Ineligible C  Developer's  Interim Fina  Reserves  TOTAL CO  Construction	CTION COS  iption  Cost (site or to struction cost)  s Fees instruction costs is Fees ancing	COVERAGI  Factor  Factor  14.99%  14.00%  2.45%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Constructor's Contractor's Indirect Col Ineligible C Developer's Interim Final Reserves TOTAL CO Construction SOURCES	CTION COS  iption  Cost (site or to struction cost)  s Fees instruction costs s Fees ancing  OST on Cost Recap	COVERAGI  Factor  Factor  14.99%  14.00%  2.45%	% of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00%
CONSTRU  Descr  Acquisition Off-Sites Sitework Direct Constructor's Contractor's Indirect Col Ineligible C Developer's Interim Final Reserves TOTAL CO Construction SOURCES	ction cost cost (site or to struction cost) s Fees enstruction costs s Fees encing encost Recapt to Cost Recapt to Cost Recapt to Cost Recapt to Cost Recapt to Exempt Inve	COVERAGI  Factor  Factor  14.99%  14.00%  2.45%	E RATIO  ** of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30% 100.00%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58 RECOMMENDED	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23%
Description  Construction  Description  Acquisition  Off-Sites Sitework  Direct Constructor  Contractor  Indirect Con  Indirect Con  Ineligible C  Developer's  Interim Fina  Reserves  TOTAL CO  Construction  SOURCES  America Firs  TDHCA HOM	ction cost cost (site or to struction cost) s Fees enstruction costs s Fees encing encost Recapt to Cost Recapt to Cost Recapt to Cost Recapt to Cost Recapt to Exempt Inve	COVERAGI  Factor  Factor  14.99%  14.00%  2.45%	## RATIO  ## of TOTAL  2.36%  0.21%  10.62%  48.39%  2.94%  8.26%  10.11%  0.74%  2.25%  11.80%  2.30%  100.00%  70.22%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49%	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23%
Description  Construction  Acquisition  Off-Sites Sitework Direct Constructor  Contractor  Indirect Con Ineligible C Developer's Interim Fina Reserves TOTAL CO Construction SOURCES America Firs TDHCA HON TCAP Permit	ction cost cost (site or to struction cost) s Fees enstruction costs s Fees encing soft Recapt to Cost Recapt to Cost Recapt to Cost Recapt to Exempt Inve	COVERAGI ST Factor  Factor  14.99% 14.00%  2.45%  p Separation	## RATIO  ## of TOTAL  2.36%  0.21%  10.62%  48.39%  2.94%  8.26%  10.11%  0.74%  2.25%  11.80%  2.30%  100.00%  70.22%  35.79%  11.62%  20.16%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032 \$46,401 \$15,058 \$26,141	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17 \$91.40	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403 \$3,526,500 1,144,376 1,986,691	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49%	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822 \$3,526,500 1,144,376 1,986,691	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500 1,144,376 1,986,691	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23%
Description  Acquisition  Off-Sites Sitework Direct Constructor Indirect Col Ineligible C Developer's Interim Fina Reserves TOTAL CO Construction SOURCES America Firs TDHCA HOM TCAP Perma	ction cost struction cost (site or to struction cost) s Fees ancing struction costs s Fees ancing struction cost Recall to GF FUNDS at Exempt Invented the struction of the struction cost is seen and the struction cost	COVERAGI ST Factor Factor loldg)  4.99% 14.00%  2.45%  p Separations Replaceme	E RATIO  % of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30% 100.00% 70.22%  35.79% 11.62% 20.16% 12.55%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032 \$46,401 \$15,058 \$26,141 \$16,271	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17 \$91.40  \$46.59 \$15.12 \$26.25 \$16.34	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403 \$3,526,500 1,144,376 1,986,691 1,236,621	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848 \$4,777,319 1,144,376 0	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49%	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822 \$3,526,500 1,144,376 1,986,691 1,236,621	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500 1,144,376 1,986,691 1,236,621	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23%
Description  Acquisition  Off-Sites Sitework Direct Constructor Indirect Col Ineligible C Developer's Interim Fina Reserves TOTAL CO Construction SOURCES America Firs TDHCA HOM TCAP Perm. America Firs TCAP Tax C	ction cost struction cost (site or to struction cost) s Fees ancing struction costs s Fees ancing s Fees	ECOVERAGI  Factor  Factor  14.99%  14.00%  2.45%  p  September 15.  Replacement 25.  Replacement 25.  Replacement 25.  Replacement 25.  Replacement 25.	E RATIO  % of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30% 100.00% 70.22%  35.79% 11.62% 20.16% 12.55% 17.25%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032 \$46,401 \$15,058 \$26,141 \$16,271 \$22,360	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17 \$91.40  \$46.59 \$15.12 \$26.25 \$16.34 \$22.45	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848 \$4,777,319 1,144,376 0 0	\$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49% \$4,777,319 1,144,376	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23% ee Available ,000
CONSTRU  Descr  Acquisition  Off-Sites Sitework Direct Constructor's Indirect Col Ineligible C Developer's Interim Fina Reserves TOTAL CO Construction SOURCES America Firs TDHCA HOM TCAP Perm America Firs TCAP Tax C HTC Syndica	ction cost struction cost (site or to struction cost) s Fees ancing struction costs s Fees ancing s Fees	ECOVERAGI  Factor  Factor  14.99%  14.00%  2.45%  p  September 15.  Replacement 25.  Replacement 25.  Replacement 25.  Replacement 25.  Replacement 25.	E RATIO  % of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30% 100.00% 70.22%  35.79% 11.62% 20.16% 12.55% 17.25% 5.75%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032 \$46,401 \$15,058 \$26,141 \$16,271 \$22,360 \$7,453	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17 \$91.40  \$46.59 \$15.12 \$26.25 \$16.34 \$22.45 \$7.48	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848 \$4,777,319 1,144,376 0 0 0 2,808,819	APPLICATION \$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49% \$4,777,319 1,144,376	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822 \$3,526,500 1,144,376 1,986,691 1,236,621	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208  Developer F \$222	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23% ee Available ,000
CONSTRU  Descr  Acquisition  Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Col Ineligible C Developer's Interim Fina Reserves TOTAL CO Construction SOURCES America Firs TDHCA HOM TCAP Perma America Firs TCAP Tax C HTC Syndica Deferred Description	ction cost struction cost (site or to struction cost) s Fees ancing struction costs s Fees ancing s	ECOVERAGI ST Factor Factor loldg)  4.99% 14.00%  2.45%  p Sectors Replaceme esstors nt Loan (relis)	E RATIO  % of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30% 100.00%  70.22%  35.79% 11.62% 20.16% 12.55% 17.25% 5.75% 0.00%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032 \$46,401 \$15,058 \$26,141 \$16,271 \$22,360 \$7,453 \$0	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17 \$91.40  \$46.59 \$15.12 \$26.25 \$16.34 \$22.45 \$7.48 \$0.00	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464 0	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848 \$4,777,319 1,144,376 0 0 2,808,819 256,878	APPLICATION \$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49% \$4,777,319 1,144,376	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464 0	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208  Developer F \$2222	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23% ee Available ,000
CONSTRU  Descr  Acquisition  Off-Sites Sitework Direct Cons Contingence Contractor's Indirect Col Ineligible C Developer's Interim Fina Reserves TOTAL CO Construction SOURCES America Firs TDHCA HOM TCAP Perma America Firs TCAP Tax C HTC Syndica Deferred Description	ction cost struction cost (site or to struction cost) s Fees natruction costs s Fees ancing of Cost Recall t Exempt Invent anent Loan Fett Exempt Invent credit Rplcmi ation Proceed veloper Fees excess) Funds	ECOVERAGI ST Factor Factor loldg)  4.99% 14.00%  2.45%  p Sectors Replaceme esstors nt Loan (relis)	E RATIO  % of TOTAL 2.36% 0.21% 10.62% 48.39% 2.94% 8.26% 10.11% 0.74% 2.25% 11.80% 2.30% 100.00% 70.22%  35.79% 11.62% 20.16% 12.55% 17.25% 5.75%	\$3,064 276 13,769 62,736 3,816 10,711 13,101 954 2,921 15,302 2,986 \$129,635 \$91,032 \$46,401 \$15,058 \$26,141 \$16,271 \$22,360 \$7,453	\$3.08 0.28 13.83 62.99 3.83 10.75 13.15 0.96 2.93 15.36 3.00 \$130.17 \$91.40  \$46.59 \$15.12 \$26.25 \$16.34 \$22.45 \$7.48	\$232,836 21,000 1,046,424 4,767,971 290,008 814,000 995,663 72,500 222,000 1,162,939 226,901 \$9,852,242 \$6,918,403 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464	\$222,253 0 520,107 4,397,709 245,891 684,424 451,360 252,542 1,029,007 560,555 169,000 \$8,532,848 \$4,777,319 1,144,376 0 0 0 2,808,819	APPLICATION \$222,253 0 520,107 4,346,823 483,000 729,677 451,360 252,542 1,162,000 560,555 169,000 \$8,897,317 49.49% \$4,777,319 1,144,376	\$232,836 21,000 1,046,424 4,781,390 290,008 814,000 1,013,034 41,250 222,000 1,465,656 232,446 \$10,160,044 \$6,931,822 \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392	\$3.08 0.28 13.83 63.17 3.83 10.75 13.38 0.54 2.93 19.36 3.07 \$134.23 \$91.58  RECOMMENDED \$3,526,500 1,144,376 1,986,691 1,236,621 1,699,392 566,464	\$3,064 276 13,769 62,913 3,816 10,711 13,329 543 2,921 19,285 3,059 \$133,685 \$91,208  Developer F \$222	2.29% 0.21% 10.30% 47.06% 2.85% 8.01% 9.97% 0.41% 2.19% 14.43% 2.29% 100.00% 68.23% ee Available ,000

Type of Unit

Bedrooms No. of Baths

Size in SF

Gross Rent Lmt.

Rent Collected

Trash Only

Tnt-Pd Util

Rent per SF

Rent per Month

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

#### Gardens of Weatherford, Weatherford, R1 TCAP / 9% HTC #09750/060419

#### **DIRECT CONSTRUCTION COST ESTIMATE**

Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$66.96	\$5,068,512
Adjustments				
Exterior Wall Finish	1.75%		\$1.17	\$88,699
Elderly	3.00%		2.01	152,055
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(1.88)	(142,297)
Floor Cover			3.16	239,180
Breezeways/Balconies	\$20.39	6,884	1.85	140,365
Plumbing Fixtures	\$1,000	223	2.95	223,000
Rough-ins	\$410		0.00	0
Built-In Appliances	\$2,500	76	2.51	190,000
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	\$54.74		0.00	0
Heating/Cooling			1.73	130,944
Garages/Carports	\$26.18	27,120	9.38	710,002
Comm &/or Aux Bldgs	\$76.31	2,460	2.48	187,729
Other: fire sprinkler	\$2.15		0.00	0
SUBTOTAL			92.33	6,988,188
Current Cost Multiplier	0.98		(1.85)	(139,764)
Local Multiplier	0.86		(12.93)	(978,346)
TOTAL DIRECT CONSTRUC	CTION COST	S	\$77.55	\$5,870,078
Plans, specs, survy, bld prm	3.90%		(\$3.02)	(\$228,933)
Interim Construction Interest	3.38%		(2.62)	(198,115)
Contractor's OH & Profit	11.50%		(8.92)	(675,059)
NET DIRECT CONSTRUCTI	ON COSTS		\$62.99	\$4,767,971

#### PAYMENT COMPUTATION

Primary	\$3,526,500	Amort	480
Int Rate	6.00%	DCR	1.71
Secondary	\$1,144,376	Amort	480
Int Rate	0.00%	Subtotal DCR	1.52
	•	•	
Additional	\$1,986,691	Amort	480
Int Rate	0.00%	Aggregate DCR	1.28
Additional	\$1,236,621	Amort	
Int Rate	0.00%	Aggregate DCR	1.28
Additional	\$1,699,392	Amort	0
Int Rate	0.00%	Aggregate DCR	1.28

## RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

	AL I LIOAN	1 0 1101.	
Primary Debt Servi	ce	\$232,839	
Secondary Debt Se	ervice	34,723	
Additional Debt Se	rvice	49,667	
Additional Debt Se	rvice	0	
Additional Debt Se	rvice	42,485	
NET CASH FLO	W	\$55,713	
Primary	\$3,526,500	Amort	480
Int Rate	6.00%	DCR	1.78

Secondary	\$1,144,376	Amort	480
Int Rate	1.00%	Subtotal DCR	1.55

Additional	\$1,986,691	Amort	480
Int Rate	0.00%	Aggregate DCR	1.31

Additional	Additional \$1,236,621		0
Int Rate	0.00%	Aggregate DCR	1.31

Additional \$1,699,392		Amort	480
Int Rate	0.00%	Aggregate DCR	1.15

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$688,860	\$702,637	\$716,690	\$731,024	\$745,644
Secondary Income	20,520	20,930	21,349	21,776	22,212
Other Support Income: Cable T	0	0	0	0	0_
POTENTIAL GROSS INCOME	709,380	723,568	738,039	752,800	767,856
Vacancy & Collection Loss	(53,208)	(54,268)	(55,353)	(56,460)	(57,589)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$656,172	\$669,300	\$682,686	\$696,340	\$710,267
EXPENSES at 3.00%					
General & Administrative	\$23,850	\$24,566	\$25,302	\$26,062	\$26,843
Management	26,247	26,772	27,308	27,854	28,411
Payroll & Payroll Tax	50,735	52,257	53,825	55,440	57,103
Repairs & Maintenance	27,200	28,016	28,856	29,722	30,614
Utilities	4,000	4,120	4,244	4,371	4,502
Water, Sewer & Trash	14,520	14,956	15,404	15,866	16,342
Insurance	26,492	27,287	28,105	28,949	29,817
Property Tax	37,600	38,728	39,890	41,087	42,319
Reserve for Replacements	19,000	19,570	20,157	20,762	21,385
TDHCA Compliance Fee	3,800	3,914	4,031	4,152	4,277
TCAP Asset Oversight Fee	0	0	0	0	0
Other	7,300	7,519	7,745	7,977	8,216
TOTAL EXPENSES	\$240,744	\$247,704	\$254,867	\$262,240	\$269,829
NET OPERATING INCOME	\$415,428	\$421,596	\$427,819	\$434,099	\$440,437
DEBT SERVICE					
First Lien Financing	\$232,839	\$232,839	\$232,839	\$232,839	\$232,839
Second Lien	34,723	34,723	34,723	34,723	34,723
Other Financing	49,667	49,667	49,667	49,667	49,667
Other Financing	42,485	42,485	42,485	42,485	42,485
NET CASH FLOW	\$55,713	\$61,881	\$68,104	\$74,384	\$80,722
DEBT COVERAGE RATIO	1.15	1.17	1.19	1.21	1.22

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$823,251	\$908,936	\$1,003,539	\$1,223,308
24,523	27,076	29,894	36,440
0	0	0	0
847,775	936,012	1,033,433	1,259,749
(63,583)	(70,201)	(77,507)	(94,481)
0	0	0	0
\$784,192	\$865,811	\$955,925	\$1,165,268
\$31,119	\$36,075	\$41,821	\$56,204
31,368	34,633	38,237	46,611
66,198	76,741	88,964	119,560
35,490	41,142	47,695	64,099
5,219	6,050	7,014	9,426
18,945	21,963	25,461	34,217
34,566	40,072	46,454	62,430
49,059	56,873	65,932	88,607
24,791	28,739	33,317	44,775
4,958	5,748	6,663	8,955
0	0	0	0
9,525	11,042	12,801	17,203
\$311,238	\$359,079	\$414,359	\$552,087
\$472,954	\$506,732	\$541,566	\$613,180
\$232,839	\$232,839	\$232,839	\$232,839
34,723	34,723	34,723	34,723
49,667	49,667	49,667	49,667
42,485	42,485	42,485	42,485
\$113,239	\$147,017	\$181,851	\$253,465
1.31	1.41	1.51	1.70

#### HTC ALLOCATION ANALYSIS -Gardens of Weatherford, Weatherford, R1 TCAP / 9% HTC #09750/060419

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$232,836	\$232,836		
Purchase of buildings				
Off-Site Improvements	\$21,000	\$21,000		
Sitework	\$1,046,424	\$1,046,424	\$1,046,424	\$1,046,424
Construction Hard Costs	\$4,781,390	\$4,767,971	\$4,781,390	\$4,767,971
Contractor Fees	\$814,000	\$814,000	\$814,000	\$814,000
Contingencies	\$290,008	\$290,008	\$290,008	\$290,008
Eligible Indirect Fees	\$1,013,034	\$995,663	\$1,013,034	\$995,663
Eligible Financing Fees	\$1,465,656	\$1,162,939	\$1,465,656	\$1,162,939
All Ineligible Costs	\$41,250	\$72,500		
Developer Fees				
Developer Fees	\$222,000	\$222,000	\$222,000	\$222,000
Development Reserves	\$232,446	\$226,901		
TOTAL DEVELOPMENT COSTS	\$10,160,044	\$9,852,242	\$9,632,512	\$9,299,005

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	\$9,632,512	\$9,299,005
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$9,632,512	\$9,299,005
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$9,632,512	\$9,299,005
Applicable Percentage	3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS	\$348,697	\$336,624

Syndication Proceeds 0.8000 \$2,789,575 \$2,692,992

Total Tax Credits (Eligible Basis Method) \$348,697 \$336,624

Syndication Proceeds \$2,789,575 \$2,692,992

Previously Awarded Tax Credits \$283,232

Syndication Proceeds \$2,265,856

Gap of Syndication Proceeds Needed \$566,464

Total Tax Credits (Gap Method) \$70,808

DATE: September 25, 2006 PROGRAM: 4% HTC/HOME FILE NUMBER: 060419

#### **DEVELOPMENT NAME**

#### Gardens of Weatherford

APPLICANT						
Name:	The Gardens of Weatherford, L.P.			Contact:	George Hopper	
Address:	2909 SW Plass Court					
City	Topeka			State:	KS <b>Zip:</b> 66611	
Phone:	(785) 266-6133 <b>Fax:</b> (78	35) 26	6-6134	Email:	GHopper@ContinentalGroups.co m	
		KEY PAR	TICIPANTS	S		
Name:	Spectrum Housing Corp.	Title:	0.5% CH	DO Managing	General Partner and Co-Developer	
Name:	Continental Associates VI, Inc.	ntinental Associates VI, Inc.  Title: 0.5% Special Limited Partner			Partner	
Name:	Ivan L. Haugh	Title:	e: 100% Owner of SLP and		nd Continental Development Group, Inc.	
Name:	Continental Development Group, Inc.	Title:	Co-Developer			

# PROPERTY LOCATION Location: 1900 Old Dicey Road City: Weatherford Zip: 76085 County: Parker Region: 3 QCT DDA

REQUEST						
<u>Program</u>	<b>Amount</b>	<b>Interest Rate</b>	<b>Amortization</b>	<u>Term</u>		
HTC	\$295,247	N/A	N/A	N/A		
HOME	\$1,144,376	1%	40 yrs	18 yrs		
Proposed Use of Funds:	New construction	Type:	Multifamily			
Target Population:	Elderly	Other:	Rural, CHDO			
	-					

#### **RECOMMENDATION**

- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$283,232 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$1,144,376, STRUCTURED AS A 18-YEAR TERM LOAN, FULLY AMORTIZING OVER 40 YEARS AT 1% INTEREST, SUBJECT TO CONDITIONS.

#### CONDITIONS

- 1. Receipt, review and acceptance by cost certification of an architectural engineer's certification that the finished floor level for each building is at least one foot above the base flood elevation and that all drives, parking and amenities are not more than 6 inches below the base flood elevation;
- 2. Receipt, review and acceptance prior to closing of documentation that the Applicant has considered

the cost of flood insurance for both the buildings to be located within the flood plain and contents insurance for the tenants in these buildings; and

3. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the allocation amount may be warranted.

# REVIEW of PREVIOUS UNDERWRITING REPORTS No previous reports.

No previous reports.					
DEVELOPMENT SPECIFICATIONS					
IMPROVEMENTS					
Total Units: 76 # Res Bldgs 31 # Non-Res Bldgs 1 Age: N/A yrs Vacant: N/A at //					
Net Rentable SF: 75,690 Av Un SF: 996 Common Area SF: 2460 Gross Bldg SF: 78,150					
ARCHITECTURAL REVIEW					
The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect modest buildings.					
STRUCTURAL MATERIALS					
The structures will be constructed on a concrete slab subfloor. According to the plans provided in the application the exterior will be 25% masonry veneer, and 75% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.					
UNIT FEATURES					
The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fax in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, a forced air unit, individual water heater.					
ONSITE AMENITIES					
In order to meet threshold criteria for total units of between 41 and 76 units, the Applicant has elected to provide community dining room with kitchen, community laundry room, an enclosed sun porch or covered community porch, and a senior activity room.					
Uncovered Parking: 163 spaces Carports: 0 spaces Garages: 152 spaces					
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION					
<b>Description:</b> The development is a 5.9-unit per acre new construction development located in Weatherford in Parker Count, Fort Worth MSA. The development will be comprised of 31 evenly distributed duplex and triplex residential buildings as follows:					

No. of Buildings	No. of Floors	<u>1BR</u>	<u> 2BR</u>
1	1	2	0
17	1	0	2
13	1	0	3

The development includes a 2,460-square foot community building with a community room, library, laundry facilities, office space, kitchen and restrooms.

SITE ISSUES					
		SITE DESCRIPTION			
Total Size:	12.88 acres	Scattered sites?	☐ Yes ☒ No		
Flood Zone:	Zone X	Within 100-year floodplain?	☐ Yes ☒ No		
Current Zoning:	Mixed Use	Needs to be re-zoned?	☐ Yes ☒ No ☐ N/A		

#### SITE and NEIGHBORHOOD CHARACTERISTICS

**Location:** The proposed development is located in Weatherford, Parker County in the Fort Worth MSA.

**Adjacent Land Uses:** The area is primarily rural with some residential, pasture, horse and cattle ranches, and scattered wooded areas.

**Site Access:** The site is accessible from Old Dicey Road in Weatherford.

<u>Public Transportation</u>: The availability of public transportation was not identified in the application materials.

**Shopping & Services:** Supermarkets, pharmacies and other retail are within 3 miles of the site. Medical, police and fire services are within 2 miles of the site.

#### **Adverse Site Characteristics:**

- Floodplain: According to the survey, a section of the site is located within Zone A, special flood hazard areas inundated by 100-year flood. According to the 2006 QAP, "Any Development proposing New Construction located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain." The Applicant submitted a letter indicating that units 1, 2, 69, 70, 71, 72, 73, 74, 75, and 76 are within the 100-year floodplain and "these units will be constructed for the finished ground floor elevations to be at least one foot above the flood plain and the parking and drive areas will [be] no lower than 6 inches below the flood plain." Receipt, review and acceptance of an architectural engineer's certification that the finished floor level for each building is at least one foot above the base flood elevation and that all drives, parking and amenities are not more than 6 inches below the base flood elevation is a condition of this report.
- According to the 2006 REA Rules and Guidelines, "The Underwriter evaluates the site plan, floodplain map, survey and other information provided to determine if any of the buildings, drives, or parking areas reside within the 100-year floodplain. If such a determination is made by the Underwriter, the Report will include a condition that: (A) The Applicant must pursue and receive a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR-F); or (B) The Applicant must identify the cost of flood insurance for the buildings and for the tenant's contents for buildings within the 100-year floodplain; or (C) The Development must be designed to comply with the QAP, as proposed."
- The Applicant is also requesting HOME funds, and according to the HUD website, a) Executive order 11988 directs agencies (HUD) to "avoid direct or indirect support to floodplain development wherever there is a practicable alternative;" and b) The Federal Disaster Protection Act which authorized the National Flood Insurance Program and ask communities "to discourage but allow development within special flood hazard areas on the condition that the structure be elevated and or flood proofed." Acquisition of flood insurance is also required. As a condition to this report, the Applicant must identify the cost of flood insurance for the buildings and for the tenant's contents for buildings within the 100-year floodplain.

TDHCA SITE INSPECTION						
Inspector: Manufactured Housing Staff					Date:	7/24/2006
Overall Assessm	ent:	☐ Excellent	Acceptable Acceptable	Questionable	Poor	□Unacceptable
<b>Comments:</b>						
LUCHUICUTS -4 COUR & HAZARROUS MATERIALS REPORTS)						

#### HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 18, 2006 was prepared by The Inspection Group considered the entire 31.9 acre site being acquired by the Developer and contained the following findings and recommendations:

#### **Findings:**

• Noise: "The subject property is not close to any airport or other potential source of noise pollution.

Therefore, no noise study is needed" (letter dated September 13, 2006).

- **Floodplain:** "There are no sites in the area and the subject is not in nor adjacent to a wet lands area" (p. 5). The ESA provider did not consider the impact of the 100-year flood plain which was discussed in the prior section of this report.
- **Asbestos-Containing Materials (ACM):** "No evidence was found of any asbestos containing material" (p. 3).
- Lead-Based Paint (LBP): "There may be underlying coats of lead containing paint but none was observed on the surfaces" (p. 3) The improvements are not located on the 12.88 acre site of the proposed development.
- Lead in Drinking Water: "This is a newer semi-rural area with the water lines installed many years after the use of lead pipes or lead containing solder was banned. Therefore, no testing for lead in the domestic water supply is needed" (letter dated September 13, 2006).
- Radon: "There are no records of tests in the area and the proposed buildings will not have basements. The necessary ingredients are not available at the site. (Radon is usually found in the presence of surface shelf limestone or granite with the existence of "pitchblende" (found in oil, coal, or shale) when low grade uranium is also present" (p. 4).
- Recognized Environmental Concerns (RECs): "This assessment has revealed no evidence of possible environmental conditions in connection with the property that would be a cause for concern" (p.5).

**Recommendations:** "Based on our inspection there is no need for any further environmental investigation and it is our opinion that the proposed use will not adversely impact the site, the area, or the environment" (cover letter).

#### **INCOME SET-ASIDE**

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Any Qualified Residential Rental Project qualifies as a Priority 3 Private Activity Bond allocation (§ 1372.0321). HOME assisted rental developments at a minimum must set-aside at least 20% of HOME assisted units with rent and income restrictions at 50% or less of area median family income and all remaining units with rent and income restrictions at 80% or less of area median family income. These minimum requirements affect only those units which are HOME assisted and do not supercede the minimum affordability requirements for applicants jointly applying for HOME and Housing Tax Credits or any other federal, state or local affordable housing programs. All of the units will be reserved for low-income tenants but only 11 will be restricted as HOME units. Three units (4%) will be reserved for households earning 50% or less of AMI and 73 units (96%) will be reserved for households earning 60% or less of AMI.

MAXIMUM ELIGIBLE INCOMES						
1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons						
60% of AMI	\$26,640	\$30,420	\$34,260	\$38,040	\$41,100	\$44,100

#### MARKET HIGHLIGHTS

A market feasibility study dated March 30, 2006 was prepared by Apartment MarketData, LLC ("Market Analyst") and included the following findings:

**Definition of Primary Market Area (PMA):** "For this analysis, we utilized a "primary market area" encompassing 808.17 square miles. The boundaries of the Primary Market Area are as follows: North: Parker / Jack / Wise County Line; East: US Hwy 51 to Clear Fork Trinity River to Lake Weatherford to White Settlement Road to IH 820 to US Hwy 377; South: Parker / Hood County Line; West: Parker / Palo Pinto County Line" (p. 3). This area is equivalent to a circle with a radius of 16 miles. This is a somewhat unusual definition of a market area in that it encompasses most but not all of Parker County and excludes eastern portions of the county to the north and south yet includes portions of Tarrant County east of Parker County. The defined market area excludes Springtown and Bridgeport where the Department has funded several HOME- and HTF-funded rental developments in the past few years. These HOME and HTF developments do

not appear on the attached map of tax credit developments.

**Population:** The estimated 2005 population of the primary market area was 91,158 and is expected to increase by 28% to approximately 102,069 by 2010. Within the primary market area there were estimated to be 10,974 elderly households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 37% (p. 42) and a household size-appropriate adjustment rate of 100%. The Analyst's income band of \$17,820 to \$34,260 (p. 43) results in an income eligible adjustment rate of 19.23% (p. 43). The tenure appropriate adjustment rate of 12.2% is specific to the target population (p. 46). The Market Analyst indicates a turnover rate of 68.5% applies based on IREM (p. 48).

MARKET DEMAND SUMMARY						
	Market	Analyst	Under	Underwriter		
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand		
Household Growth	15	8%	12	7%		
Resident Turnover	177	92%	159	93%		
TOTAL DEMAND	192	100%	170	100%		

p. 49

<u>Inclusive Capture Rate</u>: The Market Analyst calculated an inclusive capture rate of 39.58% based upon 192 units of demand and 76 unstabilized affordable housing in the PMA (including the subject) (p. 50). The Underwriter calculated an inclusive capture rate of 44.49% based upon a supply of 76 unstabilized comparable affordable units divided by a revised demand estimate for 170 affordable units.

<u>Unit Mix Conclusion</u>: "The subject project consists of 5.3% one bedroom units and 94.7% two bedroom units. By comparison, family projects in the trade area offer 34.9% one bedrooms, 36.6% two bedrooms, 24.3% three bedroom units, and 4.2% four bedroom units. Because of the physical, economic, and functional characteristics of the PAB and LIHTC programs, and even more so the elderly population and demographics, it is logical that some variation will exist from market demographic characteristics to the actual physical project. From our above analysis, we conclude that the unit mix of the subject will vary from the demographic make-up of the Primary Market Area. This is primarily because the subject is designed for senior households only, which typically consist of one or two persons. Many of these households will be selling a single-family residence and have too many furnishings for a one bedroom unit" (p. 95).

<u>Market Rent Comparables</u>: The Market Analyst surveyed two comparable apartment projects totaling 236 units in the market area (p.15).

RENT ANALYSIS (net tenant-paid rents)							
Unit Type (% AMI) Proposed Program Max Differential Est. Market Differential							
1-Bedroom (60%)	\$620	\$633	-\$13	\$740	-\$120		
2-Bedroom (50%/LH)	\$625	\$618	\$7	\$790	-\$165		
2-Bedroom (60%/HH)	\$635	\$630	\$5	\$790	-\$155		
2-Bedroom (60%)	\$760	\$761	-\$1	\$790	-\$30		

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Primary Market Occupancy Rates</u>: "The current occupancy of the market area is 93.2% as a result of solid demand. Demand for newer rental apartment units is considered to be growing" (p.10).

Absorption Projections: "Today, the PMA is 93.2% occupied overall. Based on occupancy rates currently reported by existing projects, we opine that the market will readily accept the subject's units. Absorption over the previous sixteen years for all unit types is estimated to be 115 units per year. We expect this to continue as the number of new household continues to grow, and as additional rental units become available. This is further demonstrated by the absorption of new units over the past three years, which has averaged 197 units" (p. 11).

<u>Unstabilized, Under Construction, and Planned Development</u>: "Currently, there are three other projects under construction or in lease-up within the PMA. Cypress View Villas, consisting of 192 LIHTC units, was

completed in 2005. This project is already 84% occupied. Residences at Holland Lake is a 208 – unit market rate project that was completed in 2005. Residences at Holland Lake reports 85% occupancy" (p. 11). There were no comparable (senior) developments identified in the PMA that are unstabilized, under construction or planned.

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

#### **OPERATING PROFORMA ANALYSIS**

Income: The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances maintained by the Weatherford Housing Authority from the 2006 HTC and Low HOME/High HOME gross rent limits, as appropriate. Tenants will be required to pay electric, water, sewer, and trash costs. Each unit will be individually metered for utilities and exterior trash receptacles will be provided for each unit. The Applicant's \$20 per unit per month of secondary income from cable TV is offset in the expenses by an equal amount. The Applicant's estimated vacancy and collection loss is projected at 7%, less than the Department's standard of 7.5%. As a result of these differences, the Applicant's estimated Effective Gross Income is \$3K more than the Underwriter's, a difference of less than 1%.

**Expenses:** The Applicant's total annual operating expense projection at \$3,360 per unit is within 5% of the Underwriter's estimate of \$3,472, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant's estimated expenses differ significantly from the Underwriter's estimates in the following categories: general and administrative (\$12K lower) and property tax, (\$9.5K higher). The Applicant anticipates a 50% property tax exemption also reflected in the Underwriter's estimated expenses. The tenants will be required to pay for water, sewer, and trash expenses and the development is responsible for utilities for the common areas only. As noted above, the cable TV income is offset in the expenses. The Applicant did not include the full \$40 per unit compliance fee.

<u>Conclusion</u>: The Applicant's income, expense and net operating income estimates are all within 5% of the Underwriter's estimates, therefore the Applicant's NOI will be used to determine debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) within the current underwriting guidelines of 1.10 to 1.30.

<u>Long-Term Feasibility:</u> 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 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION						
ASSESSED VALUE						
Land: 31.9 acres	\$22,680	Assessment for the Year of: 2005				
Land: 1 acre	\$711	Valuation by: Parker County Appraisal District				
Land: 12.88 subject acres	\$9,157	<b>Tax Rate:</b> 2.7136				
EVIDENCE of SITE or PROPERTY CONTROL						
Type of Site Control: Unimproved Property Contract (12.88 acres)						
Contract Expiration:	12/31/2006	Valid (	through Board Date?	⊠ Yes □ No		
Acquisition Cost:	\$312,327.59	Other:				
Seller: Continental Real Estate, Inc. Related to Development Team? Yes			⊠ Yes □ No			

#### **CONSTRUCTION COST ESTIMATE EVALUATION**

<u>Acquisition Value</u>: The Applicant originally overstated the site acquisition cost by using the price of \$312,328 that was paid for a larger 18.1-acre parcel as indicated on the original settlement statement. The

Underwriter queried the Applicant and indicated that the underwriting analysis would reflect a calculated land cost by multiplying the per acre cost of \$17,256 times the actual site acreage of 12.88 acres to achieve a prorated land value of \$222,253. The Applicant confirmed this in a letter stating that the acquisition cost should be \$222,253.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$6,844 per unit are within current Department guidelines. Therefore, further third party substantiation is not required. It is unclear if the additional potential costs of a LOMA or LOMR have been included in this site work estimate.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is \$51K or 1% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

<u>Interim Financing Fees</u>: The Underwriter reduced the Applicant's eligible interim financing fees by \$182K 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. The Applicant also included as eligible the full amount of tax counsel and underwriting fees for the bonds, when only the portion attributable to the construction period is eligible. This issue was clarified in correspondence with the Applicant and amounts to an additional \$33.7K reduction in eligible basis.

<u>Fees</u>: The Applicant's contractor general requirements exceed the 6% maximum allowed by HTC guidelines by a total of \$48K. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The Applicant's developer fee and contingency also exceeds 15% and 5% limits, respectively, of the Applicant's adjusted eligible basis by \$382K and therefore the eligible portion of the Applicant's developer fee and contingency must be reduced by the same amount.

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 \$7,824,096 supports annual tax credits of \$283,232. 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. The Applicant used an applicable percentage of 3.5% while the underwriting applicable percentage for applications received in July of 2006 is 3.62%.

FINANCING STRUCTURE							
INTERIM TO PERMANENT BOND FINANCING							
Source:	Housing Credit Fun	d, LLC	Contact:	Chris Jones			
Taxable:	\$7,662,879	Interest Rate:	6.15%, fixed, lender's estimate	Amort: 24 months			
Tax-Exempt:	\$4,777,319	Interest Rate:	6.15%, fixed, lender's estimate	Amort: 480 months			
Documentation	: Signed Te	erm Sheet 🔀 LOI	Firm Commitment Condit	ional Commitment  Application			
Comments:							
HOME							
Source:	TDHCA		Contact:	TDHCA			
Principal: \$1,144,376 Conditions: 1% fixed with 480 months amortization							
<b>Documentation:</b> ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☐ Conditional Commitment ☒ Application							
Comments:							

TAX CREDIT SYNDICATION							
Source:	NEF, Inc			Contact:	Scott F	itzpatrick	
Proceeds:	\$2,808,819	Net Syndication Rate:	98%	Anticipated	HTC:	\$295,557/year	
Documentation	<b>Documentation:</b> ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application						
Comments:							
OTHER							
Amount: S	8256,878	Source: D	eferred Develop	per Fee			
FINANCING STRUCTURE ANALYSIS							

**Interim to Permanent Bond Financing:** Housing Credit Fund, LLC is providing \$7,662,879 in interim financing at 6.15% interest rate with a conversion date 24 months after bond issuance. The permanent financing amount is \$4,777,319 with a 6.15% interest rate and an amortization of 40 years.

**<u>HOME:</u>** The Applicant is requesting \$1,144,376 in TDHCA HOME funds with a 1% fixed interest rate and an 480 month amortization.

**HTC Syndication:** The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

<u>Deferred Developer's Fees</u>: The Applicant's proposed deferred developer's fees of \$256,878 amount to 25% of the total fees.

**Financing Conclusions:** The Applicant's total development cost estimate less the permanent loan of \$4,777,319 and the requested HOME loan of \$1,144,376 indicates the need for \$2,975,622 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$303,665 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$295,247), the gap-driven amount (\$303,665), and eligible basis-derived estimate (\$283,232), the eligible basis-derived estimate of \$283,247 is recommended resulting in proceeds of \$2,775,397 based on a syndication rate of 98%.

The Applicant's request of \$1,144,376 in TDHCA HOME funds with a 1% fixed interest rate and 40 year amortization is recommended. Without the recommended HOME funds, the deferred developer fee required would increase to 132% of the fee available.

The Underwriter's recommended financing structure indicates the need for \$200,225 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within five years of stabilized operation. The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

# DEVELOPMENT TEAM IDENTITIES OF INTEREST

• The Applicant, Developer, General Contractor, property manager, supportive services provider, seller and architect are related entities. These are common relationships for HTC-funded developments. The related seller issue was addressed and mitigated in the development cost section above.

#### APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

#### Financial Highlights:

- The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- The General Partner, Spectrum Housing, submitted an audited financial statement as of December 31, 2005 and 2004 reporting total assets of \$29.9M and consisting of \$61K in cash, \$134K in receivables, \$103K in prepaid expenses, \$969K in restricted funds, \$28M in real property, and \$664K in other assets. Liabilities totaled \$33.6M, resulting in a net worth of (\$3.7M).
- The principal of the Developer and Special Limited Partner, Ivan Haugh, submitted an unaudited financial statement as of June 30, 2006

**Background & Experience:** Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

#### SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's operating proforma is more than 5% outside of the Underwriter's verifiable range.
- The seller of the property has an identity of interest with the Applicant.
- Significant environmental issues regarding the floodplain may impact the development.
- The significant financing structure changes being proposed have not been reviewed by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:		Date:	October 2, 2006
	Brenda Hull		
Director of Real Estate Analysis:		Date:	October 2, 2006
	Tom Gouris		

# **MULTIFAMILY COMPARATIVE ANALYSIS**

#### Gardens of Weatherford, Weatherford, 060419, 4% HTC/HOME

Gardens of Weatherford, Weatherford, 060419, 4% HTC/HOME										
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	
TC 60%	2	1	1	771	\$713	\$633	\$1,266	\$0.82	\$80.00	
TC 50%/LH	3	2	2	1,002	\$713	\$618	1,854	0.62	95.00	
TC 60%/HH	8	2	2	1,002	\$725	\$630	5,040	0.63	95.00	
TC 60%	63	2	2	1,002	\$856	\$761	47,943	0.76	95.00	
TOTAL:	76		AVERAGE:	996	\$833	\$738	\$56,103	\$0.74	\$94.61	\$0.00
INCOME		Total Net Re	entable Sq Ft:	75,690		TDHCA	APPLICANT	Com	ptroller's Region	3
POTENTIA	L GROSS	RENT				\$673,236	\$672,900		IREM Region	Fort Worth
Secondary	Income		F	Per Unit Per Month:	\$10.00	9,120	9,120	\$10.00	Per Unit Per Month	1
Other Supp	ort Income:	Cable TV	F	Per Unit Per Month:	\$19.95	18,194	18,240	\$20.00	Per Unit Per Month	1
POTENTIA	L GROSS	INCOME				\$700,550	\$700,260			
•	Collection L			ntial Gross Income:	-7.50%	(52,541)	(49,020)	-7.00%	of Potential Gross	Income
			its or Conces	sions		0	0			
EFFECTIV EXPENSES		INCOME				\$648,009	\$651,240			
	_		% OF EGI	PER UNIT	PER SQ FT	***	044.570	PER SQ FT	PER UNIT	% OF EGI
	Administrativ	/e	4.10%	\$350	0.35	\$26,600	\$14,570	\$0.19	\$192	2.24%
Manageme			4.00%	341	0.34	25,920	26,728	0.35	352	4.10%
Payroll & Pa	-		7.88%	672	0.68	51,095	54,880	0.73	722	8.43%
	Maintenance	:	4.39%	374	0.38	28,458	25,800	0.34	339	3.96%
Utilities			1.85%	158	0.16	12,012	3,000	0.04	39	0.46%
Water, Sew	er, & Trash		1.47%	126	0.13	9,558	10,000	0.13	132	1.54%
Property In:	surance		3.54%	302	0.30	22,939	26,600	0.35	350	4.08%
Property Ta	ЭX	2.71	5.57%	475	0.48	36,091	45,600	0.60	600	7.00%
Reserve for	r Replaceme	ents	2.93%	250	0.25	19,000	19,000	0.25	250	2.92%
Other: cable	e, compl, sv	s, sec	4.97%	424	0.43	32,204	29,164	0.39	384	4.48%
		40.72%	\$3,472	\$3.49	\$263,876	\$255,342	\$3.37	\$3,360	39.21%	
NET OPERATING INC		59.28%	\$5,054	\$5.08	\$384,133	\$395,898	\$5.23	\$5,209	60.79%	
DEBT SER	RVICE									
Housing Cre	dit Fund, LL	C	49.60%	\$4,229	\$4.25	\$321,440	\$359,528	\$4.75	\$4,731	55.21%
HOME			5.36%	\$457	\$0.46	34,723		\$0.00	\$0	0.00%
Additional Fi	-		0.00%	\$0	\$0.00	0	#2C 270	\$0.00	\$0	0.00%
NET CASH FLOW		4.32%	\$368	\$0.37	\$27,969	\$36,370	\$0.48	\$479	5.58%	
AGGREGAT						1.08	1.10			
RECOMMEN			SE RATIO				1.11			
CONSTRU	CTION CC	<u>ost</u>						1		
Descr		<u>Factor</u>	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	Cost (site o	r bldg)	2.60%	\$2,924	\$2.94	\$222,253	\$222,253	\$2.94	\$2,924	2.50%
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework			6.10%	6,844	6.87	520,107	520,107	6.87	6,844	5.85%
Direct Cons	struction		51.54%	57,865	58.10	4,397,709	4,346,823	57.43	57,195	48.86%
Contingend	СУ	5.00%	2.88%	3,235	3.25	245,891	483,000	6.38	6,355	5.43%
General Re	eq'ts	6.00%	3.46%	3,882	3.90	295,069	340,322	4.50	4,478	3.82%
Contractor's	s G & A	1.98%	1.14%	1,281	1.29	97,339	97,339	1.29	1,281	1.09%
Contractor's	s Profit	5.94%	3.42%	3,842	3.86	292,016	292,016	3.86	3,842	3.28%
Indirect Co	nstruction		5.29%	5,939	5.96	451,360	451,360	5.96	5,939	5.07%
Ineligible C	osts		2.96%	3,323	3.34	252,542	252,542	3.34	3,323	2.84%
Developer's	s G & A	2.58%	2.07%	2,329	2.34	177,007	310,000	4.10	4,079	3.48%
Developer's	s Profit	12.42%	9.98%	11,211	11.26	852,000	852,000	11.26	11,211	9.58%
Interim Fina	ancing		6.57%	7,376	7.41	560,555	560,555	7.41	7,376	6.30%
Reserves			1.98%	2,224	2.23	169,000	169,000	2.23	2,224	1.90%
TOTAL CO	ST		100.00%	\$112,274	\$112.73	\$8,532,847	\$8,897,317	\$117.55	\$117,070	100.00%
Constructio	n Cost Rec	ар	68.54%	\$76,949	\$77.26	\$5,848,130	\$6,079,607	\$80.32	\$79,995	68.33%
SOURCES	OF FUND	S						RECOMMENDED		
Housing Cre			55.99%	\$62,859	\$63.12	\$4,777,319	\$4,777,319	\$4,777,319	Developer F	ee Available
HOME	.,		13.41%	\$15,058	\$15.12	1,144,376	1,144,376	1,144,376	•	0,534
HTC Syndica	ation Procee	eds	32.92%	\$36,958	\$37.11	2,808,819	2,808,819	2,775,397		ee Deferred
Deferred De			3.01%	\$3,380	\$3.39	256,878	256,878	200,225		)%
Additional (E			-5.33%	(\$5,981)	(\$6.01)	(454,545)	(90,075)	(0)		tive Cash Flow
TOTAL SO	,		3.0070	(+0,001)	(\$0.0.)	\$8,532,847	\$8,897,317	\$8,897,317		4,195
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## MULTIFAMILY COMPARATIVE ANALYSIS (continued)

#### Gardens of Weatherford, Weatherford, 060419, 4% HTC/HOME

#### **DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT		
Base Cost			\$59.52	\$4,504,927		
Adjustments						
Exterior Wall Finish	0.75%		\$0.45	\$33,787		
Elderly	3.00%		1.79	135,148		
Roofing			0.00	0		
Subfloor			(2.24)	(169,546)		
Floor Cover			2.22	168,032		
Porches/Balconies	\$18.15	6,884	1.65	124,945		
Plumbing	\$680	223	2.00	151,640		
Built-In Appliances	\$1,675	76	1.68	127,300		
Stairs/Fireplaces			0.00	0		
Enclosed Corridors	\$49.60		0.00	0		
Heating/Cooling			1.73	130,944		
Garages/Carports	\$14.11	27,120	5.06	382,663		
Comm &/or Aux Bldgs	\$69.10	2,460	2.25	169,980		
Other:			0.00	0		
SUBTOTAL			76.10	5,759,819		
Current Cost Multiplier	1.07		5.33	403,187		
Local Multiplier	0.87		(9.89)	(748,777)		
TOTAL DIRECT CONSTRU	CTION COST	ΓS	\$71.53	\$5,414,230		
Plans, specs, survy, bld prm	3.90%		(\$2.79)	(\$211,155)		
Interim Construction Interes	3.38%		(2.41)	(182,730)		
Contractor's OH & Profit	11.50%		(8.23)	(622,636)		
NET DIRECT CONSTRUCT	ION COSTS		\$58.10	\$4,397,709		

#### PAYMENT COMPUTATION

Primary	\$4,777,319	Amort	480
Int Rate	6.15%	DCR	1.20
Secondary	\$1,144,376	Amort	480
Int Rate	1.00%	Subtotal DCR	1.08
Additional	\$2,808,819	Amort	
Int Rate		Aggregate DCR	1.08

#### RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$321,440
Secondary Debt Service	34,723
Additional Debt Service	0
NET CASH FLOW	\$39,734

Primary	\$4,777,319	Amort	480		
Int Rate	6.15%	DCR	1.23		

Int Rate 1.00% Subtotal DCR 1.11	Secondary	\$1,144,376	Amort	480		
	Int Rate	1.00%	Subtotal DCR	1.11		

Additional	\$2,808,819	Amort	0	
Int Rate	0.00%	Aggregate DCR	1.11	

## 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
POTENTIA	L GROSS	RENT	\$672,900	\$693,087	\$713,880	\$735,296	\$757,355	\$877,982	\$1,017,822	\$1,179,934	\$1,585,733
Secondar	y Income		9,120	9,394	9,675	9,966	10,265	11,900	13,795	15,992	21,492
Other Sup	port Incon	ne: Cable T	18,240	18,787	19,351	19,931	20,529	23,799	27,590	31,984	42,984
POTENTIA	L GROSS	INCOME	700,260	721,268	742,906	765,193	788,149	913,680	1,059,206	1,227,910	1,650,209
Vacancy 8	& Collectio	on Loss	(49,020)	(54,095)	(55,718)	(57,389)	(59,111)	(68,526)	(79,440)	(92,093)	(123,766)
Employee	or Other I	Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIV	E GROSS	INCOME	\$651,240	\$667,173	\$687,188	\$707,804	\$729,038	\$845,154	\$979,766	\$1,135,817	\$1,526,443
EXPENSE	S at	4.00%				-					
General 8	k Administr	rative	\$14,570	\$15,153	\$15,759	\$16,389	\$17,045	\$20,738	\$25,231	\$30,697	\$45,439
Managem	nent		26,728	27381.9058	28203.36296	29049.46385	29920.94777	34686.57903	40211.25179	46615.8617	62647.82007
Payroll &	Payroll Ta	x	54,880	57,075	59,358	61,733	64,202	78,111	95,034	115,624	171,152
Repairs &	Maintena	nce	25,800	26,832	27,905	29,021	30,182	36,721	44,677	54,357	80,461
Utilities			3,000	3,120	3,245	3,375	3,510	4,270	5,195	6,321	9,356
Water, Se	ewer & Tra	sh	10,000	10,400	10,816	11,249	11,699	14,233	17,317	21,068	31,187
Insurance			26,600	27,664	28,771	29,921	31,118	37,860	46,063	56,042	82,956
Property 7	Гах		45,600	47,424	49,321	51,294	53,346	64,903	78,964	96,072	142,211
Reserve f	or Replace	ements	19,000	19,760	20,550	21,372	22,227	27,043	32,902	40,030	59,254
Other		_	29,164	30,331	31,544	32,806	34,118	41,509	50,503	61,444	90,952
TOTAL EX	PENSES	_	\$255,342	\$265,140	\$275,472	\$286,209	\$297,367	\$360,076	\$436,097	\$528,271	\$775,615
NET OPER	RATING IN	ICOME _	\$395,898	\$402,032	\$411,716	\$421,594	\$431,671	\$485,079	\$543,669	\$607,546	\$750,828
DE	BT SERVI	ICE									
First Lien F	inancing		\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440
Second Lie	en		34,723	34,723	34,723	34,723	34,723	34,723	34,723	34,723	34,723
Other Final	ncing	_	0	0	0	0	0	0	0	0	0
NET CASH	FLOW	_	\$39,734	\$45,868	\$55,552	\$65,430	\$75,507	\$128,915	\$187,505	\$251,382	\$394,664
DEBT COV	/ERAGE F	RATIO	1.11	1.13	1.16	1.18	1.21	1.36	1.53	1.71	2.11

# HTC ALLOCATION ANALYSIS -Gardens of Weatherford, Weatherford, 060419, 4% HTC/HOME

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$222,253	\$222,253		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$520,107	\$520,107	\$520,107	\$520,107
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$4,346,823	\$4,397,709	\$4,346,823	\$4,397,709
(4) Contractor Fees & General Requirements				
Contractor overhead	\$97,339	\$97,339	\$97,339	\$97,339
Contractor profit	\$292,016	\$292,016	\$292,016	\$292,016
General requirements	\$340,322	\$295,069	\$292,016	\$295,069
(5) Contingencies	\$483,000	\$245,891	\$243,347	\$245,891
(6) Eligible Indirect Fees	\$451,360	\$451,360	\$451,360	\$451,360
(7) Eligible Financing Fees	\$560,555	\$560,555	\$560,555	\$560,555
(8) All Ineligible Costs	\$252,542	\$252,542		
(9) Developer Fees			\$1,020,534	
Developer overhead	\$310,000	\$177,007		\$177,007
Developer fee	\$852,000	\$852,000		\$852,000
(10) Development Reserves	\$169,000	\$169,000		
TOTAL DEVELOPMENT COSTS	\$8,897,317	\$8,532,847	\$7,824,096	\$7,889,052

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	\$7,824,096	\$7,889,052
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$7,824,096	\$7,889,052
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$7,824,096	\$7,889,052
Applicable Percentage	3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS	\$283,232	\$285,584

Total Tax Credits (Eligible Basis Method)

Syndication Proceeds 0.9799 \$2,775,397 \$2,798,439

Syndication Proceeds \$2,775,397 \$2,798,439

\$283,232

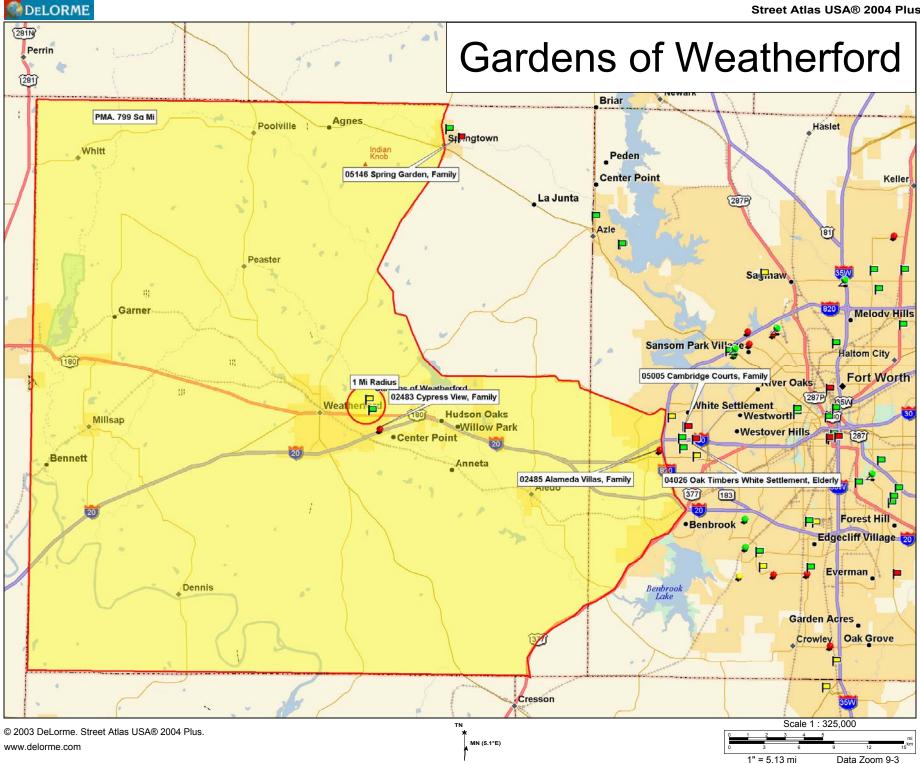
\$285,584

Requested Tax Credits \$295,247

Syndication Proceeds \$2,893,130

Gap of Syndication Proceeds Needed \$2,975,622

Total Tax Credits (Gap Method) \$303,665



# COMMUNITY AFFAIRS DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the 2010 El Paso Electric (EPE) weatherization contracts.

**Resolved,** that the 2010 EPE weatherization contracts for Program Year (PY) 2010, in the form presented at this meeting, are hereby approved.

#### **Background**

The Texas Department of Housing and Community Affairs (the Department) receives utility funds from El Paso Electric (EPE) Company for weatherization of homes in the EPE service area. TDHCA then administers those funds through weatherization contracts with two weatherization providers (noted below). The funds are distributed based upon the number of electric service households in the 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 EPE contracts have a \$4,000 per unit cap, and require that all measures meet the Savings to Investment Ratio (SIR) of one or greater as determined by the Department's Energy Audit.

Staff is requesting approval to obligate the 2010 EPE awards and 2009 unutilized balance upon contract closeout. The contract for El Paso Project BRAVO is being conditionally approved; their contract will be held at a minimum for sixty days as that agency responds to oversight and monitoring findings. At the end of that sixty days, it may be determined that the El Paso Project BRAVO should not be executed in which case funds may be offered to Big Bend Community Action and/or alternate provider will be procured.

El Paso Electric (EPE) Company			
Contract Period: 1/1/10 - 12/31/10			
Subrecipients:	Allocation	To	otal
	Percentage	Do	llars
Big Bend Community Action	20.00	\$	64,850
El Paso Project BRAVO	80.00	\$	258,320
		\$	323,170

# COMMUNITY AFFAIRS DIVISION BOARD ACTION REQUEST March 11, 2010

# **Recommended Action**

Approve the 2010 Low Income Home Energy Assistance Program and Department of Energy Weatherization Awards.

**Resolved**, that the distribution of the 2010 Low Income Home Energy Assistance Program and Department of Energy Weatherization Awards by the formula detailed in 10 TAC §5.503 Subchapter E, in the form presented to this meeting, are hereby approved.

## **Background**

The Texas Department of Housing and Community Affairs (the Department) administers two Weatherization Assistance Program (WAP) grants. The United States Department of Health and Human Services (HHS) provides funding via the Low Income Home Energy Assistance Program (LIHEAP) and the United States Department of Energy (DOE) provides funding through the WAP awards. Staff is requesting approval to obligate to the existing weatherization network the 2010 DOE WAP Award funds totaling \$3,733,792 and the weatherization portion of the 2010 LIHEAP award totaling \$33,534,007.

The LIHEAP Grant provides funding for utility assistance and weatherization activities. Subrecipients provide utility assistance and weatherization assistance to low-income households which are income qualified at 200% of federal poverty. Utility assistance clients can qualify for one time crisis assistance or up to 4 months of utility assistance. Weatherization Assistance clients can qualify for up to \$10,500 of energy efficiency improvements to their dwelling unit.

The Department's total 2010 LIHEAP award is \$210,530,646. In May 2009 the Board approved the 2010 LIHEAP Plan that provided for the allocation of those funds. In accordance with that plan, the majority of funds were awarded by the Board for Comprehensive Energy Assistance Program activities in December 2009. As indicated in the Plan, fifteen percent (15%) of the Department's LIHEAP award, \$33,534,007, is allocated to provide weatherization services.

The DOE awards provide funding for weatherization services only and are governed the DOE State Plan. The 2010 State Plan is detailed in the previous Board Action Request. The program year for the weatherization program is April 1, 2010 – March 31, 2011.

In both cases, weatherization funds are awarded to the existing subrecipient network based on the formula outlined in 10 TAC §5.503 subchapter E. The award for each subrecipient, from each source of funds, is attached.

# **PY 2010 Weatherization Contracts**

04/01/10-03/31/11

CONTRACTOR	DOE	LIHEAP	Total
	Contracts	Contracts	Contracts
Alamo Area Council of Govt.	\$ 295,344	\$ 2,681,996	\$ 2,977,340
Bee Community Action Agency	\$ 22,649	\$ 188,794	\$ 211,443
Big Bend Community Action	\$ 47,911	\$ 419,756	\$ 467,667
Brazos Valley Community Action	\$ 121,983	\$ 1,096,987	\$ 1,218,970
Cameron-Willacy Counties.	\$ 106,525	\$ 955,655	\$ 1,062,180
Combined Community Action	\$ 70,019	\$ 621,890	\$ 691,909
Community Action Committee of Victoria	\$ 96,608	\$ 864,989	\$ 961,597
Community Action Corporation of South Texas	\$ 221,864	\$ 2,010,176	\$ 2,232,040
Greater East Texas Community Action Program	\$ 118,652	\$ 1,066,531	\$ 1,185,183
Community Action Program	\$ 83,283	\$ 743,159	\$ 826,442
Community Council of Reeves County	\$ 15,786	\$ 126,042	\$ 141,828
Community Services Agency of LaSalle/Dimmit	\$ 74,574	\$ 663,531	\$ 738,105
Community Services, Inc.	\$ 198,734	\$ 1,798,706	\$ 1,997,440
Rolling Plains Management Corporation	\$ 67,145	\$ 595,610	\$ 662,755
EOAC of Planning Region XI	\$ 76,926	\$ 685,033	\$ 761,959
El Paso CAP-Project BRAVO	\$ 147,659	\$ 1,331,733	\$ 1,479,392
City of Fort Worth	\$ 154,849	\$ 1,397,472	\$ 1,552,321
Hill Country Community Action Agency	\$ 89,818	\$ 802,907	\$ 892,725
Webb County Commmunity Action Agency	\$ 48,911	\$ 428,901	\$ 477,812
City of Lubbock Community Development	\$ 51,328	\$ 450,996	\$ 502,324
Nueces County Community Action Agency	\$ 64,054	\$ 567,350	\$ 631,404
Panhandle Community Services	\$ 125,532	\$ 1,129,433	\$ 1,254,965
Program for Human Services	\$ 129,843	\$ 1,168,843	\$ 1,298,686
Sheltering Arms Senior Services, Inc.	\$ 454,937	\$ 4,141,125	\$ 4,596,062
South Plains Community Action Agency	\$ 69,550	\$ 617,600	\$ 687,150
Texoma Council of Governments	\$ 120,992	\$ 1,087,918	\$ 1,208,910
Concho Valley Community Action Agency	\$ 73,246	\$ 651,388	\$ 724,634
Travis County Human Services Department	\$ 93,672	\$ 838,144	\$ 931,816
Tri-County Community Action, Inc.	\$ 70,580	\$ 627,015	\$ 697,595
West Texas Opportunities, Inc.	\$ 101,341	\$ 908,261	\$ 1,009,602
Dallas County Department of Health and Human Se	\$ 274,077	\$ 2,487,555	\$ 2,761,632
South Texas Development Council	\$ 36,724	\$ 317,477	\$ 354,201
Institute of Rural Development	\$ 8,676	\$ 61,034	\$ 69,710
TOTAL	\$ 3,733,792	\$ 33,534,007	\$ 37,267,799

# COMMUNITY AFFAIRS DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the 2010 U.S. Department of Energy Weatherization State Plan.

**RESOLVED**, that the 2010 U.S. Department of Energy Weatherization State Plan, in the form presented to this meeting, is hereby approved, and

**FURTHER RESOLVED**, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department to submit such plan, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable, together with a recitation of public comments and reasoned responses thereto, to the United States Department of Energy.

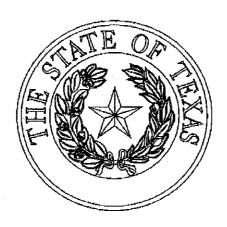
## **Background**

The Texas Department of Housing and Community Affairs (the Department) develops and submits a State Plan to the Department of Energy (DOE) each year. DOE provided grant guidance in December 2009 to provide the format and content for the state plan that the Department followed. After internal review and approval, and budget finalization, the draft of the 2010 DOE State Plan was submitted to the DOE on February 15, 2010 as required, and based on the provision that submission of a final plan will occur after Governing Board approval. The Plan will be posted on the Department's Internet website March 15, 2010. The Texas Register announcement of the public hearing and the availability of the draft plan will be published March 26, 2010. The Department is conducting its public hearing for the plan Monday April 5, 2010, at 9:00 a.m. at the Department headquarters. Per DOE regulations, a Weatherization Policy Advisory Council as designated in the Plan (in order to provide guidance and comment on the plan) is required to be established. The Policy Advisory Council is comprised of 6 individuals appointed by the TDHCA Executive Director. That Council meeting is scheduled to occur at the conclusion of the Public Hearing. Should the public comment necessitate a change in the plan, staff will provide a Board update at the May meeting. The comment period closes on Monday April 5, 2010.

The 2010 DOE weatherization budget is \$4,294,261. This is a reduction from the Department's 2009 non-ARRA allocation of \$19,793,889, but is relatively consistent with funding allocation amounts prior to 2009 (2008 was approximately \$5.5 million and 2007 was approximately \$4.9 million). The funding provides for weatherization activities, state administration and state training and technical assistance. Additionally, the funds allow for subrecipients financial audits, household audits, and program administration. DOE allows a maximum of \$6,500 per unit for weatherization services.

# DRAFT--2010 DOE WAP STATE PLAN

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS



# PY 2010 STATE PLAN & APPLICATION

FOR

WEATHERIZATION ASSISTANCE PROGRAM
FOR LOW-INCOME PERSONS

April 2010

# ANNUAL FILE

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ANNUAL FILE

Grant Application for Federal Assistance Standard Form 424

Application for Federal Assistance SF-424 Version 02					
*1. Type of Submission:	*2. Type of Application	ion * If Revision, select appropriate letter(s)			
☐ Preapplication	⊠ New				
	☐ Continuation	*Other (Specify)			
☐ Changed/Corrected Application	Revision	· .			
3. Date Received: 4.	Applicant Identifier: TBD				
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:			
State Use Only:					
6. Date Received by State: 04/01/2010 7. State Application Identifier:					
8. APPLICANT INFORMATION:					
*a. Legal Name: State of Texas					
*b. Employer/Taxpayer Identification in 742610542	Number (EIN/TIN):	*c. Organizational DUNS: 806781902			
d. Address:					
*Street 1: <u>P.O. Box 1</u> :	3941				
Street 2:					
*City: <u>Austin</u>	· · ·				
County: <u>Travis</u>	-				
*State: <u>Texas</u>					
Province:					
*Country: <u>U.S.A.</u>					
*Zip / Postal Code <u>78711-394</u>	1	: 			
e. Organizational Unit:					
Department Name:		Division Name:			
Texas Department of Housing and Cor		Energy Assistance, Community Affairs Division			
		ted on matters involving this application:			
Prefix: Middle Name:	*First Name: N	Michael			
*Last Name: De Young					
Suffix:					
Title: Community Affairs D	Pivision Director				
Organizational Affiliation:					
*Telephone Number: (512) 475-2125 Fax Number: (512) 475-3935					
*Email: michael.deyoung@tdhca.sta	ite.tx.us				

Application for Federal Assistance SF-424	Version 02
*9. Type of Applicant 1: Select Applicant Type:	
A.State Government	
Type of Applicant 2: Select Applicant Type:	
Type of Applicant 3: Select Applicant Type:	
*Other (Specify)	
*10 Name of Federal Agency: U.S. Department of Energy	
11. Catalog of Federal Domestic Assistance Number:	
81.042	
CFDA Title:	
Weatherization Assistance For Low Income Persons	
*12 Funding Opportunity Number:	,
DE-FOA-0000216	
*Title:	
Weatherizaion Formula Grants	
13. Competition Identification Number:	
Title:	
Title.	
14. Areas Affected by Project (Cities, Counties, States, etc.):	
Statewide	
*15. Descriptive Title of Applicant's Project:	
Statewide Weatherization Assistance Program	

Application fo	Application for Federal Assistance SF-424 Version 02					
16. Congression	nal Districts Of:					
*a. Applicant: 10		*b. Progran	n/Project: Statewide			
17. Proposed P	roject:					
*a. Start Date: 0	4/01/2010	*b	. End Date: 03/31/2	011		
18. Estimated Fo	unding (\$):					
*a. Federal	\$4,294,261	_				
*b. Applicant		<b>-</b>				
*c. State		-				
*d. Local	······································					
*e. Other		-				
*f. Program Inco	me	· -				
*g. TOTAL	\$4,294,261					
☐ a. This applic ☑ b. Program is ☐ c. Program is	cation was made available to the subject to E.O. 12372 but has a not covered by E.O. 12372	he State under the Executives not been selected by the S	e Order 12372 Proc	ess for review on		
*20. Is the Appli	icant Delinquent On Any Fed	deral Debt? (If "Yes", prov	vide explanation.)			
herein are true, c with any resulting me to criminal, ci ** I AGREE	omplete and accurate to the bigger to the bigger and award. I will, or administrative penalties.  fications and assurances, or a	est of my knowledge. I also am aware that any false, fic (U. S. Code, Title 218, Sec	provide the required titious, or fraudulent ction 1001)	ns** and (2) that the statements d assurances** and agree to comply statements or claims may subject contained in the announcement or		
Authorized Rep	resentative:					
Prefix: Middle Name: *Last Name: Suffix:	Mr. Gerber	*First Name: <u>Michae</u>				
*Title: Executive	Director					
	ber: (512) 475-3930		Fay Number: (512)	\ 47E 0000		
<u> </u>			Fax Number: (512	) 475-9606		
	gerber@tdhca.state.tx.us					
*Signature of Aut	horized Representative:			*Date Signed: 02/16/2010		

**Application for Federal Assistance SF-424** Version 02 \*Applicant Federal Debt Delinquency Explanation The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

Section 2: Budget

# **Budget Information – Non Construction Programs**

OMB Approval No 0348-0044

Section A - Budget Summary	Anlan of Faderal Damestin	F-PA111188	-4-15		Name De State La	
Grant Program Function Ca or Activity	atalog of Federal Domestic Assistance Number	Estimated Unoblic	Non-Federal	Federal	New or Revised Budget	
(a)	(b)	(c)	(d)	(e)	Non-federal (f)	Total (g)
1. DOE	81.042			\$4,294,261	W	\$4,294,261
2.						. <del></del>
3.						
4.						
5. Totals				\$4,294,261		\$4,294,26
Section B – Budget Categories						
		(1) Grantee	t Program, Function or Activity (2) Subgrantee			Total All Budget
6. Object Class Categories		Administration	Administration	(3) Grantee T&TA	(4) Subgrantee T&TA	(5)
a. Personnel		106,695		175,733		282,428
b. Fringe Benefits		30,483		50,207		80,690
c. Travel		22,572		27,086		49,658
d. Equipment						C
e. Supplies						. (
f. Contractual		0	344,133	0	66,000	3,733,792
g. Construction						0
h. Other		6,555	13,000	0		19,555
i. Total Direct Charges (sum of 6a	a-6h)	166,305	332,026	253,026	66,000	4,166,123
j. Indirect Charges		48,408		79,730		128,138
k. Totals (sum of 6i and 6j)		214,713	332,026	332,756	66,000	4,294,261
7. Program Income						
Tragism moonto						<b>SF-424A</b> (Rev. 7-97)

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SF-424A (Rev. 7-97) Prescribed by OMB Circular A-102

# **Budget Information – Non Construction Programs**

OMB Approval No.0348-0044

Section A – Budget Summary			*			DIVIB Approval No.0348-0044
	alog of Federal Domestic		bligated Funds		New or Revised Budget	
	Assistance Number	Federal	Non-Federal	Federal	Non-federal	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.						
2.						
3.						
4.						
5. Totals						
Section B – Budget Categories						
	Τ.		Grant Program, Function or Activi	ty		Total All Budget
6. Object Class Categories		(1) Program Operations	(2) Health and Safety	(3) Vehicles and Equipment	(4) Liability Insurance/POI	(5)
a. Personnel						282,42
b. Fringe Benefits						80,69
c. Travel						49,65
d. Equipment						I
e. Supplies				`		
f. Contractual		2,470,617	617,654		208,988	3,733,79
g. Construction						VATURE 11
h. Other						2 (1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
i. Total Direct Charges (sum of 6a-	6h)					
j. Indirect Charges						
k. Totals (sum of 6i and 6j)	``	2,470,617	617,654		208,988	4,294,26
7. Program Income						
		111111111111111111111111111111111111111				<b>SF-424A</b> (Rev. 7-97

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# **Budget Information – Non Construction Programs**

OMB Approval No 0348-0044

Catalog of Federal Domestic	Estimated Und	obligated Funds	10 211 210 32	New or Revised Budget	
Assistance Number	Federal	Non-Federal	Federal	Non-federal	Total
(b)	(c)	(d)	(e)	(f)	(g)
<del>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</del>		Grant Program, Function or Activit	<u>ty</u>		Total All Budget
	/T&TA Funds)	(2) Financial Audits	(3)	(4)	(5)
		26,400			3,733,792
of 6a-6h)					
		26,400			4,294,261
			<u> </u>		
		Assistance Number (b) Federal (c)  (1) Leveraging (Admin. /T&TA Funds)	Assistance Number (c) Non-Federal (d)  Grant Program, Function or Activity  (1) Leveraging (Admin. /T&TA Funds)  (2) Financial Audits  26,400  of 6a-6h)	Assistance Number (c)   Non-Federal (d)   Federal (e)	Assistance Number

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# U.S. DEPARTMENT OF ENERGY GOLDEN FIELD OFFICE



#### **BUDGET EXPLANATION FOR FORMULA GRANTS**

Provide detailed information to support each Cost Category using this form. Cost breakdown estimates may be entered on this form or attach a breakdown of costs using your own format as Attachment A.

- PERSONNEL Prime Applicant only (all other participant costs must be listed on 6. below and form DOE F 4600.4, Section B. Line 6.f. Contracts and Sub Grants.
- 2. Identify, by title, each position to be supported under the proposed award.
- a. Briefly specify the duties of professionals to be compensated under this project.

Administration Funds \$106,695 Training and Technical Assistance Funds \$175,733 Total Personnel Budget \$282,428

Manager of Energy Assistance (EA) Overall program management and staff supervision.

Project Manager of EA Program management and staff supervision of program officers

Project Manage of EA Program management of trainers.

Project Manager of EA Program management and staff supervision of fiscal, contract specialists.

and planners.

Senior Planner

Develop State Plan/Applications and reporting.
Planner

Develop State Plan/Applications and reporting.

Program Officers (7) Programmatic monitoring of WAP subrecipients and technical

assistance.

Contract Specialist Process payment requests and develop contracts.

#### 3. FRINGE BENEFITS -

a. Are the fringe cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.

No

b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.
\$104,115

Benefit	Rate	Cost base
Retirement	6.45%	Salary
Insurance	14.47%	Salary
OASDI	6.2%	Salary
Medicare	<u>1.45%</u>	Salary
Total	28.57%	·

- 3. TRAVEL Identify total Foreign and Domestic Travel as separate items.
- a. Indicate the purpose(s) of proposed travel.

Foreign Travel \$-0-Domestic Travel \$49,658

Monitoring

Number of trips:

33

Point of origin:

Austin

Destination:

All areas of the State

Purpose:

Monitoring of WAP subrecipients and training and technical assistance as needed during

visi

T&TA

Number of trips:

33

Point of origin:

Austin

Destination:

All areas of the State

Purpose:

Training and technical assistance for WAP subrecipients

Grant Guidance

Number of trips: Point of origin: 2 staff Austin

Destination:

Denver, CO

Purpose:

Grant Guidance Meeting

National Association of State Community Service Programs Conference

Number of trips:

2 staff

Point of origin:

Austin

Destination:

Out-of-State, Location T.B.D.

Purpose:

Conference Training and Technical Assistance

b. Specify the basis for computation of travel expenses (e.g., current airline ticket quotes, past trips of a similar nature, federal government or organization travel policy, etc.).

Cost of transportation is based on historical data and the State of Texas contracted travel providers.

Subsistence (hotel and per diem) is based on the State of Texas travel policy which allows for up to\$121 maximum for in-state travel (hotel: \$85, meals: \$36) and \$85 to \$259 maximum for out-of-state travel.

#### **Monitoring**

Transportation @ 200 X 33 = \$6,600

Subsistence @ 121 X 33 X 4 days = \$15,972

#### T&TA

Transportation @  $200 \times 33 = $6,600$ 

Subsistence @ 121 X 33 X 4 days = \$15,972

#### Grant Guidance

Transportation @ \$533 X 2= \$1,066

Subsistence @ 168 X 3 days = \$1,008

#### National Association for State Community Service Programs Conference

Transportation @  $$500 \times 2 = $1,000$ 

Subsistence @ Meals  $60 \times 4 \text{ days/Hotel } 160 \times 3 \text{ nights} = 1.440$ 

4. EQUIPMENT - as defined in 10 CFR 600.202. Definitions can be found at http://www.access.gpo.gov/nara/cfr/waisidx 00/10cfr600 00.html.

- a. Provide the basis for the equipment cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).
- b. Briefly justify the need for items of equipment to be purchased.
- 5. MATERIALS AND SUPPLIES as defined in 10 CFR 600.202. Definitions at <a href="http://www.access.gpo.gov/nara/cfr/waisidx\_00/10cfr600\_00.html">http://www.access.gpo.gov/nara/cfr/waisidx\_00/10cfr600\_00.html</a>.
- a. Provide the basis for the materials and supplies cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).
- b. Briefly justify the need for items of material to be purchased.
- 6. CONTRACTS AND SUBGRANTS All other participant costs including subcontractor, sub-grants, and consultants.

Provide the information below for new proposed subrecipients and subcontractors. For ongoing subcontractors and subrecipients, if this information is provided elsewhere in the application, it does not have to be restated here, but please indicate the document and page numbers where it can be found. \* For example—Competitive, Historical, Quote, Catalog

Name of Proposed Subrecipient

Basis of Cost

**Total Cost** 

#### Weatherization Subrecipients

Weatherization Subrecipients are listed in Section 3 of this Plan. The Department anticipates the program subrecipients will purchase 10 vehicles during PY 2010.

Subrecipient Travel Allowance Pool (Subrecipients are listed in Section 3 of this Plan.)

- 33 Subrecipients -Cluster Workshops: Cost for each is based on the number of staff attending, their location, and estimated travel expenditures according to the allowable Texas travel rates. \$6,000
- 7. OTHER DIRECT COSTS Include all direct costs not included in above categories.
- a. Provide the basis for the cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).

Miscellaneous/Other Direct Costs (estimated based prior purchases and historical data): \$19,555
These costs include off-site training facility rental, membership dues, subscriptions/publications, maintenance/repair, and delivery services.

b. Briefly justify the need for items to be purchased.

OTHER DIRECT COSTS - Includes all direct costs and miscellaneous items not included in the other budget categories.

#### Off-site training facility rental

Facility space to conduct cluster workshops and other trainings or conferences in subrecipient service areas or State sponsored workshops or conferences. \$5,000

#### Membership Dues

Costs for membership dues for TDHCA staff for technical and professional organizations \$3,000

#### Registration Fees

Costs for staff registration fees to participate in staff development and program related conferences, trainings, and workshops. \$8,000

## Maintenance/Repair

Maintenance and repair costs include minor maintenance/repair of office space, such as broken door locks, overhead light fixture, minor plumbing repair, heating/air conditioning repair, cost of utilities, janitorial services, elevator service, necessary maintenance, and normal repairs and alterations necessary. \$425

#### **Printing**

Costs for printing training materials, field guides, and other necessary program documents\$3,130

#### 8. INDIRECT COSTS -

a. Are the indirect cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.

This is based on the new approved indirect cost rate. A copy of the letter will be sent to DOE to be added to our file. We calculated the indirect rate at 49.13% of Personnel for this plan.

\$128,138 -- Indirect costs are calculated at 45.37% of Personnel.

b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.

Section 3: Subrecipients

	Organization/ Counties	Address	Туре	Funding	Units	District
1.	ALAMO AREA COUNCIL OF	8700 Tesoro Dr., Ste 700	COG	295,344	31	11, 20,
İ	GOVERNMENTS	San Antonio, Texas 78217				21, 23,
	Atascosa, Bandera, Bexar, Comal,	(210) 362-5245				25, 28
	Frio, Gillespie, Guadalupe,	(210) 225-5937 – FAX		,		,
	Karnes, Kendall, Kerr, Medina,					
	Wilson					
	BEE COMMUNITY ACTION	PO Box 1540	CAA	22,649	2	15, 25,
	AGENCY	Beeville, Texas 78104-1540		ĺ		28
	Bee, Live Oak, McMullen,	(361) 358-5530				
	Refugio	(361) 358-6591 – FAX				
	BIG BEND CAC	PO Box 265	CAA	47,911	5	11, 23
	Brewster, Crane, Culberson,	Marfa, Texas 79843		ĺ		,
	Hudspeth, Jeff Davis, Pecos,	(432) 729-4908				
	Presidio, Terrell	(432) 729-3435 – FAX	] .	•		
	BRAZOS VALLEY CAA	1500 University Dr E, Suite	CAA	121,983	13	06, 08,
	Brazos, Burleson, Grimes, Leon,	100		,		10, 17,
	Madison, Montgomery, Robertson,	College Station, Texas 77840				31
	Walker, Waller, Washington	(979) 846-1100		į		
		(979) 260-9390 – FAX				
5.	CAMERON-WILLACY	3302 Boca Chica, Suite #209	CAA	106,525	11	15, 27
	COUNTIES COMMUNITY	Brownsville, TX 78521-5705				,
	PROJECTS	(956) 544-6411				
	Cameron, Willacy	(956) 544-6414 – FAX				
6.	COMBINED CAA, Inc.	165 W. Austin St.	CAA	70,019	7	09, 10,
	Austin, Bastrop, Blanco, Caldwell,	Giddings, Texas 78942				14, 15,
İ	Colorado, Fayette, Fort Bend,	(979) 540-2980				21, 22,
ŀ	Hays, Lee	(979) 542-9565 – FAX				25, 28
	CAC OF VICTORIA	PO Box 3607	CAA	96,608	10	14, 15,
	Aransas, Brazoria, Calhoun,	Victoria, Texas 77903-3607		ĺ		22, 25
	DeWitt, Goliad, Gonzales,	(361) 578-2989				,
	Jackson, Lavaca, Matagorda,	(361) 578-0062 – FAX				
Ì	Victoria, Wharton	(6.5)				
8.		204 E. 1st Street	CAA	221,864	23	15, 25,
	TEXAS	Alice, Texas 78333-1820		,		27
ŀ	Brooks, Hidalgo, Jim Wells,	(361) 664-0145				<del></del> '
	Kenedy, Kleberg, San Patricio	(361) 664-0120 – FAX				
9.	SOUTH TEXAS DEV.	P.O. Box 2187	COG	36,724	4	25, 28
١.	COUNCIL OF GOVERNMENT	Laredo, Texas 78044-2187		50,727	'	23, 20
	Jim Hogg, Starr, Zapata	(956) 722-3995				
	om nogg, sum, zupuu	(956) 722-2670 – FAX				
10.	COMMUNITY ACTION	PO Box 144	CAA	83,283	9	11, 13,
ľ '	PROGRAM, INC.	Abilene, Texas 79604		33,203		11, 13,
	Brown, Callahan, Comanche,	(325) 673-5785				10
	Eastland, Haskell, Jones, Kent,	(325) 673-5784 – FAX			[	
	Knox, Shackelford, Stephens,	(323) 073 3704 111A				
	Stonewall, Taylor, Throckmorton					
11.		700 Dagett St, Suite F	CAA	15,786	1	11, 23
11.	Loving, Reeves, Ward, Winkler	Pecos, Texas 79772-4524		15,700		11, 40
	Loving, Rooves, ward, willkiel	1				
L		(432) 447-4913	<u> </u>		·	

# DRAFT--Texas PY 2010 DOE State Plan

	Organization/ Counties	Address	Type	Funding	Units	District
		(432) 447-4914 – FAX				
12.	CONCHO VALLEY CAA Coke, Coleman, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	PO Box 671 San Angelo, Texas 76902 (325) 653-2411 (325) 658-3147 – FAX	CAA	73,246	8	11, 23
13.	CSA OF South Texas (DIMMIT, LaSALLE) Dimmit, Edwards, Kinney, LaSalle, Maverick, Real, Uvalde, Val Verde, Zavala	PO Box 488 Carrizo Springs, TX 78834- 6488 (830) 876-5219 (830) 876-5280 – FAX	CAA	74,574	8	23, 28
14.	COMMUNITY SERVICES, INC. Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	PO Box 612 Corsicana, Texas 75151- 0612 (903) 872-2401 (903) 872-0254 – FAX	CAA	198,734	21	01, 03, 04, 05, 06, 12, 13, 17, 24, 26
15.	DALLAS COUNTY HHS Dallas	2377 N. Stemmons Fwy, Suite 600 Dallas, Texas 75207-2710 (214) 819-1858 (214) 819-6022 – FAX	PPNP	274,077	29	03, 05, 24, 26, 30, 32
16.	EOAC OF PLANNING REGION XI Bosque, Falls, Freestone, Hill, Limestone, McLennan	500 Franklin Ave. Waco, Texas 76701-2111 (254) 753-0331 (254) 754-0046 – FAX	CAA	76,926	8	06, 17, 31
17.	EL PASO CAP – PROJECT BRAVO, INC. El Paso	P.O. Box 3445 El Paso, Texas 79923 (915) 562-4100 (915) 562-8952 – FAX	CAA	147,659	15	16, 23
18.	CITY OF FORT WORTH, Dept of Housing Tarrant	1000 Throckmorton Street Fort Worth, Texas 76102 (817) 392-7540 (817) 392-7328 – FAX	PPNP	154,849	16	06, 12, 24, 26
19.	GREATER EAST TEXAS COMMUNITY ACTION PROGRAM Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	PO Drawer 631938 Nacogdoches, Texas 75963 (936) 564-2491 (936) 564-0302 – FAX	CAA	118,652	. 12	01, 05, 06, 08
20.	HILL COUNTRY CAA Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	PO Box 846 San Saba, Texas 76877 (325) 372-5167 (325) 372-3526 – FAX	CAA	89,818	9	11, 17,
21.	LUBBOCK, CITY OF, COMMUNITY DEVELOPMENT DEPARTMENT Lubbock	P.O. Box 2000 Lubbock, Texas 79457 (806) 775-2301 (806) 775-3917 – FAX	PPNP	51,328	5	19

<u> </u>	Organization/ Counties	Address	-,	Funding	Units	
22.		915 South 9 <sup>th</sup> St.	Type PPNP	8,676	1	District 25
22.	DEVELOPMENT	Kingsville, Texas 78363	11111	8,070	, ,	23
	Duval	(361) 592-1303				
	Buvai	(361) 592-0877 – FAX				
23.	NUECES COUNTY CAA	101 South Padre Island Dr.	CAA	64,054	7	07
25.	Nueces	Corpus Christi, Texas	CAA	04,034	'	27
	rucces	78405	}			
		l .	ŀ			
		(361) 883-7201				
24.	DANIHANDI E COMMUNITY	(361) 883-9173 – FAX	CAA	105 500	10	10.10
24.		PO Box 32150	CAA	125,532	13	13, 19
	SERVICES, INC.	Amarillo, Texas 79120- 2150				
	Armstrong, Briscoe, Carson,					
	Castro, Childress, Collingsworth,	(806) 372-2531				
	Dallam, Deaf Smith, Donley,	(806) 373-8143 – FAX				
	Gray, Hall, Hansford, Hartley,					
	Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham,					
	Parmer, Potter, Randall, Roberts,					
25.	Sherman, Swisher, Wheeler	DO D 1/07	-	100.040	- 14	00.00
123		PO Box 1607	CAA	129,843	14	02, 08,
	SERVICES, Inc. Chambers, Galveston, Hardin,	Orange, Texas 77631-1607				14, 22
		(409) 886-0125				
	Jefferson, Liberty, Orange	toll-free: 1(866) 550-0282				
26	DOLLING DEVINE WOME	(409) 886-2849 – FAX	044	60.145		10.10
26.	ROLLING PLAINS MGMT. CORP.	PO Box 490	CAA	67,145	7	12, 13,
	Archer, Baylor, Clay, Cottle,	Crowell, Texas 79227				19
	Foard, Hardeman, Jack,	(940) 684-1571		•		
	Montague, Wichita, Wilbarger,	(940) 684-1693 – FAX				
	Wise, Young					
27.	SHELTERING ARMS, INC.	2020 Abandaan W.	מוממו	454 027	£ 1	00 00
1	Harris	3838 Aberdeen Way	PPNP	454,937	51	02, 07,
	1141115	Houston, Texas 77025				09, 10,
		(713) 956-1888				18, 22,
20	SOUTH PLAINS CAA	(713) 956-2079 – FAX PO Box 610	CAA	60.550	<del></del>	29
20.	Bailey, Cochran, Crosby,		CAA	69,550	7	13,19
	Dickens, Floyd, Garza, Hale,	Levelland, Texas 79336				
	Hockley, King, Lamb, Lynn,	(806) 894-6104 (806) 894-5349 – FAX	•			
	Motley Terry, Yoakum	(800) 894-3349 – FAX				1
	Modey Terry, Toakum	•				
29.	TEXOMA COUNCIL of	1117 Gallagher Drive, Suite.	COG	120,992	13	01.04
12,5	GOVERNMENT	300		120,992	1.5	01, 04,
	Bowie, Camp, Cass, Cooke,	Sherman, Texas 75090				13, 26
	Delta, Fannin, Franklin,	(903) 893-2161				
	Grayson, Hopkins, Lamar,	· · ·			į	
	Marion, Morris, Rains, Red	(903) 813-3511 – FAX			ĺ	
	River, Titus					1
30	TRAVIS COUNTY HEALTH &	PO Box 1748	DDVID	02 (72	10	10.01
١٧.	HUMAN SERVICES DEPT.		PPNP	93,672	10	10, 21,
	Travis	Austin, Texas 78767 (512) 854-4100				25
	114119	(512) 854-4100 (512) 854-4123 – FAX				
31	TRI-COUNTY CAA	PO Drawer 1748	CAA	70.500		01.00
hri	IIU-COONTI CAA	I O Diawer 1/40	CAA	70,580	7	01, 08

	Organization/ Counties	Address	Type	Funding	Units	District
	Harrison, Jasper, Newton,	Center, Texas 75935				
	Panola, Sabine, San Augustine,	(936) 598-6315	Ì.		i	
	Shelby, Tyler, Upshur	(936) 598-7272 – FAX				
32.	WEBB COUNTY CAA	1110 Washington St., Suite	CAA	48,911	5	23, 28
	Webb	203				, ,
		Laredo, Texas 78040-4443				
		(956) 523-4182				
		(956) 523-5016 – FAX				
33.	WEST TEXAS	PO Box 1308	CAA	101,341	11	11, 19
	OPPORTUNITIES, INC.	Lamesa, Texas 79331				,
	Andrews, Borden, Dawson,	(806) 872-8354				
	Ector, Fisher, Gaines, Glasscock,	(806)872-5816 – FAX				
	Howard, Martin, Midland,					
	Mitchell, Nolan, Scurry, Upton					
	TOTAL: 254 Counties			3,733,792	393	

#### Additional information regarding Section 3--Subrecipients:

Note: The Department allocates funds to subrecipients by formula based upon the DOE allocation for program year 2010. The allocation formulas reflect the 2000 Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized.

The adjusted average expenditure limit per unit for program year 2010 is \$6,287.

Texas limits reweatherization to 5% of all units weatherized if agencies need to exceed the 5% cap, the agency should send a written request for approval to the Department.

If the Department determines it is necessary to permanently reassign a service area to a new subrecipient, the subrecipient will be chosen in accordance with 10 CFR §440.15 and the Department's Texas Administrative Code.

The fund allocations for individual service areas are determined by a distribution formula with five (5) factors:

- (1) Number of non-elderly poverty households per county;
- (2) Number of elderly poverty households (65+) per county;
- (3) Median income variance per county;
- (4) Inverse poverty household density ratio per county; and
- (5) Heating/Cooling Degree days per county.

The Department may deobligate all or part of the funds provided under this contract, if subrecipient has not expended funds as specified in the contract of each subrecipient according to the expenditure rate and households served during the sixth month of the program year. Subrecipient's failure to expend the funds provided under this contract in a timely manner may also result in the subrecipient's ineligibility to receive additional funding during the program year.

Note: CFR: Code of Federal Regulation

#### Section 4: WAP Production Schedule

#### DRAFT--Texas PY 2010 DOE State Plan

	Annual Total
Weatherization Units (Total)	393
Reweatherization Units	

# Vehicles and Equipment \$5,000 or more Average Cost per Dwelling Unit (DOE Rules) A. В. C. D. Total Units to be Weatherized, plus Planned Reweatherized E. Average Vehicles and Equipment Cost per Dwelling Unit (A divided by D)......\$0 Average Cost per Dwelling Unit (DOE Rules) F. Total of Funds for Program Operations......\$2,470,617 G. Total Units to be Weatherized, plus Planned Reweatherized H. I. Average Cost per Dwelling Unit for Vehicles and Equipment (total from E).....\$0 J.

Section 5: Energy Savings

DOE Program	Amount	Line
Total DOE State Weatherization Allocation	\$4,294,261	(a)
Total Cost associated with Administration, T&TA, Financial and	\$1,823,644	(b)
Energy Audits or 15% of allocation.		
Subtract the amount entered in line (b) from line (a), for a total	\$2,470,617	(c)
Federal (DOE) funds available to weatherize homes		
State Average Cost per Home or National WAP Program Year	\$6,287	(d)
Average Cost per Home (i.e., PY 2008 \$2,966)	<u> </u>	
Divide the amount entered on line (c) by the amount entered on line	393	(e)
(d), for Total Estimated Homes to be Weatherized	Homes	
Multiply (e) by 30.5 MBTU for Total Annual Estimated Energy	83,143	(f)
Savings resulting from DOE appropriated funds	MBTU	
All Funding Sources		NA SA
Total funds (e.g., DOE WAP, State, Leveraged, LIHEAP, and other	\$28,483,214	(g)
non-Federal sources of funds) used by State to weatherize homes		
Total Cost associated with administration of Weatherization funds or	\$1,823,644	(h)
15% of total funds available to weatherize homes.		
Subtract the amount entered in line (h) from line (g), for total funds	\$2,470,617	(i)
available to weatherize homes		
State Average Cost per Home or National WAP Program Year	\$6,287	(j)
Average Cost per Home (i.e., PY 2008 \$2,966)		
Divide the amount entered on line (i) by the amount entered on line	893	(k)
(j), for Total Estimated Homes to be Weatherized	Homes	
Multiply (k) by 30.5 MBTU for Total Annual Estimated Energy	11,987	(1)
Savings resulting from all funding sources	MBTU	

Method used to calculate energy savings: WAP Algorithm ☒ Other (describe below) ☐

The PY 2010 energy saving calculations methodology was developed by the Department using the most recent Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493). This methodology estimates annual savings of 30.5 MBtu according to DOE's PY 2005 Application Instructions and Forms for PY 2006. The same methodology will be used for PY 2010. The 2010 Plan is estimated according to funding allocation and adjusted average expenditure limit per unit allowed to weatherize a home. The total number of units projected to be weatherized in PY 2010 is 393 for a total of annual estimated energy savings of 11,987 MBtu.

Estimated energy savings: 11,987 (MBtu)

Estimated prior year savings: 82,228 (MBtu) Actual: Pending final report

If variance is large, explain:

## Section 6: Training, Technical Assistance, and Monitoring Activities

The Texas Department of Housing and Community Affairs (the Department) plans to monitor the Weatherization Assistance Program (WAP) with the staff included in the budget. Each of the WAP subrecipients shall be monitored for contract compliance at least once during the program year (April 1 through March 31). Training and technical assistance shall be provided to the subrecipient, whenever necessary, by the Training Officer. Assigned staff members will conduct subsequent visits to ensure that corrective actions have taken place.

Monitorings will be scheduled using a risk management-based assessment. Primary consideration will consist of amount of contract, previous findings, status of finding resolution, and submission and condition of annual independent audit. Periodic desk reviews of expenditures and production levels will be conducted during the program year. The scheduling of on-site monitoring will depend on availability of staff, minimum number of completed units, geographic and climatic considerations. The schedule may vary and dates will be confirmed with each subrecipient in advance. The purpose of the monitoring is to ensure that weatherization programs are managed within federal and state guidelines and that eligible low-income families are receiving quality and appropriate weatherization of their homes.

The Department has established a goal to monitor a minimum of 10% of the client files and 10% of the weatherized units at the time of the monitoring. The Department will concentrate on inspecting weatherized units whose work completion dates are less than 60 days from the date of monitoring. Additional units will be inspected if the minimum monitoring requirements have not been met by this criterion. Monitoring will include health and safety procedures, energy audit procedures, and client education procedures. In addition, Program Officers will monitor financial management control and ensure the quality of work via established monitoring procedures.

In 2010, the Department will utilize the Training and Technical Assitance Academy including classroom and on-site venues for classes in basic weatherization, advanced weatherization as well as financial management. Training will as include manufactured housing, lead safe work practices and health and saftey.

The Department will conduct training and technical assistance throughout the program year. A Program Officer may determine that additional training is needed for a particular subrecipient or the subrecipient may request it. The Trainer is actively conducting training and technical assistance and is working with program officers and subrecipients to determine additional training needs on an on-going basis.

The Department does not require licensing or certifications of subrecipient staff. Should a subrecipient hire a new weatherization coordinator, the subrecipient will be required to notify the Department in writing within 30 days of the date of hiring the coordinator and request training. The Department will contact subrecipients within 30 days of the date of notification to arrange for training. The Department will use in-house staff as well as other subrecipient staff to provide training. The Department will provide travel assistance to subrecipients that receive training.

The Department will conduct cluster workshops throughout the program year to continue training the subrecipients on heating and cooling systems assessments, and material installation techniques. Expert trainers will be hired for topics where the Department lacks in-house expertise.

The Department WAP program year is April 1 through March 31. Upon the Department's completion of the PY 2009 Monitoring process, the Department will review all monitoring findings in order to evaluate any improvements in the agencies' performances in May. The Department will submit to DOE a written summary of its monitoring findings.

The Department has scheduled the following training dates for WAP Network:

Texas Association of Community Action Agencies Annual Conference May 2010

Community Affairs Training Conference, October 2010

#### **Energy Audit Procedures**

The EASY Audit has been approved by DOE for use on single family dwellings, mobile homes, and multi-family buildings containing 24 or fewer units. EASY has not been approved for multi-family buildings containing 25 or more units. To date, Texas subrecipients have not proposed weatherizing a building with 25 or more units. In the event that the Department approves such a proposal, the Department will acquire a DOE approved energy audit, such as EA-QUIP, for use in auditing multi-family buildings containing 25 or more units.

#### **Energy Savings**

The State will cooperate with the Department of Energy as they implement a national evaluation project.

#### **Evaluation of Training Activities**

In order to evaluate the efficiency of its training activities, the training staff will annually review its training activities and compare those to the subrecipient monitoring reports, and the annual analysis of an in-house evaluation study. Additionally, subrecipients will be given the opportunity to provide feedback through evaluation forms distributed at all training sessions.

#### **Lead-Based Paint Safe Work Practices**

The State of Texas provided the Lead-Based Paint Safe Work Practices training methodology (developed by Montana State University) to all weatherization subrecipients during program year 2002. The Department plans to train the subrecipient's in Program Year 2009. The State will provide Lead-Based Paint Safe Work Practices to new subrecipient hires on an on-going basis.

#### Mold

The State of Texas provided the Mold Work Practices training methodology (developed by Montana State University) to all weatherization subrecipients during program year 2006. The subrecipients will be responsible for providing the training to their weatherization contractors. The State will provide Mold Work Practices to new subrecipient hires on an on-going basis.

The Texas Department of Health, beginning at Title 25, Texas Administrative Code, Section 295.301, has adopted procedures for addressing mold problems existing in residential dwellings that cover areas of 25 contiguous square feet or more by requiring the remediation to be addressed by a licensed mold remediation specialist.

If the energy auditor discovers a mold condition which the weatherization contractor cannot adequately address, then the unit should be referred to the appropriate public agency for remedial action. The applicant is to be provided written notification that their home cannot, at this time, be weatherized and why. They should also be informed which agency they should contact to report the mold condition. The applicant should be advised that when the mold issue is resolved they may reapply for weatherization.

If the energy auditor determines that the mold is treatable and covers less than the 25 contiguous square feet limit allowed to be addressed by the Texas Department of Health's guidelines, the applicant is to be provided written notification of the existence of the mold and potential health hazards, the proposed action to eliminate the mold, and that no guarantee is offered that the mold will be eliminated and that the mold may return. The auditor must obtain written approval from the applicant to proceed with the weatherization work.

Upon appropriate guidance from DOE, the Department will arrange to train all subrecipients to recognize mold problems and acceptable actions to resolve mold occurrences. The Department will also provide applicant notification and release forms to its subrecipients.

The limited cost incurred to remove the mold is to be charged to the health and safety portion of the subrecipient's budget.

#### **Client Education**

The Department will continue to require WAP subrecipients to provide client education to each WAP client. Subrecipients will be required to provide (at a minimum) state produced educational materials in verbal and written format. Client education will include temperature strips that indicate the temperature in the room and energy savings calendars.

# Section 7: DOE-Funded Leveraging Activities

N/A

#### **Section 8: Policy Advisory Council Members**

**Introduction:** The Policy Advisory Council is broadly representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems. The Council has the responsibility of advising the Department.

Prior to the expenditure of any grant funds, the Department shall establish a policy advisory council which:

- (1) Has special qualifications and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems of these persons;
- (2) Is broadly representative of organizations and agencies, including consumer groups that represent low-income persons, particularly elderly and disabled low-income persons and low-income Native Americans, in the State or geographical area in question; and
- (3) Has responsibility for advising the appropriate official or agency administering the allocation of financial assistance in the State or area with respect to the development and implementation of a weatherization assistance program.

# **Current Policy Advisory Council Members**

Weatherization Providers	Energy Group	Consumer & Related Group
Johnette Hicks, Executive	Heather Ball, Director	Vacant
Director, Chairwoman	Marketing & Public Education	
Economic Opportunities	Railroad Commission of Texas	
Advancement Corporation –	Alternative Fuels Research and	
Planning Region XI	Education Division	·
Karen Swenson, Executive		Michael P. Wilson, PhD.
Director		Texas Department of Aging and
Greater East Texas Community		Disability Services
Action Program		
Mark Bulllard, WAP Coordinator		
Texoma Council of Governments		

The Policy Advisory Council (PAC) is currently in place; however, membership changes are expected to occur during PY 2010. Any additions to the Policy Advisory Council will be reviewed by the Department's Governing Board. At the present time, the PAC consists of six members. The PAC meets annually. The Department seeks the PAC's guidance and approval on WAP Plans each year, and hosts other meetings, as needed.

#### Section 9: State Plan Hearings

The PY 2010 WAP Public Hearing and WAP Policy Advisory Council Meeting will both be held in April 2010. The transcripts will be available upon request.

Newspapers that publicized the hearings and the dates that the notice was published: Texas Register --- Statewide distribution. The Department's web site publication of the draft plan will be available prior to the public hearing. The hearing and council meeting transcript copies will be provided to the DOE.

#### Section 10: Adjustments to On-File Information

No changes will be made to the On-File Information.

#### Section 11: Miscellaneous

#### **Intergovernmental Review Data**

To comply with the provisions of Executive Order 12372, the State of Texas established the Texas Review and Comment System (TRACS). TRACS is a statewide system that provides state and local officials opportunities to review and to comment upon State plans, applications for federal or state financial assistance, and environmental impact statements related to projects or programs that affect their jurisdictions before the proposals are approved or funded. Comments made during the process are for the applicant's use in improving the project, and if necessary, for the funding agency's use in deciding whether to approve the application.

Related state provisions designate the regional review agencies and the state Single Point of Contact; the programs for which reviews will be required; delineate the respective responsibilities of applicants, state agencies, and review agencies; establish uniform review procedures and criteria; and describe procedures for seeking accommodation of review comments. State provisions specifically incorporate by reference Executive Order 12372, as amended by Executive Order 12416, the Demonstration Cities and Metropolitan Development Act of 1966, §204 (42 United States Code §3334); the Intergovernmental Cooperation Act of 1968, §401(a) (United States Code §4231(a)); and the National Environmental Policy Act of 1969, §102(2C)(42 United States Code §4332(2C)).

The TRACS State Single Point of Contact is Denise S. Francis, Governor's Office of Budget, Planning, & Policy, P.O. Box 12428, Austin, Texas 78711. This plan application was provided in draft to the State Single Point of Contact, made accessible to all regional councils, available to all the Department's weatherization program subrecipients and other interested parties prior to the public hearing and as a part of the public comment process.

#### Liability Insurance

The liability insurance separate line item was increased to enable subrecipients to purchase pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for pollution occurrence. Subrecipients should review existing policies to ensure that lead paint measures are also covered and if not, secure adequate coverage for all units to be weatherized. If subrecipients require additional funding for liability insurance, they must first provide the Department with three price quotes. When approved, additional liability insurance costs may be paid from administrative or program support categories. The Department strongly recommends the subrecipients require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each subrecipient should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

#### Training & Technical Assistance Carryover Funds

Training and technical assistance funds will not be used to purchase vehicles or equipment for local agencies to perform weatherization services. The cost of these vehicles and equipment to support the program must be charged to program support and program operations categories. The Department acknowledges that, should unexpended training and technical assistance funds remain at the end of the Program Year, DOE requires these funds to be used to weatherize homes during the following year.

#### Formula Distribution

The Department updates the budget allocation proportion by county and subrecipient based on poverty income, elderly poverty, median household income (from the 2000 U.S. Census data), and climate data (from the Southern Regional Climate Center, Louisiana State University, June 2002).

#### **Electric Base Load Measures (EBL)**

DOE has approved the inclusion of selected Electric Base Load (EBL) measures as part of the weatherization of eligible residential units. Currently, the approved EBL measures include replacement of refrigerators, electric water heaters, and compact fluorescent lights. All EBL measures must be determined cost effective with an SIR of 1 or greater by either audit analysis or separate DOE approved analytical tools.

DOE has approved analytical tools to measure EBL. Instructions for incorporating EBL measures in to the WAP are detailed in the Texas Administrative Code. All dwelling units will be evaluated to determine the most cost effective measures to be installed in each unit weatherized and to determine the order in which measures will be installed. The evaluation of each unit must include building envelope measures, mechanical measures, and Electric Base Load measures.

Section 12: Assurances and Certifications

Forms have been filed separately in a Master Document File

# COMMUNITY AFFAIRS DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the 2010 Community Services Block Grant (CSBG) State Discretionary Awards for Statewide, Migrant and Seasonal Farmworker, and Native American Applicants. Based on the Department's scoring and ranking of the 2010 CSBG State Discretionary applications received for Statewide, Migrant and Seasonal Farmworker, and Native American projects, staff recommends that the Board approve the staff recommendations. A total of eight (8) applicants are recommended to receive funding totaling \$955,000.

**RESOLVED,** that the 2010 Community Services Block Grant (CSBG) State Discretionary Awards for Statewide, Migrant and Seasonal Farmworker, and Native American Applicants, in the form presented to this meeting, be and they hereby are approved.

### **Background**

The Department has set aside a total of \$1,250,000 in state CSBG discretionary funds to be awarded through a Notice of Funding Availability approved by the Board on December 11, 2009. Of that \$1,250,000, the NOFA targeted \$750,000 for Statewide, Migrant and Seasonal Farmworker, and Native American projects. Staff is recommending funding of eight out of the 11 applications received. This would increase total funding in this category to \$955,000, which is \$205,000 above the initial allocation. The \$205,000 in additional funds recommended for awards would be drawn from the State's remaining CSBG discretionary funds. These applicants were chosen based on a standardized scoring instrument that evaluated and scored each eligible proposal. Applicants were funded at the amount requested. The attached table reflects all applications, and denotes the recommended awardees, their award amount, a description of the recommended projects, and the category under which each applicant applied.

# FFY 2010 Community Services Block Grant (CSBG) State Discretionary Funds Funding Recommendations for Statewide, Native-American, and Migrant and Seasonal Farmworker Applications

	<b>F</b>	FUNDING	
Appulation	FINAL	RECOMMEN	Decrease Decrease (To be Alfactives)
APPLICANT STATEWIDE CATEGORY	SCORE	-DATIONS	PROPOSED PROJECTS (TO BE NEGOTIATED).
(\$375,000 available <sup>i</sup> ):			
Texas Association of Community Action Agencies	145	\$125,000	
Texas Council On Family Violence	136	\$125,000	Provide support, training and technical assistance to providers throughout Texas who offer services to domestic violence victims, including those residing in emergency shelters, transitional housing and seeking non-residential counseling and advocacy services.
			Strengthen communities and partnerships to prevent and eliminate homelessness. Conduct a conference to provide training to CSBG eligible entities on best practices and program management development and homelessness issues, support TICH Council, assist CSBG eligible entities in conducting self-assessments, coordinate efforts of CSBG eligible entities, state and national associations to address
Texas Homeless Network	109.5	\$125,000	homelessness, and print a quarterly newsletter on homeless issues.
Harmony House	104.5	0	While open to any state resident, the proposed project was limited in scope to Harris County, thereby failing to meet the definition of a Statewide Initiative.
Total Recommendations Stwd		\$375,000	
Native-American Category (\$250,000 available):			
Dallas Urban Inter-Tribal	122.5	\$125,000	Provide emergency assistance to Native Americans. Utilize \$36,090 to provide assistance with rent, utilities, bus passes, payment of fees to obtain birth certificates or driver's license or id cards, payment for eye exams and eye glasses. Provide case management and referrals to in-house and community programs. Conduct financial and educational workshops.
Total Recommendations Nat Am		\$125,000	·

MIGRANT SEASONAL FARMWORKER CATEGORY (\$455,000 available"):			
County of Hildago	150	\$80,000	Utilize \$80,000 to provide direct assistance to migrant farmworkers to assist them with minor car repairs, the purchase of car batteries and gasoline to assist them make the trip to pick crops. Also assist with tuition and fees, books and supplies to attend college, university or a trade school. May also provide students with a laptop and printer.
CC of South Central Texas	147.5	\$125,000	Utilize \$90,788 to provide direct assistance to migrant farmworkers to assist them with minor car repairs to assist them make the trip to pick crops, with rent and utility assistance, and with assistance with prescriptions.
Sin Fronteras Organizing Project	130	\$125,000	Utilize \$2,200 to provide direct assistance to migrant farmworkers to assist them with food vouchers, transportation costs, personal hygiene items, and assistance rent and utilities.
South Plains CAA	128.5	\$125,000	Develop outreach activities with local agencies, growers, churches, school districts and others in order to make migrant farmworkers aware of services available through SPCAA, including outlining possible services to prospective clients. Additionally, these funds would pay for the direct delivery of services to migrant farmworkers, including child care, transportation, medical referrals and other related activities.
Guadalupe Economic Service	97	0	This proposal scored too low to receive funding.
County of Willacy	90	0	This proposal scored too low to receive funding.
Total Recommendations MSFW		\$455,000	
GRAND TOTAL FUNDING RECOMMENDATIONS		\$955,000	

<sup>&</sup>lt;sup>i</sup> Only one application was received in the Native American category. The remaining \$125,000 was transferred to the Statewide category and allowed for the funding of an additional applicant.

ii Due to the quality of the applicants and the availability of additional CSBG Discretionary Funds, the total amount recommended for MSFW was increased to \$455,000.

# HOUSING TRUST FUND DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the HTF Rural Housing Expansion Program Design and Notice of Funding Availability (NOFA), and authorize staff to issue a Request for Proposal.

RESOLVED, that the Executive Director and his designees be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to publish the Notice of Funding Availability in the form presented to this meeting, and

FURTHER RESOLVED, that the Executive Director and his designees be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to proceed to prepare and publish a Request for Proposals for a technical assistance provider in connection with the HTF Rural Housing Expansion Program and to bring to this Board one or more successful proposals for final selection.

#### **Background**

On July 30, 2009, the Board approved the 2010-2011 Housing Trust Fund Biennial Plan. Because the Plan at that time included only a very general program description of the Rural Housing Expansion Program, the Board requested that the Program be presented to them before release. Over several months, the Department has worked with rural community and housing advocates to develop a concept for the program as detailed below and further explained in the NOFA. The goal of the program is to increase the capacity of rural Texas communities to provide affordable housing. Based on significant feedback, it was determined that the most likely means for successfully achieving this goal is to simultaneously provide capacity building resources and funds for direct housing delivery. By having a commitment of direct delivery funds, the recipient entity is able to truly develop capacity through training, technical assistance and hands-on experience. To make sure that each recipient of these funds is best situated to succeed, the program design reflects a series of steps for each recipient.

- 1. Rural applicants rural nonprofits, public housing authorities or local governments apply to TDHCA under a NOFA. Their application outlines need in their community, capacity issues and an affordable housing concept that may be subject to revision. Successful applicants are approved by the Board. It is estimated that the program will result in four to five recipients. An award from the Board may include both an award for the direct housing delivery as well as up to \$50,000 in capacity funds granted directly to the awardee to assist in their direct costs of increasing capacity.
- 2. Each awardee undergoes an intensive capacity assessment performed by a Technical Assistance Provider procured separately by the Department and as

further described below. The capacity assessment tool used meets the criteria of GAA, Rider 17. Based on the assessment, the Technical Assistance Provider will identify a plan for each awardee that covers what their capacity needs are and how to achieve them, and will provide some of the technical assistance skills to enhance capacity. Additionally, the Technical Assistance Provider will evaluate the strength of the affordable housing concept originally proposed and will work with the awardee to revise that concept as needed so that it is realistic and attainable based on the awardees assessment and resources.

- 3. After the revised affordable housing concept is approved by the Department, the Technical Assistance Provider will assist the awardee, directly but primarily indirectly, in bringing the concept into reality and achieving housing delivery.
- 4. As a separate activity within the NOFA and program design, also intended to increase rural affordable housing capacity, a USDA Section 502 Funds Application Assistance activity has been created. This activity is designed to provide rural nonprofits with the means to secure Section 502 funding for Texas that, without these funds, may otherwise not be accessed. \$500,000 in funding will be set aside and awarded in the form of grants to Nonprofit Organizations packaging and submitting Section 502 Rural Housing Direct Loans through the United States Department of Agriculture (USDA). To the extent that these entities can evidence need for capacity building grant assistance they may request those funds during the NOFA process. Awardees under this activity are not necessarily targeted to receive the assistance of the Technical Assistance Provider.

The following procedural activities will be performed by the Department to make sure the program design can be accomplished.

- Release of a Request for Proposals. This RFP will be used to procure a capacity and technical assistance provider ("Technical Assistance Provider") and will be awarded separately from the program funds. Approximately \$250,000 of the program's funds is set aside for this use.
- Release of a Notice of Funding Availability (NOFA). The NOFA, attached, will provide the criteria and specific guidance for how an awardee will apply for the program. Applicants will have the opportunity to justify the need for not only their direct housing delivery funds, but also request a Capacity Building Grant. Up to \$250,000 of the program's funds may be awarded as capacity building grants not to exceed \$50,000 per awardee and a minimum of \$1,000,000 will be awarded for direct housing delivery.

#### Program Design for the Rural Housing Expansion Program

**Amount Recommended:** \$ 2,000,000

**General Program Description**: The purpose of these funds is to develop a program that commits to building capacity in tandem with actual production of affordable housing in rural Texas.

On July 30, 2009, the TDHCA Board approved the 2010-2011 Housing Trust Fund Biennial Plan. Because the Plan at that time included only a very general program description of the Rural Housing Expansion Program, the Board requested that the Program be presented to them before release. This Program Design reflects the Board approved direction for these funds.

The goal of the program is to increase the capacity of rural Texas communities to provide affordable housing. Based on significant feedback, it was determined that the most likely means for successfully achieving this goal is to simultaneously provide capacity building resources and funds for direct housing delivery. By having a commitment of direct delivery funds, the recipient entity is able to truly develop capacity through training, technical assistance and hands-on experience. To make sure that each recipient of these funds is best situated to succeed, the program design reflects a series of steps for each recipient.

- 1. Rural applicants rural nonprofits, public housing authorities or local governments apply to TDHCA under a NOFA. Their application outlines need in their community, capacity issues and an affordable housing concept that may be subject to revision. Successful applicants are approved by the Board. It is estimated that the program will result in four to five recipients. An award from the Board may include both an award for the direct housing delivery (in a grant or a loan depending on the activity proposed) as well as up to \$50,000 as a capacity grant directly to the awardee to assist in their direct costs of increasing capacity (operation, site control if applicable, third party studies, etc.).
- 2. <u>Capacity Building Phase</u>. Each awardee goes through an intensive capacity assessment performed by a Technical Assistance Provider procured separately by the Department and as further described below. The capacity assessment tool used meets the criteria of GAA, Rider 17. Based on the assessment, the Technical Assistance Provider will identify a plan for each awardee that covers what their capacity needs are and how to achieve them, and will provide some of the technical assistance skills training to enhance capacity. Additionally, the Technical Assistance Provider will evaluate the strength of the affordable housing concept originally proposed and will work with the awardee to revise that concept as needed so that it is realistic and attainable based on the awardees assessment and resources.

Eligible uses for the capacity grant portion of the funds may include: needs assessments, including needs of agricultural workers and other unique rural housing needs; capacity assessments; identification of resources and opportunities; development of comprehensive housing plans; consulting assistance; identification and creation of a plan for implementation of best practices for rural housing initiatives; training; technical assistance; operational expenses; and predevelopment expenses.

3. After the revised affordable housing concept is approved by the Department, the Technical Assistance Provider will assist the awardee, directly but primarily indirectly, in bringing the concept into reality and achieving housing delivery. As more fully described in the NOFA, eligible uses for the direct housing delivery funds may include, but are not limited to, development and sale of single family

residences, development of small multifamily residences and creation of a down payment assistance program. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites. Households served must be at least 80% of AMFI or less.

As a separate activity also intended to increase rural affordable housing capacity within this program design – and as reflected in the NOFA - a USDA Section 502 Funds Application Assistance activity has been created. This activity is designed to provide rural nonprofits with the means to secure Section 502 funding for Texas that, without these funds, may otherwise not be accessed. \$500,000 in funding will be set aside and awarded in the form of grants to Nonprofit Organizations packaging and submitting Section 502 Rural Housing Direct Loans through the United States Department of Agriculture (USDA). To the extent that these entities can evidence need for capacity building grant assistance they may request those funds during the NOFA process. Awardees under this activity are not necessarily targeted to receive the assistance of the Technical Assistance Provider.

The following procedural activities will be performed by the Department to implement the program design.

- Release of a Request for Proposals. This RFP will be used to procure a capacity and technical assistance provider ("Technical Assistance Provider") and will be awarded separately from the program funds. Approximately \$250,000 of the program's funds is set aside for this use.
- Release of a Notice of Funding Availability (NOFA) for \$1,750,000. The NOFA, attached, will provide the criteria and specific guidance for how an awardee will apply for the program. Applicants will have the opportunity to justify the need for not only their direct housing delivery funds, but also request a Capacity Building Grant.
- Up to \$250,000 of the program's funds may be awarded as capacity building grants not to exceed \$50,000 per awardee
- A minimum of \$1,000,000 will be awarded for direct housing delivery.
- \$500,000 is set aside for the Section 502 Funds Application Assistance activity described above.

**Maximum Loan Amount**: Maximum Award per organization is \$500,000 of direct delivery funds and \$50,000 of capacity grants.

**Eligibility Requirement**: Communities to participate will be carefully selected based on their existing capacity, the need for housing in their area, and other identified criteria. Eligible recipients include rural municipalities or local governments, and rural nonprofit applicants as further defined in the Department's Housing Trust Fund Rule.

**Administration Fees**: No administration fees are provided except as permitted as eligible expenses through the capacity building grants.

**Regional Allocation:** The RAF will apply to these funds.

**Other Considerations**: Addresses the needs of rural Texans, builds capacity and generates affordable housing units.



# Texas Department of Housing and Community Affairs Housing Trust Fund (HTF)

# 2010 - 2011 Rural Housing Expansion Program Notice of Funding Availability (NOFA)

#### 1) Summary

- a) The Texas Department of Housing and Community Affairs ("the Department") announces the availability of up to \$1,750,000 in funding from the 2010-2011 Housing Trust Fund (HTF) appropriation to further the Department's goal of building capacity in tandem with actual production of affordable housing in rural Texas. The Rural Housing Expansion Program ("Program") will simultaneously provide capacity building resources and funds for direct housing delivery. The Program is designed with the understanding that having a commitment of direct delivery funds will allow a recipient entity to fully develop capacity through training, technical assistance and hands-on experience.
- b) The Program includes three activities for which an application may qualify:
  - i. <u>Direct Housing Delivery.</u> A minimum of \$1,000,000 may be awarded in the form of zero-interest, deferred, repayable loans or grants, depending on the activity for the purpose of direct housing delivery, with the requirement that other financial resources be leveraged.
  - ii. <u>USDA Section 502 Direct Loan Application Assistance.</u> \$450,000 in funding will be set aside and awarded in the form of grants to rural municipalities, counties, and Nonprofit Organizations packaging and submitting Section 502 Rural Housing Direct Loan Application through the United States Department of Agriculture (USDA).
  - iii. <u>Capacity Building Grants</u>. Up to \$300,000 may be awarded as capacity building grants, with up to \$50,000 of this amount of this amount reserved for Applicants to the USDA Section 502 Direct Loan Application Assistance activity. Capacity building program requirements and funding for each component are further outlined in Section 2 of this NOFA.
- c) For Applicants who provide evidence of areas of need regarding organizational capacity to complete Direct Housing Delivery and/or USDA Section 502 Direct Loan Application Assistance activities, the Program includes Organizational Capacity Assessment, Training, and Technical Assistance. Applicants participating in this activity will undergo an assessment to determine the capacity needs of the Applicant

and to outline and deliver actions and training needed to increase the Applicant's long-term capacity to provide affordable housing services in their community. The capacity assessment, training and technical assistance will be provided by a separately procured Technical Assistance Provider.

- d) Persons served by the proposed activities will be limited to those whose incomes do not exceed 80% of the Area Median Family Income (AMFI), as defined by the Department.
- e) Applicants are encouraged to familiarize themselves with all of the state rules that govern the Program and applicable federal guidelines. The availability and use of these funds are subject to the Texas Administrative Code, Title 10, Part 1, Chapter 51 ("Housing Trust Fund Rule") and Chapter 2306 of the Texas Government Code, in effect at the time an application is submitted.

# 2) Rural Housing Expansion Program Concept

In accordance with the Housing Trust Fund Plan, the Rural Housing Expansion Program was created based on significant public input and discussion. This model provides rural nonprofit organizations, municipalities and counties the capacity building, training, and funds needed to create affordable housing in their communities. The Program includes two eligible components for which an application may be submitted, along with assessment and technical assistance for Applicants who require it. Requirements of each component are noted in applicable sections of this NOFA.

# a) Direct Housing Delivery Component.

- i. A minimum of \$1,000,000 may be awarded in the form of zero-interest, deferred, repayable loans or grants, depending on the activity proposed, for the purpose of direct housing delivery, with the requirement that other financial resources be leveraged.
- ii. In addition, up to \$250,000 in capacity building funds may be made available for Applicants of this component, not to exceed \$50,000 per Administrator to fund predevelopment and development-related matters concerning the planning and development of affordable housing.
- iii. Applicants requesting Direct Housing Delivery funds must participate in the Organizational Capacity Assessment, Training, Technical Assistance and Housing Delivery activity of the Program as outlined in §2(c) of this NOFA.

# b) USDA Section 502 Direct Loan Application Assistance Component.

- i. A minimum of \$450,000 in funding may be awarded in the form of grants to eligible entities packaging and submitting Section 502 Rural Housing Direct Loans through the United States Department of Agriculture (USDA).
- ii. In addition, up to \$50,000 in capacity building funds may be made available to fund the training and technical assistance needs of Applicants of this component. Applicants who wish to develop capacity in this area must request capacity building funds at the time of Application and must participate in the Organizational Capacity Assessment, Training, Technical Assistance and Housing Delivery activity of the Program as outlined in §2(c) of this NOFA. Grants for

- capacity building activities under this component may not exceed \$5,000 per Administrator.
- iii. Funds are provided to offset the cost of packaging and submitting loans. Upon award, rural municipalities, rural counties, and nonprofit organizations will enter into an agreement with TDHCA that provides them access to funds reserved in the Department's Housing Contract System (HCS). For each loan submitted to USDA under the Section 502 direct loan program, the Applicant may reserve \$1,500 in the HCS.
- iv. Funds awarded under this component are intended to provide the means to secure Section 502 funding for Texas that, without these funds, may otherwise not be accessed. Rural entities that currently package and submit Section 502 loans will only be eligible to reserve funds after they have closed at least 50% of the number of the previous years' Section 502 Direct Loans closed.
- v. Applicants participating in this component of the Program are not required to participate in the Organizational Capacity Assessment, Training, Technical Assistance and Housing Delivery activities of the Program as outlined in §2(d) of this NOFA, but must participate in those activities if capacity building funds are awarded.

# c) Organizational Capacity Assessment, Training, and Technical Assistance.

- i. The Technical Assistance Provider will mentor the staff and officials of Applicants. The Technical Assistance Provider will strengthen the Applicant's ability to impact the production of affordable housing over the long term by ensuring the assessment, training, capacity building and technical assistance necessary for the Applicant to package and submit Section 502 Direct Loans and/or complete a single or multifamily affordable housing development.
- ii. Applicants requesting capacity building funds must participate in Organizational Capacity Assessment, Training, and Technical Assistance activities.

#### 3) Allocation of Funds

- a) In accordance with §2306.111 of the Texas Government Code, and as further outlined in the Plan, the funds being released under this NOFA are subject to the Regional Allocation Formula (RAF) as detailed in Table 1 and Table 2 below. The RAF will be applied based on the counties where housing will be provided.
- b) Funds for Direct Housing Activity and related Capacity Grants will be released through the RAF in the total amount of \$1,250,000 and awarded regionally as detailed in Table 1\*. Any remaining regional funds which have not been committed to a qualified application will collapse and be made available in rural areas statewide.

Table 1: Regional Allocation Formula- Direct Housing Delivery

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %
1	Lubbock	\$44,394	3.6%
2	Abilene	\$22,457	1.8%
3	Dallas/Fort Worth	\$288,660	23.1%
4	Tyler	\$55,693	4.5%
5	Beaumont	\$35,184	2.8%
6	Houston	\$248,108	19.8%
7	Austin/Round Rock	\$72,856	5.8%
8	Waco	\$56,044	4.5%
9	San Antonio	\$107,925	8.6%
10	Corpus Christi	\$44,222	3.5%
11	Brownsville/Harlingen	\$186,279	14.9%
12	San Angelo	\$29,692	2.4%
13	El Paso	\$58,486	4.7%
	Total	\$1,250,000	100.0%

<sup>\*</sup> Since urban regional funding is not applicable to the Rural Housing Expansion Program, all regional funding will be applied to the rural areas of the region.

c) Funds in the amount of \$500,000, for the Section 502 Loan Applications and related Capacity Grants, will be allocated based on the RAF, as detailed in Table 2\*, and reserved through the reservation system on a first-come, first-served basis within each region for the first sixty days that the reservation system is active. After that initial sixty days, the balance of funds not reserved within each region will collapse and be available on a first-come, first-served basis statewide until all funds have been exhausted, or December 31, 2010.

**Table 2: Regional Allocation Formula- USDA Section 502 Loan Applications** 

	Place for Geographical	Regional Funding	Regional Funding
Region	Reference	Amount	%
1	Lubbock	\$17,758	3.6%
2	Abilene	\$8,983	1.8%
3	Dallas/Fort Worth	\$115,463	23.1%
4	Tyler	\$22,277	4.5%
5	Beaumont	\$14,074	2.8%
6	Houston	\$99,243	19.8%
7	Austin/Round Rock	\$29,142	5.8%
8	Waco	\$22,418	4.5%
9	San Antonio	\$43,170	8.6%
10	Corpus Christi	\$17,689	3.5%
11	Brownsville/Harlingen	\$74,512	14.9%
12	San Angelo	\$11,877	2.4%
13	El Paso	\$23,394	4.7%
	Total	\$500,000	100.0%

\* Since urban regional funding is not applicable to the Rural Housing Expansion Program, all regional funding will be applied to the rural areas of the region.

# 4) Application Cycle

- a) Funds under this NOFA will be awarded through a Competitive Application Cycle. The Application Acceptance Period will open on **March 26, 2010**, and Applications will be accepted by the Department on regular business days until 5:00 p.m., Central Time, on **Friday, May 21, 2010**, regardless of method of delivery. Applicants are encouraged to review the Competitive Application process cited in 10 TAC 51, the Housing Trust Fund Rule and described herein.
- b) Applications that do not meet minimum threshold criteria will not be considered for funding. Note that regardless of date of submission, all applications are evaluated competitively against one another. Earlier submissions do not rate higher than applications received on the deadline.

# 5) Limitation on Funds

- a) **Direct Housing Delivery.** For Applicants requesting funds under this component, the maximum award amount may not exceed \$550,000 per Application. The level of funding is dependent upon the number of Applications awarded. Awards will include:
  - i. A Capacity Building Grant not to exceed \$50,000, which may be used to fund training and administrative costs for the Program as identified by the Department in consultation with the Technical Assistance Provider.
  - ii. Unawarded Capacity Building Grant funds will be combined with Direct Housing Delivery funds.
  - iii. Direct Housing Delivery funds of up to \$500,000 to be used for direct project costs and soft costs. No administrative costs are to be paid with Direct Housing Delivery funds.
- b) **USDA Section 502 Direct Loan Application Assistance**. For Applicants requesting funds under this component, awards will include access to the reservation system. The level of funding is dependent upon the number of Applications accessing the funds.
  - i. A maximum of ten (10) Households (\$15,000) may be reserved in the Department's Housing Contract System at one time. A new reservation may only be entered once an existing reservation is funded or expires.
  - ii. Capacity building funds may be made available to fund the training and technical assistance needs of Applicants of this component. Grants for capacity building activities under this component may not exceed \$5,000 per Administrator.
- c) Use of Capacity Building Grant funds is limited to funding for activities approved by the Department in consultation with the Technical Assistance Provider.
- d) Program funds must be leveraged. This requirement may be met through the USDA Section 502 Direct LoanFunds Application Assistance component; or if applying under §5(a) of this NOFA, other federal resources such as the Department's HOME funds may be leveraged.

e) The Department reserves the right to make a recommendation for partial funding for any Application for one or more of the requested components and may reduced requested amounts based on evaluation of application materials, including capacity and budget.. In the event of a tie between two or more Applicants, the Department will determine which Application will receive a recommendation for funding or the Department may make a recommendation for partial funding to Applicants.

### 6) Activity and Applicant Eligibility

- a) Eligible activities include the new construction or acquisition and/or rehabilitation of affordable single and small multifamily housing developments, reimbursement of direct costs of packaging and submitting 502 Direct Loan Applications, and associated capacity building activities. All multifamily housing development activities are limited to no more than 19 units.
- b) Eligible Applicants are Rural Municipalities and Counties, Nonprofit Organizations that serve rural communities, or consortia of several such Municipalities, Counties and/or Nonprofit Organizations. Nonprofit Applicants must include a *Certificate of Account Status* from the Texas Comptroller of Public Accounts indicating good standing and a current copy of the IRS tax exemption ruling letter.
- c) For the purposes of this NOFA, a Rural Municipality or County is defined as one that is classified as a rural county by USDA for purposes of the rural housing loan programs authorized by the Housing Act of 1949 (USC Section 1471); or cities with populations less than 50,000, and counties that have a non-metropolitan population under 200,000.
- d) Applicants may be ineligible for funding if they meet any of the criteria listed in 10 TAC §51.8(d). In addition, the following conditions will cause an Applicant, and any Applications they have submitted, to be ineligible:
  - i. The Applicant, Development Owner, or Developer is an Administrator of any active Contract in any Community Affairs Division funded program for which the Department has placed the funds on "reimbursement only" status due to failure to meet contractual obligations and the "reimbursement only" status remains as of the application submission date.
  - ii. The Applicant, Development Owner, or Developer is an Administrator of any previously funded Contract for the same Housing Trust Fund activity and is not currently meeting all current contract benchmarks and requirements unless the Applicant, Development Owner, or Developer has received a waiver of this requirement from the Executive Director.
  - iii. Should an Applicant or Application be determined ineligible for funding in accordance with this section or the Housing Trust Fund Rule, the Application will be terminated without be processed as a deficiency. Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

e) Per 10 TAC §1.3(b), 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. This is a threshold requirement, therefore, Applications that have outstanding past audits will be disqualified. Staff will not recommend Applications for funding to the Department's Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).

#### 7) Prohibited Activities.

Pursuant to §2306.203(4) of the Texas Government Code, Housing Trust Funds shall not be utilized on a development that has the effect of permanently and involuntarily displacing low income persons and families. Low-Income persons who may be temporarily displaced by the rehabilitation of affordable housing may be eligible for compensation of moving and relocation expenses. If a Housing Trust Fund recipient violates the permanent dislocation provision of this subsection, that recipient risks loss of Housing Trust Funds and the landlord/developer will be required to pay the affected tenant's costs and all moving expenses.

### 8) Direct Housing Delivery Program Requirements

- a) Applications that include the new construction, acquisition and/or rehabilitation of multifamily housing as a proposed activity will be required to submit the Department's Multifamily Uniform Application and all applicable attachments, including third party reports, at the onset of the Direct Housing Delivery component of the Program. The Multifamily Uniform Application will be reviewed subject to the Department's underwriting guidelines at 10 TAC §1.32.
- b) Activities that include the sale of single family affordable housing, such as first-time homebuyer programs, must include homebuyer education as a component of the activity. Applicants proposing such an activity are encouraged to apply to the Department's Homebuyer Assistance Program administered by the HOME Program Division.
- c) For Households located in those counties where the AMFI is lower than the state median family income, awarded organizations may use the state median family income, adjusted for Household size, as defined by the U.S. Department of Housing and Urban Development (HUD) and provided by the Department, to determine income eligibility. Note that this allowance is applicable only for applications submitted for programs administered by the Department and may not apply to applications to other funding sources.
- d) Proposed activities including single or multifamily rental must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in 10 TAC §1.37.
- e) If an Application is submitted to the Department for a housing activity that requests funds from separate housing finance programs administered by the Department, the

Applicant is responsible for adhering to the deadlines and requirements of each program.

### f) Affordability Requirements

- i. Pursuant to §2306.203(6) of the Texas Government Code, Applicants proposing the new construction or acquisition and/or rehabilitation of multifamily housing will be required to guarantee the Development will remain affordable to income qualified families or individuals for a period of twenty (20) years.
- ii. Properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

# 9) Direct Housing Delivery Construction Standards and Requirements

- a) New Construction and Rehabilitation funded by the Program must meet all applicable state and local housing quality standards and code requirements, including the International Residential Code, pursuant to Section 214.212 of the Local Government Code.
- b) All work carried out with the assistance of HTF funds must also meet the Texas Minimum Construction Standards (TMCS) for single family units, or HUD's Uniform Physical Conditions Standards (UPCS) for multifamily units.
- c) Awarded organizations must provide building construction contractor oversight and ensure that builder's risk coverage is provided.
- d) Awarded organizations must ensure that all forms required by the Department are submitted during and upon completion of construction-related activities, as applicable.
- e) A retainage of 10% shall be withheld by the Contract Administrator from each construction contractor's interim draw request, to be released no sooner than the thirty-first day following the filing and recording of the *Final Bills Paid Affidavit (Form 911.08)* by the construction contractor.
- **10) Direct Housing Delivery Application Threshold Requirements.** The following threshold criteria are mandatory requirements at the time of Application submission and will be included in the written agreement should funds be awarded. Applications that do not meet minimum threshold criteria will not be considered for funding.
  - a) **Tax Exempt Status.** Applications from Nonprofits must include a Certificate of Account Status from the Texas Comptroller of Public Accounts indicating good standing, and a current copy of the IRS tax exemption ruling letter, as required by §6(b) of this NOFA.

- b) **Resolution**. All Applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date, from the Applicant's direct governing body (Board, Council or Commission) which includes:
  - i. Authorization of the submission of the Application;
  - ii. Name and title of the person assigned signature authority and authorized to execute a contract on behalf of the organization; and, if applicable
  - iii. If Applicant is a Nonprofit Organization that offers expanded services such as childcare, nutrition programs, job training assistance, or health services and would like the application fee waived pursuant to Section 2306.147(b) of the Texas Government Code, this must be stated in the resolution and services must be described.
- c) Organizational Capacity Self-Assessment. Provide a description of the Applicant's organizational capacity and readiness, including its history, mission, governance policies, business plan and financial management systems. The description must include a summary of the Applicant's interest, mission and goals as it relates to expanding into affordable housing delivery. This self-assessment will be used in part as the basis for the capacity building and technical assistance assessment for the Technical Assistance Provider.
- d) **Program Design**. Applicants must complete a detailed Program Design, describing the design to be used to implement the Program using the format detailed in the Application and forms provided by the Department. Sections of the program design will include information such as, but not limited to the following:
  - i. Evidence of Need. Specific to the purpose of this NOFA, the Applicant will provide currently available and quantified data documenting the need for the affordable housing in the community to be served and for the proposed housing activity, including a description of the population to be served, as evidenced by a current housing needs survey. If the survey is older than 24 months, it must be accompanied by an update from the survey preparer either confirming or amending the findings of the survey. Absent a housing needs survey, the Applicant may submit a waiting list of identified clients and income levels to be served.
  - ii. <u>Local Resources</u>. The Applicant must describe local resources, such as partnering organizations that will assist with the marketing and implementation of the program, funding partners that will be leveraged by the Housing Trust Fund grant. If funded, those partners will be required to provide evidence in the form of a written agreement, such as a memorandum of understanding, contract or resolution.
  - iii. Construction Costs per Unit and Budget. Two budgets shall be provided. The operating budget shall reflect the existing operating budget of the Applicant and evidence how Capacity Grant funds are anticipated to be integrated into the budget. The Direct Housing budget shall be based on the activity proposed in the Program Design. The budget must include the anticipated project cost as

- evidenced by generally accepted cost estimation guidelines such as those included in RS Means Building Construction Cost Data.
- iv. Fair Housing and Affirmative Marketing Plan. In accordance with Section 2306.257, Texas Government Code, Applicants must describe their plan to carry out an affirmative marketing program to attract prospective program applicants regardless of race, color, religion, sex, disability, familial status or national origin. The affirmative marketing program should also assure that any group(s) of Persons least likely to apply for the housing without special outreach efforts, know about the Development, feel welcome to apply, are assisted in applying, and have the opportunity to do so. In addition to the specific advertising activities, Applicants must describe proposed staff training on responding to fair housing concerns and how they will document results of actions taken.
- v. <u>Program Implementation and Compliance</u>. The Applicant will describe the plan for implementing the HTF Rural Housing Expansion Program and ensuring compliance. This includes a description of processes and plans to ensure the organization meets contractual requirements for this NOFA, such as affirmative marketing, application intake, applicant eligibility, conflict of interest, procurement, construction quality and inspection, accounting using Generally Accepted Accounting Principles (GAAP), audits and recordkeeping. If proposed housing activity includes single or multifamily rental, Applicant must provide a plan for long-term management. Resumes of current staff or job descriptions for unfilled positions must be provided. It is anticipated that this plan will be updated and expanded on upon award with the collaboration of the Technical Assistance Provider.
- 11) Direct Housing Delivery Competitive Scoring Criteria. In addition to the Threshold Requirements, Applications will be scored according to the following criteria. A maximum of 62 points is available. A Minimum of 20 points is required to be considered for competitive evaluation.
  - a) **Affordable Housing Needs Score.** Points range from one to seven, as published by the Department. <a href="http://www.tdhca.state.tx.us/housing-center/pubs.htm#ahns">http://www.tdhca.state.tx.us/housing-center/pubs.htm#ahns</a>

(Maximum 7 points)

b) **Income Targeting**. In order to meet its annual goal of assisting very low to extremely low income families, the Department provides point incentives for Applicants that assist households with very low and extremely low incomes. **Table 3** will be used to determine income targeting requirements and associated points, as follows: (**Maximum 20 points**)

**Table 3 - Point Incentives for Income Targeting** 

Income Target	Points
50% of units $\leq$ 60% AMFI	5
80% of units $\leq$ 60% AMFI	10
80% of units $\leq$ 50% AMFI	15

Income Target	Points
50% of units $\leq$ 30% AMFI	20

c) **Population Level.** Applicants may earn points for serving smaller rural areas. **Table 4** will be used to determine population level requirements and associated points, as follows: (**Maximum 10 points**)

**Table 4 – Points for Serving Smaller Rural Areas** 

Population of Service Area	Points
City/Place <50,000 or County <200,000	3
City/Place <30,000 or County <120,000	5
City/Place <20,000 or County <80,000	8
City/Place <10,000 or County <40,000	10

d) Leveraging of Other Project Funds. Pursuant to §2306.203(3)(A) of the Texas Government Code, the criteria used to evaluate Applications will include the extent to which the project will leverage state funds with other resources, including federal resources and private sector funds. No points can be earned for less than a 1:1 leverage. Other sources must be clearly substantiated. Table 5 will be used to determine percentage of funds leveraged and associated points, as follows: (Maximum 15 points)

Table 5 – Points for Leveraging Other Project Funds

Tuble of Tomes for Developing officer	I I ojece I amas
HTF \$: Leveraged \$	Points
\$1 Leveraged for each \$1 of HTF Funds	5
\$3 Leveraged for each \$1 of HTF Funds	10
\$5 Leveraged for each \$1 of HTF Funds	15

e) **Regional Service Area.** In order to encourage broad-based development cooperation, points may be earned by Nonprofit Organizations with broad, multi-county service areas, or cooperating Rural Communities or Counties that are regional in scope, i.e. multi-county or multi-community. Evidence of the regional nature of the Applicant must be submitted with the Application. (10 Points)

#### 12) USDA 502 Direct Capacity Building Program Requirements

- a) If a Household qualifies under the USDA AMFI requirements, then that Household is determined to have met TDHCA standards for AMFI.
- b) If an Application is submitted to the Department for a housing activity that requests funds from separate housing finance programs administered by the Department, the

- Applicant is responsible for adhering to the deadlines and requirements of each program.
- c) Use of funds is limited to direct costs related to packaging, submitting and closing 502 Direct Loans. \$1500 per closed USDA 502 Direct Loan (Household) will be provided in the form of a grant.
- d) Program funds must be leveraged. For this component of the Program, this requirement must be met through the application for USDA Section 502 Direct loans.
- e) Participation Agreement Required. USDA Section 502 Direct Loan Application Assistance activities funded under this Program will be governed by a written participation agreement that identifies the terms and conditions related to the awarded funds.

#### 13) USDA 502 Direct Capacity Building Application Threshold Requirements

- a) **Tax Exempt Status.** Applications from Nonprofits must include a Certificate of Account Status from the Texas Comptroller of Public Accounts indicating good standing, and a current copy of the IRS tax exemption ruling letter, as required by §6(a) of this NOFA.
- b) **Resolution**. All Applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date, from the Applicant's direct governing body (Board, Council or Commission) which includes:
  - i. Authorization of the submission of the Application;
  - ii. Name and title of the person assigned signature authority and authorized to execute a contract on behalf of the organization; and, if applicable
  - iii. If Applicant is a Nonprofit Organization that offers expanded services such as childcare, nutrition programs, job training assistance, or health services and would like the application fee waived pursuant to Section 2306.147(b) of the Texas Government Code, this must be stated in the resolution and services must be described in the Program Design required in §10(c)(i) of this NOFA.
- c) Organizational Capacity Self-Assessment. Provide a description of the Applicant's organizational capacity and readiness, including its history, mission, governance policies, business plan and financial management systems. The description must include a summary of the Applicant's interest, mission and goals as it relates to expanding into affordable housing delivery. This self-assessment will be used in part as the basis for the capacity building and technical assistance assessment for the Technical Assistance Provider.
- d) **Evidence of Previous Activity**. Applicants must submit documentation evidencing the total number of USDA 502 loans closed during the previous fiscal year of the Applicant. This documentation will be used to determine the point at which the Applicant may begin accessing funds under this component of the Program.

- **14) USDA 502 Direct Capacity Building Competitive Scoring Criteria**. In addition to the Threshold Requirements, Applications will be scored according to the competitive scoring criteria. A maximum of 62 points is available. A Minimum threshold of 25 points is required to be awarded for access to the reservation system:
  - a) **Affordable Housing Needs Score.** Points range from zero to seven, as published by the Department. <a href="http://www.tdhca.state.tx.us/housing-center/pubs.htm#ahns">http://www.tdhca.state.tx.us/housing-center/pubs.htm#ahns</a>

(Maximum 7 points)

b) **Population Level.** Applicants may earn points for serving smaller rural areas. **Table 6** will be used to determine population level requirements and associated points, as follows: (**Maximum 10 points**)

**Table 6 – Points for Serving Smaller Rural Areas** 

Population of Service Area	Points
City/Place <50,000 or County <200,000	3
City/Place <30,000 or County <120,000	5
City/Place <20,000 or County <80,000	8
City/Place <10,000 or County <40,000	10

c) Leveraging of Other Project Funds. Pursuant to §2306.203(3)(A) of the Texas Government Code, the criteria used to evaluate Applications will include the extent to which the project will leverage state funds with other resources, including federal resources and private sector funds. No points can be earned for less than a 1:1 leverage. Other sources must be clearly substantiated. Table 7 will be used to determine percentage of funds leveraged and associated points, as follows: (Maximum 15 points)

**Table 7– Points for Leveraging Other Project Funds** 

HTF \$: Leveraged \$	Points
\$1 Leveraged for each \$1 of HTF Funds	5
\$3 Leveraged for each \$1 of HTF Funds	10
\$5 Leveraged for each \$1 of HTF Funds	15

d) **Regional Service Area.** In order to encourage broad-based development cooperation, points may be earned by Nonprofit Organizations with broad, multi-county service areas, or cooperating Rural Communities or Counties that are regional in scope, i.e. multi-county or multi-community. Evidence of the regional nature of the Applicant must be submitted with the Application. (10 Points)

### 15) Application Procedures and Review Process

a) The Department will publish on its website an Application and Application Guide that, if completed and submitted properly, would satisfy the requirements for requesting funds available through this NOFA. Applications received by the Department in response to a Competitive Application Cycle will be handled in the following manner:

- i. All Applications must be received during business hours (8:00 a.m. to 5:00 p.m. Central Time) on business days (Monday through Friday).
- ii. Applications submitted and accepted by the Department will be reviewed for eligibility, threshold and scoring criteria, and all Application requirements. The Department will ensure review of materials required under the NOFA and Application Materials.
- iii. The Department will issue a notice of any Administrative Deficiencies, defined in 10 TAC §51.2(1), upon review.
- iv. If Administrative Deficiencies are not cured to the satisfaction of the Department within five (5) business days of the deficiency notice date, then five (5) points shall be deducted from the Application score for each additional day the Administrative Deficiency remains unresolved. If Administrative Deficiencies are not clarified or corrected within seven (7) business days from the deficiency notice date, then the Application shall be terminated.
- v. Upon completion of review and no unresolved Administrative Deficiencies, the Application will be reviewed for recommendation to the Board by the Committee.
- b) Administrative Deficiencies. An Administrative Deficiency is a deficiency or inconsistency, which in the Department's reasonable judgment, may be cured by supplemental information or explanation which will not necessitate a substantial reassessment or re-evaluation of the Application. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies including threshold and/or scoring criteria documentation and/or financial feasibility analysis. The Department staff may request clarification or correction in a deficiency notice in the form of an email and/or a telephone call to the Applicant advising that such a request has been transmitted. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. An Applicant may not change or supplement any part of an Application in any manner after submission to the Department, increase their award amount, or revise their mix of income levels, except in response to a direct request to remedy an Administrative Deficiency as further described in this title or by amendment of an Application after a commitment or allocation of Housing Trust Funds.
- c) The Department may decline to fund any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.

#### 16) Adherence to Obligations

a) All representations, undertakings and commitments made by an Applicant in the Application process for a proposed activity, whether with respect to threshold or scoring criteria, program design or otherwise, shall be deemed to be a condition to the

Contract, the violation of which shall be cause for cancellation of such Contract by the Department. Eligible Applicants that have been approved for funding and that require a material change in the project as described in the Application must provide a written request for the material change to the Department prior to implementing the change.

- b) A material change may include, but is not limited to, the following:
  - i. Change in eligible activities;
  - ii. Change in service area;
  - iii. Change in the maximum amount of assistance per Household;
  - iv. Change in the number of units or set asides;
  - v. An increase in funding that is not permitted in the Housing Trust Fund Rule.
- c) Failure to operate the proposed activity as represented in the Application without receiving approval for an amendment to the Application by the Department prior to implementation of such amendment may result in cancellation of the Contract, deobligation of funds, and/or disallowed costs.

# 17) Contract Administration Requirements for All Activities

- a) The following Contract administration requirements may be imposed for administration of the proposed Activity under this NOFA.
  - i. Contract Required. All other activities funded under this Program will be governed by a written Contract that identifies the terms and conditions related to the awarded funds. The Contract will not be effective until executed by all parties to the Contract and will be subject to the Housing Trust Fund Rule (10 TAC §51) in effect at the time the Contract is executed. Any amendments must be in writing and are subject to the requirements of the Rule in effect at the time of submission to the Department.
  - ii. <u>Contact Information</u>. In accordance with 10 TAC §1.22, the Contract Administrator must make available the updated contact information, including the direct phone number, email address, mailing address and fax number, for the awarded organization or entity and Contract signatory on file at the Department.
- b) In addition to the requirements outlined in the Contract, Administrators may be required to meet the following requirements:
  - i. General Requirements.
    - A) Administrators must use the forms provided on the Department's website and comply with the Department's procedural and documentation requirements as outlined in this NOFA, the Application, and the Application Guide.
    - B) Administrators must ensure that all Contracts and forms are executed by all parties authorized and required to sign.
    - C) All training required by the Department must be completed by the persons identified as the Administrators of the Contract. At a minimum, participants shall include all persons who perform or may perform the duties of submitting or approving draws and/or setups.
    - D) Administrators must ensure that all Department Housing Contract System access requirements are met.

- E) Administrators may not retain any income generated through the operation of any Housing Trust Fund program or activity. Any income that is generated through the operation of any Housing Trust Fund program or activity must be submitted within ten (10) days of its receipt to the Department.
- F) Administrators must ensure compliance with applicable audit certification requirements.
- ii. <u>Recordkeeping</u>. Administrators must develop and comply with Generally Accepted Accounting Practices (GAAP) as well as all reporting, filing, and documentation procedures required by 10 TAC §1.60 Subchapter A.
- c) Submission of documentation for project setups and disbursement requests.

  The Administrator must identify individuals to submit and approve draws and setups in the Housing Contract System using the Contract System Access Request Form.
  - i. Required documentation must be submitted electronically through the Housing Contract System in order to proceed unless otherwise pre-approved by the Department.
  - ii. The Administrator must ensure that all support documentation for project setups and disbursement requests is received by the Department within thirty (30) days of entering the setup or disbursement request in the Housing Contract System.
  - iii. The Administrator must submit all Project setups and support documentation for Households to be assisted no later than ninety (90) days prior to the Contract end date. In the event that a loan closing is required for single family Rehabilitation, all Project setups and support documentation must be submitted no later than one hundred eighty (180) days prior to the Contract end date.
  - iv. The Administrator must submit required documentation for Project completion reports and *Final Inspection Certification (Form 911.03)* by no later than sixty (60) days from the Contract end date.

# 18) Additional Contract Administration Requirements for Direct Housing Delivery Program

- a) Loan Agreement Required. Direct Housing Delivery activities funded under this Program will be governed by a written Loan agreement that identifies the terms and conditions related to the awarded funds. Once awarded, release of Direct Housing Delivery funds will require a loan agreement between the Department and the Applicant.
- b) All Housing Trust Fund-assisted Households must be determined to be eligible according to the income qualification guidelines and be consistent with the income targeting commitment described in this NOFA.
- c) Awarded Organizations must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
- d) Administrators must develop and comply with written procurement selection criteria. Administrators may procure consultants, if applicable. Consultants may not participate in or direct any part of the process for procuring consultants.

- e) **Affirmative marketing procedures**. Administrators must develop and comply with written affirmative marketing procedures, which may be further defined in the Application and Application Guide.
  - i. The procedures and requirements shall be prepared in accordance with the Housing Trust Fund NOFA and as further required by the Department.
  - ii. Procedures must include the designation of an individual who will be responsible for marketing the program, establishing a clear Application screening plan, and maintaining documentation and records that evidence affirmative marketing procedures have been implemented.

# f) Application intake.

- i. To ensure compliance with the Texas Comptroller of Public Accounts requirements, Administrators are required to ensure the applicant Household does not owe a debt to the State of Texas including tax liens, child support liens, student loans, or other government loan delinquencies.
- ii. In accordance with the Housing Trust Fund Rule, Administrators must ensure that no conflict of interest exists between Households to be assisted and Persons designated to receive or assist with the application intake process.
- iii. Administrators must document and verify all income and asset eligibility requirements for the Household to be assisted.
- g) **Applicant selection criteria.** Administrators must develop and comply with written applicant intake and selection criteria to ensure program eligibility, which must include, but is not limited to:
  - i. Income eligibility;
  - ii. Assisted Households must be located within the Administrator's Service Area, as defined by the Contract; and
  - iii. Property must be free of tax liens.
  - iv. Additionally, Administrators must notify each applicant Household in writing of either acceptance or denial of assistance

#### 19) Amendments

- a) Amendment requests to be approved by the Executive Director are allowable under the following circumstances:
  - i. <u>Time extensions</u>. The Executive Director may collectively provide up to one six month extension to the end date of any Contract. Any additional time extension granted by the Executive Director shall include a statement by the Executive Director relating to unusual, non-foreseeable or extenuating circumstances. If the extension is longer than six months and the Executive Director determines that a statement related to unusual, non-foreseeable, or extenuating circumstances cannot be issued, it will be presented to the Board for approval, approval with modifications, or denial of the requested extension.
  - ii. <u>Changes in Area Median Family Income (AMFI) levels</u>. The Executive Director may grant approval of a modification or amendment to the AMFI levels of the Households to be served under the Contract, if Administrator provides a statement

- relating to unusual, non-foreseeable or extenuating circumstances that warrant such a request to be granted and the Executive Director determines that the request does not violate Department rules. In the case that the Executive Director determines that the request is not warranted and/ or violates Department rules, the request will be presented to the Board for approval.
- iii. Changes to Services Area. The Executive Director may grant approval of the modification or amendment to the Service Area being served under the Contract, if Administrator provides a statement relating to unusual, non-foreseeable or extenuating circumstances that warrant such a request to be granted and the Executive Director determines that the request does not violate Department rules. In the case that the Executive Director determines that the request is not warranted and/or violates Department rules, the request will be presented to the Board for approval.
- iv. Changes in number of Households to be served. The Executive Director may grant approval of the modification or amendment to the reduction in the number of the Households to be served under the Contract, if Administrator provides a statement relating to unusual, non-foreseeable or extenuating circumstances that warrant such request to be granted and the Executive Director determines that such request does not violate Department rules. In the case the Executive Director determines that such request is not warranted and/or violates Department rules, the request will be presented to the Board for approval.
- v. <u>Increase in funds</u>. In the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25 percent of the original award or \$50,000, whichever is greater. Modifications and/or amendments that increase the dollar amount by more than 25 percent 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.
- b) All amendment requests must be accompanied by documentation justifying the amendment.
  - i. Administrator must ensure they are in compliance with all monitoring and auditing requirements for all programs administered by the Department prior to submission of the amendment request unless the request is regarding a monitoring or audit issue.
  - ii. The authorized signatory must sign and submit a written amendment request.
  - iii. The amendment request must include the following at a minimum:
    - A) A written request for the specified change to the HTF Contract, signed by the organization's executive director and/or Person with authorized signature authority;
    - B) Clear explanation and justification for the request;
    - C) Description of extenuating, unusual, and non-foreseeable circumstances and/or explanation of compelling reasons for necessity of request;
    - D) "Pipeline" report indicating number (and names, if known) of Households awaiting assistance or anticipated to be assisted;

- E) A schedule of completion from the building contractor (if applicable); and.
- F) A schedule indicating percentage of completion for construction currently underway (if applicable) and how Contract deliverables will be achieved.
- c) The Department shall have the sole discretion to determine whether the amendment is justified, subject to appeal under 10 TAC §1.7.
- d) If the Administrator fails to meet a benchmark requirement and does not seek, or is not granted, an extension of a benchmark, the awarded funds related to the lack of performance may be entirely or partially deobligated at the Department's sole discretion.
- e) **Additional Funds**. In the event the Department receives additional funds, the Department, with Board approval, may elect to distribute funds to other Administrators.
- f) Accounting Requirements. Within 60 days following the conclusion of a Contract issued by the Department the recipient shall provide a full accounting of funds expended under the terms of the Contract. Failure of a recipient to provide full accounting of funds expended under the terms of the Contract shall be sufficient reason to terminate the Contract and for the Department to deny any future Contract to the recipient.

# **20)** Deobligation of Housing Trust Funds

- a) When the Department and the Applicant execute a Contract, the Department will obligate funds to cover the amount of the approved award. The Department may deobligate all or a portion of the awarded amount if such amount is not expended in a timely manner, the activity(ies) proposed in the Application are not provided in accordance with the approved Application, or in the event of any one or more of the following circumstances:
  - i. Department has notified Administrator of any outstanding compliance matter(s) and the Administrator has failed to either resolve the matter(s) or take sufficient action to correct the matter(s);
  - ii. Department has notified Administrator that they have failed to meet required timelines and/or benchmarks, including expenditure of funds, per the Contract and Administrator has not sufficiently corrected the deficiency;
  - iii. The Department provides notice of default to Administrator on any Contract by and between Administrator and Department and the default has not been cured within the required time frame;
  - iv. Applicant materially misrepresents facts to the Department during an Application process, award of Contract, request for amendment, or administration of any Contract;
  - v. Department has notified Administrator of Administrator's inability to provide adequate financial support to administer the Contract as called for in the Agreement or meet any other material conditions and the Administrator has failed to sufficiently correct the matter;

- vi. Department has notified Administrator of Administrator's inadequate or insufficient management controls and the Administrator has failed to sufficiently correct the matter;
- vii. Administrator declines funds;
- viii.Administrator fails to expend all funds awarded and voluntarily releases the funds;
- ix. The Department receives program income and elects to use those funds in lieu of awarded Contract funds; or
- x. Other circumstances approved by the Board as warranting deobligation.
- b) The Department shall have the sole discretion to determine whether sufficient progress or correction has been made under §16(a) and the sole discretion to determine what constitutes materiality in subsection §16(a), subject to appeal under 10 TAC §1.7.
- c) The Department shall not take any action resulting in deobligated funds until an appeal, as provided for under 10 TAC §1.7, has been completed. The Department may suspend reimbursement of funds during the appeal. If an appeal has not been requested, the Department may take action as allowed under this policy.

# 21) Appeals and Dispute Resolutions

- a) It is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009 of the Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154 of the Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator.
- b) For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at TAC, Title 10, Part 1, Chapter 1, Subchapter A, Rule §1.17 and TGC, Chapter 2306.082.
- c) An Applicant may appeal decisions made by staff in accordance with TAC, Title 10, Part 1, Chapter 1, Subchapter A, Rule §1.17.

# 22) Application Workshop

The Department will present an Application workshop which will provide an overview of the Rural Housing Expansion Program Activities eligible under this NOFA, Application submission requirements and evaluation criteria, and applicable state program requirements. The Application workshop schedule and registration information will be

posted on the HTF page of the Department's website at http://www.tdhca.state.tx.us/htf/index.htm.

# 23) Application Submission

- a) All Applications submitted under this NOFA must be received on or before 5:00 p.m., Central Time, on <u>Friday, May 21, 2010</u>, regardless of method of delivery.
- b) The Department will accept Applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays, from the date this NOFA is published in the *Texas Register* until the application submission deadline. Question regarding this NOFA should be addressed to:

Texas Department of Housing & Community Affairs **Housing Trust Fund Program Division**221 E. 11<sup>th</sup> Street

Austin, Texas 78701 Telephone: (512) 936-7799 E-mail: HTF@tdhca.state.tx.us

- c) Applications must be submitted providing all documentation as described in this NOFA and Application Guide, which will be available on the HTF page of the Department's website.
  - i. All Applicants must submit one (1) complete printed HTF Application and printed Application Receipt with original signatures as required.
  - ii. In addition, all Applicants must submit an electronic copy of the following items, as further detailed in the Application Guide:
    - A. The complete signed HTF Application and Application Receipt;
    - B. Board Resolution:
    - C. Program Design including all associated and/or supplemental materials; and
    - D. Any other supplemental material as required by the Department or described in the Application Guide.
  - iii. Electronic copies of materials must be scanned and saved to compact disc (CD-ROM or DVD-ROM) as detailed in the Application Guide. **Documents containing personal information such as social security numbers or personal financial statements must be included separately from all other Application documents.**
  - iv. If assistance is needed in the preparation of this step, based on limited capacity, the Department will provide assistance.
- d) All Application materials including manuals, NOFA, program guidelines, and all applicable HTF Rules, will be available on the HTF page of the Department's website at <a href="http://www.tdhca.state.tx.us/htf/index.htm">http://www.tdhca.state.tx.us/htf/index.htm</a>. Applications will be required to adhere to the Housing Trust Fund Program Rule and threshold requirements established in this NOFA. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

- e) 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. Payment must be in the form of a check, cashier's check or money order. Do not send cash. The Application fee is not an allowable or reimbursable cost under the Rural Housing Expansion Program.
- f) Section 2306.147(b) of the Texas Government Code requires the Department to waive 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 and a description of their supportive services in lieu of the Application fee.
- g) Applications may only be submitted to the Department during the Application Acceptance Period.
- h) Applications may be hand-delivered to the Department or sent via overnight delivery to:

Texas Department of Housing & Community Affairs **Housing Trust Fund Program Division**221 East 11<sup>th</sup> Street

Austin, TX 78701-2410

or sent via the U.S. Postal Service to:

Texas Department of Housing & Community Affairs **Housing Trust Fund Program Division**Post Office Box 13941

Austin, TX 78711-3941

**NOTE:** This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular Housing Trust Fund Program. For proper completion of the Application, the Department strongly encourages potential Applicants to review all applicable regulations.

# NEIGHBORHOOD STABILIZATION PROGRAM BOARD ACTION REQUEST

March 11, 2010

#### **Recommended Action**

Approve the Issuance of the Reallocation Notice of Funds Availability (NOFA) for the Neighborhood Stabilization Program (NSP-R).

**RESOLVED,** that the Executive Director, his designees, and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department to cause to be published a Reallocation Notice of Funds Availability for the Neighborhood Stabilization Program in the form presented to this meeting with such grammatical and technical edits thereto, consistent with the manner in which this matter was presented to this meeting as they or any of them may deem necessary or advisable to effectuate the foregoing.

#### **Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

In July of 2009, the TDHCA Governing Board made 61 NSP contract awards totaling \$96,897,006 resulting in 49 subrecipients (some subrecipients received awards to conduct work in multiple counties under separate contracts). Administrative efforts to date have resulted in \$78,543,796 of NSP funds under contract with subrecipients and \$13,961,650 in NSP funds pending contract execution or amendments to increase original awards. \$4,391,560 has been recaptured from the original awards – this funding is the base amount to be reallocated under this NOFA. Recaptures include funds returned voluntarily by recipients and funds deobligated from one multifamily project that was unable to fully budget all awarded funds due underwriting concerns (project was unable to cash flow exclusively with NSP loans and required leveraged grant funding to be viable).

In addition to the funding that has already been recaptured, additional funds are expected to be recaptured by the State in the near future. Interpretation of the designation by the US Congress of NSP funds as "emergency" funds, has led the US Department of Housing and Urban Development (HUD) to establish an 18-Month Obligation Threshold. This threshold may be modified by HUD or Congress before it is enforced on September 3, 2010 for the State of Texas. However, in anticipation of full enforcement of the threshold, TDHCA placed strict obligation requirements in the contracts with subrecipients and created NSP Rules to authorize the recapture and reallocation of these funds in advance of the 18-Month Obligation Threshold. In July of 2009, the Board approved a methodology for increasing existing awards through the amendment process; however, this methodology was intended to be limited. The current and anticipated need for a recapture and reallocation methodology outstrips the capacity of existing awards to request and accept funding increases. This Reallocation NOFA (NSP-R) will serve as the method for the redistribution of these recaptured funds.

The original Substantial Amendment to the Action Plan describes that the Department will set aside funds for and accept applications from communities in 101 counties that have been identified as having the greatest need (based on the modified version of HUD's formula and/or the TDHCA updated data.) Since that time HUD released additional data relating to greatest need for the distribution of NSP2 funding. As

the factors for determining the precise areas of greatest need continue to evolve, this NSP-R will make funds available state-wide to cities, counties and nonprofit organizations that can demonstrate "greatest need" in an application. Greatest need as defined in the Substantial Amendment and later reevaluated through the NSP2 census tract needs score will serve as a baseline for evaluating applications. Applicants will also be required to prove they have the capacity to administer the amount of funds requested. Applications will be evaluated on a first-come, first-served basis.

The Reallocation NOFA is substantially the same as the original NOFA with a few exceptions designed to address priority changes and thereby expedite the obligation of funds in order to avoid returning unobligated funds to HUD. Due to the expedited nature of NSP-R, a funding priority will be given to proposals demonstrating readiness to proceed.

While land banking was an activity not strongly encouraged in the first NOFA, NSP staff believes that sufficient HUD guidance and controls are now in place to encourage land banking where it is an appropriate tool to stabilize neighborhoods. Previously, land banking was a zero percent interest acquisition loan to be repaid when the property was put into an end eligible use with third party redevelopment funds. The benefit of avoiding interest payments over a number of years was a sufficient offer to many NSP1 subrecipients; however, this did little to ensure the long-term affordability of our investment in the land. The NSP Reallocation NOFA proposes to allow homebuyer assistance to be utilized in coordination with the redevelopment of the land-banked property. This will allow up to \$30,000 of the loan to be used to acquire the property to be converted (depending upon the need demonstrated by the homebuyer) to a deferred forgivable loan with a corresponding affordability period.

In the original NOFA, single-family home ownership was promoted to a greater degree than rental housing. Current economic factors indicate a trend towards the necessary role of rental housing in the overall stabilization of housing markets that had artificially created an overabundance of homeownership. Currently, single and multi-family rental in the Texas NSP for households at or below 50% Area Median Income (AMI) is financed with a zero percent interest loan for 30 years. In many markets this has proven to be a sufficient strategy for neighborhood stabilization. However, as homebuyer assistance is not available under the original NOFA for rental units, subrecipients must seek out additional forms of subsidy to leverage with NSP funds in order to keep rents affordable; these leveraged subsidies are often inadequate for the lowest income brackets.

The Reallocation NOFA proposes to encourage rental opportunities for the lowest income Texans by including a forgivable loan component to the permanent financing offered through TDHCA at 0% interest. Up to 50% of the units in a multifamily project leased to households at or below 30% AMI may obtain a 30-year, zero percent interest, deferred-payment forgivable loan. The principal reduces every year for qualifying units occupied by eligible households. Single family rental units designated for households at 30% AMI or below will be eligible for up to \$30,000 as a deferred-payment forgivable loan with a corresponding affordability period.

#### See the following attachments:

• Attachment A: Reallocation Notice of Funds Availability

#### Attachment A

#### **Reallocation Notice of Funds Availability**



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

# Texas Neighborhood Stabilization Program Re-Allocation Notice of Funding Availability (NSP-R NOFA)

### 1) Summary

- a) The Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") announces the expected distribution and use of at least \$4,391,560 (amount includes administrative funds, see Figure 1) through the Neighborhood Stabilization Program Re-Allocation ("NSP-R"), which the U.S. Department of Housing and Urban Development ("HUD") is providing to the State of Texas. This amount may increase over time based on deobligations; as additional funds become available, they will be announced on the Department's website for continued application under this NOFA. The NSP funds were authorized by the Housing and Economic Recovery Act of 2008 ("HERA") as an adjunct to the Community Development Block Grant (CDBG) Program for the redevelopment of abandoned and foreclosed homes and residential properties. A Substantial Amendment ("Amendment") to the Action Plan for FFY 2008 was submitted by the State of Texas to HUD in order to update the Consolidated Plan for FFY 2005 through 2009 for the Texas Neighborhood Stabilization Program requirements. The Amendment was accepted by HUD on January 30, 2009. The NSP-R NOFA will redistribute funds returned by subrecipients, or through termination of contracts, from the Texas NSP1 awards.
- b) The availability and use of these funds is subject to the Community Development Block Grant regulations (24 CFR Part 570), as applicable, the federal HOME Investment Partnerships Program (HOME) regulations (24 CFR Part 92), as applicable, and Chapter 2306, Texas Government Code. Other federal regulations may also apply such as, but not limited to, 24 CFR Part 58 for environmental requirements, 24 CFR Parts 84 and 85, as applicable, for such issues as procurement and conflict of interest, and 24 CFR Parts 100-115 for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules and program guidelines that govern the program.
- c) NSP-R will be awarded independently of the original Texas NSP1 awards. New applicants and current NSP1 subrecipients that are meeting current benchmarks are encouraged to apply for NSP-R funds. NSP-R funds may not be used to re-finance or

#### 2) Allocation of Texas NSP-R Funds

TDHCA will coordinate activities in accordance with NSP guidelines including the establishment of financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties, purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed, establishment and operation of land banks, removal of blight, and the redevelopment of demolished or vacant properties. Households directly assisted with NSP funds must be income eligible and be at or below 120% of the Area Median Income (AMI), as defined by HUD or as otherwise restricted by this NOFA.

Figure 1. Program Distribution of Texas NSP-R Funds

<b>Total Texas NSP-R funds</b>	\$4,391,560.00
Future deobligated NSP funding	\$ unknown
Deobligated NSP funding	\$4,391,560

#### 3) Definitions

As stipulated in the *Federal Register* Notice (Docket No. FR-5255-N-01) for the NSP, there are certain terms used in HERA that are not used in the regular CDBG program. Certain terms may be used differently in HERA and in the Housing and Community Development Act of 1974, as amended. When in conflict, definitions published in the *Federal Register* (Docket No. FR-5255-N-01) and any subsequent HUD Errata Notice are controlling for the Texas NSP.

#### 4) Limitations on Funds

- a) In order to avoid allocating small amounts of funding that can have no meaningful impact on stabilizing of property values, the minimum award amount to an eligible entity cannot be less than \$500,000.
- b) Before the effective date of the Texas NSP-R Contract, an eligible entity that ultimately receives an award of Texas NSP-R may incur and be reimbursed for travel costs, as provided for with Administration funds, related to implementation training required by the Department as a condition of receiving an NSP-R award and Contract.
- c) Department-authorized pre-award costs for predevelopment activities, including but not limited to legal, architectural, engineering, appraisal, surveying, environmental, and market study fees, may be reimbursed if incurred before the effective date of a Contract so long as the costs are in accordance with 24 CFR §§570.205 and 206 and 24 CFR Part 58 and at the sole discretion of the Department.

- d) Additional limitations as defined in HERA and HUD NSP Notices regarding purchases, rehabilitation, and sale of homes, will be strictly enforced.
- e) The Department may develop and enforce additional contract management benchmarks to ensure the proportionate use of funds to meet the federal mandates regarding serving households earning not more than 50% of AMI, discounts on acquisitions and timely use of funds.

#### 5) Administrative and Activity Delivery/Soft Costs Limitations

- a) Each applicant that is awarded NSP-R funds may also be eligible to receive funding for administrative costs. The award amount for the Administration line item shall not exceed five percent (5%) of the contract amount for all activities, except Land Bank activities. Administrative costs for Land Bank activities will be limited to a total of eight percent (8%) of the contract amount. These figures do not include Activity delivery costs described below. The administrator must use funds for all administrative costs in accordance with 24 CFR §§570.205 and 206, and Office of Management and Budget (OMB) Circulars A-87, A-122, A-102 and A-110, as applicable.
- b) Activity Delivery costs represent the costs incurred in implementing activities for specific housing units, separately from the general administrative costs, for which limits are set forth in the previous paragraph. The Texas NSP limits Activity Delivery costs according to activity as specifically described in program activity sections.
- c) Activity Delivery costs are soft costs that are directly related to and identified with a specific housing unit (property). Eligible project-related soft costs must be reasonable and consistent with industry norms. Specific eligible activities include:
  - i.) preparation of work write-ups, work specifications, and cost estimates;
  - ii.) architectural, engineering or professional services required to prepare plans, drawings or specifications directly attributable to a particular project;
  - iii.) inspections for lead-based paint, asbestos, termites or septic systems;
  - iv.) interim and final inspections by the construction inspector;
  - v.) financing fees, credit reports, title binders and insurance;
  - vi.) recordation fees, transaction taxes;
  - vii.) legal and accounting fees;
  - viii.) appraisal fees;
  - ix.) architectural and engineering fees, including specifications and job progress inspections;
  - x.) relocation costs;
  - xi.) site specific environmental reviews; and
  - xii.) lead hazard evaluation and reduction costs.
- d) For all activities, Activity Delivery costs must be reasonable and consistent with industry norms and will be restricted to a percentage of the non-administrative NSP costs per housing unit or property. The related Activity Delivery costs maximum will be based on the activity in a range from 5% to no more than 20% of the non-administrative NSP costs (hard costs).

- e) Activity Delivery costs for specific properties that are not ultimately acquired by the subrecipient may be reimbursed. Costs must be reasonable and consistent with industry norms, and may not exceed the maximum amount established for the related eligible activity.
- f) Activity Delivery costs may not exceed the forgoing limits without prior written approval by the Department. Upon prior approval of the Department, exceptions may be allowed in the case of Rehabilitation activities for lead-based paint hazard reduction and/or cost categories not identified in the Texas NSP NOFA.
- g) Subrecipients must certify that the amount being disbursed is for the actual amount of costs, including Administrative and Activity Delivery costs, and must provide documentation to support such costs.
- h) Eligible Costs are limited to those listed in §570, Subpart C, or as otherwise identified in the NSP *Federal Register* Notice. No duplicate disbursement of costs is allowed. Costs may only be disbursed as either a project Activity Delivery cost or Administration cost but not both. Additionally, costs may only be disbursed once per occurrence when providing both acquisition and construction assistance to the same Project or Activity.

#### 6) Eligible and Prohibited Activities

- a) The use of NSP-R grant funds must constitute an eligible use under HERA. Most of the activities eligible in NSP represent a subset of the eligible activities under 42 U.S.C. §5305(a). The NSP eligible uses must be correlated with CDBG-eligible activities. See Section 8 of the NOFA for a complete listing of eligible activities and uses.
- b) Prohibited activities include, but are not limited to:
  - i) The direct payment of delinquent taxes, fees, or charges on properties to be assisted with NSP-R funds;
  - ii) The payment of any cost that is not eligible under 24 CFR §§570.201-570.206;
  - iii) Assistance to persons who owe payments identified by the Comptroller of Texas as relevant (including, but not limited to, child support, student loans, and delinquent taxes); or
  - iv) Assistance to any household whose property has current tax liens against it and/or judgment liens in favor of the State of Texas against it.

# 7) Eligible and Ineligible Applicants

- a) Eligible applicants are Units of General Local Government and nonprofit organizations.
- b) Subrecipients under Texas NSP1 must have successfully met all contract milestones and thresholds as of the date of application, in order to be eligible for NSP-R.
- c) The following violations will cause an Applicant and/or any Applications they have submitted to be ineligible:
  - i) The Applicant is an Administrator of a previously funded Contract for which Department funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to application submission date; an

- ii) The Applicant has failed, (within the reasonable time allotted for response), to submit a response to provide an explanation, evidence of corrective action or a payment of disallowed costs or fees as a result of a monitoring review;
- iii) The Applicant has failed to make timely payment or is delinquent on any loans or fee commitments made with the Department on the date of the Application submission;
- iv) The Applicant has been or is barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs or has otherwise been debarred by HUD or the Department;
- v) The Applicant has violated the State laws regarding ethics, including revolving door policy;
- vi) The Applicant has been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline;
- vii) The Applicant at the time of Application submission is subject to the following for which proceedings have become final:
  - (a) an enforcement or disciplinary action under state or federal securities law or by the NASD;
  - (b) a federal tax lien;
  - (c) or is the subject of an enforcement proceeding with any governmental entity.
- viii) The submitted Application has excessive omissions of documentation from the Selection Criteria; or is so unclear, disjointed, or incomplete, as determined by the Department, that a thorough review cannot reasonably be performed. If an Application is determined ineligible pursuant to this section, the Application will be terminated without the opportunity for corrections of administrative deficiencies.
- ix) The Applicant or anyone that has controlling (51%) ownership interest in the development owner or developer that is active in the ownership or control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the Land Use Restriction Agreement (LURA) (10 TAC §60.121); and
- x) Any Application that includes financial participation by a Person who, during the five-year period preceding the date of the bid or award, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or Reconstruction efforts as a result of Hurricanes Rita or Katrina or any other disaster occurring after September 25, 2005, or was assessed a federal civil or administrative penalty in relation to such a contract.

# 8) Program Activities

# a) General Requirements for all Activities

i) Income Targeting: All NSP-R activities must benefit low, moderate and middle-income persons as defined in the NSP Notice (≤ 120% of area median income). As required in the NSP Substantial Amendment, at least 35% of the non-administrative award to each subrecipient should be targeted to benefit households with incomes less than or equal to 50% AMI. Due to the nature of Land Bank and Demolition activities, which cannot be reported as benefiting individual households at the time of

initial project expenditures, such projects must be undertaken in eligible census tracts, in which 51% or more of the households are at or below 120% of the Area Median Income.

- ii) **Program Income:** Any program income received from subrecipient activities utilizing Texas NSP-R funds must be returned to the Department. Revenue received by a private individual or other entity as a result of subrecipient activities involving NSP-R funds must also be returned to the Department.
- iii) **Appraisals:** Appraisals that conform to the requirements of the URA at 49 CFR part 24 and the requirements set forth in the NSP Notice, will be required for the purposes of determining the statutory purchase discount and the amount of available permanent financing based on loan-to-value for all NSP-R assisted acquisitions. The appraisal must be completed within 60 days of the final offer made for the property by a subrecipient or individual homebuyer.
- iv) **Discount:** All NSP-R assisted property acquisitions must attain the statutorily-required minimum 1% discount from the market appraised value, at the time of purchase. The discount is proven by an appraisal that meets NSP guidelines. Homebuyers purchasing foreclosed properties directly from the initial successor in interest must also attain the discount.
- v) **Protecting Tenants at Foreclosure:** Subrecipient and homebuyer purchases of property from the initial successor in interest in a foreclosure will be subject to Protecting Tenants at Foreclosure Act of 2009 (Public Law 111-22, Title VII) requirements.
- vi) **Environmental Review:** Subrecipients must complete environmental review procedures and receive release of funds prior to purchase of any property or commencement of construction.

# vii) Benchmarks:

- 1. It is anticipated that successful applications for the Texas NSP-R will be submitted for consideration to the TDHCA Governing Board on May 13, 2010.
- 2. Environmental Review and Clearance documentation for the subrecipient selected project must be submitted within 30 days of the contract start date
- 3. All NSP-R funds must be obligated within 45 days of the contract start date. Obligation will be evidenced by a contingent purchase contract, contract for construction services, or other similar action that encumbers funds. If acquisition precedes a construction activity, an estimation of construction expenses may be utilized for the purposes of obligation of funding.
- viii) **Eligible and Ineligible Property:** Eligible property types for NSP-R assistance are limited to single-family homes and residential property (property intended for residential purposes, i.e. zoned residential or where there is no zoning, residential use is consistent with deed restrictions and any other limiting factors) including condominium units, apartment units, cooperative units in mutual housing projects and

multifamily residential property. Further restrictions on property eligibility may apply according to the planned NSP activity. Blighted non-residential properties may be cleared with NSP-R demolition funds.

- 1. Mobile Homes may be eligible for assistance if:
  - (a) The unit complies with the Texas Manufactured Housing Standards Act under Chapter 1201 of the Texas Occupation Code;
  - (b) The unit is permanently installed in accordance with the Texas Manufactured Housing Standards Act;
  - (c) The unit is permanently attached to utilities; and
  - (d) The ownership of the unit is recorded in the taxing authority of the county in which it is located.
- ix) **HOME previously-assisted property:** If NSP funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure pursuant to 24 CFR Part 92, the HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of this notice will apply.

# b) Financing Mechanisms

Activity Type: NSP Eligible Use (A) Establish finance mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.

CDBG Eligible Activities: 24 CFR §570.206 Activity delivery costs; Also, the eligible activities listed here to the extent financing mechanisms are used to carry them out: 24 CFR §570.201 (a) Acquisition, (b) Disposition, (n) Homeownership Assistance; 24 CFR §570.202 Rehabilitation.

TDHCA will make permanent mortgage financing and homebuyer assistance available to low-to-medium income households purchasing foreclosed homes. Qualifying households will work with subrecipient entities to identify appropriate properties and complete eligibility requirements. Subrecipients may offer financing for properties they have rehabilitated or constructed with Texas NSP-R funds, or for properties that homebuyers locate.

This activity will provide affordable ownership and rental opportunities by providing financing mechanisms to a subrecipient or individual homebuyer to purchase or facilitate the purchase of foreclosed homes or residential property.

# i) Permanent Ownership Financing for Low-Income Households

1. Qualified Households earning 50% or less Area Median Income based on household size may obtain Mortgage Financing from TDHCA to purchase a foreclosed single-family home or residential property. Mortgage loans will be fully-amortized over 30 years with a zero percent (0%) interest rate. Fully amortizing scheduled repayment will be as set forth in loan documents executed at loan closing. Closing costs may be financed, up to 100% of the combined loan

- to value. Qualified households may combine NSP-R permanent financing with homebuyer assistance from NSP, NSP-R or other sources.
- 2. A down payment of no less than \$500 will be required from all homebuyers receiving financing assistance through the Texas NSP-R. Qualified households participating in an approved self-help housing program may be allowed to substitute "sweat equity" for the down payment requirement.
- 3. All homebuyers accessing NSP-R permanent financing will be required to meet NSP Homebuyer Underwriting Guidelines

# ii) Down payment Assistance for Low and Moderate Income Households

- 1. Households with income levels less than 120% of the Area Median Income based on household size will be eligible to access Texas NSP-R funds for down payment assistance, reasonable closing costs, principal reductions, and gap financing.
- 2. Assistance of up to \$30,000 will be available to assist in qualifying for private mortgage financing. Homebuyer Assistance will be in the form of a 2<sup>nd</sup> or 3<sup>rd</sup> position, zero percent (0%) interest, deferred-payment forgivable loan, with the principal reducing every year that the homebuyers' occupy the home. A down payment of no less than \$500 will be required from all homebuyers receiving permanent financing assistance through the Texas NSP-R. Qualified households participating in an approved self-help housing program may be allowed to substitute "sweat equity" for the down payment requirement.
- 3. The full amount of an NSP-R Land Bank loan may be provided to an eligible household as Homebuyer Assistance, up to the \$30,000 maximum.
- iii) **Affordability Period**: The Texas NSP-R has adopted the federal program standards for continued affordability at 24 CFR 92.254. The affordability period will be secured with a recapture provision

# Affordability Periods for Texas NSP-R Homebuyer Assistance

Homeownership Assistance Amount Per-Unit	Minimum Period of Affordability in Years
Under \$15,000	5
Over \$15,000	10

iv) **Repayment:** The NSP-R homebuyer assistance and permanent financing loans are to be repaid if any of the following occurs before the end of the loan term: resale of the property; refinance of the first lien; repayment of first lien or if the unit ceases to be the assisted household's principal residence. The amount of recapture will be based upon the recapture provision at 24 CFR §92.254(a)(5)(ii). Recapture of the amount of the NSP investment is reduced on a *pro rata* share based on the time the

homeowner has owned and occupied the unit measured against the required affordability period. The recapture amount is subject to available shared net proceeds in the event of sale or foreclosure of the housing unit.

- v) **Restrictions:** The following loan requirements are imposed for all households receiving NSP-R financing:
  - 1. No adjustable rate mortgage loans (ARMs) or interest rate buy-down loans are allowed:
  - 2. All sources of financing may not exceed 100% combined loan to value;
  - 3. No subprime Mortgage Loans are allowed;
  - 4. Lenders must require the escrow of taxes and homeowners insurance;
  - 5. An origination fee and any other fees associated with the mortgage loan may not exceed 2% of the loan amount; and,
  - 6. The debt to income ratio (back-end ratio), as defined in Fannie/Freddie conventional loan underwriting guidelines, may not exceed 45%.
  - 7. Subrecipients must ensure that each NSP-assisted homebuyer who receives conventional financing from a third party obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration). NSP-assisted homebuyers may not receive subprime mortgage loans. Compliance must be documented in the records maintained for each homebuyer.
  - 8. Properties purchased with NSP-R assistance must be the household's primary residence within 30 days of closing the mortgage loan.
  - 9. The Texas NSP will follow the Single Family Mortgage limits set under the February 2008 edition of Section 203(b) of the National Housing Act. Eligible entities may, with written approval of the Department, utilize as a mortgage limit the most recent 95% of Actual Median Sales for each county as promulgated by HUD. The current limit may be found on the HUD website, Here:
    - http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/max price.cfm
  - 10. NSP-R Homebuyer Financing is not available for investor purchases. The property financed must be the household's primary home.
- vi) **Homebuyer Counseling:** All NSP-assisted homebuyers will be required to provide evidence of completion of at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. Evidence must include documentation describing the level of homebuyer counseling, including post purchase counseling.

# vi) Rental (Single-family and Multifamily) Residential Property Financing:

1. The acquisition of foreclosed single-family and multifamily residential properties by subrecipients to create affordable rental opportunities may be funded through a permanent loan with the Department. Financing terms will be dependent on the level of affordability provided.

- (a) Units leased to households at or below 50% of the Area Median Income will be eligible for financing through a 30-year amortizing loan at zero percent (0%) interest through the Department, for eligible units.
- (b) Units leased to households at or below 30% of the Area Median Income in multi-family properties will be eligible for a 30-year zero percent (0%) interest, deferred-payment forgivable loan, with the principal reducing every year that the unit is occupied by an eligible household. No more than fifty percent (50%) of the NSP-R permanently financed units in a project may receive deferred-forgivable financing.
- (c) Single family homes leased to households at or below 30% of the Area Median Income will be eligible for zero percent (0%) interest, deferred forgivable financing of no more than \$30,000 per unit. The principal balance of the subordinate notes will be reduced proportionately every year that the home is occupied by an eligible household.
- (d) At least 20% of the units in an assisted development must be leased to households at or below 120% of the Area Median Income in order for any units to eligible for NSP-R permanent financing, regardless of affordability. Units leased to households over 50% of the Area Median Income are not eligible for permanent NSP-R financing.
- 2. Eligible property types are limited to single-family homes and residential property including condominium units, cooperative units in mutual housing projects and multifamily residential property.
- 3. The maximum per-unit subsidy amount and subsidy layering allowable under the HOME Program using Section 221(d)3 limits as defined as 24 CFR §92.250 will apply. The TDHCA underwriting guidelines in 10 TAC §1.32 will be used, which set as a feasibility criterion a 1.15 debt coverage ratio minimum.
- 4. Properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, prohibit the discrimination of renters using Section 8 Housing Choice Vouchers, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.
- 5. Minimum affordability period requirements will apply to all assisted units. The affordability period for NSP-R permanently financed affordable units will be a minimum of 30 years.

# Affordability Periods for Texas NSP-R Rental properties

Rental Housing Activity	Minimum Period of Affordability in Years
Rehabilitation or acquisition of	
existing housing per unit: Under	5
\$15,000	

\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20
Units with NSP Permanent financing	30

vii) Activity Delivery Cost Limits: Activity Delivery costs for all financing mechanisms will be limited to 10% of the NSP non-administrative costs per housing unit or property. At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread out among the portfolio of properties as long as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

# c) Purchase and Rehabilitation of Foreclosed Properties –

Activity Type: NSP Eligible Use (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.

CDBG Eligible Activities: 24 CFR §570.201(a) Acquisition, (b) Disposition; 24 CFR §570.202 Rehabilitation.

- i) The acquisition and rehabilitation of foreclosed and abandoned single-family and multifamily residential properties by subrecipients will be funded through a deferred-payable two (2) year loan with the Department. Properties must be sold or leased to eligible Low-to-Medium Income households within 12 months of completion of rehabilitation.
- ii) The purchase and rehabilitation of abandoned property may be funded if foreclosure proceedings have been initiated, the property has been vacant for at least 90 days, and no payments have been made on the mortgage or taxes have been made for 90 days.
- iii) Homes must be re-sold to eligible households at a price no higher than the cost to acquire and rehabilitate the property.
- iv) Rehabilitated residential property must result in permanent housing.
- v) Rehabilitation includes activities and related costs as described in 24 CFR §570.202(b), but limited to the improvement or modification of an existing residential property through an alteration, addition, or enhancement including the demolition of an existing residential property and the reconstruction (rebuilding of a structure on the same site in substantially the same manner) of residential property.
- vi) Activity Delivery Cost Limits: Activity Delivery costs for acquisition will be limited to 15% of the NSP non-administrative costs per housing unit or property. Rehabilitation will be limited to 20% of the NSP non-administrative costs per housing unit or property. At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread out among the portfolio of properties as long

as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

# d) Land Bank

Activity Type: NSP Eligible Use (C) Establish land banks for home and residential properties that have been foreclosed upon.

CDBG Eligible Activities: 24 CFR §570.201 (a) Acquisition and (b) Disposition

- i) A land bank may be established by the subrecipient to assemble, manage temporarily, and dispose of properties for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of the properties.
- ii) Subrecipients will be required to submit a Land Bank Plan, describing project milestones, future redevelopment plans and potential fund sources. Financing of Land Bank properties will be available in the form of a ten (10) year, deferred payable loan. Release of the Land Bank lien will be conditioned on repayment of the loan & occupation of the property by an NSP-R eligible household.
- iii) The full amount of the NSP-R Land Bank loan may be provided to an eligible homebuyer as NSP-R Homebuyer Assistance, up to the programmatic maximum of \$30,000. All conditions for Homebuyer Assistance in the section above will apply.
- iv) Subrecipients are limited to the types of properties that may be acquired using land bank funding in the following manner:
  - 1. Properties must be located within an eligible census tract in which 51% or more of the households are at AMI of 120% or less;
  - 2. Acquired properties must have been foreclosed upon through a legal proceeding under Texas state law, which includes, but is not limited to tax foreclosures and financial foreclosures:
  - 3. Properties to be acquired must be located within a defined service area, as described by the Applicant according to the requirements in the Texas NSP Application; and
  - 4. NSP-R Land Bank properties may be held for no more than 10-years without obligating the property to a specific, eligible redevelopment in accordance with NSP-R requirements.
- v) Land bank funding may only be used to acquire and dispose of eligible properties. NSP-R funds may also be used for basic, reasonable maintenance intended to stabilize the property and for the temporary management of the property which includes maintenance, assembly facilitating the redevelopment of and marketing of land banked properties. If the land bank is a governmental entity, it may also maintain foreclosed property that it does not own provided that it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.
- vi) Administrative cost reimbursement for land bank activities will be limited to the first three years of the NSP-R contract. Subrecipients will be required to provide evidence of capacity to fund administrative activities for the Land Bank in years 4-10 of the contract.
- vii) Activity Delivery Cost Limits: Activity Delivery costs for Land Bank will be limited to 20% of the NSP non-administrative costs per housing unit or property.

At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread out among the portfolio of properties as long as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

# e) Clearance (Removal of Blight or Demolition)

Activity Type: NSP Eligible Use (D) Demolish Blighted Structures CDBG Eligible Activity: 24 CFR 570.201(d) Clearance of blighted structures only.

- i) Clearance is intended to address areas of greatest need, where subrecipients can prove that blighted structures are affecting property values in the area and pose a threat to human health, safety, and public welfare. Funds to complete demolition activities will be provided as a grant.
- ii) This activity cannot be utilized to target the 35% requirement for 50% AMI, but may be used in conjunction with other eligible activities. Blighted structures to be removed must be located in eligible census tracts, in which 51% or more of the households are at or below 120% of the Area Median Income.
- Subrecipients may use NSP-R demolition funds to remove blighted structures on properties they do not own, provided they are granted authority under law.
- iv) Activity Delivery Costs: Activity delivery costs directly associated with the activity of clearance are limited to 5% of the hard costs required to carry out the activity. At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread out among the portfolio of properties as long as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

# f) Redevelopment

Activity Type: NSP eligible use (E) Redevelop Demolished or Vacant Properties

CDBG Eligible Activities: 24 CFR §570.201(a) Acquisition, (b) Disposition, (c) Public Facilities, (e) Public Services, (i) Relocation, (n) Homeownership Assistance (restricted)

- i) Redevelopment of demolished or vacant properties will address areas of greatest need throughout the state, where vacant properties are contributing to declining land values. Eligible redevelopment activities include acquisition, rehabilitation and new construction of housing for eligible ownership or rental use.
- ii) Subrecipient financing for acquisition and redevelopment activities will be made available in the form of a deferred-payable zero-interest loan. The loan will be due three years from the contract start date.
- iii) Acquisition, rehabilitation and new construction of residential properties must result in permanent housing. Properties must be sold to eligible households at a price no higher than the cost to acquire and construct the home (some activity delivery costs associated with the sale of the property may be included).
- iv) "Vacant properties" includes both vacant land and properties with vacant structures on the land; however, vacant land must be infill properties or previously developed. "Greenfield" sites may not be acquired under Eligible Use (E).

v) Activity Delivery Cost Limits: Activity Delivery costs for Redevelopment will be limited to 20% of the NSP non-administrative costs per housing unit or property. At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread out among the portfolio of properties as long as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

# 9) General Loan Requirements

# a) Multifamily Rental Development Loan Requirements.

- i) Award amounts are limited to available funding as limited in the application process and respective applicant pool. The minimum loan may not be less than \$1,000 per NSP-R assisted unit. The Department's underwriting guidelines in 10 TAC §1.32 will be used which set as a feasibility criterion a 1.15 debt coverage ratio minimum. Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing When NSP funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a) (1).
- ii) When Department funds will have a first lien position and funds are used for new construction and/or rehabilitation, assurance of completion of the development in the form of payment and performance bonds in the full amount of the construction contract will be required. Such assurance of completion will run to the Department as obligee and must be documented prior to closing.
- iii) The Texas NSP will adopt the federal program standards for continued affordability for rental housing at 24 CFR §92.252, however, multifamily housing units may be required to adhere to a 30-year affordability period as defined in the Texas Government Code §2306.185, which outlines State of Texas long-term affordability requirements. Units targeting households earning 50% of AMI must maintain income and rent restrictions for households at that level published by the Department. Units permanently finance with NSP-R funds will have a 30-year affordability period.

# c) Documents Supporting Mortgage Loans

- i) All mortgage Loans shall be evidenced by a mortgage or deed of trust note and by a mortgage that creates a lien payable to TDHCA on the housing development and on all real property that constitutes the site of or that relates to the housing development.
- ii) For each Loan made for the development of housing with funds provided to the state under the NSP-R program, the Department shall obtain a mortgagee's title policy in the amount of the loan. The Department may not designate a specific title insurance company to provide the mortgagee title policy or require the borrower to provide the policy from a specific title insurance company. The borrower shall select the title insurance company to close the loan and to provide the mortgagee title policy.

- iii) A note or bond and a mortgage or deed of trust:
  - 1. must contain provisions satisfactory to the Department;
  - 2. must be in a form satisfactory to the Department; and
  - 3. may contain exculpatory provisions relieving the borrower or its principal from personal liability if the Department agrees.

# d) Documents Supporting Homebuyer Assistance and Rehabilitation Loans

- i) The Subrecipient must ensure that required documents as listed on NSP property Setup forms, underwriting guidelines, or program manuals are timely submitted to the Department, in order to request that Loan documents be prepared for the Household.
- ii) Additional documentation may be requested in order to complete the appropriate underwriting review.
- iii) The subrecipient will be responsible for timely coordination of all parties in order to meet closing deadlines. Continued late submission of required documents or lack of response to Department requests may result in de-obligation of NSP-R funds.
- iv) All NSP-R homebuyer financing will be secured with documents issued by the Department.

# 10) Site and Construction/Development Restrictions

# a) Single Family Housing

- i) Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with NSP funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, the housing must meet the International Residential Code or Texas Minimum Construction Standards (TMCS), as applicable, and be in compliance with the basic access standards in new construction, established by §2306.514 of the Texas Government Code. In addition, housing that is rehabilitated with funds awarded under this NOFA must meet all applicable energy efficiency standards established by §2306.187 of the Texas Government Code, and energy standards as verified by RESCHECK.
- ii) If a Texas NSP-R assisted unit is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514 of the Texas Government Code, required for any applicant utilizing federal or state funds administered by TDHCA in the construction of single family homes.
- iii) All NSP-R assisted properties must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Housing Quality Standards in 24 CFR §982.401. When NSP-R funds are used for rehabilitation the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

iv) All NSP-R assisted ownership units must pass inspection by a licensed Texas Real Estate Commission inspector prior to occupation.

# b) Multifamily Rental Housing

- i) Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, NSP-assisted new construction or rehabilitation must meet, as applicable, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR §200.925 or §200.926. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a NSP-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.
- ii) Housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and covered multifamily dwellings, as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619). Additionally, pursuant to the 2010 Qualified Allocation Plan (QAP), 10 TAC §50.9(h)(4)(H), Developments involving New Construction (excluding New Construction of nonresidential buildings) where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A certification will be required after the Development is completed from an inspector, architect, or accessibility specialist. Any Developments designed as single family structures must also satisfy the requirements of §2306.514, Texas Government Code.
- iii) All of the current Qualified Allocation Plan and Real Estate Analysis Rules 10 TAC §50.6, excluding subsections (d), (f), (g), (h) and (i) apply.
- iv) All NSP-assisted housing must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR §982.401. When NSP funds are used for rehabilitation, the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a) (1).
- v) Multifamily housing assisted with NSP funds must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) and covered multifamily dwellings, as defined at

- 24 CFR §100.201, and the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).
- vi) All applications with multifamily housing units intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
- vii)Rental units secured though Texas NSP assistance must be inspected prior to occupancy and must comply with Housing Quality Standards (HQS) established by HUD in 24 CFR Part 92.
- viii) Multifamily properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

# c) Additional Requirements (Single and Multifamily Housing)

- ii) NSP assisted new construction or rehabilitation will comply with federal lead-based paint requirements including lead screening in housing built before 1978 in accordance with 24 CFR Part 92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R.
- iii) Davis-Bacon Labor Standards, as applicable.
- iv) Section 3: Recipients will be required to provide job opportunities to low-income residents and businesses, to the greatest extent possible. Reporting of efforts and results on a quarterly basis will be required of all subrecipients.
- v) Affirmative Marketing. Recipients must adopt affirmative marketing policies and procedures in furtherance of Texas' commitment to non-discrimination and equal opportunity in housing. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, gender, religion, familial status or disability. Records should be maintained describing actions taken by the Administrator to affirmatively market units and assess the results of these actions.
- vi) Subrecipients may not retain Program Income of any kind, including Program Income to fund other eligible NSP Activities. Subrecipients must submit any Program Income received to the Department within ten (10) days of receipt. Note: Revenue for the purposes of HERA has the same meaning as program income, as defined at 24 CFR §570.500(a) with the additional modifications as defined in the *Federal Register* notice for NSP.

vii) Texas NSP will require adherence to the guidelines set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR Part 24).

# 11) Selection Criteria and Priorities

- a) The State of Texas has established the priorities and scoring described below that will be used in the application review process. While the criteria are important to demonstrate a successful proposal, the scoring structure was designed to ensure that the State complies with the HUD Notice designed to prioritize areas of greatest need, meets applicable CDBG regulations, and efficiently and effectively expends the funds.
- b) All applications must meet a minimum total score of 50 points to be considered for funding. Should applications meeting this minimum score threshold exceed available funding, such eligible applications will be retained regardless of date of submission until such a time that funding is available in sufficient amounts to fund the applications or a subsequent Texas NSP NOFA is released. A subsequent NOFA will require new applications.
  - i) Maximum Total Score = 100 Points:
    - 1. Readiness to Proceed (50 Points)
    - 2. Greatest Need (20 Points)
    - 3. Neighborhood Stabilization (20 Points)
    - 4. Low-Income Households (10 Points)
  - ii) **Readiness to Proceed (50 Points):** In recognition of the very short timeframe available for obligation of NSP-R funds, proposals that include identified properties for acquisition including contingent contracts or options to purchase will be given priority.
  - iii) **Greatest Need (20 Points):** NSP-R activities must be completed in eligible census tracts, as determined by HUD under the Neighborhood Stabilization 2 NOFA. Applicants are required to provide evidence that activities will meet a Neighborhood Stabilization purpose, in a census tract with a threshold foreclosure needs score of 18 or more. The HUD data and mapping tool may be found on the HUD website, here: <a href="http://www.huduser.org/nspgis/nsp.html">http://www.huduser.org/nspgis/nsp.html</a> Priority will be given to projects serving communities with the highest needs scores.
  - iv) **Neighborhood Stabilization (20 Points):** A narrative description that defines NSP-R-funded activities and meets the program's mission to alleviate distress of housing foreclosure and abandonment of properties caused by problematic mortgage lending activities. Priority will be given to applications which identify specific properties for eligible activities or provide a list of households to be assisted.
  - v) Assistance to Low-Income Households at or Below 50% AMI (10 Points): In order to emphasize affordability for households at or below 50% of the area median income (AMI), the State will give priority to proposals that will serve persons in this income category beyond the Texas NSP minimum allocation wide requirement of 35% for non-land bank activities. Proposal scores will be prorated according to the additional percentage of funds that will benefit households at or below 50% AMI.

# 12) Review Process

- a) Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits, as applicable. Applications received on or before 5:00 pm on Tuesday, April 20, 2010 will be prioritized for funding based on competitive scoring and the amount of funding available, currently at least \$4,391,560. Applications will be reviewed for applicant and activity eligibility, and threshold criteria as described in this NOFA.
- b) Eligible applications which meet minimum scoring criteria for funding consideration, but for which the amount of funding currently available is insufficient, will be retained by the Department until such a time that funding is available in sufficient amounts to fund the applications or a subsequent Texas NSP NOFA is released.
- c) After April 20, 2010, NSP-R applications will be accepted on an open application cycle. Applications received during the open application cycle will be scored competitively to determine minimum scoring criteria and funding priority. The applications meeting minimum scoring criteria will be retained until such a time that funding is available in sufficient amounts to fund the applications or a subsequent Texas NSP NOFA is released.
- d) The Department will ensure review of materials required under the NOFA and Program Guide and will issue a notice of any Administrative Deficiencies within ten (10) business days of the received date. Administrative deficiencies are omissions, inaccuracies or incomplete information on the application that can be readily corrected. Applications with Administrative Deficiencies not cured within a subsequent ten (10) business days may be terminated. Applications that have completed this phase will be reviewed for recommendation to the Board.
- e) If a submitted Application has an entire section of the application missing; has excessive omissions of documentation from the Selection Criteria or required documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.
- f) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.
- g) 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 a funding recommendation or the recommendation may include conditions.

- h) 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 minimum award amount.
- i) In accordance with §2306.082, Texas Government Code and 10 TAC §1.17, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC §1.17.
- j) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.
- k) Eligible applicants within communities should coordinate to ensure that their proposals address their local needs. Duplication of requests for a community may delay the allocation agreement and could result in a reduced amount of time available for applicants to contract for specific acquisitions. In the application, applicants are required to identify:
  - i) The geographic neighborhoods and communities targeted for Texas NSP Reallocation funds within their area;
  - ii) The Texas NSP eligible activities proposed to meet the specific needs in each area;
  - iii) The strategy for maximum revitalization and impact of funds.

# 13) Application Submission

- a) All applications submitted for the Select Pool under this NOFA must be received on or before **5:00 p.m. on Tuesday April 20, 2010,** regardless of method of delivery for consideration in the initial competitive application award process. After that date, applications will be held until such a time that funding is available in sufficient amounts to fund the applications or there is no longer the need to reallocate recaptured NSP1 funding.
- b) The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. Questions regarding this NOFA should be addressed to:

# Texas Department of Housing & Community Affairs

221 E. 11<sup>th</sup> Street

Austin, Texas 78701

Telephone: (512) 475-3726

E-mail: marni.holloway@tdhca.state.tx.us

- c) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.
- d) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy on a disc of the Application materials.
- e) All Application forms will be available on the Department's website at <a href="https://www.tdhca.state.tx.us">www.tdhca.state.tx.us</a>. Applications will be required to adhere to the threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.
- f) **Application Workshop:** the Department will present an application workshop via webinar format on a date to be determined. The workshop will address information such as the Application preparation and submission requirements, evaluation criteria, state and federal program information, and environmental requirements. The Application workshop schedule and registration will be posted on the Department's website at www.tdhca.state.tx.us
- g) 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).
- h) Applications must be sent via overnight delivery to:

Texas Department of Housing and Community Affairs
Attn: Neighborhood Stabilization Program
221 East 11<sup>th</sup> Street
Austin, TX 78701-2410

# or via the U.S. Postal Service to:

# Texas Department of Housing and Community Affairs Attn: Neighborhood Stabilization Program Post Office Box 13941 Austin, TX 78711-3941

**NOTE:** This NOFA does not include the text of the various applicable regulatory provisions that may be important to the administration of the Neighborhood Stabilization Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.

# NEIGHBORHOOD STABILIZATION PROGRAM BOARD ACTION REQUEST

March 11, 2010

# **Recommended Action**

Approve the contract amendment request for a Neighborhood Stabilization Program (NSP) subrecipient award.

RESOLVED, that the contract scope of work amendment request presented at this meeting relating to the City of Lubbock NSP Contract No 77090000160 be hereby approved in the form presented to this meeting.

# **Background**

The City of Lubbock is a Neighborhood Stabilization Program (NSP) subrecipient. They are requesting an amendment to their contract which currently includes only Eligible Use A, Financing Mechanisms; they would like to add Eligible Use B, Purchase and Rehabilitation (see attached letter).

The NSP is an evolving program; the City has a better understanding now of how they can utilize NSP funds than when they submitted their original application. The City originally thought that Financing Mechanisms alone would serve their community. Now the City believes that adding the ability to acquire and rehabilitate properties gives them greater flexibility and enables them to more effectively/efficiently expend their NSP award and better serve their community.

The TDHCA Governing Board has given the Executive Director the authority to grant contract amendments that request less than a 25% change in scope or increased funding. Although there is no increase in funding, this amendment request represents a significant change in the scope of work with the addition of Purchase and Rehabilitation. A breakdown of the request is as follows:

Applicant: City of Lubbock

County: Lubbock

Financing Mechanisms: \$752,766 (previously \$2,060,086 in the contract)

Purchase & Rehabilitation: \$1,307,320 (previously \$0 in the contract)

Administration: \$103,004 Total Request: \$2,163,090

Proposed Activities: Financing Mechanisms and Purchase and Rehabilitation

Proposed Households Assisted: 37 (previously 54 homes)



February 17, 2010

Mr. Thomas Kincaid, NSP Program Specialist Texas Department of Housing and Community Affairs P. O. Box 13941 Austin, Texas 78711-3941

RE: Neighborhood Stabilization Program Contract #77090000160

Dear Mr. Kincaid:

This letter is to request an amendment to the above referenced Neighborhood Stabilization Program Contract as follows:

	Approved Budget	Amended Budget Request
Financing Mechanism	\$2,060,086	\$752,766
Permanent Financing	1,060,086	360,000
Homebuyer Assistance	1,000,000	392,766
Purchase & Rehab	\$ -0-	\$1,307,320
Acquisition		845,000
Rehabilitation	-0-	462,320
Administration	\$ 103,004	\$ 103,004
TOTALS	\$2,163,090	\$2,163,090

# NSP AMENDMENT LETTER Page 2, dated February 17, 2010

Please feel free to contact Phyllis Brown, Interim Community Development Director at 806-775-2282 if you should have any questions regarding this amendment request..

Sincerely,

Time Minhous Tom Martin

Mayor

# BOARD ACTION REQUEST March 11, 2010

# **Recommended Action**

Elect Brooke Boston as Board Secretary and Michele Atkins as Assistant Secretary.

**RESOLVED,** that Brooke Boson is hereby elected as Secretary of the Governing Board of the Texas Department of Housing and Community Affairs and

**FURTHER RESOLVED**, that Michele Atkins is hereby elected as Assistant Secretary of the Texas Department of Housing and Community Affairs.

# ORAL PRESENTATION

# BOARD ACTION REQUEST March 11, 2010

# **Requested Action**

Presentation, Discussion and Possible Approval of one or more firms to provide financial advisory services for the single family and multifamily mortgage revenue bond programs.

# **Background**

On October 15, 2009, the Board approved a Request for Proposal (RFP) to select one or more firms to provide financial advisory services to the Department for its single family mortgage revenue bond issues and/or multifamily mortgage revenue bond issues. TDHCA selected its current financial advisor RBC Capital Markets, fka RBC Dain Rauscher, in 1990.

Three (3) firms were scored and ranked for the position of financial advisor based on criteria including: financial advisory experience, quantitative capabilities, variable rate bond and derivative experience and compensation. The principal services provided by the financial advisor for the Department's single family and multifamily bond transactions include:

- 1. reviewing ratings and assisting in developing and maintaining on a current basis sound long-term strategies for maintaining acceptable ratings maintenance and/or upgrade,
- 2. providing cash flow preparation and analysis,
- 3. analyzing and making recommendations with respect to proposed structures for bonds and related instruments, such as hedging instruments, pricing, expenses, and underwriter compensation,
- 4. advising as to the optimal timing for bond issuances,
- 5. assisting with rating agency presentations and Board training,
- 6. assisting in selection of underwriting team, credit enhancement providers, and other professionals,
- 7. assisting with bond closings,
- 8. assisting with multifamily workouts and restructuring if needed,
- 9. providing explanations and clarifications to enable the Board to oversee bond activity and related matters, and
- 10. keeping the Board and staff aware of changes in market conditions and emerging instruments and tools to support an overall effective strategy for bond issuance that will carry out the Department's statutory objectives.

All three firms were invited to Dallas on February 17 and accepted the invitation to make an oral presentation to a Department panel including the Board Chairman for the purpose of highlighting their qualifications and answering questions.

Staff recommends selecting Raymond James and Associates as Financial Advisor for the Department. Additionally, given the enhanced scope of work over the next year, staff also recommends RBC Capital Markets to serve as Structuring Agent to the Department to assist with cash flows and yield maintenance calculations. The Structuring Agent's role will conclude March 31, 2011. This would allow staff the ability to access either firm for additional resources.

# BOARD ACTION REQUEST March 11, 2010

# **Requested Action**

Presentation, Discussion and Possible Approval of one or more firms to provide reinvestment services for the Single Family Bond Program.

# **Background**

On October 13, 2005, the TDHCA Board approved the services of three Reinvestment Agents for use on a rotational basis. The three Reinvestment Agents, Packerkiss Securities, Grant Street Group and CDR Financial Products have served the Department and Staff recommends the hiring of a new Reinvestment Agent.

Staff submitted an RFP for firms interested in providing reinvestment services from time to time for one or more of its single family mortgage revenue bond issuances on February 12, 2010. Firms were scored and ranked based on criteria including experience, capabilities and compensation. After reviewing and scoring the RFPs from seven firms, staff recommends the hiring of Grant Street as Reinvestment Agent.

The Reinvestment Agent will be responsible for preparing, obtaining, and reviewing bids from qualified investment institutions pursuant to specifications established by TDHCA. They will also advise TDHCA as to the quality and acceptability of bids and may assist in the investment agreement drafting and development process. The Reinvestment Agent may perform additional services including, but not limited to, special projects upon the request of TDHCA.

# BOARD ACTION REQUEST March 11, 2010

# **Requested Action**

Presentation, Discussion and Possible Approval of Resolution No. 10-018 authorizing the extension of the certificate purchase period for Residential Mortgage Revenue Bonds, 2009 Series A and Series B (Program 74) and authorization of an additional grant equal to 3% of the original principal balance of each eligible mortgagor's mortgage loan. (See attached resolution.)

# **Background**

Staff is requesting approval of the extension of the certificate purchase period and the authorization to add a 3% down payment assistance grant for Residential Mortgage Revenue Bonds, 2009 Series A and Series B (Program 74). Staff expects to utilize approximately \$1.2 million from the 1991A Home Improvement Loan Fund in the Single Family Indenture and \$400,000 from excess self insurance funds in the RMRB Indenture in order to fund the 3% grant.

Program 74 was released in August, 2009, at a mortgage rate of 6.25% with 4% down payment assistance in the form of a zero percent ten-year deferred forgivable second lien mortgage loan.

At the December 17, 2009 Board Meeting, the Board approved an additional 3% down payment assistance to be advanced through a third lien. However, TDHCA has been unable to implement the third lien program through the master servicer and therefore is proposing a 3% grant in place of the third lien.

The demand for Program 74 funds has still remained lackluster and Staff is coming to the Board today to request a 3% grant in order to further incentivize mortgagors; the end result should be to move these loan funds through the mortgage pipeline more quickly. Due to the proposed extension, the impact of negative arbitrage on the RMRB indenture will be lessened to the extent that mortgage loans are committed, closed, and pooled more quickly.

The certificate purchase period related to Program 74 will terminate on April 1, 2010. If the certificate purchase period is not extended, any unspent proceeds will be used for an unexpended bond proceeds redemption on June 1, 2010. Staff recommends extending the certificate purchase date for Program 74 to July 1, 2010 for the volume made available pursuant to the Housing and Economic Recovery Act of 2008 and October 1, 2010 for all other volume cap. The table below reflects Program 74's balances, per the master servicer's records, as of March 2, 2010.

Total Lendable Bond Proceeds		\$81.054 million
Assisted Funds Unreserved Balance 6.25%	\$50.276 million	
Loans in Mortgage Pipeline Pending Closing	\$ 7.072 million	
= Total Unspent Proceeds Balance		\$57.348 million
Mortgages Closed, Funded, and Purchased		\$23.706 million

### Resolution No. 10-018

RESOLUTION AUTHORIZING THE EXTENSION OF THE CERTIFICATE PURCHASE PERIOD FOR RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009A AND RESIDENTIAL MORTGAGE REVENUE REFUNDING BONDS, SERIES 2009B; AUTHORIZING THE USE OF REPAYMENTS FROM THE 1991A HOME IMPROVEMENT LOAN FUND AND EXCESS SELF-INSURANCE FUNDS FOR DOWN PAYMENT ASSISTANCE; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS RELATING THERETO; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; 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 (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 individuals 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); and

WHEREAS, the Act authorizes the Department: (a) to make and acquire and finance, and to enter into advance commitments to make and 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, finance or acquire participating interests in 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, in order to implement its Bond Program No. 74, the Department issued its Residential Mortgage Revenue Bonds, Series 2009A in the aggregate principal amount of \$80,000,000 (the "2009A Bonds") and its Residential Mortgage Revenue Refunding Bonds, Series 2009B in the aggregate principal amount of \$22,605,000 (the "Series 2009A Bonds" and together with the Series 2009A Bonds, collectively, the "Series 2009A/B Bonds") pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987, as heretofore amended and supplemented (as amended and supplemented from time to time, collectively the "RMRB Indenture") between the Department's predecessor, the Texas Housing Agency, or the Department, as the case may be, and MTrust Corp or its successors as trustee, including The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), and the Twenty-Eighth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of August 1, 2009 between the Department and the Trustee with respect to the Series 2009A Bonds (the "Twenty-Eighth Supplemental Indenture") and the Twenty-Ninth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of August 1, 2009 between the Department and the Trustee with respect to the Series 2009B Bonds (the "Twenty-Ninth Supplemental Indenture"), for the purpose, among others, of providing funds to make and acquire qualified mortgage loans (including participating interests therein) during the Certificate Purchase Period (as described in the Twenty-Eighth Supplemental Indenture); and

WHEREAS, the Series 2009A Bonds were issued utilizing \$30,000,000 of private activity bond volume cap made available pursuant to the Housing and Economic Recovery Act of 2008 ("HERA Cap") and the remainder from general volume cap provided to states under Section 146(d)(1) of the Internal Revenue Code of 1986, as amended ("Standard Volume Cap"); and

WHEREAS, the Department has unoriginated proceeds remaining under Program 74 and the Board desires to authorize and approve (i) the use of up to \$1,200,000 from the 1991A Home Improvement Loan Fund Program ("HILF Repayments") and up to \$400,000 of excess self-insurance funds to provide down payment and closing cost

assistance in the form of a 3% grant ("TDHCA Down Payment Assistance Grants") to eligible borrowers under Program 74; and

WHEREAS, the Certificate Purchase Period with respect to the Series 2009 A/B Bonds ends on April 1, 2010 unless extended; and

WHEREAS, the Department desires to approve and authorize (i) the extension of the Certificate Purchase Period for the Series 2009 A/B Bonds to July 1, 2010 for amounts representing HERA Cap and October 1, 2010 for amounts representing Standard Volume Cap in accordance with the terms of the Twenty-Eighth Supplemental Indenture, (ii) all actions to be taken with respect thereto, and (iii) the execution and delivery of all documents and instruments in connection therewith;

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

#### ARTICLE I

# EXTENSION OF CERTIFICATE PURCHASE PERIOD; APPROVAL OF DOCUMENTS

Section 1.1--Approval of Extension of the Certificate Purchase Period. The extension of the Certificate Purchase Period to July 1, 2010, or the first business day thereafter, for amounts representing HERA Cap and October 1, 2010, or the first business day thereafter, for amounts representing Standard Volume Cap, is hereby authorized, subject to advice of any financial advisor, bond counsel or other advisor to the Department, such extension to be effectuated under and in accordance with the RMRB Indenture and the Twenty-Eighth Supplemental Indenture, and the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all documents and instruments in connection therewith and to request and deliver all certificates as may be required by the terms of the Twenty-Eighth Supplemental Indenture in connection therewith.

Section 1.2--<u>Authorization to Use HILF Repayments and Excess Self-Insurance Funds</u>. The use of HILF Repayments and excess self-insurance funds to provide TDHCA Down Payment Assistance Grants to eligible borrowers under Program 74 is hereby authorized and approved, and the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all documents and instruments in connection therewith.

Section 1.3--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.4--<u>Authorized Representatives</u>. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chairman of the Board; the Vice Chairman of the Board; the Secretary to the Board; the Executive Director or the Acting Executive Director of the Department; the Chief of Agency Administration of the Department; and the Director of Bond Finance of the Department.

# ARTICLE II

# **GENERAL PROVISIONS**

Section 2.1--<u>Purpose of Resolution</u>. The Board has expressly determined and hereby confirms that the acquisition of mortgage loans or the purchase of Mortgage Certificates resulting from the extension of the Certificate Purchase Period 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.

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Section 2.2--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 2.3--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 made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

[Execution page follows]

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# PASSED AND APPROVED this 11th day of March, 2010.

	Chairman, Governing Board	
ATTEST:		
Secretary to the Governing Board	_	
(SEAL)		

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# BOARD ACTION REQUEST March 11, 2010

# **Recommended Action**

Approve the adoption of Resolution 10-019 authorizing the Department to enter into a warehouse agreement and interest rate setting mechanism to be used in conjunction with the Department's First-Time Homebuyer Program. (See attached resolution.)

# **Background**

Housing finance agencies have been forced to examine new and improved methods to manage their mortgage loan pipelines. The traditional method of selling bonds and then setting the mortgage rate and waiting for the new loans to originate comes at a high cost in today's interest rate environment. The issued bonds begin accruing interest at 5% while the proceeds earn less than 1% until such time as a sufficient number of loans have been originated to support being pooled into Mortgage Backed Securities (MBSs) with a pass-through rate of 5.65%. This period of origination, building the pool, might last 12 to 42 months, during which time the Department would be subjected to a significant "negative arbitrage," which is the difference between what funds cost and what they can earn in the present interest rate environment. Traditionally an investment vehicle called a guaranteed investment contract or "GIC" is employed, providing a safe place to invest bond proceeds at an acceptable rate of return and from which cash can be drawn as needed to fund loan originations. GICs are just not available at this time with yields coming close to the bond yield.

A recent innovation in the tax-exempt mortgage-backed market is the use of a warehouse financing facility. Long a staple of mortgage lenders in the taxable mortgage market, the warehouse facility has only recently gained acceptance in the tax-exempt mortgage market. The proposed warehouse facility would be used in conjunction with the Department's First-Time Homebuyer Program to originate and offer mortgage financing to residential borrowers. Initially, mortgage loans would be closed, purchased, and pooled into (MBSs), which would be financed from funds provided from a warehouse facility. The warehouse provider would hold the MBSs as collateral for the loan at a discount from the par value, requiring the Department to provide an additional security for the discount amount. As the warehouse then fills with MBSs, up to a set limit, the Department sells bonds and uses the proceeds to buy the MBSs, which are contributed to the trust that is the subject of the bond indenture. These contributed MBSs become the cash flowing investments from which the bond issue will ultimately be repaid. That then refreshes the available amount of warehouse facility, permitting the origination of additional new loans to be pooled into MBSs.

Negative arbitrage is reduced or eliminated, because the new bond funds become quickly invested in mortgages paying a higher rate of return than from a GIC. Upon initial pool certification, a new Ginnie Mae, Fannie Mae or Freddie Mac MBS would be issued in a matter of days. A warehouse facility is a valuable tool for a housing finance agency, potentially saving millions of dollars in reduced capitalized interest requirements through the reduction or elimination of negative arbitrage.

This new process will necessitate a method to set and periodically adjust mortgage rates where the Department surveys market competition on rates and adjusts for the additional benefit of down payment assistance in the form of due on sale 2<sup>nd</sup> liens. The Board would delegate to the Executive Director or Chief of Agency Administration, subject to predetermined limits, the ability to manage the warehouse facility from month to month. Staff would report to the Board at each monthly meeting the activity of the prior month and staff recommendations as to the management of the warehouse facility for the month to come. Rates offered on mortgage loans would fluctuate up or down depending upon movements in market mortgage rates and demand for the Department's mortgage funds.

Mortgage loans temporarily originated with funds made available under the warehouse facility would be assigned (i.e., allocated) to bond issues as they are issued. This new origination process will require a parallel new process for active management on the part of Department staff to ensure that under applicable federal tax law requirements, as loans are allocated to particular bond issues, the blended effective interest rate (i. e., yield) on each mortgage loan portfolio does not exceed by more than 112.5 basis points, the yield on the bond issue to which such mortgage loan portfolio is allocated. Part of this active management process may include deallocating and reallocating mortgage loans between and among portfolios within 18 months of the date of delivery of any related bond issues.

In order for the Department staff to achieve yield compliance described above, it will be necessary for Department staff to work closely with the Department's financial advisor in obtaining periodic computations of loan portfolio yields. As a result, the Department's financial advisory firm will be called upon to perform and provide computations. Likewise, Department's bond counsel will be called upon to assist with interpretative questions related to such active management process.

The Department staff's new active management process to achieve yield compliance described above may require that from time to time loans are sourced from more than one bond issue on a split rate basis. Under this process, the individual loans carrying a single rate may give rise to repayments that must be allocated at differing interest rates to the various sources (i. e., bond issues) permanently funding such loans.

The Department staff's new active management process will also entail a system to track compliance with federal tax law requirements that 20% of the proceeds of each bond issue be made available for 12 months from the date on which funds are first available for the purpose of making loans in federally identified Targeted Areas.

Staff recommends entering into a Warehouse Agreement with First Southwest Company and PlainsCapital Bank. The attached Resolution 10-019 contains the relevant terms and conditions of the Warehouse Agreement.

#### Resolution No. 10-019

RESOLUTION APPROVING WAREHOUSING AGREEMENT, SERVICING AGREEMENT, COMPLIANCE AGREEMENT AND PROGRAM GUIDELINES FOR MORTGAGE LOANS FINANCED WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009C AND RESIDENTIAL MORTGAGE REVENUE BONDS TO BE ISSUED DURING 2010 IN UP TO THREE SERIES; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING TO THE FOREGOING; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; 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 (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; and

WHEREAS, 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; and

WHEREAS, the Texas Housing Agency (the "Agency") or the Department, as its successor, has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its Residential Mortgage Revenue Bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Thirtieth and any amendments thereto, collectively, the "RMRB Indenture") between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) single family mortgage purchase program by providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae")) (referred to herein as "Mortgage Loans"); and

WHEREAS, Section 302 of the RMRB Indenture authorizes the issuance of additional bonds for the purposes of acquiring Mortgage Loans or participations therein, payment of costs of issuance, funding of reserves and refunding outstanding bonds or notes issued by the Department under the Act; and

WHEREAS, the Department issued, under the Act and the federal government's New Issue Bond Program ("NIBP"), its Residential Mortgage Revenue Bonds, Series 2009C (the "Series 2009C Bonds") pursuant to the RMRB Indenture and the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009 between the Department and the Trustee (the "Thirtieth Series Supplement"); and

WHEREAS, in accordance with the Thirtieth Series Supplement and the provisions of the NIBP, the Department is entitled, on up to three separate dates occurring no later than December 31, 2010, to convert all or a portion of the Series 2009C Bonds previously issued as taxable bonds to tax-exempt bonds and in connection with each such conversion to release a portion of the proceeds of the Series 2009C Bonds held in escrow to be used with the proceeds of a series of tax-exempt Residential Mortgage Revenue Bonds to be issued in connection with the respective conversion (such bonds are referred to in the NIBP and herein as "Market Bonds") to acquire Mortgage Certificates; and

WHEREAS, pursuant to Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Department is authorized to enter into "credit agreements" as defined in Chapter 1371; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Warehousing Agreement in substantially the form attached hereto (the "Warehousing Agreement") with First Southwest Company and PlainsCapital Bank (collectively, the "Warehouse Provider") and The Bank of New York Mellon Trust Company, N.A., as custodian (the "Custodian"); and

WHEREAS, the Governing Board has determined that the Warehousing Agreement is a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended;

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Program Administration and Servicing Agreement in substantially the form attached hereto (the "Servicing Agreement") setting forth the terms under which Bank of America, N.A., as master servicer (the "Servicer"), will review, acquire, package and service the Mortgage Loans; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Compliance Agreement in substantially the form attached hereto (the "Compliance Agreement") setting forth the terms under which Bank of America, N.A., as compliance agent (the "Compliance Agent"), will review and examine certain documents submitted by the Mortgage Lenders in connection with the Mortgage Loans to ensure compliance with the requirements of the Department set forth therein; and

WHEREAS, the Governing Board desires to approve the Program Guidelines in substantially the form attached hereto (the "Program Guidelines") setting forth the general terms of the Mortgage Loans; and

WHEREAS, the Governing Board desires to approve the forms of the Warehousing Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution;

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

### ARTICLE I

### APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1--Authority to Approve Form and Certain Terms of Warehousing Agreement. The Executive Director or the Chief of Agency Administration of the Department are hereby authorized and empowered, in accordance with Chapter 1371, to fix and determine the terms of the Warehousing Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department of the Warehousing Agreement; provided, however, that: (a) the principal amount of Mortgage Certificates that may be purchased under the Warehousing Agreement shall not exceed \$500,000,000; (b) the Warehousing Agreement shall terminate no later than one year after its effective date, provided that the Warehousing Agreement may provide for the term to be extended for up to one additional year at the option of the

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Department; (c) the source of payment of the Department's obligations under the Warehousing Agreement shall be limited to the cash collateral described in (d) and any amounts available as a result of the subordinate lien on the Trust Estate of the RMRB Indenture; (d) the security for the Department's obligations under the Warehousing Agreement shall be cash collateral of up to \$5,000,000 and a subordinate lien on the Trust Estate as defined in the RMRB Indenture; and (e) the duration of the authority to enter into the Warehousing Agreement shall not extend beyond March 11, 2011.

Section 1.2--Approval, Execution and Delivery of Warehousing Agreement. The form and substance of the Warehousing Agreement are hereby approved and the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Warehousing Agreement and to deliver the Warehousing Agreement to the Warehouse Provider and the Custodian.

<u>Section 1.3--Approval, Execution and Delivery of Servicing Agreement</u>. The form and substance of the Servicing Agreement are hereby approved and the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Servicing Agreement and to deliver the Servicing Agreement to the Trustee and the Servicer.

<u>Section 1.4--Approval, Execution and Delivery of Compliance Agreement</u>. The form and substance of the Compliance Agreement are hereby approved and the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Compliance Agreement and to deliver the Compliance Agreement to the Compliance Agent.

<u>Section 1.5--Approval of Program Guidelines</u>. The form and substance of the Program Guidelines are hereby approved and the Department is authorized to distribute the Program Guidelines to mortgage lenders; provided that the interest rate on mortgage loans originated under the program shall be no less than 4.99% and no greater than 6.25%; and that down payment and closing cost assistance may not exceed 5% of the original principal amount of the related first mortgage loan.

<u>Section 1.6--Execution and Delivery of Other Documents</u>. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

<u>Section 1.7--Power to Revise Form of Documents</u>. Notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

<u>Section 1.8--Exhibits Incorporated Herein</u>. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit A - Warehousing Agreement
Exhibit B - Servicing Agreement
Exhibit C - Compliance Agreement
Exhibit D - Program Guidelines

<u>Section 1.9--Authorized Representatives</u>. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and

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delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman or Vice Chairman of the Governing Board, Executive Director or Acting Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department, Director of Texas Homeownership of the Department and the Secretary to the Governing Board.

<u>Section 1.10--Submission to the Attorney General of Texas</u>. The Board hereby ratifies the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the authorization of the Warehousing Agreement.

<u>Section 1.11--Ratifying Other Actions</u>. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Warehousing Agreement are hereby ratified and confirmed.

<u>Section 1.12--Board Determination</u>. The Governing Board has determined that the Warehousing Agreement is a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended.

# ARTICLE II GENERAL PROVISIONS

Section 2.1--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 made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032. Texas Government Code, as amended.

<u>Section 2.2--Effective Date</u>. This Resolution shall be in full force and effect from and upon its adoption.

[Execution page follows]

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### PASSED AND APPROVED this 11th day of March, 2009.

	Chairman, Governing Board	
ATTEST:		
Secretary to the Governing Board		
(SEAL)		

DRAFT NO. 1 01/11/10 DRAFT NO. 2 02/16/10 DRAFT NO. 3 03/03/10 DRAFT NO. 4 03/04/10 #372065695 v4

## TEXAS DEPARTMENT OF HOUSING COMMUNITY AFFAIRS Residential Mortgage Revenue Bonds Series 2009 C (and related Market Bonds)

### **WAREHOUSING AGREEMENT**

THIS WAREHOUSING AGREEMENT (this "Warehousing Agreement") dated as of \_\_\_\_\_\_\_, 2010, is by and between Texas Department of Housing Community Affairs (the "Department"), The Bank of New York Mellon Trust Company, N.A., as custodian (the "Custodian") and PlainsCapital Bank and First Southwest Company (each a "Warehouse Provider and collectively the "Warehouse Providers").

WHEREAS, the above-captioned bonds (the "Bonds") were issued and secured or will be issued and secured under a Residential Mortgage Revenue Bond Trust Indenture, dated as of November 1, 1987, as amended and supplemented from time to time, and a Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009 with respect to the Series 2009C Bonds, and a Thirty-First Supplemental Residential Mortgage Revenue Bond Trust Indenture, a Thirty-Second Supplemental Residential Mortgage Revenue Bond Trust Indenture and a Thirty-Third Supplemental Residential Mortgage Revenue Bond Trust Indenture with respect to the related Market Bonds to be issued by the Department (collectively, the "Indenture"), each by and between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, under the Indenture the Trustee is required to purchase certain mortgage-backed certificates (the "Certificates") guaranteed as to payment of principal and interest by the Government National Mortgage Association, Fannie Mae or Freddie Mac in accordance with the terms of a Program Administration and Servicing Agreement 2010 Bond Programs dated as of \_\_\_\_\_\_\_\_, 2010 (the "Servicing Agreement"), by and among the Department, the Servicer (defined below) and the Trustee; and

WHEREAS, the Department has determined to enter into this agreement to provide for the temporary warehousing of the Certificates pending the establishment of Certificate Sale Dates as described herein, and the Warehouse Providers have agreed to warehouse up to \$100,000,000 principal amount of Certificates in accordance with the terms and conditions of this Warehousing Agreement; and

WHEREAS, the Department by its execution below, hereby authorizes and instructs the Custodian to (i) purchase the Certificates on behalf of the Warehouse Providers at the Warehousing Purchase Price from funds of the Warehouse Providers deposited with the Custodian and deliver the Certificates to the Warehouse Providers as described herein, all in

accordance with Section 2 below, and (ii) purchase the Certificates from the Warehouse Providers on each Certificate Sale Date (as defined below) in accordance with Section 3 below.

NOW, THEREFORE, the parties hereto agree as follows:

#### SECTION 1. DEFINITIONS.

For purposes of this Warehousing Agreement, unless the context clearly indicates otherwise, the following words or terms have the respective meanings provided therefor. Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Indenture or the Servicing Agreement.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions are closed in New York, New York, or in the state in which either the Principal Office or the Operations Office of the Custodian is located, or (iii) a day on which the New York Stock Exchange is closed.

"Certificates" means the GNMA Certificates, Fannie Mae Certificates or Freddie Mac Certificates, as applicable.

"Certificate Delivery Date" means any date on or before December 31, 2010 on which the Servicer delivers Certificates to the Custodian (on behalf of the Warehouse Providers) for purchase under the Servicing Agreement and this Warehousing Agreement.

"Certificate Sale Date" means (i) any Business Day from December 15, 2010 through December 31, 2010 selected by the Warehouse Providers, (ii) any other Business Day or Days mutually agreed to by the Department and the Warehouse Providers, (iii) if the Warehouse Providers shall have purchased Certificates with a total original principal amount of at least \$100,000,000, then any Business Day selected by the Warehouse Providers, (iv) any Business Day selected by the Department, and (v) any Business Day selected by the Warehouse Providers (with 45 days prior notice to the Department) if the Warehouse Providers earn a spread on the warehoused Certificates for any continuous 7-day period that is less than 1.75% (determined on an annual basis) of the applicable outstanding principal amount of such Certificates for such period. No Certificate Sale Date may be established after December 31, 2010 without the written consent of the Warehouse Providers.

"Principal Payments" means any principal payments received by the Warehouse Providers on the Certificates on or before a Certificate Sale Date.

"Program" means the program pursuant to which the Department will provide funds through the issuance of the Bonds to finance the purchase of Mortgage Loans through the purchase of Certificates.

"Servicer" means Bank of America, N.A, the master servicer for the Mortgage Loans financed with the proceeds of the Bonds.

"Warehousing Purchase Price" means the amount paid to the Custodian by the Warehouse Providers on a Certificate Delivery Date for the purchase of each Certificate, which will be 100% of the outstanding principal amount of such Certificate, plus accrued interest, if any, to such Certificate Delivery Date.

### SECTION 2. PURCHASE OF CERTIFICATES BY WAREHOUSE PROVIDERS ON CERTIFICATE DELIVERY DATES

- (a) (i) As early as practicable on each Certificate Delivery Date, the Warehouse Providers shall transfer to the Custodian an amount equal to the Warehousing Purchase Price in the manner described in Section 9 hereof.
- (ii) As soon as practicable upon the Custodian's receipt of the Warehousing Purchase Price from the Warehouse Providers, the Custodian shall, on behalf of the Warehouse Providers, purchase the Certificates at the applicable Warehousing Purchase Price, delivery against payment, from the Servicer; provided, however, that if the Custodian does not receive the Certificates from the Servicer by 3:00 p.m., New York time on the Certificate Delivery Date, the Custodian shall at the written instructions of the Warehouse Providers, either (A) promptly redeliver the Warehousing Purchase Price to the Warehouse Providers or (B) invest the Warehousing Purchase Price overnight in a U.S. Government money market fund managed by the Custodian or its affiliates and remit any interest earned thereon to the Warehouse Providers.

In addition to the Warehousing Purchase Price, on or before each Certificate Delivery Date the Department shall pay, or cause to be paid, to the Servicer any amount required to be paid to the Servicer in excess of the Warehousing Purchase Price of such Certificate.

The Department agrees that the maximum principal amount of Certificates required to be warehoused by the Warehouse Providers hereunder shall not exceed \$100,000,000 without the written consent of the Warehouse Providers.

- (iii) As soon as practicable after the receipt of the Warehousing Purchase Price from the Warehouse Providers, the payment thereof to the Servicer, and the Custodian's receipt of the Certificates from the Servicer, the Custodian shall make a "free" delivery of such Certificates to the Warehouse Providers. Any payments of principal or interest made on the Certificates while in the possession of the Custodian shall be the exclusive property of the Warehouse Providers.
- (b) The Custodian agrees to give the Warehouse Providers at least five (5) Business Days notice prior to the delivery of the Certificates to the Warehouse Providers, specifying the type and principal balance, CUSIP number and pool number of each Certificate and the proposed Certificate Delivery Date. All Certificate deliveries to the Warehouse Providers shall be via the Federal Reserve wire system.
- (c) The Warehouse Providers shall not be required to transfer the Warehousing Purchase Price to the Custodian or accept delivery of Certificates if the Custodian, the Trustee or the Department has defaulted in the performance of its obligations under this Warehousing Agreement or an event of default has occurred and is continuing under the Indenture or the

Servicing Agreement that adversely affects the ability of the Warehouse Providers, in their judgment, to purchase or re-sell the Certificates.

- (d) Although the parties hereto intend that the transactions contemplated by Section 2(a) (the "Purchases") be treated as purchases and sales and not loans, in the event any such Purchases are deemed to be loans, the Custodian shall be deemed to have pledged to the Warehouse Providers as security for the performance by the Custodian of its obligations under each such Purchase, and shall be deemed to have granted to the Warehouse Providers a perfected security interest in, all of the Certificates with respect to all Purchases hereunder and all proceeds thereof. To the extent required by applicable law, all Certificates in the possession of the Custodian shall be segregated from other securities in its possession and shall be identified as subject to this Warehousing Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial intermediary or a clearing corporation. Title to all Certificates shall pass to the Warehouse Providers and, unless otherwise agreed by the Warehouse Providers and the Custodian, nothing shall relieve the Warehouse Providers of their obligations to transfer Certificates to the Trustee pursuant to Section 3 hereof.
- (e) The Warehouse Providers shall not be required to accept any Certificates unless accompanied by a certification from the Servicer to the effect that they qualify for funding under the Indenture and the Department's Program.
- (f) At no time shall the aggregate outstanding principal balance of the Certificates sold to the Warehouse Providers hereunder exceed an amount equal to the aggregate initial principal amount of the Bonds plus the aggregate amount of Principal Payments received by the Warehouse Providers. The Warehouse Providers hereby agrees to purchase up to such amount of Certificates pursuant to the terms of this Warehousing Agreement.
- (g) The Department agrees that all Certificates initially financed with proceeds of the Bonds up to \$100,000,000 shall be sold to the Warehouse Providers under this Warehousing Agreement unless the Warehouse Providers are unable to discharge their obligations under this Warehousing Agreement.

## SECTION 3. SALE OF CERTIFICATES FROM WAREHOUSE PROVIDERS TO TRUSTEE; PLEDGE OF COLLATERAL BY DEPARTMENT; SHARING OF WAREHOUSING SPREAD.

(a) The Warehouse Providers shall sell, and the Trustee shall purchase, in accordance with the Indenture, to the extent that Trustee has available funds for such purpose under the Indenture, the Certificates on each Certificate Sale Date for a purchase price equal to 100% of the outstanding principal balance of the Certificates on such Certificate Sale Date. Such purchase shall represent payment of the Certificate Purchase Price as provided under the Indenture (and shall take into account the credit to such purchase price described in Section 2(a)(ii) above). In addition, the Trustee shall pay to the Warehouse Providers accrued, unpaid interest to such Certificate Sale Date promptly following receipt thereof on the next interest payment date for the related Certificates. The Warehouse Providers shall deliver the related

Certificates to the Trustee on each Certificate Sale Date in the manner that satisfies the conditions of the Indenture and the reasonable requests of the Trustee.

- (b) For each Certificate Sale Date, the Department shall, as soon as practicable, establish a Release Date, except for any Certificate Sale Date established after December 31, 2010. The Department shall take all actions necessary to ensure that the Certificates are purchased from the Warehouse Providers by the Trustee from moneys under the Indenture (or such other funds as directed by the Department) on such Certificate Sale Date. The Department shall pay or cause to be paid from available amounts held under the Indenture or from funds of the Department all fees and expenses relating to each Release Date.
- (c) If the Department fails to establish a Certificate Sale Date or a Release Date as required under this Warehousing Agreement, then the Warehouse Providers shall have the right to sell the warehoused Certificates in the open market pursuant to a good faith bidding process, or other sales process approved by the Department. In lieu of a bidding process, the Department may have a right of first refusal to purchase the Certificates provided that the Warehouse Providers approve the sale price. Any premium on any sale of Certificates shall be paid to the Department.
- (d) On or before execution of this Warehousing Agreement, the Department shall escrow collateral (the "Collateral"), with a third party escrow agent acceptable to the Warehouse Providers, with a market value (at the time of such posting) equal to 5% of the total warehousing commitment provided by the Warehouse Providers hereunder. If in connection with a sale of Certificates as described in the preceding paragraph, the net sales proceeds are less than the outstanding principal amount of the Certificates sold, the Warehouse Providers shall have the right to dispose of Collateral sufficient to cover any such shortfall. Thus if the Certificates are sold at a net sales price of 97% of par, the Warehouse Providers shall have the right to sell or cause to be sold Collateral in an amount sufficient to cover the 3% shortfall. The Collateral shall consist of cash, direct obligations of the United States of America, obligations guaranteed by the United States of America or such other obligations as approved by the Warehouse Providers.
- (e) From the interest paid on the warehoused Certificates, the Warehouse Providers shall retain an amount equal to the applicable outstanding principal amount times the sum of (i) the One Month LIBOR Rate plus (ii) 1.75%. Any amount in excess of such retained amount shall be split on a 50-50 basis between the Warehouse Providers and the Department. The amount determined pursuant to the two preceding sentences shall be computed on a daily basis by the Warehouse Providers and reported and paid to the Department on a monthly basis. The "One Month LIBOR Rate" shall be the One Month London Interbank Offered Rate determined on each day as reported by Bloomberg Financial Services on the screen page for British Banker Association (BBA) "Official BBA Libor Fixings".

### SECTION 4. INVESTMENT OF BOND PROCEEDS.

The parties acknowledge that, pursuant to the Indenture, all net proceeds of the Series 2009C Bonds and the Shortfall Amount will be invested in the Global Escrow Agreement. The Trustee covenants that it shall enforce its rights pursuant to the Global Escrow Agreement fully

in accordance with the terms thereof to the extent that it is lawfully empowered to do so. If the Global Escrow Agreement is to be replaced or assigned for any reason, the Trustee shall promptly notify the Warehouse Providers. The Department agrees to take all reasonable steps necessary to ensure that the net proceeds of the Bonds and the Shortfall Amount will remain available to permit the Warehouse Providers to sell the Certificates to the Trustee on each Certificate Sale Date.

### SECTION 5. RIGHTS OF THE WAREHOUSE PROVIDERS

- (a) The Warehouse Providers shall have the attributes and benefits of ownership of the Certificates, including, without limitation (i) the right to receive payments of principal and interest on the Certificates and (ii) the right to re-hypothecate, sell or transfer the Certificates to others (subject to Section 5(b) below), provided that the foregoing shall not be deemed to modify or limit the Warehouse Providers' obligations to sell the Certificates to the Trustee on each Certificate Sale Date.
- (b) The Warehouse Providers may sell, lend or otherwise transfer the Certificates they has purchased, but only in repurchase, reverse repurchase or similar transactions:
  - (i) that mature prior to the applicable Certificate Sale Date,
  - (ii) that do not permit the other principal to the transaction to further sell or lend such Certificates except in the event of a default by the Warehouse Provider or Providers under such transaction, and
  - (iii) under which the Certificates are held by a custodian for the benefit of the Warehouse Providers' customer in order to perfect any security interest therein which the Warehouse Providers may grant to such customer, or under a repurchase agreement pursuant to which the Warehouse Providers or its custodian retains possession of the Certificates.
- (c) The Warehouse Providers hereby grant to the Trustee, to the maximum extent allowed by law and consistent with customary warehousing agreement documentation, the right to perform in the Warehouse Providers' stead under any repurchase, reverse repurchase or similar transaction in which the Warehouse Providers have sold, loaned or otherwise transferred Certificates purchased by the Warehouse Providers hereunder if (i) the Warehouse Providers have defaulted on the obligation to repurchase or accept redelivery of such Certificates in conformity with the terms of any such transaction, or (ii) the Trustee has funds in sufficient quantity and is otherwise capable of effecting such performance, provided, however, the Trustee shall have no obligation to exercise such rights except at the written direction of the Department.

#### SECTION 6. REPRESENTATIONS AND WARRANTIES.

Each Warehouse Provider, the Department, the Custodian and the Trustee each represent and warrant to each other that:

- (a) it has the power to enter into this Warehousing Agreement and to consummate the transactions contemplated hereby;
- (b) this Warehousing Agreement has been duly authorized, executed and delivered by it and, assuming the due authorization, execution and delivery hereof by the other parties hereto, constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding in equity or at law, and further subject to any aspects of sovereign immunity that are applicable to the Department; and
- (c) to the best of its knowledge, its execution and delivery of this Warehousing Agreement and its performance of its obligations hereunder do not and will not constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under, its charter or by-laws, or the Indenture, or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

### SECTION 7. AMENDMENT TO OTHER AGREEMENTS.

The Department will deliver a copy of each proposed amendment to the Indenture to the Warehouse Providers. The Department agrees that no amendment to the Indenture or any other document relating to the actions described hereunder shall be made which would adversely affect the Warehouse Providers' rights under this Warehousing Agreement or adversely affect the financial position of the Warehouse Providers or reduce their expected economic benefits with respect to this Warehousing Agreement, without the prior written consent of the Warehouse Providers, provided that so long as the Warehouse Providers have been delivered a copy of any such proposed amendment, the obligation of the Department to obtain the consent of the Warehouse Providers under this Section 7 shall arise only after the Department has been advised by the Warehouse Providers in writing that the amendment's terms adversely affect the Warehouse Providers' rights under this Warehousing Agreement or might adversely affect the financial position of the Warehouse Providers or reduce their expected economic benefits with respect to this Warehousing Agreement. If no such objection is received within ten (10) Business Days after the date the Warehouse Providers have been delivered a copy of such proposed amendment or supplement, the Department may conclusively assume that Warehouse Providers have no such objection.

### SECTION 8. BINDING EFFECT; TRANSFER.

This Warehousing Agreement shall be binding upon the Custodian, the Trustee, the Warehouse Providers and the Department and upon their respective successors and transferees. A Warehouse Provider may assign its interests and obligations under this Warehousing Agreement to any other person or entity with the written consent of the Department. Neither the Custodian nor the Trustee nor the Department may assign its interests and obligations under this Warehousing Agreement without the prior written consent of the Warehouse Providers except that the Trustee may transfer its interests and obligations to a successor trustee in accordance with the provisions of the Indenture.

### SECTION 9. PAYMENT INSTRUCTIONS.

All payments due under this Warehousing Agreement to the Custodian or the Warehouse Providers are to be made in immediately available funds by means of a bank or Federal funds wire, to the account specified by the payee from time to time pursuant to Section 10.

### SECTION 10. NOTICES.

Any written notice authorized or required by this Warehousing Agreement shall be sufficiently given if addressed to the receiving party and hand delivered, sent by overnight courier, or sent by facsimile or electronic mail to the addressee specified in this paragraph or to such other person as the receiving party may from time to time designate in writing to the other party.

Notice to Cu	stodian or Trustee:	The Bank of New Y. Company, N.A.	York Mellon Trust
Account for	delivery of funds:		
Account for	delivery of Certificates:		

Notice to Warehouse Providers: PlainsCapital Bank

[address]
Attention:
Telephone:

Fax: Email:

First Southwest Company 325 North St. Paul Street

Suite 800

Dallas, TX 75201-3852

Attention: Michael J. Marz / Joe Brawner Telephone: (214) 953-4040 / (214) 953-4004

Fax: (214) 954-4339

michael.marz@firstsw.com joe.brawner@firstsw.com

Account for delivery of funds: The Bank of New York

1 Wall Street, New York, NY 10012

ABA# 021000018

Account Name: PlainsCapital Bank

Account # 8900271779

Account for delivery of Certificates: FED Wireable:

ABA # 021000018

Ref: BK OF NYC/FSWC

DTC instructions:

DTC # 0309 Agent ID: 95499

Notice to Department: Texas Department of Housing & Community

Affairs

P.O. Box 13941

Austin, Texas 78711-3941 Attention: Timothy Nelson Telephone: (512) 936-9268 tim.nelson@tdhca.state.tx.us

Any notice given hereunder may be in the form of oral instructions if promptly confirmed in writing.

### SECTION 11. LIMITATION.

Nothing expressed or implied herein is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, any right, remedy or claim by reason of

this Warehousing Agreement or any term hereof, and all terms contained herein shall be for the sole and exclusive benefit of the parties hereto, and their successors and permitted transferees.

### SECTION 12. GOVERNING LAW.

This Warehousing Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles.

### SECTION 13. SEVERABILITY.

If one or more provisions of this Warehousing Agreement, or the applicability of any such provisions for any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Warehousing Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

### SECTION 14. AMENDMENTS, CHANGES AND MODIFICATIONS.

This Warehousing Agreement may be amended or any of its terms modified only by a written document authorized, executed and delivered by each of the parties hereto.

### SECTION 15. COUNTERPARTS.

This Warehousing Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

### SECTION 16. PERFORMANCE OF SERVICES BY CUSTODIAN.

With regard to the services described herein that the Custodian is performing on behalf of the Warehouse Providers, such services are being performed, as an independent contractor of the Warehouse Providers, and nothing contained in this Agreement shall be construed to place the Warehouse Providers and the Custodian in a relationship as partners, joint venturers, employer/employee or principal/agent. The Trustee shall not have any authority to create or assume in the Warehouse Providers' names or on their behalf any obligation, expressed or implied, or to act or purport to act as the Warehouse Providers' agent or legally empowered representative for any purpose whatsoever. The provisions of the Indenture concerning the Trustee's standard of care, rights and protections available to the Trustee, indemnification of the Trustee and the right of the Trustee to require satisfactory indemnification before taking actions not specifically set forth as an obligation of the Custodian hereunder are expressly incorporated into this Warehousing Agreement by reference, to the same extent as if set forth herein in their entirety.

IN WITNESS WHEREOF, the Department, the Custodian, the Trustee and the Warehouse Providers have caused this Warehousing Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

TEXAS DEPARTMENT OF HOUSING COMMUNITY AFFAIRS, as Department

Ву	
Name:	
Title:	
PLAINSCAPITAL BANK,	
as a Warehouse Provider	
Ву	
Name:	
Title:	
FIRST SOUTHWEST COMPANY,	
as a Warehouse Provider	
By	
Name:	
Title:	
THE BANK OF NEW YORK MELLON	
TRUST COMPANY, N.A.,	
as Custodian	
as Custodian	
Ву	
Name:	
Title:	
THE BANK OF NEW YORK MELLON	
TRUST COMPANY, N.A.,	
as Trustee under the Indenture	
Ву	
Name:	
Title:	_

### **BOND FINANCE DIVISION**

### BOARD ACTION REQUEST March 11, 2010

### **Requested Action**

Presentation, Discussion and Possible Approval of Resolution 10-016 authorizing the issuance of Residential Mortgage Revenue Bonds, Series 2010A and conversion of first tranche of 2009C (Program 77). (See attached resolution.)

### **Background**

As part of the Obama Administration's comprehensive plan to stabilize the U.S housing market, on October 19, 2009 the Homeowner Affordability and Stability Plan was announced for state and local housing finance agencies (HFAs) that will help support low mortgage rates and expand resources for low and middle income borrowers to purchase or rent homes that are affordable over the long term. As part of this initiative, the New Issue Bond Program (NIBP) was created to support new lending by HFAs with the issuance of bonds at below market rates.

At the November 9, 2009 Board Meeting, Resolution 10-006 was approved authorizing the issuance of \$300 million in principal amount of new money, taxable residential mortgage revenue bonds which were placed with Fannie Mae and Freddie Mac under the New Issue Bond Program ("NIBP Bonds"). The NIBP Bonds were settled on December 23, 2009 with a temporary variable interest rate that may be converted in tranches at the Department's election up to three times in 2010. Upon conversion of a tranche of NIBP Bonds, the portion of the bonds that are converted will become tax-exempt bonds and a mortgage rate that is competitive to conventional mortgage rates, will be set. At the time of each conversion, TDHCA is required to sell to the public or private market an amount of new money, tax-exempt bonds ("market bonds") in a ratio equal to 40% of aggregate bond proceeds, with the other 60% of bonds represented by the bonds purchased through the New Issue Bond Program.

On January 20, 2010, TDHCA's Board approved an application to the Texas Bond Review Board to draw down \$120 million of 2009 volume cap along with \$30 million of H.R. 3221 volume cap for our Residential Mortgage Revenue Bond Program 77.

Today, staff is seeking final approval of the first conversion of \$90 million of the NIBP bonds to tax-exempt bonds that will bear interest at a rate of 3.81% and issuance of \$60 million of the shorter-term private market bonds for a total of \$150 million of funds for mortgage loans.

Staff has surveyed our lenders and there remains strong demand for our product with down payment assistance. Staff has taken a conservative look at this demand and estimates that Program 77 funds should be available through June 2010, provided however that the transaction will only price and close once the mortgage loans have been pooled and sold to the Trustee. Staff anticipates using a warehouse facility to fund the initial purchase of the mortgage certificates, in order to reduce or eliminate the impact of negative arbitrage. As required by state law, 30% of our bond proceeds will be set-aside for a period of not less than one year for families with income less than 80% of area median family income (AMFI). In addition, as

required by federal tax law, we will set-aside 20% of our bond proceeds for use in federally designated targeted areas within the State of Texas. Proceeds made available for both set-asides - along with the remaining bond proceeds - will be marketed to mortgagors with up to 5 percent of down-payment assistance in the form of a 30-year term, zero percent interest second-lien, due on sale mortgage loan. Depending upon the market conditions at the time of pricing of each "Commitment Lot", TDHCA expects the first-lien mortgage rate to be between 4.99% and 6.25%. Once the mortgage loans have all been purchased, pooled, and delivered through the warehouse line, staff will come back to the Board to approve purchasing the resulting pools with bond proceeds. The first-lien mortgages will be securitized and all mortgages will be marketed to very low, low and moderate income residents of the State of Texas. TDHCA expects that approximately 1,300 new first-time homebuyers will be able to take advantage of this program.

The following table illustrates the various components of this proposed transaction.

Program	Series	Amount	Purpose	<b>Bond Description</b>
77	2009C	\$90,000,000	Tax-Exempt Conversion NIBP with Assistance (60%)	Fixed Rate Non-AMT
77	2010A	\$60,000,000	Tax-Exempt New Issue Shorter-term private market (40%)	Fixed-Rate Non-AMT
Total		\$150,000,000		

At the January 20, 2010 Board meeting, the following underwriting team was approved by the TDHCA Board:

Firm	Role
Morgan Keegan	Book-running Senior Managing Underwriter
JP Morgan	Co-Senior Managing Underwriter
George K. Baum	Senior Manager
Morgan Stanley	Senior Manager
Piper Jaffray	Co-Manager
Fidelity Capital	Co-Manager
First Southwest	Co-Manager

The following table provides certain key dates for this plan of finance.

Program Schedule	Program 77
TDHCA TEFRA Hearing	March 1, 2010
TDHCA Board Approval Date	March 11, 2010
Texas Bond Review Board Approval Date	March 18, 2010
Pricing Dates	TBD
Execute Bond Purchase Agreement	TBD
Pre-Closing/Closing Dates	TBD

The TEFRA Hearing was held on March 1, 2010. No public comment was received.

#### Resolution No. 10-016

RESOLUTION AUTHORIZING THE RELEASE OF A PORTION OF THE PROCEEDS OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009C FROM ESCROW AND THE CONVERSION THEREOF; AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE DEPARTMENT'S RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2010A; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE THIRTY-FIRST SERIES SUPPLEMENT, THE DEPOSITORY AGREEMENT, THE PROGRAM GUIDELINES, THE SERVICING AGREEMENT, THE COMPLIANCE AGREEMENT, THE FUNDING AGREEMENT, THE BOND PURCHASE AGREEMENT, THE CONTINUING DISCLOSURE AGREEMENT AND THE OFFICIAL STATEMENT FOR THE SERIES 2010A BONDS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; 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 (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; and

WHEREAS, 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; and

WHEREAS, the Texas Housing Agency (the "Agency") or the Department, as its successor, has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its Residential Mortgage Revenue Bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Thirtieth and any amendments thereto, collectively, the "RMRB Indenture") between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) single family mortgage purchase program; and

WHEREAS, Section 302 of the RMRB Indenture authorizes the issuance of additional bonds for the purposes of acquiring Mortgage Loans (hereinafter defined) or participations therein, payment of costs of issuance, funding of reserves and refunding outstanding bonds or notes issued by the Department under the Act: and

WHEREAS, the Department has, pursuant to and in accordance with the Act, issued, sold and delivered its Residential Mortgage Revenue Bonds, Series 2009C (the "Series 2009C Bonds") pursuant to the

RMRB Indenture and the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009 between the Department and the Trustee (the "Thirtieth Series Supplement"); and

WHEREAS, the Governing Board has determined to authorize the issuance of the Department's Residential Mortgage Revenue Bonds, to be known as its Residential Mortgage Revenue Bonds, Series 2010A (the "Series 2010A Bonds") pursuant to the RMRB Indenture, for the purposes of providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae")) (referred to herein as "Mortgage Loans"), to fund capitalized interest, to fund down payment and closing cost assistance and to pay a portion of the costs of issuance; and

WHEREAS, the Governing Board desires to authorize the release, in accordance with the Thirtieth Series Supplement, of a portion of the proceeds of the Series 2009C Bonds (the "Series 2009C-1 Bonds") currently held in escrow to be used with the proceeds of the Series 2010A Bonds to acquire Mortgage Certificates under the hereinafter defined Program; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Thirty-First Supplemental Residential Mortgage Revenue Bond Trust Indenture (the "Thirty-First Series Supplement") in substantially the form attached hereto relating to the Series 2010A Bonds; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of a Ninth Supplement to Amended and Restated Depository Agreement relating to the Series 2010A Bonds (the "Depository Agreement"), by and among the Department, the Trustee and the Texas Treasury Safekeeping Trust Company, in substantially the form attached hereto to provide for the holding, administering and investing of certain moneys and securities relating to the Series 2010A Bonds; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Program Guidelines (the "Program Guidelines") in substantially the form attached hereto, setting forth the terms and conditions upon which Mortgage Loans will be purchased by the Department and the terms of such Mortgage Loans; and

WHEREAS, under the Program Guidelines, 100% of the funds available under the Department's single family mortgage purchase program designated as Bond Program No. 77 (the "Program") will be available to Mortgage Lenders participating in a controlled, first-come, first-served reservation system with (a) approximately 30% of such funds available in the first year of the Program to finance Mortgage Loans to eligible borrowers having a family income not exceeding 80% of applicable median family income; (b) approximately 20% of such funds available in the first year of the Program to finance Mortgage Loans to eligible borrowers in certain targeted areas; and (c) downpayment and closing cost assistance available to all eligible borrowers, with such borrowers agreeing to repay the assistance; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Program Administration and Servicing Agreement (the "Servicing Agreement") in substantially the form attached hereto setting forth the terms under which Bank of America, N.A., as master servicer (the "Servicer"), will review, acquire, package and service the Mortgage Loans and sell the Mortgage Certificates to the Trustee on behalf of the Department; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Compliance Agreement (the "Compliance Agreement") in substantially the form attached hereto setting forth the terms under which Bank of America, N.A., as compliance agent (the "Compliance Agent"), will review and examine certain documents submitted by the Mortgage Lenders in connection with the Mortgage Loans to ensure compliance with the requirements of the Department set forth therein; and

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WHEREAS, the Governing Board desires to authorize the execution and delivery of a Funding Agreement, if any (the "Funding Agreement"), in substantially the form attached hereto setting forth the terms under which the Servicer will advance funds to the Department to be used to pay a portion of the costs of issuance of the Series 2010A Bonds; and

WHEREAS, the Governing Board has further determined that the Department should enter into one or more Bond Purchase Agreements relating to the sale of the Series 2010A Bonds (collectively, the "Bond Purchase Agreement") with Morgan Keegan & Company, Inc., as representative of the group of underwriters listed on Exhibit A to this Resolution (the "Underwriters"), and/or any other parties to the Bond Purchase Agreement as authorized by the execution thereof by an authorized representative of the Department named in this Resolution, in substantially the form attached hereto setting forth certain terms and conditions upon which the Underwriters and/or any other parties to the Bond Purchase Agreement will purchase the Series 2010A Bonds from the Department and the Department will sell the Series 2010A Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in substantially the form attached hereto between the Department and the Trustee; and

WHEREAS, the Governing Board has been presented with a draft of a preliminary official statement to be used in the public offering of the Series 2010A Bonds (the "Official Statement") and the Governing Board desires to approve such Official Statement in substantially the form attached hereto; and

WHEREAS, the Governing Board has determined to authorize the investment of the proceeds of the Series 2009C Bonds and the Series 2010A Bonds and any other amounts held under the RMRB Indenture with respect to the Series 2009C Bonds and the Series 2010A Bonds in one or more guaranteed investment contracts (the "GICs") on or after the closing date or such other investments as the authorized representatives named herein may approve; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$1,000,000 of Department funds for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2010A Bonds, to fund down payment and closing cost assistance and to fund capitalized interest; and

WHEREAS, the Governing Board desires to authorize the use of up to \$1,300,000 of 0% loan funds in connection with the Program made available from various prior Single Family Mortgage Revenue Bond issues and Residential Mortgage Revenue Bond issues of the Department; and

WHEREAS, the Governing Board desires to authorize the use of an amount not to exceed \$8,000,000 of funds on deposit under the RMRB Indenture to fund down payment and closing cost assistance loans; and

WHEREAS, in accordance with Section 2306.142(m) of the Act, the Governing Board has determined that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department and desires to authorize the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act; and

WHEREAS, the Governing Board hereby determines that the purpose for which the Department may issue the Series 2010A Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended; and

WHEREAS, the Governing Board desires to approve the forms of the Thirty-First Series Supplement, the Depository Agreement, the Program Guidelines, the Servicing Agreement, the Compliance Agreement, the

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Funding Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Official Statement, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the Program in accordance with such documents by authorizing the issuance of the Series 2010A Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the Program; NOW, THEREFORE,

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

### ARTICLE I RELEASE OF SERIES 2009C BOND PROCEEDS FROM ESCROW; ISSUANCE OF SERIES 2010A BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Release of Series 2009C Bond Proceeds from Escrow. That the release of Series 2009C Bond proceeds from escrow and the conversion thereof in an amount not to exceed \$90,000,000 to occur concurrently with the delivery of the Series 2010A Bonds is hereby authorized in accordance with the Thirtieth Series Supplement; and the authorized representatives named herein each are hereby authorized to execute, attest, affix the Department's seal to and deliver such notices, documents and supplemental disclosure documents as are required by the Thirtieth Series Supplement to implement such release.

Section 1.2--Issuance, Execution and Delivery of the Series 2010A Bonds. That the issuance of the Series 2010A Bonds is hereby authorized, all under and in accordance with the RMRB Indenture, and that, upon execution and delivery of the Thirty-First Series Supplement, the authorized representatives named herein each are hereby authorized to execute, attest and affix the Department's seal to the Series 2010A Bonds and to deliver the Series 2010A Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Series 2010A Bonds to or upon the order of the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement.

Section 1.3--Authority to Approve Form of Documents, Determine Interest Rates, Principal Amounts, Maturities and Prices. That the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department (i) are hereby authorized and empowered to determine whether the Series 2010A Bonds will be issued on a taxable or a tax-exempt basis and to determine whether the Series 2010A Bonds will be issued as new money bonds, refunding bonds, or governmental purpose bonds (or any combination thereof) and (ii) are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, as amended, to fix and determine the interest rates, principal amounts and maturities of, and the prices at which the Department will sell the Series 2010A Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department of the Thirty-First Series Supplement, the Bond Purchase Agreement, the Depository Agreement and the Official Statement; provided, however, that: (a) the interest rate on the Series 2010A Bonds shall not exceed 7% per annum; (b) the aggregate principal amount of the Series 2010A Bonds shall not exceed \$60,000,000; (c) the final maturity of the Series 2010A Bonds shall occur not later than June 1, 2045; (d) the price at which the Series 2010A Bonds are sold to the Underwriters and/or any other parties to the Bond Purchase Agreement shall not exceed in the aggregate 106% of the principal amount thereof; and (e) the Underwriters' discount or fee shall not exceed the amount approved by the Texas Bond Review Board. In no event shall the interest rate on the Series 2010A Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law.

<u>Section 1.4--Approval, Execution and Delivery of the Thirty-First Series Supplement.</u> That the form and substance of the Thirty-First Series Supplement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and

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affix the Department's seal to the Thirty-First Series Supplement, and to deliver the Thirty-First Series Supplement to the Trustee.

<u>Section 1.5--Approval of Depository Agreement</u>. That the form and substance of the Depository Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Depository Agreement and to deliver the Depository Agreement to the Trustee and to the Texas Treasury Safekeeping Trust Company.

<u>Section 1.6--Approval of Program Guidelines</u>. That the form and substance of the Program Guidelines are hereby approved.

<u>Section 1.7--Approval of Servicing Agreement</u>. That the form and substance of the Servicing Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Servicing Agreement and to deliver the Servicing Agreement to the Trustee and the Servicer.

<u>Section 1.8--Approval of Compliance Agreement</u>. That the form and substance of the Compliance Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Compliance Agreement and to deliver the Compliance Agreement to the Compliance Agent.

<u>Section 1.9--Approval of Funding Agreement</u>. That the form and substance of the Funding Agreement, if any, are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Funding Agreement and to deliver the Funding Agreement to the Servicer and the Trustee.

Section 1.10--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Series 2010A Bonds to the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement is hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Underwriters and/or any other parties to the Bond Purchase Agreement.

<u>Section 1.11--Approval of Continuing Disclosure Agreement</u>. That the form and substance of the Continuing Disclosure Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Continuing Disclosure Agreement and to deliver the Continuing Disclosure Agreement to the Trustee.

Section 1.12--Official Statement. That the Official Statement relating to the Series 2009C-1 Bonds and the Series 2010A Bonds, in substantially the form presented to the Governing Board, is hereby approved; that prior to the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, are hereby authorized and directed to finalize the Official Statement for distribution by the Underwriters to prospective purchasers of the Series 2010A Bonds and to the holders of the Series 2009C-1 Bonds, with such changes therein as the authorized representatives of the Department named in this Resolution may approve in order to permit such an authorized representative, for and on behalf of the Governing Board, to deem the Official Statement relating to the Series 2010A Bonds final as of its date, except for such omissions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), such approval to be conclusively evidenced by the distribution of such Official Statement; and that within seven business days after the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, shall cause the final Official Statement, in substantially the form of the Official Statement attached hereto, with such changes as such an authorized representative may approve, such approval

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to be conclusively evidenced by such authorized representative's execution thereof, to be provided to the Underwriters in compliance with Rule 15c2-12 and to the holders of the Series 2009C-1 Bonds.

Section 1.13--Approval of GIC Broker; Approval of Investment in GICs. That the Executive Director or the Director of Bond Finance of the Department and the Chairman of the Governing Board are hereby authorized to select a GIC Broker, if any, and that the investment of funds held under the RMRB Indenture in connection with the Series 2009C Bonds and the Series 2010A Bonds in GICs is hereby approved and that the Executive Director or the Director of Bond Finance is hereby authorized to complete arrangements for the investment in GICs provided that the interest rate on the Acquisition Fund is not less than .10% and the interest rate on the Float Fund is not less than .10%, or such other investments as the authorized representatives named herein may approve.

<u>Section 1.14--Approval of Verification Agent</u>. That the Executive Director or the Director of Bond Finance and the Chairman of the Governing Board are hereby authorized to select a verification agent, if any.

Section 1.15--Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the RMRB Indenture, the Thirty-First Series Supplement, the Depository Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

Section 1.16--Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

<u>Section 1.17--Exhibits Incorporated Herein</u>. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B Thirty-First Series Supplement Exhibit C Depository Agreement Exhibit D **Program Guidelines** Exhibit E Servicing Agreement Compliance Agreement Exhibit F Funding Agreement Exhibit G Exhibit H Bond Purchase Agreement Continuing Disclosure Agreement Exhibit I Official Statement Exhibit J

<u>Section 1.18--Authorized Representatives</u>. That the following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman or Vice Chairman of the Governing Board, Executive Director or Acting Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department, Director of Texas Homeownership of the Department and the Secretary to the Governing Board.

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- Section 1.19--Department Contribution. That the contribution of Department funds in an amount not to exceed \$1,000,000 to be used for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2010A Bonds, to fund down payment and closing cost assistance and to fund capitalized interest, is hereby authorized.
- <u>Section 1.20--Use of 0% Loan Funds</u>. That the use of up to \$1,300,000 of 0% loan funds in connection with the Program made available from various Single Family Mortgage Revenue Bond issues and Residential Mortgage Revenue Bond issues of the Department is hereby authorized.
- <u>Section 1.21--Use of RMRB Indenture Funds</u>. That the use of an amount not to exceed \$8,000,000 of funds on deposit under the RMRB Indenture to fund down payment and closing cost assistance loans is hereby authorized.

### ARTICLE II APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

- <u>Section 2.1--Submission to the Attorney General of Texas.</u> That the Governing Board of the Department hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2010A Bonds.
- Section 2.2--Engagement of Other Professionals. That the Executive Director or the Director of Bond Finance is authorized to engage Causey Demgen & Moore Inc. as verification agent to perform such verifications, functions, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of the purchasers of the Series 2010A Bonds and Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.
- <u>Section 2.3--Certification of the Minutes and Records</u>. That the Secretary and any Assistant Secretary to the Governing Board of the Department are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the issuance of the Series 2010A Bonds and all other Department activities.
- <u>Section 2.4--Approval of Requests for Rating from Rating Agencies</u>. That the Executive Director, the Director of Bond Finance and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.
- <u>Section 2.5--Ratifying Other Actions</u>. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program and the issuance of the Series 2010A Bonds are hereby ratified and confirmed.
- <u>Section 2.6--Authority to Invest Funds</u>. That the Executive Director or the Director of Bond Finance is hereby authorized to undertake all appropriate actions required under the RMRB Indenture and the Depository Agreement and to provide for investment and reinvestment of all funds held under the RMRB Indenture.
- Section 2.7--Waiver from Texas Bond Review Board. That the Governing Board of the Department ratifies actions taken by the authorized representatives of the Department named in this Resolution seeking from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act in accordance with Section 2306.142(m) of the Act.

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### ARTICLE III CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Determination of Interest Rate. That the Governing Board of the Department hereby declares that the Department shall fix and determine the interest rates from time to time on the Mortgage Loans for the Program at the time and in accordance with the procedures set forth in the RMRB Indenture and that such rates shall be established at levels such that the Mortgage Loans for the Program will produce, together with other available funds, the amounts required to pay for the Department's costs of operation with respect to the Program and debt service on the Series 2010A Bonds and the Series C-1 Bonds, and enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the RMRB Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds or the rating thereof.

Section 3.2--Bonds to Finance Mortgage Loans in Underserved Economic and Geographic Markets. That, in accordance with Section 2306.142(m) of the Act, the Governing Board hereby finds that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department.

<u>Section 3.3--Purpose of Series 2010A Bonds</u>. The Governing Board hereby determines that the purpose for which the Department may issue the Series 2010A Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended.

### ARTICLE IV GENERAL PROVISIONS

<u>Section 4.1--Limited Obligations</u>. That the Series 2010A Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under the RMRB Indenture to secure payment of the bonds issued under the RMRB Indenture and payment of the Department's costs and expenses for the Program thereunder and under the RMRB Indenture, and under no circumstances shall the Series 2010A Bonds be payable from any other revenues, funds, assets or income of the Department.

<u>Section 4.2--Non-Governmental Obligations</u>. That the Series 2010A Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

<u>Section 4.3--Purposes of Resolution</u>. That the Governing Board of the Department has expressly determined and hereby confirms that the issuance of the Series 2010A Bonds and the furtherance of the Program contemplated by this Resolution 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 4.4--Notice of Meeting. That 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 made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this

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Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 4.5--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

[Signature page follows.]

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### PASSED AND APPROVED this 11th day of March, 2009.

	Chairman, Governing Board	
ATTEST:		
Secretary to the Governing Board		
(SEAL)		

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### EXHIBIT A

### List of Underwriters

### **Book-Running Senior Manager**

Morgan Keegan & Company, Inc.

### Co-Senior Manager

J.P. Morgan Securities Inc.

### Senior Managers

George K. Baum & Company Morgan Stanley & Co.

### Co-Managers

Piper Jaffray & Co. Fidelity Capital First Southwest Company

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ALL DOCUMENTS REFERRED TO IN THE FOREGOING RESOLUTION ARE ATTACHED TO THE ORIGINAL COPY OF SAID RESOLUTION, WHICH IS ON FILE IN THE OFFICIAL RECORDS OF THE DEPARTMENT, AND EXECUTED COUNTERPARTS OF SUCH EXHIBITS ARE INCLUDED IN THE OFFICIAL TRANSCRIPT OF PROCEEDINGS RELATING TO THE SERIES 2010A BONDS.

### **Housing Resource Center**

### BOARD ACTION REQUEST March 11, 2010

### **Recommended Items**

Adopt the 2010 State of Texas Low Income Housing Plan and Annual Report (SLIHP).

### **Required Action**

Resolved, that the final 2010 State of Texas Low Income Housing Plan and Annual Report (SLIHP) is hereby adopted in the form presented to this meeting.

- Attachment A Summary of Substantive Changes from the 2009 SLIHP and the 2010 SLIHP (Draft for Public Comment)
- Attachment B 2010 SLIHP

### **Background**

The Texas Department of Housing and Community Affairs is required to submit the *State of Texas Low Income Housing Plan and Annual Report* (SLIHP) annually to the governor, lieutenant governor, speaker of the house, and legislative oversight committee members not later than 30 days after the TDHCA Board receives the final SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on 2009 performance during the preceding fiscal year (September 1, 2008, through August 31, 2009).

The SLIHP was made available for public comment from January 4<sup>th</sup> through February 2<sup>nd</sup>, 2010. There were eight public comments received on the 2010 SLIHP (Draft for Public Comment) as described in the attached document.

#### Attachment A

#### Summary of Substantial Changes from the 2009 SLIHP

- Updated Housing Analysis chapter with 2009 projections for demographic statistics and housing need.
- Updated Annual Report section reflecting FY 2009 program performance by households/individuals and income group for the state and each region; updated performance measure information for goals and strategies reflecting FY 2009 performance, including updated targets for FY 2010.
- Updated action plan to reflect programmatic changes including new programs such as in the Community Affairs Division and Housing Trust Fund Division.
- Added Recovery Act chapter reflecting new Department programs created as a result of the American Recovery and Reinvestment Act of 2009 (Recovery Act). Information on the new programs includes program description, implementation and allocation and additional resources.
- Updated Regional Allocation Formula reflecting updated data and updated Colonia Action Plan.

### **Summary of Changes from the 2010 SLIHP (Draft for Public Comment)**

- Clarified program description and policy priorities; general formatting and editing for clarity.
- Updated Recovery Act chapter with Recovery Act funding awards and program description details. Updated other SLIHP chapters to reflect changes to the Recovery Act chapter.
- Provided Department responses to the eight public comments where applicable. No substantive policy changes were made based on comment.

### **Attachment B**

2010 State of Texas Low Income Housing Plan and Annual Report

# 2010 State of Texas Low Income Housing Plan and Annual Report









Cover (left to right): (1) Texas Department of Housing and Community Affairs' staff measures the depth of insulation in an attic, (2) a blower door measures how airtight a home is and helps locate air leaks; (3) a weatherization specialist with Houston's Sheltering Arms, funded through the Texas Department of Housing and Community Affairs, applies weather stripping to a door.

### 2010 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

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State of Texas Low Income Housing Plan and Annual Report

### **SECTION 1: INTRODUCTION**

The Texas Department of Housing and Community Affairs (TDHCA, Department) is the State's lead agency responsible for affordable housing. TDHCA offers a Housing Support Continuum for low- to moderate-income Texans with services ranging from poverty and homelessness prevention to homeownership to disaster recovery.

### INSTITUTIONAL STRUCTURE

In 1991, the 72nd Texas Legislature created the Texas Department of Housing and Community Affairs. The Department's enabling legislation, Texas Government Code Chapter 2306, combined programs from the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant Program from the Texas Department of Commerce.

On September 1, 1992, two programs were transferred to TDHCA from the Texas Department of Human Services: the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Nutrition and Temporary Emergency Relief Program (ENTERP). Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant (CDBG) and Local Government Services programs were transferred to the newly-created Office of Rural Community Affairs, now called the Texas Department of Rural Affairs (TDRA). However, TDHCA, through an interagency contract with TDRA, administers 2.5 percent of the CDBG funds used for the Self-Help Centers along the Texas-Mexico border and collaborates with TDRA on disaster recovery and Neighborhood Stabilization Program administration. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

### AGENCY MISSION AND CHARGE

TDHCA's mission is "to help Texans achieve an improved quality of life through the development of better communities."

TDHCA accomplishes this mission by administering a variety of housing and community affairs programs primarily for households whose incomes are low to moderate as determined by the Area Family Median Income (AMFI) or the poverty level. A primary function of TDHCA is to act as a conduit for federal grant funds for housing and community services. Additionally, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

More specific policy guidelines are provided in §2306.002 of TDHCA's enabling legislation:

- (a) The legislature finds that:
  - (1) every resident of this state should have a decent, safe and affordable living environment;
  - (2) government at all levels should be involved in assisting individuals and families of low income in obtaining a decent, safe and affordable living environment; and
  - (3) the development and diversification of the economy, the elimination of unemployment or underemployment and the development or expansion of commerce in this state should be encouraged.
- (b) The highest priority of the department is to provide assistance to individuals and families of low and very low income who are not assisted by private enterprise or other governmental programs so that they may obtain affordable housing or other services and programs offered by the department.

State of Texas Low Income Housing Plan and Annual Report

Funding sources to meet the legislative goals include the U.S. Department of Housing and Urban Development, U.S. Treasury Department, U.S. Department of Health and Human Services, U.S. Department of Energy and State of Texas general revenue funds. With this funding, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory and open process. Because of the great amount of need in proportion to the federal and state funding available, the Department strives to provide the most benefit by managing these limited resources to have the greatest impact.

TDHCA is one organization in a network of housing and community services providers located throughout the state. This document focuses on programs within TDHCA's jurisdiction, which are intended to either work in cooperation with or as complements to the services provided by other organizations.

### HOUSING SUPPORT CONTINUUM ACTIVITIES CHART

TDHCA's Housing Support Continuum can be divided into six categories. It should be noted that, with the exception of the Section 8 Housing Choice Voucher Program, TDHCA administers its programs and services through a network of organizations across Texas and does not fund individuals directly.

The TDHCA Housing Support Continuum includes (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief, and (6) Disaster Recovery and Relief.

The following table outlines TDHCA's programs. When a program has "Recovery Act" after its name, it has been created as a result of the American Recovery and Reinvestment Act of 2009 (Recovery Act). For more detailed program information, please see "TDHCA Programs" in *Section 4: Action Plan*.

Continuum		Program/Activities	Description	Eligible Households
ion	(A) Poverty Prevention	Community Services Block Grant and Community Services Block Grant (Recovery Act)	Funds local community action agencies to provide essential services and poverty programs	<200% poverty
ess Prevent		Comprehensive Energy Assistance	Funds local agencies to offer energy education, financial assistance and Heating, Ventilating and Air Conditioning (HVAC) replacement	<200% poverty
Homelessn	ess	Emergency Shelter Grant Program	Funds entities to provide shelter and related services to the homeless	<50% AMFI (Homeless)
(1) Poverty and Homelessness Prevention	(B) Homelessness Prevention	Homelessness Prevention and Rapid Re-Housing Program (Recovery Act)	Funds qualifying entities to provide homelessness prevention assistance and rapidly re-house persons who are homeless	<50% AMFI (Homeless)
(1)	(E	Homeless Housing and Services Program	Funds the eight largest Texas cities to provide services or facilities to homeless individuals and families	<50% AMFI (Homeless)
	istance	Section 8 Housing Choice Vouchers	Acts as a public housing authority to offer tenant- based rental assistance vouchers in certain rural areas	<50% AMFI
	(A) Rental Assistance	Tenant-Based Rental Assistance (Home Program)	Grants for entities to provide tenant-based rental assistance for up to two years	<80% AMFI
	(A) Rer	TX Veterans Housing Assistance Program – Rental Assistance (Housing Trust Fund)	Provides rental subsidies for Veterans for a maximum of two years	<80% AMFI
lopment		Affordable Housing Match Program (Housing Trust Fund)	Provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs	<80% AMFI
(2) Rental Assistance and Multifamily Development		Community Housing Development Organization Set-aside (HOME Program)	These organizations can apply for loans to develop or preserve affordable rental housing	<80% AMFI
Multifa	nt T	Rental Housing Development (HOME Program)	Loans or grants to develop or preserve affordable rental housing	<80% AMFI
ice and	lopmer	Housing Tax Credit Program	Tax credits to developers for the creation or preservation of affordable rental housing	<60% AMFI
Assistan	ily Deve	Multifamily Bond Program	Loans to develop or preserve affordable rental housing	<60% AMFI
(2) Rental	(B) Multifamily Development	Rural Housing Expansion Program (Housing Trust Fund)	Awards eligible applicants for enhancing capacity and preserving rural affordable housing	<80% AMFI
	(B)	Tax Credit Assistance Program (Home Program) (Recovery Act)	Allows HOME fund awards to housing tax credit developments affected by the tax credit devaluation	<60% AMFI
		Texas Tax Credit Exchange Program (Recovery Act)	Allows developments affected by the housing tax credit devaluation to return their credits and potentially receive a cash grant in its place	<60% AMFI

Continu	um	Program/Activities	Description	Eligible Households		
	Homebuyer Education	Colonia Self-Help Center Program	Homebuyer education offered through Colonia Self- Help Centers and Office of Colonia Initiatives (OCI) field offices	<115% AMFI (AII)		
	(A) Homebuyer Education	Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	<115% AMFI (AII)		
ment		90-Day Down Payment Assistance (Recovery Act) and Mortgage Advantage Program (Recovery Act)	Provides 5 percent of the first lien mortgage amount up to a maximum of \$6,000 or \$7,000 for down payment and/or closing costs at 0 percent interest for 90 or 120 days, depending on program	<115% AMFI		
ly Develop		Affordable Housing Match Program	Provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs	<80% AMFI		
le-Fami	ø	First Time Homebuyer Program – Non-targeted funds	Low-interest loans and/or down payment and closing costs for first time homebuyers	<115% AMFI		
(3) Homebuyer Education, Assistance and Single-Family Development	(B) Homebuyer Assistance	First Time Homebuyer Program – Targeted funds	Low-interest loans and/or down payment and closing costs for first time homebuyers in areas of chronic economic distress	<140% AMFI		
\ssistance	mebuyer	mebuyer	Homeownership Assistance - Contract For Deed Conversion (HOME Program)	Stabilizes colonia resident ownership by converting contract for deeds into traditional mortgages	<60% AMFI	
tion, A	B) Ho	Homeownership Assistance (HOME Program)	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI		
er Educa		Homeownership Assistance Program  – Homebuyer Assistance (Housing Trust Fund)	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI		
nebuye				Mortgage Credit Certificate Program	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
(3) Hor		TX Veterans Housing Assistance Program – Homeownership Assistance (Housing Trust Fund)	Funds eligible applicants to provide low-income veterans up to \$35,000 for down payment assistance, closing costs, and accessibility modifications	<80% AMFI		
	Community Housing Development Organization Set-aside (HOME Program) Rural Housing Expansion Program (Housing Trust Fund) Texas Bootstrap Loan Program		These organizations can apply for loans to assist in the acquisition, rehabilitation, or new construction of single-family housing	<80% AMFI		
			Awards eligible applicants for enhancing capacity and preserving rural affordable housing	<80% AMFI		
	00	Texas Bootstrap Loan Program	Funds entities to offer owner-builder loans programs	<60% AMFI		
ation	tation	Home Free Barrier Removal and Rehabilitation Program (Housing Trust Fund)	Grants for entities to provide home modifications needed for accessibility for persons with disabilities	<80% AMFI		
/eatheriza	(A) Rehabilitation	Homeownership Assistance Program - Homeowner Rehabilitation (Housing Trust Fund)	Provides loans to homeowners for innovative homeownership initiatives, including barrier removal	<80% AMFI		
ם and M	(A)	Homeowner Rehabilitation (HOME Program)	Loans and grants for entities to provide home repair assistance	<80% AMFI		
(4) Rehabilitation and Weatherization	(B) Weatherization	Weatherization Assistance Program and Weatherization Assistance Program (Recovery Act)	Funds local agencies to provide minor home repairs to increase energy efficiency	<200% poverty		

State of Texas Low Income Housing Plan and Annual Report

Continuu	m	Program/Activities	Description	Eligible Households
ure Relief	(A) Foreclosure Prevention	National Foreclosure Mitigation Counseling	Fund Foreclosure Counselors to assist households avoid foreclosure	None required
(5) Foreclosure Relief  (B) Post-Foreclosure Relief  (A) Foreclosure Relief  (A) Foreclosure Relief		Neighborhood Stabilization Program	Purchase foreclosed properties to demolish or create affordable housing and stabilize existing neighborhoods	<120% AMFI
		Community Development Block Grant – Hurricanes Dolly and Ike	Funds for disaster relief, long-term recovery and restoration of infrastructure, housing and economic revitalization	50% of the funds used for <80% AMFI
		Community Services Block Grant – Emergency Disaster Relief	Provide persons with emergency shelter, food, clothing, and other essentials, such as appliances and hygiene items	<200% Poverty
d Relief		Community Development Block Grant Program – Round One	Targeted disaster recovery funding to provide home repair assistance and preserve affordable rental housing	<80% AMFI
(6) Disaster Recovery and Relief		Community Development Block Grant  - Round Two	Targeted disaster recovery funding to provide home repair assistance, preserve affordable rental housing, provide infrastructure repairs and provide community services for areas with evacuees	<80-150% AMFI
saster F		Disaster Recovery Homeowner Repair (Housing Trust Fund)	Assists households who are lacking only a small portion of funds to fulfill their full cost of construction	<80% AMFI
(6) Dis		Disaster Relief Homeowner Rehabilitation Assistance (HOME Program)	Deobligated HOME funds may be used in non- Participating Jurisdictions to assist with home repair, rehabilitation and reconstruction of homes affected by a disaster	<80% AMFI
		Housing Tax Credit – Disaster Relief	Tax credits to develop or preserve affordable rental housing for the Gulf Coast Opportunity Zone and counties affected by Hurricane Ike	<60% AMFI
		Texas First Time Homebuyer – Targeted Funds	Assist those affected by natural disasters by improving existing residential housing through self-help construction	<60% AMFI

State of Texas Low Income Housing Plan and Annual Report

# **ADMINISTRATIVE STRUCTURE**

Agency programs are grouped into the following divisions: Community Affairs, Disaster Recovery, HOME, Housing Trust Fund, Multifamily Finance, Neighborhood Stabilization Program, Office of Colonia Initiatives, and Texas Homeownership. The Manufactured Housing Division is administratively attached to TDHCA, though it is an independent entity with its own governing board.

Additionally, there are several Divisions within TDHCA which are involved in the administration of the agency as a whole but which do not administer specific programs. The Program Services Division is responsible for adherence, processing and completion of cross-cutting federal and departmental requirements for housing programs administered by the Department, including the processing and issuance of environmental clearances, labor standards requirements, loan closings and the commitment and disbursements of federal funds. The Office of Recovery Act Accountability and Oversight is responsible for identifying and mitigating risk in program development and operation and for issues that cut across all Recovery Act programs, such as reporting and federal guidance. The Department of Policy and Public Affairs disseminates information and is a liaison between TDHCA and industry stakeholders, advocacy groups and the executive and legislative branches of state and Federal government. The Housing Resource Center acts as a central clearinghouse for information and research regarding TDHCA programs and general housing-related issues. The Real Estate Analysis Division provides TDHCA with analytical reports necessary to make well-informed financial decisions about funding affordable housing developments. The Compliance and Asset Oversight Division ensures housing program and financial compliance with federal and state regulations by using various oversight measures including onsite monitoring visits and desk reviews. Other divisions that are involved in TDHCA's internal management include Administrative Support, Bond Finance, Financial Administration, Information Systems, Internal Audit, and Legal Services.

## 2009 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

The 2009 State of Texas Low Income Housing Plan and Annual Report (SLIHP, Plan) is prepared annually in accordance with §2306.072–2306.0724 of the Texas Government Code. This statute requires that TDHCA provide a comprehensive statement of activities in the preceding year, an overview of statewide housing needs and a resource allocation plan to meet the state's housing needs. It offers policy makers, affordable housing providers and local communities a comprehensive reference on statewide housing need, housing resources and performance-based funding allocations. The format is intended to help these entities measure housing needs, understand general housing issues, formulate policies and identify available resources. As such, the Plan is a working document and its annual changes reflect changes in programs or funding amounts, policy changes, statutory guidance and input received throughout the year.

The Plan is organized into eight sections:

- Introduction: An overview of TDHCA and the Plan
- Housing Analysis: An analysis of statewide and regional demographic information, housing characteristics and housing needs
- Annual Report: A comprehensive statement of activities for 2009, including performance measures, actual numbers served and a discussion of TDHCA's Strategic Plan goals
- TDHCA Action Plan: A description of TDHCA's program descriptions, initiatives, resource allocation plans, and goals
- Recovery Act: A program description, implementation and allocation and additional resources for the programs offered through TDHCA created as a result of the American Recovery and Reinvestment Act of 2009 (Recovery Act)
- Public Participation: Information on the Plan preparation and a summary of public comment

State of Texas Low Income Housing Plan and Annual Report

- Colonia Action Plan: A revised biennial plan for 2009–2010, which discusses housing and
  community development needs in the colonias, describes TDHCA's policy goals, summarizes the
  strategies and programs designed to meet these goals and describes projected outcomes to support the
  improvement of living conditions of colonia residents
- Texas State Affordable Housing Corporation (TSAHC) Plan: This section outlines TSAHC's plans and programs for 2009 and is included in accordance with legislation
- Appendix: Includes TDHCA's enabling legislation

Because the Plan's legislative requirements are rather extensive, TDHCA has prepared a collection of publications in order to fulfill these requirements. TDHCA produces the following publications in compliance with §2306.072–2306.0724 of the Texas Government Code:

- State of Texas Low Income Housing Plan and Annual Report (this document)
- Basic Financial Statements and Operating Budget: Produced by TDHCA's Financial Administration Division, which fulfills \$2306.072(c)(1)
- TDHCA Program Guide: A description of TDHCA's housing programs and other state and federal housing and housing-related programs, which fulfills §2306.0721(c)(4) and §2306.0721(c)(10)
- TDHCA Housing Sponsor Report: A report that provides property and occupant profiles of developments that have received assistance from TDHCA, which fulfills §2306.072(c)(6), §2306.072(c)(8) and §2306.0724.

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# **SECTION 2: HOUSING ANALYSIS**

This section of the Plan contains an overview of the affordable housing needs in the state and an estimate and analysis of the housing needs in each region.

## **DATA SOURCES AND LIMITATIONS**

The information provided in this section should be considered within the context of its limitations. The Department recognizes that the truest assessment of housing need can best be found only at the local level based on the direct experience of local households. Alternative methods, such as detailed on-location assessments by professionals skilled at reviewing such matters and local surveys might be utilized, but the Department lacks the resources to obtain such data through third parties or, confronted with a state covering over 265,000 square miles, to compile it directly. The following issues should be considered when reviewing the information contained in this report:

- Many nuances of housing need are lost when data is aggregated into regional, county and statewide totals. For example, housing needs in rural communities are often distorted when reported at the county level because housing needs are often very different in rural and urban areas. The large population of urban metropolitan areas can skew the data and mask the needs of the rural areas.
- Reliable data available on the condition of the housing stock, the homeless population and the housing needs of special needs populations is very limited.

2000 Census and 2000 Comprehensive Housing Affordability Strategy (CHAS) data is primarily used in this report. Data presented for 2009 was calculated by applying the percentage population change from HISTA data to the 2000 CHAS data. HISTA data is a four-way cross tabulation of household data built by a demographic data provider and made available for purchase from Ribbon Demographics. The Department purchased 2009 and 2014 population projections from Ribbon Demographics during the summer of 2009. Other data sources include the American Community Survey Estimates from the Census and projections from the State of Texas Demographer.

The content and format of the Census-based tables, graphs and maps provided in this section were derived, in part, from a methodology for housing needs assessment in the *National Analysis of Housing Affordability, Adequacy and Availability: A Framework for Local Housing Strategies.* The Urban Institute prepared this document for the U.S. Department of Housing and Urban Development (HUD). It provides a methodology with which to describe and analyze local housing markets in order to develop strategies for addressing housing problems and needs. The document served as a guide for the preparation of CHAS reports. As such, it provides a systematic framework for housing market analysis. HUD collaborated with the U.S. Census Bureau to develop special tabulations of the 2000 Census data.

The CHAS database classifies households into five relative income categories based on reported household income, the number of people in the household and geographic location. These income categories are used to reflect income limits that define eligibility for HUD's major assistance programs, as well as for other housing programs, such as the Housing Tax Credit Program. Households are classified into income groups by comparing reported household income to HUD-Adjusted Median Family Income (HAMFI). The income limits are calculated by household size for each metropolitan area and non-metropolitan county in the United States and its territories. They are based on HUD estimates of median family income with several adjustments as required by statute. The income classifications are 0-30 percent of HAMFI (extremely low income), 31-50 percent of HAMFI (very low income), 51-80 percent (low income), 81-95 percent of HAMFI (moderate income) and above 95 percent of HAMFI.

<sup>&</sup>lt;sup>1</sup> The CHAS figures for moderate and higher income households in Region 11 indicate that there are only 199 persons with incomes between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the

The income limits for metropolitan areas may not be less than limits based on the state non-metropolitan median family income level and must be adjusted accordingly. Income limits must also be adjusted for family size and may be adjusted for areas with unusually high or low family income or housing-cost-to-income relationships.

Unit affordability compares housing cost to local area HAMFI. Affordable units are defined as units for which a household would pay no more than 30 percent of its income for rent and no more than two and one-half times its annual income to purchase. Since HUD's adjusted median family incomes are estimated for a family of four, affordability levels are also adjusted to control for various-sized units based on the number of people that could occupy a unit without overcrowding. This adjustment is made by multiplying the threshold described above by 75 percent for a zero-to-one-bedroom unit, 90 percent for a two-bedroom unit and 104 percent for a three-or-more-bedroom unit.

Homeless figures are taken from 2000 Census group quarters population and type tables, contained in Census 2000 Summary File 1. Group quarters type designations include institutional quarters, such as correctional facilities, hospitals and juvenile institutions, as well as noninstitutional quarters, such as military quarters, group homes, dormitories and other situations. Based on the Definitions of Subject Characteristics contained in the Technical Documentation for Summary File 1: 2000 Census of Population and Housing published by the U.S. Census Bureau, this report uses "other noninstitutional group quarters" and "other nonhousehold living situations" census figures to represent the homeless population in each region. "Other noninstitutional group quarters" counts individuals in shelters for abused women, soup kitchens, mobile food vans and other targeted nonsheltered outdoor locations where there is evidence of human occupation. "Other nonhousehold living situations" counts individuals with no usual home residing in hostels and YMCAs who were not counted in other tabulations.

The U.S. Census also completed a special tabulation, Emergency and Transitional Shelter Population: 2000, based on metropolitan areas with 100 or more people in emergency and transitional shelters. It must be noted that this data only refers to metropolitan areas with 100 or more people in shelters, so is not a comprehensive picture of the total population living in shelters. In the region sections of this document, if the Census counted individuals living in emergency shelters in a metropolitan area that is located in the region, those figures are provided.

It must be emphasized that the regional estimates of the homeless populations are not comprehensive. The various definitions of homeless and methods in counting the homelessness make definitive tabulations difficult. The Texas Interagency Council for the Homeless estimates that about 200,000 people, or 1 percent of the state's population, are homeless. The 2000 Census figures for individuals living in "other noninstitutional group quarters" and "other nonhousehold living situations" count only 28,377 individuals statewide.

The needs assessment data is augmented with additional information from the perspective of local officials, where available. In March 2006, TDHCA conducted the 2006 State of Texas Community Needs Survey. This survey was designed to obtain a better understanding of housing and community development needs, issues and problems at the state, regional and local levels. The survey gave local officials, who are most familiar with the unique characteristics of their communities, a voice in determining how Texas's affordable housing, supportive service and community development needs can be most effectively addressed.

population. However, the planning impact for the SLIHP is relatively low because, except for the first time homebuyer program which is done through a network of participating lenders, TDHCA programs serve persons below 80 percent AMFI.

<sup>&</sup>lt;sup>2</sup> Texas Interagency Council for the Homeless. (n.d.) "Key Facts," Retrieved from http://www.tich.state.tx.us/facts.htm.

## STATE OF TEXAS

The state-level housing analysis includes information on demographics, special-needs populations and affordable-housing need indicators. Department plans reflect this statewide information as well as the consideration of affordable housing assistance from various sources.

#### **DEMOGRAPHIC CHARACTERISTICS**

Texas has grown in population faster than the national average. Between 2002 and 2008, Texas' population increased approximately 14.6 percent, compared to 8.3 percent nationwide. Approximately 3,111,480 people were added to Texas during this time. More than one of every seven persons added to the population of the United States from 2002 to 2008 was added in Texas. This growth estimate is according to the American Community Survey 1-Year Estimate for 2002<sup>3</sup> (the first year nation-wide data was available) and 2008 (the most recent year for the survey).<sup>4</sup> Total population estimate for January 1, 2009 according to Census data updated by HISTA data is approximately 23,705,962.

# PROJECTED POPULATION CHANGE AND IMPLICATIONS FOR HOUSING NEED\*

- Demand for affordable and subsidized housing will increase in the coming years: Long-term demographic projections show growth in total population and minority and older populations, indicating an increase in total need.
- The state's total population will grow: State population is projected to increase to 35.7 million by
- The Anglo percentage of the total population will decrease: The Anglo population makes up approximately 47.9 percent of the total population in 2009 and is projected to make up 32.2 percent of the total population in 2040.
- The Anglo population will not increase as fast as other races or ethnicities: Anglo population is projected to increase by 0.2 percent between 2009 and 2040, while Blacks are expected to increase by 20.0 percent and Hispanics by 53.1 percent.
- The population is becoming older: The percentage of the population that was 65 or older was 10.3 percent in 2009 but will increase to 18.0 percent by 2040. In contrast, the percentage of the population that was 18 or younger was 26.8 percent in 2009 but will decrease to 22.0 percent by 2040. 5

\*These projections assume the One-Half 1990-2000 Migration (0.5) Scenario. According to the State Demographer:

This scenario has been prepared as an approximate average of the zero (0.0) and 1990-2000 (1.0) scenarios. It assumes rates of net migration one-half of those of the 1990s. The reason for including this scenario is that many counties in the State are unlikely to continue to experience the overall levels of relative extensive growth of the 1990s. A scenario which projects rates of population growth that are approximately an average of the zero and the 1990 2000 scenarios is one that suggests slower than 1990-2000 but steady growth. <sup>6</sup>

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<sup>&</sup>lt;sup>3</sup> U.S. Census Bureau, 2002 American Community Survey. (n.d.), Subject tables. Retrieved from http://factfinder.census.gov.

<sup>&</sup>lt;sup>5</sup> Texas State Data Center and Office of the State Demographer. (2009, November 4). Texas Population Projections Program. Retrieved from http://txsdc.utsa.edu/tpepp/2008projections/.

Expected housing demand is directly linked to projected changes in population characteristics. The current racial and ethnic shift is significant because of the substantial differences between the race and ethnicities in terms of income level. According to American Community Survey 3-Year Estimates, the difference in median household income between Anglos and Blacks was \$17,621 during 2006 and 2008; and the Anglo-Hispanic difference was \$16,521 during 2006 to 2008. Generally Anglos made more than both these populations during this time period. Similarly, the poverty rates of 24.7 percent for Blacks and 21.2 percent for Hispanics was still more than two times as high as the 10.5 percent of persons in poverty among Anglos from 2006 to 2008. Because of these disparities, households in Texas will become poorer over the coming decades unless the relationship between ethnicity and income changes.<sup>7</sup>

#### SPECIAL NEEDS

A correlation also exists between age and income and home modifications. A 2008 survey of older Texans for Aging Texas Well, an advisory committee headed by the Texas Department of Aging and Disability Services, found that 56 percent of older Texan respondents spend more than 30 percent of their income on housing. Furthermore, disability rates are often related to age, necessitating home modifications. The 2005 to 2007 American Community Survey finds that 45.3 percent of the population 65 years and older had a disability during this time period. This is compared with 6.6 percent of the population aged 5 to 15 years and 11.8 percent of the population aged 16 to 64 years during the same time period. The survey for Aging Texas Well survey found that 14 percent of older Texans reported that their home's doorways, hallways, kitchen, bathroom, and closets needed substantial accessibility modifications. In addition, 15 percent of older Texans reported that their home's structure, heating and cooling systems, or electricity or plumbing needed substantial repair. These needed accessibility modifications or repairs may prevent elderly households from aging in place, necessitating an earlier move to costly nursing homes or other supportive housing.

## **POVERTY AND INCOME**

According to census data updated by HISTA projections, approximately 3,585,250 people in Texas lived below the poverty line in 2009. According to the American Community Survey for 2006 to 2008, Texas had a poverty rate of 16.3 percent during this time period compared to the national poverty rate of 13.2 percent. Poverty conditions along the Texas-Mexico border warrant special attention. Parts of the region, like McAllen-Edinburg-Mission, suffered from unemployment rates higher than the state's (11.4 percent vs. 8.0 percent in August 2009<sup>11</sup>) and its residents made approximately 62 percent the state's median income. <sup>12</sup> This trend continues for counties along the border. Conditions are particularly acute in the colonias, unincorporated areas along the Texas-Mexico border lacking infrastructure and decent housing.

Minority populations continue to be overrepresented in the Texas population under the poverty level (see Table: Annual Poverty Estimates by Race and Latino Origin – Texas, 2006-2008). According to the 2006 to 2008 American Community Survey, during that three-year period the percent of Black or African American and Some Other Race populations under the poverty level were 23.9 to 24.10 percent,

http://factfinder.census.gov.

<sup>&</sup>lt;sup>7</sup> Murdock, S. H. et al., (2002, December), Texas challenge in the twenty-first century: Implications of population change for the future of Texas. Retrieved from http://txsdc.utsa.edu/download/pdf/TxChall2002.pdf.

<sup>&</sup>lt;sup>8</sup> Texas Department of Aging and Disability Services. (2009, April). Aging Texas well: Indicators survey overview report 2009. Retrieved from http://www.dads.state.tx.us/news\_info/publications/studies/ATWindicators2009.pdf.

U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from http://factfinder.census.gov.
 Texas Department of Aging and Disability Services. (2009, April). Aging Texas well: Indicators survey overview report 2009.
 Retrieved from http://www.dads.state.tx.us/news\_info/publications/studies/ATWindicators2009.pdf.

U.S. Bureau of Labor Statistics. (2009, November 5). Economy at a glance. Retrieved from http://www.bls.gov/eag/eag.tx.htm.
 U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from

respectively. Other recorded races show a much lower poverty rate ranging from 14.10 percent to 17.8 percent. Similarly, the Hispanic population in poverty was 16.2 percent higher than white alone. <sup>13</sup>

Annual Poverty Estimates by Race and Latino Origin – Texas, 2006 to 2008

	Total	Below poverty level	Percent below poverty level
One race	22,798,691	3,721,271	16.30%
White	16,637,808	2,352,590	14.10%
Black or African American American Indian and	2,597,993	620,334	23.90%
Alaska Native	114,474	20,355	17.80%
Asian Native Hawaiian and	796,800	91,128	11.40%
Other Pacific Islander	17,365	2,885	16.60%
Some other race	2,634,251	633,979	24.10%
Two or more races	433,501	70,817	16.30%
Hispanic or Latino origin (of any race)	8,397,171	2,086,053	24.80%
White alone, not Hispanic or Latino	11,113,284	952,621	8.60%

Source: 2006 to 2008 American Community Survey 3-Year Estimates

Many families who rely on low-wage occupations for a living find it difficult to cover all essential expenses. According to a study by the Center for Public Policy Priorities, "a significant proportion of families throughout the state struggle paycheck-to-paycheck to make ends meet." The study examined a typical family's fundamental expenses, such as housing, food, child care, medical costs, transportation, taxes, etc., and compared the total bill to typical wages earned in the 27 Texas Metropolitan Statistical Areas. The study asserts that a family of four in Texas requires a household hourly income of \$18 to \$22 per hour (depending on the metro area in which the family lives) to simply meet its most basic needs. In a majority of Texas metro areas, however, half of the total employment is in occupations with a median wage under \$10 per hour. 14

In addition, expected economic growth will not necessarily lift the lowest-income groups. The Texas Comptroller's Biennial Revenue Estimate predicts that the fastest growing sector of the state economy for 2010-2011 will be the professional and business services. This sector was also the fastest growing in 2008-2009 and it requires specialized education and skills.<sup>15</sup> While this growth may buoy the state economy, it may not raise many low-income families, who may not have the necessary education or training, from their current positions.

To provide a more detailed breakdown of the population by income level, this report will use the five income groups designated by HUD. Households are classified into these groups by comparing reported

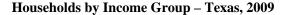
 $<sup>^{13}\,</sup>$  U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from http://factfinder.census.gov.

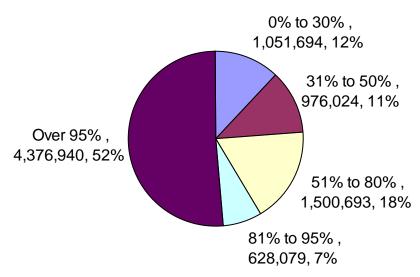
<sup>14</sup> Center for Public Policy Priorities. (2002, September 1). Making it: what it really takes to live in Texas. Retrieved from http://www.cppp.org/research.php?aid=120.

<sup>&</sup>lt;sup>15</sup> Texas Comptroller of Public Accounts. (2009, January). Biennial revenue estimate: 2010-2011. Retrieved from http://www.window.state.tx.us/taxbud/bre2010/outlook.html.

household incomes to HUD-Adjusted Median Family Incomes (HAMFI). The income level definitions are as follows:

- Extremely Low Income: At or below 30 percent of HAMFI
- Very Low Income: Between 31 percent and 50 percent of HAMFI
- Low Income: Between 51 percent and 80 percent of HAMFI
- Moderate Income: Between 81 percent and 95 percent of HAMFI
- Above 95 percent of HAMFI





Source: CHAS 2000 with projections based on HISTA data.

The chart above indicates the 2009 projected distribution of households by income group across Texas by number and percentage. A total of 48 percent of all households are in the low income range (0 to 80 percent of HAMFI). Meeting the needs of this large portion of the state's households is TDHCA's primary focus.

## AFFORDABLE HOUSING NEED

When analyzing local housing markets and developing strategies for meeting housing problems, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs (also called Housing Burden), the physical condition of the housing and whether or not the household is overcrowded. The following table reveals the number and percentage of households with at least one housing need by income category and household type.

# Households with One or More Housing Problems - Texas, 2009

			Renter Households		Owner Households			Total
		At Least One Problem	Total Households	Percent with At Least One Problem	At Least One Problem	Total Households	Percent with At Least One Problem	Households
1	Elderly Households	67,925	109,400	62.1%	117,016	175,853	66.5%	184,941
0-30% AMFI	Small Related Households	186,654	235,214	79.4%	88,731	118,834	74.7%	275,385
W W	Large Related Households	73,461	79,887	92.0%	45,537	51,417	88.6%	118,998
-30	Other Households	153,443	210,593	72.9%	45,667	68,579	66.6%	199,110
0	<b>Total Households</b>	481,483	635,093	75.8%	296,951	414,683	71.6%	778,434
	Elderly Households	42,065	70,501	59.7%	72,987	194,982	37.4%	115,052
ME	Small Related Households	153,646	207,834	73.9%	91.647	278,560	32.9%	245,293
% A	Large Related Households	66,852	77,365	86.4%	62,532	121,022	51.7%	129,384
31-50% AMFI	Other Households	117,404	146,135	80.3%	28,305	79,216	35.7%	145,709
31.	Total Households	379,966	501,835	75.7%	255,471	673,780	37.9%	635,437
		22.024	54.656	41.00/	47.761	244.425	10.50/	70.605
E	Elderly Households	22,924	54,656	41.9%	47,761	244,435	19.5%	70,685
51-80% AMFI	Small Related Households	112,716	287,855 94,163	39.2% 70.8%	140,597 94,937	327,510	42.9% 61.9%	253,313
%08	Large Related Households	66,685	*		,	153,426		161,622
51-8	Other Households	91,019 <b>293,344</b>	242,223 <b>678,898</b>	37.6% <b>43.2%</b>	41,734 <b>325,029</b>	92,646 <b>818,017</b>	45.0% <b>39.7%</b>	132,754 <b>618,373</b>
	Total Households	293,344	078,838	43.2 /0	323,029	818,017	39.170	010,373
E	Elderly Households	4,184	15,825	26.4%	11,464	91,545	12.5%	15,648
I W	Small Related Households	21,057	105,448	20.0%	46,574	171,542	27.2%	67,631
2%;	Large Related Households	16,263	28,655	56.8%	29,629	62,440	47.5%	45,892
81-95% AMFI	Other Households	13,552	103,756	13.1%	16,297	47,030	34.7%	29,848
<b>∞</b>	Total Households	55,055	253,684	21.7%	103,964	372,557	27.9%	159,019
%	Elderly Households	9,394	62,264	15.1%	27,207	577,016	4.7%	36,601
n 95 I	Small Related Households	50,431	460,030	11.0%	153,049	2,029,389	7.5%	203,480
e Than	Large Related Households	40,814	85,861	47.5%	106,986	418,592	25.6%	147,799
More Than 95% AMFI	Other Households	19,619	389,239	5.0%	40,506	351,997	11.5%	60,125
M	Total Households	120,258	997,395	12.1%	327,748	3,376,994	9.7%	448,005
ds	Elderly Households	146,492	312,646	46.9%	276,435	1,283,831	21.5%	422,927
holc	Small Related Households	524,504	1,296,381	40.5%	520,598	2,925,834	17.8%	1,045,101
ense	Large Related Households	264,075	365,931	72.2%	339,620	806,897	42.1%	603,695
Total Households	Other Households	395,037	1,091,947	36.2%	172,509	639,469	27.0%	567,546
Tot	Total Households	1,330,106	3,066,905	43.4%	1,309,162	5,656,031	23.1%	2,639,268

Source: CHAS 2000 with projections based on HISTA data.

## PHYSICAL INADEQUACY (LACK OF KITCHEN AND PLUMBING FACILITIES)

The measure of physical inadequacy available from the CHAS database tabulation is the number of units lacking complete kitchen and/or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/or kitchen facilities can serve as a strong indication of one type of housing inadequacy. The following figure demonstrates that among the physically inadequate housing units, 31 percent are occupied by extremely low-income households.

Number of Units Lacking Kitchen and/or Plumbing by Affordability Category - Texas, 2009

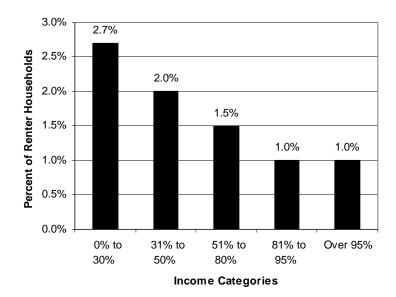
Income Group	Units	Percent
0% to 30%	29,690	31%
31% to 50%	18,293	19%
51% to 80%	18,792	20%
80% to 95%	4,838	5%
Over 95%	22,778	24%
Total	94,391	

Source: CHAS Database with projections based on HISTA data.

The state defines "standard condition" of housing as properties that meet the federal Housing Quality Standards, or the state Colonia Housing Standards, as applicable. "Substandard condition but suitable for rehabilitation" refers to properties that do not meet the above standards but are not sufficiently deteriorated to justify demolition or replacement. These definitions refer to the condition of properties prior to the receipt of assistance.

The following bar chart shows the distribution of this problem by income group. Households in the lowest income group earning 30 percent HAMFI or less have the highest incidence of physically inadequate rental housing.

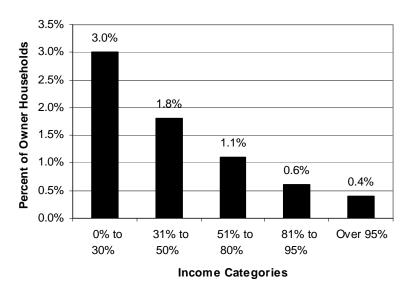
Renter Households with Substandard Housing by Percent - Texas, 2009



Source: CHAS Database with projections based on HISTA data.

Following the same trend as renter households, owner households in the lowest-income category have more incidents of substandard housing. Approximately three percent of owner households earning 30 percent HAMFI or less have substandard housing.

Owner Households with Substandard Housing Percent – Texas, 2009

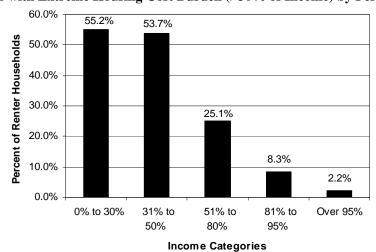


Source: CHAS Database with projections based on HISTA data

## EXTREME HOUSING COST BURDEN

An excess cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer. As the following graph shows, a majority of renter households in the lowest two income categories, totaling more than 621,200 households, is burdened by paying an excess portion of income toward housing. This is much greater than in the highest income category, above 95 percent HAMFI, where only 2.2 percent of households, or 22,005 households, experience the problem.

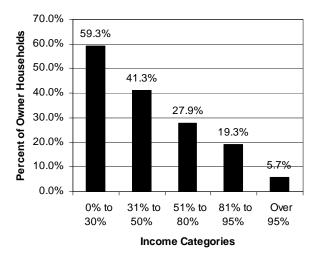
Renter Households with Extreme Housing Cost Burden (>30% of Income) by Percent – Texas, 2009



Source: CHAS Database with projections based on HISTA data

As shown in the following graph, excess housing cost burden affects 59.3 percent of owner households in the lowest income category. This figure, representing a majority, is much higher than the 5.7 percent of households affected in the highest income category. The graph illustrates the direct correlation between an owner household's income category and an owner household's likelihood of experiencing this problem.

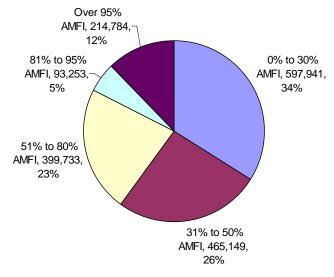
Owner Households with Excess Housing Cost Burden (>30% of Income) by Percent – Texas 2009



Source: CHAS Database with projections based on HISTA data

The chart below shows the total number and percentage of households with excess housing cost burden by income group.

Excess Housing Cost Burden by Income Group - Texas, 2009



Source: CHAS Database with projections based on HISTA data

## **OVERCROWDING**

Overcrowded housing conditions occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units available are too expensive.

Lower income renter households experience overcrowded conditions more frequently than higher income households. Almost 18 percent of renter households in the extremely low income category and 19.9 percent of renter households in the low income category are afflicted by overcrowding.

25.0% 19.9% Percent of Renter Households 20.0% 17.8% 16.6% 15.0% 12.4% 8.9% 10.0% 5.0% 0.0% 0% to 31% to 51% to 81% to Over 95% 30% 50% 80% **Income Category** 

Renter Households with Incidence of Overcrowding by Percent - Texas, 2009

Source: CHAS Database with projections based on HISTA data

Lower income owner households also experience overcrowded conditions more frequently than higher income owner households. More than 21 percent of owner households earning less than 50 percent HAMFI live in overcrowded conditions compared to 11.4 percent of owner households over 80 percent HAMFI.

#### 12.0% 11.1% 10.7% 10.0% Percent of Owner Households 9.2% 7.8% 8.0% 6.0% 3.6% 4.0% 2.0% 0.0% 0% to 31% to 51% to 81% to Over 95% 30% 50% 80% 95%

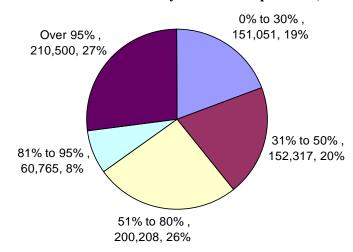
Owner Households with Incidence of Overcrowding by percent

Source: CHAS Database with projections based on HISTA data

**Income Category** 

The chart below shows the total incidence of overcrowded households by income group.

# Overcrowded Households by Income Group - Texas, 2009



Source: CHAS Database with projections based on HISTA data

## HOUSING AVAILABILITY AND AFFORDABILITY

The following figures compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories. Because higher income households often reside in units that could be affordable to the lowest income households, there are fewer units available at a cost that is affordable to lower income households. For example, 1.4 million households that have incomes greater than 80 percent AMFI occupy units that would be affordable to households at 0-50 percent AMFI (see table below). Households in this category can afford units in any of the defined affordability categories. Therefore, households that are not low-income often limit the supply of affordable housing units available to low-income households.

The table below describes the housing market interaction of various income groups and housing costs. The table shows the income classifications of the occupants of housing units. The table also illustrates the housing market mismatch between housing units and income groups. For example, very low-income households (0-50 percent of HAMFI) account for only about one-third of all the occupants of housing that is affordable to them. All low-income households (0-80 percent of HAMFI) make up only 48 percent of all households occupying housing affordable to them. This table illustrates housing market mismatches as well as an implicit excessive cost burden for those households that are residing in units beyond their affordability category.

# Occupied Affordable Housing Units by Income Group of Occupant, 2000, by percentage of HAMFI

	by percentage of a			
Number of Renter units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	1,112,083	588,198	246,476	277,409
Affordable to 51-80% HAMFI	1,245,842	346,703	301,491	597,648
Affordable to >80% HAMFI	305,135	52,391	41,485	211,259
	<b>T</b>	F00/ 1	E4 000/	A1 000/
Percent of Renter units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	100.0%	52.9%	22.2%	24.9%
Affordable to 51-80% HAMFI	100.0%	27.8%	24.2%	48.0%
Affordable to >80% HAMFI	100.0%	17.2%	13.6%	69.2%
Number of Owner units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	2,099,253	549,469	458,002	1,091,782
Affordable to 51-80% HAMFI	1,331,792	136,016	165,496	1,030,280
Affordable to >80% HAMFI	1,266,738	78,725	81,390	1,106,623
Percent of Owner units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	100.0%	26.2%	21.8%	52.0%
Affordable to 51-80% HAMFI	100.0%	10.2%	12.4%	77.4%
Affordable to >80% HAMFI	100.0%	6.2%	6.4%	87.4%
Number of Total units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	3,211,336	1,137,667	704,478	1,369,191
Affordable to 51-80% HAMFI	2,577,634	482,719	466,987	1,627,928
Affordable to >80% HAMFI	1,571,873	131,116	122,875	1,317,882
Percent of Total units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	100.0%	35.4%	21.9%	42.6%
Affordable to 51-80% HAMFI	100.0%	18.7%	18.1%	63.2%
Affordable to >80% HAMFI	100.0%	8.3%	7.8%	83.8%

Source: 2000 CHAS data

#### LOCAL ASSESSMENT OF NEED

TDHCA acknowledges that the greatest understanding of housing needs is found at the local level. TDHCA continuously strives to improve the methods used to identify regional affordable housing needs.

## STATE OF TEXAS COMMUNITY NEEDS SURVEY

Beginning in March 2006 and ending May 2006, the Department conducted the 2006 Community Needs Survey (CNS) online to examine housing and community service needs at the local level. The survey contained 18 questions regarding housing, community affairs, and community development needs and was distributed to state representatives, state senators, mayors, county judges, city managers, housing/planning departments, USDA local offices, public housing authorities, councils of governments, community action agencies and Housing Opportunities for Persons with AIDS (HOPWA) agencies—a total of 2,529 individuals and entities. There was a 17.2 percent response rate for the survey.

Analysis of the 2006 CNS demonstrates a strong need for a wide range of housing and energy assistance. Of those respondents ranking their community's need for general assistance, approximately 31 percent indicated that housing assistance (including down payment assistance, home repair and rental payment assistance) was their first or second priority need. Approximately 28 percent of question respondents ranked energy assistance activities as their first or second priority need. Approximately 18 percent of respondents indicated that the development of apartments was the priority need, 15 percent chose capacity building assistance, and 7 percent chose assistance in addressing homelessness.

A significant 49 percent indicated that home repair assistance was the greatest need when compared to home purchase assistance and rental payment assistance. Only 8 percent stated that there was a minimal need for these housing activities in their communities. Regarding rental development activities, 35 percent indicated that their community's greatest need was the construction of new rental units, while approximately 33 percent indicated that both rental construction and rehabilitation activities were the same priority. Only 13 percent identified rehabilitation of existing units as their priority need, which is the same percentage of respondents who stated that there was a minimal need for rental development in their areas.

When considering energy assistance activities, 43 percent indicated that utility payment assistance was the greatest need followed by weatherization and minor home repairs. For homeless assistance activities, a majority 48 percent indicated that there was a minimal need for this type of assistance in their communities and 16 percent did not have an opinion on the subject. Of respondents that indicated a needed activity, homeless prevention services received the highest response with 12 percent indicating that it was their priority need.

The regional results from the CNS are incorporated into the regional plans in the next section of this report. A final report on the survey, the Report on the 2006 State of Texas Community Needs Survey, is available online from the TDHCA Housing Resource Center at http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports. When programming funds, TDHCA strongly encourages local and recipient participation.

## STATE HOUSING SUPPLY

The 2000 U.S. Census reported that 90.6 percent of the housing units in Texas were occupied. The number of housing units increased 16 percent from units that were on the ground in 1990. The 2006-2008 American Community Survey estimates that there were approximately 5,378,160 owner-occupied units (65 percent) and 2,879,934 renter-occupied units (35 percent) during that time period. More renter households consist of one-person households (35.8 percent) compared to owner-occupied households (19.3 percent). Owner-households had the highest percentage of two-person households at 34.0 percent.

Approximately 70.3 percent of the housing units in Texas were one-unit structures, such as single-family homes, during this time period. Approximately 22 percent of housing units were within multifamily structures: 2 percent were in developments up to 2 units; 3.1 percent were in developments with 3 or 4 units; 4.7 percent were within 5 to 9 units; and 12 percent were in developments with or more 10 units. The remaining 7.3 percent of housing units were mobile homes, RVs or boats. <sup>16</sup>

Physical Housing Characteristics for Occupied Units – Texas, 2006-2008

_	Total Occupied	Percent of Total	Renter	Owner
	Units	Occupied Units	Households	Households
1, detached	5,582,472	67.6%	849,581	4,732,781
1, attached	222,969	2.7%	97,918	123,698
2 apartments	165,162	2.0%	152,637	16,134
3 or 4 apartments	256,001	3.1%	241,914	16,134
5 to 9 apartments	388,130	4.7%	1,005,097	32,269
10 or more apartments	1,040,520	12.6%	1,005,097	441,009
Mobile home or other type of housing	602,841	7.3%	155,516	441,009
Totals	8,258,095	100.0%	3,507,760	5,803,034

Source: 2006-2008 American Community Survey 3-Year Estimates

## ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in the state financed through state and federal sources, including TDHCA, the U.S. Department of Housing and Urban Development (HUD), public housing authorities (PHAs), Section 8 Housing Choice Vouchers and the United States Department of Agriculture (USDA). The table also includes local housing finance corporations (HFCs), a category which encompasses the Texas State Affordable Housing Corporation. Please note that because some developments layer funding from multiple sources, there may be double counting.

TDHCA data includes multifamily developments awarded up until the end of FY 2009, so not all units included in the total had been built at the time of this document's publication. Additionally, the TDHCA unit total only includes those units that have income restrictions and does not include market-rate units that are available in some developments.

HUD unit data was obtained from HUD's April 2007 report, *Multifamily Housing Inventory Survey of Units for the Elderly and Disabled*, available at http://www.hud.gov/offices/hsg/mfh/hto/state/tx.pdf. Though the report title specifically references units available to the elderly and persons with disabilities, the report also contains information on family properties and therefore encompasses the full scope of HUD properties. Please note, however, that there may be double counting with units financed through other programs, including public housing.

Numbers for current PHA units and Section 8 Housing Choice Vouchers were obtained from HUD's *Housing Authority Profiles* data at https://pic.hud.gov/pic/haprofiles/haprofilelist.asp. TDHCA Section 8 vouchers are also included in this figure. USDA unit data was obtained directly from USDA staff in October 2007.

HFC data, including Texas State Affordable Housing Corporation data, was obtained from the Housing Finance Corporation Annual Report that HFCs are required to submit to TDHCA annually. The figure

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 $<sup>^{16}</sup>$  U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from http://factfinder.census.gov.

describes the total units financed by the HFCs through June 2008 and does not specify assisted units, so these unit totals will also include market-rate units in the area. Because the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final state total.

**Subsidized Multifamily Units** 

Substation transmitty chief					
	State Total	Percent of State Inventory			
TDHCA Units	199,125	29.98%			
HUD Units*	102,349	15.41%			
PHA Units*	55,098	8.30%			
Section 8 Vouchers	252,515	38.02%			
USDA Units	55,052	8.29%			
HFC Units**	97,592	N/A			
Total	664,139	100%			

<sup>\*</sup>Reflects the most updated numbers available.

<sup>\*\*</sup>Because HFC developments report total units and do not specify assisted units and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

# **REGION 1**

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. HISTA data projects that in 2009 the total population in Region 1 is 883,425, which represents 3.7 percent of the state's total population.

**Region 1 Population Figures** 

	Region Total 2000	Percent in Region	Percent of State Total	Population Estimated Jan 1, 2009
Total Population	768,196		3.7%	883,425
Persons with Disabilities	138,520	18.0%		159,298
Elderly Persons (without disabilities)	50,862	6.6%		58,491
Individuals in Poverty	122,991	16.0%		141,440

Source: 2000 Census and CHAS Database with projections based on HISTA data.

Region 1

Dallam Sherman Hansford Ochiltree Lipscomb

Hartley Moore Hutchinson Roberts Hemphill

Oldham Potter Carson Gray Wheeler Amarillo

Deaf Smith Randall Armstrong Donley Collingsworth

Parmer Castro Swisher Briscoe Hall Childress

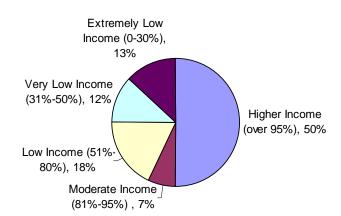
Bailey Lamb Hale Floyd Mottey

Cochran Hockley Lubbock Crosby Dickens King

Yoakum Terry Lynn Garza

Approximately 48 percent of the population lives in the urban areas, including Amarillo and Lubbock, and the rest live in rural areas of the region. In the map of Region 1 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

## **Region 1 Household Incomes**



The pie chart to the left depicts the income breakdown of the 288,273 households in the region. Approximately 43 percent of households are low income. The most recent Census poverty estimate data for 2009 shows that there are 141,440 individuals living in poverty in the region which makes up 16.0 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Amarillo and Lubbock are \$ 117,600 and \$ 111,000, respectively. 17

## SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 159,298 persons with disabilities residing in the region, which is 18.0 percent of the regional population. In addition, there are approximately 58,491 elderly individuals without disabilities in the region, which is 6.6 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,228 people in

<sup>&</sup>lt;sup>17</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 6, 2009).

noninstitutional group homes, including shelters, in the region. In its special tabulation on emergency and transitional shelters, the 2009 projections counted approximately 192 homeless persons in Amarillo.

## HOUSING SUPPLY

According to the most recent US Census, 89 percent of the housing units in the region are occupied. Of the total housing stock, almost 75 percent are one unit; 15.9 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 66.3 percent are occupied by their owners and 33.7 percent are occupied by renters.

## HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 91,669 owners and renters with housing problems in 2009.

**Region 1 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	67,159	25,939	18,689	13,818	8,712
Lacking Kitchen and/or Plumbing	3,211	898	558	604	1,151
Overcrowding	21,299	3,374	3,735	5,747	8,443
Total	91,669	30,211	22,982	20,169	18,306

Source: CHAS Database with projections based on HISTA data.

## REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 1, the two greatest general needs as ranked by survey respondents were energy assistance with 36 percent of total respondents and housing assistance with 28 percent of total respondents. Of the remaining respondents, 24 percent indicated that the development of apartments was the priority need, 13 percent indicated that capacity building assistance was the priority need and only 6 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, almost 40 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 25 percent. Regarding rental development by itself, 43 percent of respondents indicated that the construction of new rental units was their community's greatest need, followed by 34 percent of respondents who indicated that the need for construction and rehabilitation of rental units was the same. When taking into account energy assistance by itself, 41 percent of respondents indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 39 percent.

## ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 1 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,165	29.9%	2.6%
HUD Units*	3,451	20.0%	3.4%
PHA Units*	1,304	7.5%	2.4%
Section 8 Vouchers	5,679	32.9%	2.2%
USDA Units	1,676	9.7%	3.0%
HFC Units**	1,789		
Total	17,275	100.0%	3.3%

<sup>\*</sup>Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## **REGION 2**

Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. HISTA data projects that in 2009 the total population in Region 2 is 618,253, which represents 2.6 percent of the state's total population.

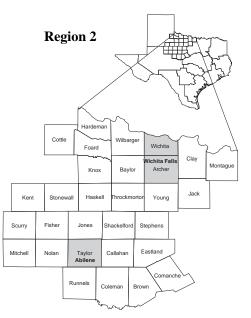
**Region 2 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	549,267		2.6%	61,8253
Persons with Disabilities	105,325	19.6%		121,124
Elderly Persons (without disabilities)	42,485	7.9%		48,858
Individuals in Poverty	77,647	14.4%		89,294

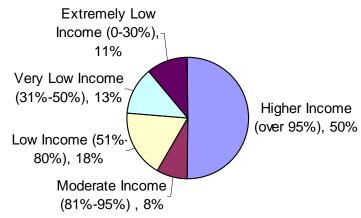
Source: 2000 Census and CHAS Database with projections based on HISTA data.

Approximately 41 percent of the population lives in urban areas of the region. In the map of Region 2 (right), the shaded

counties are Metropolitan Statistical Areas as defined by the U.S. Census.



**Region 2 Household Incomes** 



The pie chart to the left depicts the income breakdown of the 206,459 households in the region. Approximately 42 percent of households are low income. There are 89,294 individuals living in poverty in the region which makes up 14.4 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Wichita Falls and Abilene are \$121,100 and \$108,700, respectively.

## **SPECIAL NEEDS POPULATIONS**

According to 2009 population projections, there are approximately 121,124 persons with disabilities residing in the region, which is 19.6 percent of the regional population. In addition, there are approximately 48,858 elderly individuals without disabilities in the region, which is 7.9 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 700 people in noninstitutional group homes, which include shelters, in the region. In a special tabulation on emergency and transitional shelters, the Census did not count any homeless persons in metro areas.

<sup>&</sup>lt;sup>18</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 6, 2009).

#### HOUSING SUPPLY

According to the most recent US Census, 84 percent of the housing units in the region are occupied. Of the total housing stock, almost 77 percent are one unit; 12 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 69.1 percent are occupied by their owners and 30.9 percent are occupied by renters.

## HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 56,447 owners and renters with housing problems in 2009.

**Region 2 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	44,820	16,401	13,389	8,732	6,298
Lacking Kitchen and/or Plumbing	2,161	670	367	459	665
Overcrowding	9,466	1,470	1,440	2,691	3,865
Total	56,447	18,541	15,196	11,882	10,828

Source: CHAS Database with projections based on HISTA data.

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 2, the two greatest general needs as ranked by survey respondents were energy assistance with 33 percent of total respondents and housing assistance with 29 percent of total respondents. Of the remaining respondents, approximately 21 percent indicated that the development of apartments was the priority need, 14 percent indicated that capacity building assistance was the priority need and 14 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 54 percent of respondents indicated that home repair assistance was the greatest need, followed homebuyer assistance with 23 percent. Regarding rental development by itself, 40 percent of respondents indicated that the construction of new rental units was their community's greatest need, followed by 28 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, weatherization and minor home repairs tied with utility assistance as the greatest needs, each with 47 percent of respondents.

## ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 2 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,308	25.0%	1.7%
HUD Units*	1,979	14.9%	1.9%
PHA Units*	3,026	22.8%	5.5%
Section 8 Vouchers	3,009	22.7%	1.2%
USDA Units	1,925	14.5%	3.5%
HFC Units**	280		
Total	13,247	100.0%	2.5%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## **REGION 3**

Region 3, which encompasses the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman and Denison, is the state's most populous region. HISTA data projects that in 2009 the total population in Region 3 is 6,250,728, which represents 26.3 percent of the state's total population.

**Region 3 Population Figures** 

region of optimization rightes					
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009	
Total Population	5,435,416		26.3%	6,250,728	
Persons with Disabilities	888,217	16.3%		1,021,449	
Elderly Persons (without disabilities)	245,186	4.5%		281,964	
Individuals in Poverty	588,688	10.8%		676,991	

Region 3

Cooke Grayson Fannin
Sherman Denison

Palo Pinto Parker Tarrant Dallas Rockwall

Palo Pinto Dallas Kaufman

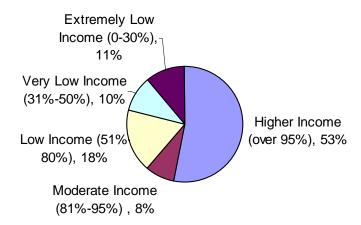
Hood Johnson Eliis

Navarro

Source: 2000 Census and CHAS Database with projections based on HISTA data.

Approximately 93 percent of the population resides in urban areas. In the map of Region 3 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

#### **Region 3 Household Incomes**



The pie chart to the left depicts the income breakdown of the 1,988,135 households in the region. Approximately 39 percent of households are low income. There are 676,991 individuals living in poverty in the region which makes up 18.9 percent of the regional population. According to the Multiple Listing Service records for September 2009, the highest median home price is in Collin County at \$196,700, while the lowest is in Sherman-Denison at \$101,200.

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 1,021,449 persons with disabilities residing in the region, which is 16.3 percent of the regional population. In addition, there are 281,964 elderly individuals without disabilities in the region, which is 4.5 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to the 2009 population projections, there are approximately 7,530 people in noninstitutional group homes, including shelters, in the region. In its special tabulation on emergency and

<sup>&</sup>lt;sup>19</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 6, 2009).

transitional shelters, the Census counted approximately 2,211 homeless persons in Tarrant and Dallas counties.

## HOUSING SUPPLY

According to the most recent US Census, 93.7 percent of the housing units in the region are occupied; this is the highest occupancy rate among all of the regions. Of the total housing stock, 64 percent are one unit; 30 percent are over two units; and the rest are mobile homes and boats. Approximately 60.9 percent are occupied by their owners and 39.1 percent are occupied by renters.

## HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 699,636 owners and renters with housing problems in 2009.

**Region 3 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	483,443	148,173	124,704	118,320	92,246
Lacking Kitchen and/or Plumbing	18,571	4,988	3,378	3,940	6,266
Overcrowding	197,622	36,717	39,975	53,458	67,472
Total	699,636	189,878	168,057	175,718	165,984

Source: CHAS Database with projections based on HISTA data.

## REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 3, the two greatest general needs as ranked by survey respondents were housing assistance with 51 percent of total respondents and energy assistance with 29 percent of total respondents. Of the remaining respondents, approximately 6 percent indicated that capacity building assistance was the priority need, 5 percent of respondents indicated that the development of apartments was the priority need and only 2 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 52 percent indicated that home repair assistance was the greatest need, followed by a three-way tie between homebuyer assistance, rental subsidies and minimal need for housing assistance each with 14 percent of respondents. Regarding rental development by itself, 26 percent indicated that the need for construction and rehabilitation was approximately the same, followed by 25 percent of respondents who indicated that the rehabilitation of existing rental units was the greatest need, independent of construction of rental units. When taking into account energy assistance by itself, 39 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 37 percent.

## ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA, and local HFCs including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 3 Multifamily Assisted Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	60,575	41.8%	30.4%
HUD Units*	28,032	19.3%	27.4%
PHA Units*	8,485	5.9%	15.4%
Section 8 Vouchers	43,833	30.2%	17.4%
USDA Units	4,076	2.8%	7.4%
HFC Units**	20,907		
Total	145,001	100.0%	27.6%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## **REGION 4**

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. HISTA data projects that in 2009 the total population in Region 3 is 1,145,320, which represents 4.9 percent of the state's total population.

**Region 4 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	995,930		4.9%	1,145,320
Persons with Disabilities	213,753	21.5%		245,816
Elderly Persons (without disabilities)	77,528	7.8%		89,157
Individuals in Poverty	152,036	15.3%		174,841

Source: 2000 Census and CHAS Database with projections based on HISTA data.

Region 4

Lamar Red River Texarkana Bowie

Hopkins Franklir Taus Morris Cass

Rains Wood Upshur Ingview Marion

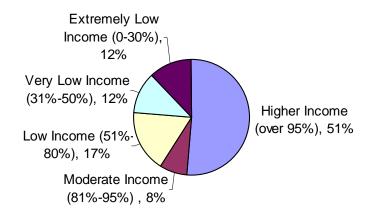
Van Zandt Tyler Gregg

Anderson Cherokee

Anderson Cherokee

Region 4 has the highest percentage of rural population in the state at 77.5 percent. In the map of Region 4 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

## **Region 4 Household Incomes**



The pie chart to the left depicts the income breakdown of the 380,765 households in the region. Approximately 41 percent of households are low income. There are 174,841 individuals living in poverty in the region, which makes up 15.3 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Tyler and Longview-Marshall are \$142,000 and \$127,200, respectively.<sup>20</sup>

## SPECIAL NEEDS POPULATIONS

According to 2009 population projections,

there are approximately 245,816 persons with disabilities residing in the region, which is 21.5 percent of the regional population. In addition, there are approximately 89,157 elderly individuals without disabilities in the region, which is 7.8 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to the 2009 population projections, there are 1,505 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional

<sup>&</sup>lt;sup>20</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 6, 2009).

shelters, the Census counted 127 homeless persons in Tyler. Region 4 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005. According to FEMA, \$1,037,418.22 worth of damage was reported. Households affected by the hurricane have unexpected needs.

## HOUSING SUPPLY

According to the most recent US Census, 87.5 percent of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit; 11 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 73.8 percent are occupied by their owners and 26.2 percent are occupied by renters.

## HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 115,387 owners and renters with housing problems in 2009.

**Region 4 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	87,846	31,977	23,560	18,322	13,988
Lacking Kitchen and/or Plumbing	5,578	1,724	994	1,002	1,858
Overcrowding	21,963	3,657	3,640	5,408	9,258
Total	115,387	37,358	28,194	24,732	25,104

Source: CHAS Database with projections based on HISTA data

## REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 4, the two greatest general needs as ranked by survey respondents were housing assistance with 47 percent of total respondents and energy assistance with 26 percent of total respondents. Of the remaining respondents, approximately 15 percent indicated that the development of apartments was the priority need and 10 percent indicated that capacity building assistance was the priority need. No respondents indicated that homeless assistance was their community's priority need.

When considering housing assistance as a category by itself, 53 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 28 percent. Regarding rental development by itself, 34 percent indicated that the need for construction and rehabilitation was the same, followed by 33 percent of respondents who indicated that construction of new units without rehabilitation was the greatest need. When taking into account energy assistance by itself, 41 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 40 percent.

## ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 4 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,629	26.4%	2.8%
HUD Units*	3,577	16.8%	3.5%
PHA Units*	2,252	10.6%	4.1%
Section 8 Vouchers	5,988	28.1%	2.4%
USDA Units	3,872	18.2%	7.0%
HFC Units**	1,170		
Total	21,318	100.0%	4.1%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 5**

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. HISTA data projects that in 2009 the total population in Region 3 is 914,434, which represents 3.6 percent of the state's total population.

**Region 5 Population Figures** 

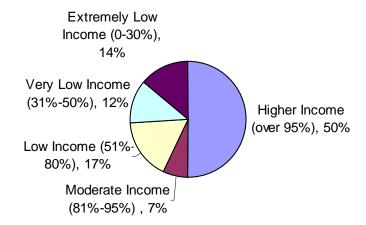
ŭ <b>.</b>	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	795,160		3.6%	914,434
Persons with Disabilities	150,529	18.9%		173,108
Elderly Persons (without disabilities)	53,148	6.7%		61,120
Individuals in Poverty	120,585	15.2%		138,673

Source: 2000 Census and CHAS Database with projections based on HISTA data.



Over 70 percent of the population lives in rural areas. In the map of Region 5 (above), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

**Region 5 Household Incomes** 



The pie chart to the left depicts the income breakdown of the 274,543 households in the region. Approximately 43 percent of households are low income. There are 138,673 individuals living in poverty in the region, which makes up 15.2 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Beaumont and Port Arthur are \$131,400 and \$128,600, respectively.<sup>21</sup>

## SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 173,108 persons with disabilities residing in the region, which is 18.9 percent of the regional population. In addition, there are approximately 61,120 elderly individuals without disabilities in the region, which is 6.7 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to the 2009 population projections, there are approximately 773 people in noninstitutional group homes, which include shelters, in the region. In its tabulation on emergency and

<sup>&</sup>lt;sup>21</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

transitional shelters, the Census did not count homeless persons in metropolitan areas. Region 5 also experienced significant damage from Hurricane Rita, which hit the southeast Texas area in September 2005. According to FEMA, approximately \$190,251,194 worth of damage was reported. Households affected by the hurricane have unexpected needs.

## HOUSING SUPPLY

According to the most recent US Census, 84.7 percent of the housing units in the region are occupied. Of the total housing stock, 69.3 percent are one unit, 11 percent are over two units, and 18.6 percent are mobile homes. Boats and RVs make up the rest of the housing stock. Approximately 73.4 percent are occupied by their owners and 26.6 percent are occupied by renters.

## HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 83,490 owners and renters with housing problems in 2009.

**Region 5 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	62,016	25,949	16,662	11,413	7,993
Lacking Kitchen and/or Plumbing	3,836	1,270	633	733	1,202
Overcrowding	17,638	3,350	2,548	3,968	7,772
Total	83,490	30,569	19,843	16,114	16,967

Source: CHAS Database with projections based on HISTA data

## REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 5, the two greatest general needs as ranked by survey respondents were housing assistance with 68 percent of total respondents and development of apartments with 17 percent of total respondents. Of the remaining respondents, approximately 13 percent indicated that energy assistance was the priority need, 11 percent indicated that capacity building assistance was the priority need and 8 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 49 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 27 percent. Regarding rental development by itself, 54 percent indicated that the need for construction and rehabilitation was the same, followed by 30 percent of respondents who indicated that construction of new units, separate from rehabilitation, was the greatest need. When taking into account energy assistance by itself, 44 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs at 40 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 5 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,713	26.9%	2.9%
HUD Units*	4,134	19.4%	4.0%
PHA Units*	2,368	11.1%	4.3%
Section 8 Vouchers	7,598	35.7%	3.0%
USDA Units	1,443	6.8%	2.6%
HFC Units**	1,278		
Total	21,256	100.0%	4.0%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 6**

Region 6 includes the urban areas of Houston, Brazoria and Galveston. HISTA data projects that in 2009 the total population in Region 6 is 5,537,857, which represents 23.3 percent of the state's total population.

**Region 6 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	4,815,528		23.3%	5,537,857
Persons with Disabilities	801,436	16.6%		921,651
Elderly Persons (without disabilities)	206,438	4.3%		237,404
Individuals in Poverty	656,239	13.6%		754,675

Region 6

Walker

Walker

Liberty

Liberty

Liberty

Liberty

Maris

Colorado

Fort Bend

Galveston

Brazoria

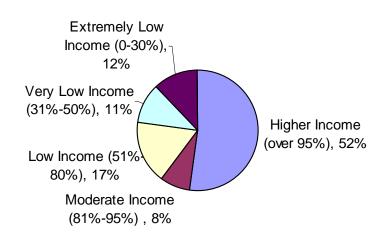
Brazoria

Brazoria

Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 66 percent of the populations lives in the urban areas of Region 6. In the map of Region 6 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

#### **Region 6 Household Income**



The pie chart to the left depicts the income breakdown of the 1,691,811 households in the region. Approximately 40 percent of households are low income. There are 754,675 individuals living in poverty in the region, which makes up 13.6 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Houston and Galveston are \$155,600 and \$150,000 respectively. 22

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 921,651 persons with disabilities residing in the region, which makes up 16.6 percent of the regional population. In addition, there are approximately 237,404 elderly individuals without disabilities in the region, which is 4.3 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 8,961 people in

<sup>22</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 2,019 homeless persons in the Houston area. Region 6 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005. According to FEMA, approximately \$28,325,647 worth of damage was reported. Households affected by the hurricane have unexpected needs.

#### HOUSING SUPPLY

According to the most recent US Census, 91.9 percent are of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit; 18 percent are over two units; and the rest are mobile homes, RVs, and boats. Approximately 60.9 percent are occupied by their owners and 39.1 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 621,947 owners and renters with housing problems in 2009.

**Region 6 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	392,181	133,623	104,552	83,584	70,421
Lacking Kitchen and/or Plumbing	18,712	5,594	3,306	3,787	6,025
Overcrowding	211,054	42,404	43,848	55,539	69,262
Total	621,947	181,621	151,706	142,910	145,708

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 6, the two greatest general needs as ranked by survey respondents were housing assistance with 73 percent of total respondents and development of apartments with 14 percent of total respondents. Of the remainder of the respondents, approximately 7 percent indicated that energy assistance was the priority need and 6 percent indicated that capacity building assistance was the priority need. No respondents indicated that homeless assistance was their community's priority need.

When considering housing assistance as a category by itself, 46 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 33 percent. Regarding rental development by itself, 31 percent indicated that the need for construction and rehabilitation was the same, followed by a tie between a need for the construction of new units alone and a minimal need for rental assistance with 21 percent of respondents each. When taking into account energy assistance by itself, 39 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 37 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 6 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	55,627	49.0%	27.9%
HUD Units*	27,284	24.1%	26.7%
PHA Units*	5,138	4.5%	9.3%
Section 8 Vouchers	21,884	19.3%	8.7%
USDA Units	3,484	3.1%	6.3%
HFC Units**	39,365		
Total	113,417	100.0%	21.6%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 7**

The urban area of Austin-San Marcos is at the center of Region 7. HISTA data projects that in 2009 the total population in Region 7 is 1,532,970, which represents 6.5 percent of the state's total population.

**Region 7 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	1,333,017		6.5%	1,532,970
Persons with Disabilities	190,226	14.3%		218,760
Elderly Persons (without disabilities)	61,229	4.6%		70,413
Individuals in Poverty	145,060	10.9%		166,819

Region 7

Burnet
Llano
Williamson

Travis
Austin
San Marcos
Hays

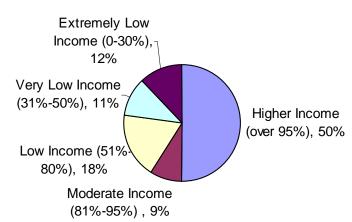
Caldwell

Fayette

Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 68 percent of the population lives in urban areas. In the map of Region 7 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

# **Region 7 Household Income**



The pie chart to the left depicts the income breakdown of the 509,798 households in the region. Approximately 41 percent of households are low income. There are 166,819 individuals living in poverty in the region, which makes up 10.9 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Austin is \$182,700.<sup>23</sup>

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections,

there are approximately 218,760 persons with disabilities residing in the region, which is 14.3 percent of the regional population. In addition, there are approximately 70,413 elderly individuals without disabilities in the region, which is 4.6 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 2,707 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 553 homeless persons in Austin.

<sup>23</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

#### HOUSING SUPPLY

According to the most recent US Census, 93.5 percent of the housing units in the region are occupied. Of the total housing stock, 62 percent are one unit, 30 percent are over two units, and the rest are mobile homes, boats. Approximately 59.8 percent are occupied by owners and 40.2 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 189,088 owners and renters with housing problems in 2009.

**Region 7 Households with Housing Problems** 

	Region Total	Extremely Low Income (0- 30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	143,360	44,925	36,217	36,747	25,471
Lacking Kitchen and/or Plumbing	5,598	1,938	981	1,125	1,555
Overcrowding	40,130	7,442	8,194	10,520	13,975
Total	189,088	54,305	45,392	48,392	41,001

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 7, the two greatest general needs as ranked by survey respondents were development of apartments with 32 percent of total respondents and housing assistance with 27 percent of total respondents. Of the remaining respondents, approximately 21 percent indicated that capacity building was the priority need and 14 percent indicated that energy assistance was the priority need. No respondents indicated that homeless assistance was their community's priority need.

When considering housing assistance as a category by itself, 34 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 28 percent. Regarding rental development by itself, 45 percent indicated that their community's greatest need was the construction of new rental units, followed by 38 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 38 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 34 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 7 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	17,910	49.8%	9.0%
HUD Units*	5,032	14.0%	4.9%
PHA Units*	3,506	9.7%	6.4%
Section 8 Vouchers	8,053	22.4%	3.2%
USDA Units	1,477	4.1%	2.7%
HFC Units**	8,281		
Total	35,978	100.0%	6.8%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 8**

Region 8, located in the center of the state, surrounds the urban areas of Waco, Bryan, College Station, Killeen and Temple. HISTA data projects that in 2009 the total population in Region 8 is 1,089,838 and represents 4.6 percent of the state's total population.

**Region 8 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	947,685		4.6%	1,089,838
Persons with Disabilities	160,743	17.0%		184,854
Elderly Persons (without disabilities)	55,854	5.9%		64,232
Individuals in Poverty	149,480	15.8%		171,902

Bosque Hill

McLennan Limestone

Waco

Killeen Falls

Robertson

Madison

College Station

Brazos

Burleson

Washington

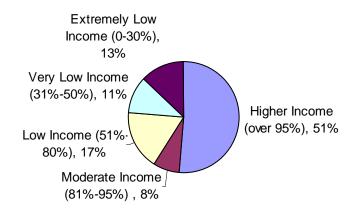
Region 8

Source: 2000 Census and CHAS Database with projections based on HISTA

data

Approximately 55 percent of the population lives in the urban areas of Region 8. In the map of Region 8 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

# Region 8 Household Income



The pie chart to the left depicts the income breakdown of the 343,856 households in the region. Approximately 41 percent of households are low income. There are 171,902 individuals living in poverty in the region, which makes up 15.8 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Bryan-College Station is \$152,500.<sup>24</sup>

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections,

there are approximately 184,854 persons with disabilities residing in the region, which is 17.0 percent of the regional population. In addition, there are approximately 64,232 elderly individuals without disabilities in the region, which is 5.9 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,153 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 148 homeless persons in the Killeen area.

<sup>&</sup>lt;sup>24</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

#### HOUSING SUPPLY

According to the most recent US Census 88.9 percent of the total housing units in the region are occupied. Of the total housing stock, 67 percent are one unit, 20 percent are over two units, 12 percent are mobile homes, and the rest are boats and RVs. Approximately 61.2 percent are occupied by their owners and 38.8 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 119,258 owners and renters with housing problems in 2009.

**Region 8 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	90,612	34,211	23,462	19,895	13,043
Lacking Kitchen and/or Plumbing	4,173	1,240	805	789	1,340
Overcrowding	24,473	4,191	3,775	6,648	9,859
Total	119,258	39,642	28,042	27,332	24,242

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 8, the two greatest general needs as ranked by survey respondents were housing assistance with 28 percent of total respondents and energy assistance with 21 percent of total respondents. Of the remaining respondents, approximately 18 indicated that capacity building was the priority need, 18 percent indicated that the development of apartments was the priority need and 10 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 48 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 23 percent. Regarding rental development by itself, 40 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 20 percent respondents who indicated that there was a minimal need for rental development. When taking into account energy assistance by itself, 60 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 34 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 8 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,383	26.8%	3.2%
HUD Units*	4,178	17.6%	4.1%
PHA Units*	2,780	11.7%	5.0%
Section 8 Vouchers	7,621	32.0%	3.0%
USDA Units	2,820	11.9%	5.1%
HFC Units**	305		
Total	23,782	100.0%	4.5%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 9**

San Antonio is the main metropolitan area in Region 9. HISTA data projects that in 2009 the total population in Region 9 is 2,052,228, which represents 8.7 percent of the state's total population.

**Region 9 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	1,784,546		8.7%	2,052,228
Persons with Disabilities	337,541	18.9%		388,172
Elderly Persons (without disabilities)	107,974	6.1%		124,170
Individuals in Poverty	267,118	15.0%		307,186

Region 9

Gillespie

Kerr

Kerdall

Comal

Bandera

Guadalupe

Bexar

San Antonio

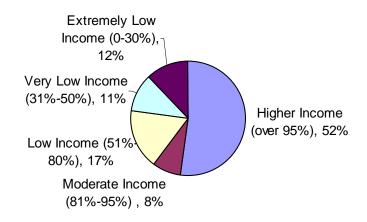
Wilson

Karnes

Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 73 percent of the population lives in urban areas. In the map of Region 9 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

#### **Region 9 Household Income**



The pie chart to the left depicts the income breakdown of the 635,280 households in the region. Approximately 40 percent of households are low income. There are 307,186 individuals living in poverty in the region, which makes up 15.0 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for San Antonio is \$146,700.<sup>25</sup>

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections,

there are approximately 388,172 persons with disabilities residing in the region, which is 18.9 percent of the regional population. In addition, there are approximately 124,170 elderly individuals without disabilities in the region, which is 6.1 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 3,357 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 978 homeless persons in San Antonio.

<sup>&</sup>lt;sup>25</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

#### HOUSING SUPPLY

According to the most recent US Census, 92.3 percent of the housing units in the region are occupied. Of the total housing stock, 69 percent are one unit, 22 percent are over two units, 8 percent are mobile homes, and the rest are boats and RVs. Approximately 65.0 percent are occupied by their owners and 35.0 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 223,448 owners and renters with housing problems in 2009.

**Region 9 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	153,507	47,556	38,733	36,371	30,846
Lacking Kitchen and/or Plumbing	7,521	2,128	1,319	1,581	2,493
Overcrowding	62,420	11,431	11,807	15,974	23,208
Total	223,448	61,115	51,859	53,926	56,547

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 9, the two greatest general needs as ranked by survey respondents were housing assistance with 28 percent of total respondents and energy assistance with 21 percent of total respondents. Of the remaining respondents, approximately 18 percent of respondents indicated that the development of apartments was the priority need, 18 percent indicated that capacity building was the priority need and 10 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 53 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 29 percent. Regarding rental development activities by itself, 34 percent indicated that the need for construction and rehabilitation was the same, followed by a three way tie between construction of new units alone, minimal need for rental development and no opinion about rental units with 18 percent each. When taking into account energy assistance alone, 41 percent indicated that weatherization and minor home repairs was the greatest need, followed by utility assistance with 29 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 9 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	16,065	31.1%	8.1%
HUD Units*	12,080	23.4%	11.8%
PHA Units*	7,458	14.4%	13.5%
Section 8 Vouchers	15,046	29.1%	6.0%
USDA Units	1,007	1.9%	1.8%
HFC Units**	22,392		
Total	51,656	100.0%	9.8%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 10**

Region 10, including the urban areas of Corpus Christi and Victoria, is located in the south eastern part of the state on the Gulf of Mexico. HISTA data projects that in 2009 the total population in Region 10 is 709,697, which represents 3.5 percent of the state's total population.

**Region 10 Population Figures** 

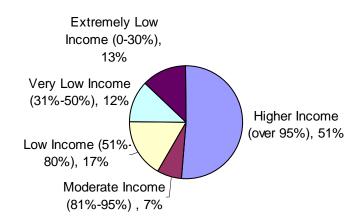
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	617,128		3.5%	709,697
Persons with Disabilities	141,592	22.9%		162,831
Elderly Persons (without disabilities)	46,900	7.6%		53,935
Individuals in Poverty	132,214	21.4%		152,046

Source: 2000 Census and CHAS Database with projections based on HISTA data

In Region 10, 50 percent live in urban areas. In the map of Region 10 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

# Region 10 McMuller Live Oa

# **Region 10 Household Income**



The pie chart to the left depicts the income breakdown of the 255,493 households in the region. Approximately 42 percent of households are low income. There are 152,046 individuals living in poverty in the region, which makes up 21.4 percent of the regional population. According to the Multiple Listing Service records September 2009, the median home price for Corpus Christi is \$144,100.<sup>26</sup>

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 162,831 persons

with disabilities residing in the region, which is 22.9 percent of the regional population. In addition, there are approximately 53,935 elderly individuals without disabilities in the region, which is 7.6 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,674 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 313 homeless persons in Corpus Christi.

<sup>&</sup>lt;sup>26</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

#### HOUSING SUPPLY

According to the most recent US Census, 86 percent of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit, 18 percent are over two units, 10 percent are mobile homes, and the rest are boats and RVs. Approximately 66.8 percent are occupied by their owners and 33.2 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 87,463 owners and renters with housing problems in 2009.

**Region 10 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	59,191	20,620	15,872	12,697	10,002
Lacking Kitchen and/or Plumbing	3,763	1,266	737	771	989
Overcrowding	24,509	4,937	4,226	5,396	9,950
Total	87,463	26,823	20,835	18,864	20,941

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS for Region 10, the two greatest general needs as ranked by survey respondents were housing assistance with 53 percent of total respondents and capacity building with 29 percent of total respondents. Of the remaining respondents, approximately 19 percent indicated that the development of apartments was the priority need and 18 percent indicated that energy assistance was the priority need. No respondents indicated that homeless assistance was the community's priority need.

When considering housing assistance by itself, 81 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 9 percent. Regarding rental development by itself, 41 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 32 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 54 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 36 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 10 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,141	26.5%	2.6%
HUD Units*	4,236	21.8%	4.1%
PHA Units*	4,459	22.9%	8.1%
Section 8 Vouchers	3,977	20.5%	1.6%
USDA Units	1,619	8.3%	2.9%
HFC Units**	971		
Total	19,432	100.0%	3.7%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

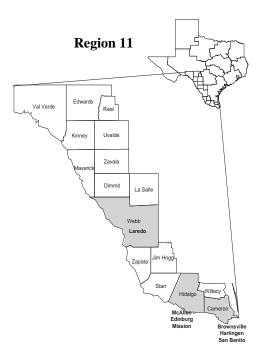
# **REGION 11**

Region 11 is a 16-county area along the border of Mexico. The main urban areas in the region are Brownsville-Harlingen, McAllen-Edinburg, Del Rio and Laredo. HISTA data projects that in 2009 the total population in Region 11 is 1,573,971, which represents 6.4 percent of the state's total population.

**Region 11 Population Figures** 

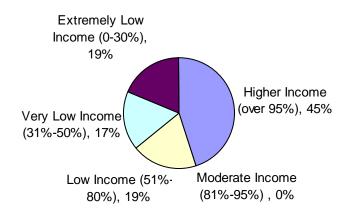
region 11 1 opulation 1 igures						
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009		
Total Population	1,368,670		6.4%	1,573,971		
Persons with Disabilities	257,838	18.8%	7.2%	296,514		
Elderly Persons (without disabilities)	67,505	4.9%	6.2%	77,631		
Individuals in Poverty	455,366	33.3%	14.6%	523,671		

Source: 2000 Census and CHAS Database with projections based on HISTA data



About 59 percent of the population lives in urban areas. In the map of Region 11 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

# **Region 11 Household Income**



The pie chart to the left depicts the income breakdown of the 377,276 households in the region. Approximately 55 percent of households are low income.<sup>27</sup> There are 523,671 individuals living in poverty in the region, which makes up 33.3 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Brownsville is \$94,400 and McAllen is \$104,100.<sup>28</sup>

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 296,514 persons with

disabilities residing in the region, which is 18.8 percent of the regional population. In addition, there are approximately 77,631 elderly individuals without disabilities in the region, which is 4.9 percent of the regional population.

<sup>&</sup>lt;sup>27</sup> The CHAS figures for moderate and higher income households in Region 11 indicate that there are only 199 persons with incomes between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the population. However, the planning impact for the SLIHP is relatively low because, except for the first time homebuyer program which is done through a network of participating lenders, TDHCA programs serve persons below 80 percent AMFI.

28 Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html

<sup>(</sup>accessed November 9, 2009).

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,393 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 222 homeless persons in Laredo.

#### HOUSING SUPPLY

According to the most recent US Census, 82.7 percent of the housing units in the region are occupied. Of the total housing stock, 66 percent are one unit, 14 percent are over two units, 18 percent are mobile homes, and the rest are boats and RVs. Approximately 70.8 percent are occupied by their owners and 29.2 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 184,917 owners and renters with housing problems in 2009.

**Region 11 Households with Housing Problems** 

Ü	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	78,562	33,079	20,702	14,090	10,691
Lacking Kitchen and/or Plumbing	14,614	6,312	3,577	2,527	2,199
Overcrowding	91,741	22,709	19,440	21,140	28,453
Total	184,917	62,100	43,719	37,757	41,343

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 11, the two greatest general needs as ranked by survey respondents were housing assistance with 62 percent of total respondents and development of apartments with 31 percent of total respondents. Of the remaining respondents, approximately 18 percent indicated that capacity building was the priority need, 13 percent indicated that the energy assistance was the priority need and 11 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 46 percent of respondents indicated that home repair assistance was the greatest need, followed by rental payment assistance at 29 percent. Regarding rental development by itself, 50 percent of respondents indicated that the need for construction and rehabilitation was the same, followed by 33 percent of respondents who indicated that construction of new units alone was the greatest need. When taking into account energy assistance by itself, 59 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 29 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 11 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	9,472	26.2%	4.8%
HUD Units*	4,208	11.6%	4.1%
PHA Units*	6,949	19.2%	12.6%
Section 8 Vouchers	13,553	37.5%	5.4%
USDA Units	2,003	5.5%	3.6%
HFC Units**	322		
Total	36,185	100.0%	6.9%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGION 12**

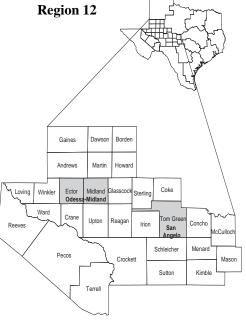
Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. HISTA data projects that in 2009 the total population in Region 12 is 594,754, which represents 2.5 percent of the state's total population.

**Region 12 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	517,177		2.5%	594,754
Persons with Disabilities	91,822	17.8%		105,595
Elderly Persons (without disabilities)	35,764	6.9%		41,129
Individuals in Poverty	85,063	16.4%		97,823

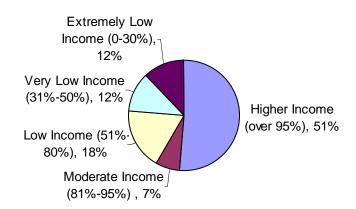
Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 56 percent of the population lives in urban areas. In the map of Region 12 (right), the shaded counties are Metropolitan Statistical Areas as defined



**Region 12 Household Income** 

by the U.S. Census.



The pie chart to the left depicts the income breakdown of the 188,921 households in the region. Approximately 42 percent of households are low income. There are 97,823 individuals living in poverty in the region, which makes up 16.4 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Odessa and Midland are \$131,800 and \$164,800 respectively.<sup>29</sup>

#### SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 105,595 persons with

disabilities residing in the region, which is 17.8 percent of the regional population. In addition, there are approximately 41,129 elderly individuals without disabilities in the region, which is 6.9 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 476 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census did not count any homeless people in metropolitan areas.

<sup>&</sup>lt;sup>29</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

#### HOUSING SUPPLY

According to the most recent US Census, 85.4 percent of the housing units in the region are occupied. Of the total housing stock, 72 percent are one unit, 16 percent are over two units, 12 percent are mobile homes, and the rest are boats and RVs. Approximately 70.1 percent are occupied by their owners and 29.9 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 57,186 owners and renters with housing problems in 2009.

**Region 12 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	40,053	14,994	11,375	7,894	5,791
Lacking Kitchen and/or Plumbing	2,577	713	547	538	778
Overcrowding	14,556	2,466	2,483	4,119	5,488
Total	57,186	18,173	14,405	12,551	12,057

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 12, the two greatest general needs as ranked by survey respondents were housing assistance with 50 percent of total respondents and development of apartments with 30 percent of total respondents. Of the remaining respondents, approximately 12 percent indicated that the energy assistance was the priority need, 9 percent indicated that capacity building assistance was the priority need and 9 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 50 percent of respondents indicated that home repair assistance was the greatest need, followed by rental payment assistance at 25 percent. Regarding rental development by itself, 42 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 33 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 46 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 42 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 12 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,401	33.7%	1.7%
HUD Units*	1,763	17.5%	1.7%
PHA Units*	1,145	11.3%	2.1%
Section 8 Vouchers	3,058	30.3%	1.2%
USDA Units	735	7.3%	1.3%
HFC Units**	24		
Total	10,102	100.0%	1.9%

<sup>\*</sup> Reflects the most updated numbers available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

Region 13

El Paso

# **REGION 13**

El Paso is the main urban area in Region 13. The region spreads along the Texas-Mexico border in the southwestern tip of the state. HISTA data projects that in 2009 the total population in Region 13 is 802,488, which represents 2.5 percent of the state's total population.

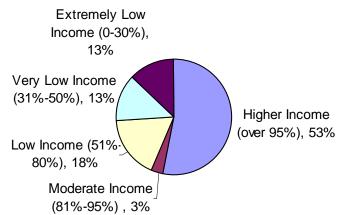
**Region 13 Population Figures** 

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	697,816		3.4%	802,488
Persons with Disabilities	128,000	18.3%		147,200
Elderly Persons (without disabilities)	35,421	5.1%		40,734
Individuals in Poverty	165,122	23.7%		189,890

Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 89 percent of the region population lives in the urban area of El Paso. In the map of Region 13 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

# **Region 13 Household Income**



The pie chart to the left depicts the income breakdown of the 216,861 households in the region. Approximately 44 percent of households are low income. There are 189,890 individuals living in poverty in the region, which makes up 23.7 percent of the regional population. According to Multiple Listing Service records September 2009, the median home price for El Paso is \$130,000.30

Jeff Davis

Presidio

# SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 147,200 persons with disabilities residing in the region, which is 18.3 percent of the regional population. In addition, there are approximately 40,734 elderly individuals without disabilities in the region, which is 5.1 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,175 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 409 homeless people in El Paso.

<sup>30</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," http://recenter.tamu.edu/data/hs/trends4.html (accessed November 9, 2009).

#### HOUSING SUPPLY

According to the most recent US Census, 92.7 percent of the housing units in the region are occupied. Of the total housing stock, 68 percent are one unit, 23 percent are over two units, 8 percent are mobile homes, and the rest are boats and RVs. Approximately 63.8 percent are occupied by their owners and 36.2 percent are occupied by renters.

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 93,248 owners and renters with housing problems in 2009.

**Region 13 Households with Housing Problems** 

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	55,856	17,463	14,981	13,699	9,713
Lacking Kitchen and/or Plumbing	4,076	950	1,093	938	1,095
Overcrowding	33,316	6,337	6,630	7,773	12,577
Total	93,248	24,750	22,704	22,410	23,385

Source: CHAS Database with projections based on HISTA data

#### REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 13, the two greatest general needs as ranked by survey respondents were housing assistance with 58 percent of total respondents and development of apartments with 43 percent of total respondents. Of the remaining respondents, approximately 27 percent indicated that homeless assistance as the priority need and 17 percent indicated that capacity building assistance was the priority need. No respondents indicated that energy assistance was their community's priority need.

When considering housing assistance as a category by itself, 41 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 35 percent. Regarding rental development by itself, 46 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 24 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 52 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 24 percent.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 13 Assisted Multifamily Units** 

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,736	24.0%	2.4%
HUD Units*	2,395	12.1%	2.3%
PHA Units*	6,228	31.5%	11.3%
Section 8 Vouchers	6,117	30.9%	2.4%
USDA Units	298	1.5%	0.5%
HFC Units**	690		
Total	19,774	100%	3.8%

<sup>\*</sup>Reflects the most updated information available.

<sup>\*\*</sup>HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# **REGIONAL PLANS SUMMARY**

This section summarizes the information from the regional plans in the previous section.

#### POPULATION CHARACTERISTICS

The most populous regions of the state according to the 2009 population projections are Regions 3 and 6, together representing almost 50 percent of the state.

Population and Poverty, 2009

Service Region	Population 2000 Census	Percent of State's Population	Population Estimate Jan 1, 2009	Persons in Poverty 2009	Percent of State Poverty Total	Population for whom Poverty Status is Determined	Percent of Regional Population in Poverty
1	768,196	3.7%	883,425	141,440	3.9%	860461	16.0%
2	537,611	2.6%	618,253	89,294	2.5%	591559	14.4%
3	5,435,416	26.3%	6,250,728	676,991	18.9%	6197856	18.9%
4	995,930	4.9%	1,145,320	174,841	4.9%	1116905	15.3%
5	795,160	3.6%	914,434	138,673	3.9%	811640	15.2%
6	4,815,528	23.3%	5,537,857	754,675	21.0%	5477620	13.6%
7	1,333,017	6.5%	1,532,970	166,819	4.7%	1506753	10.9%
8	947,685	4.6%	1,089,838	171,902	4.8%	1031733	15.8%
9	1,784,546	8.7%	2,052,228	307,186	8.6%	2023600	15.0%
10	617,128	3.5%	709,697	152,046	4.2%	814942	21.4%
11	1,368,670	6.4%	1,573,971	523,671	14.6%	1523581	33.3%
12	517,177	2.5%	594,754	97,822	2.7%	579385	16.4%
13	697,816	3.4%	802,488	189,890	5.3%	794348	23.7%
State	20,613,880	100%	23,705,962	3,585,250	100.0%	23,330,383	15.4%

Source: CHAS Database with projections based on HISTA data and Texas State Data Center

The table below provides information on the income breakdowns of households in each region.

Households and Income, 2000	Housel	ıolds a	and Inc	come,	2000
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Service Region	Total Households	Extremely Low Income (0% to 30% AMFI)	Very Low Income (31% to 50% AMFI)	Low Income (51% to 80% AMFI)	Moderate Income (81% to 95% AMFI)	Higher Income (over 95% AMFI)
1	288,273	36,433	34,684	53,087	20,604	143,475
2	206,459	23,690	26,096	37,041	15,491	104,169
3	1,988,135	216,675	207,946	361,581	165,946	1,043,156
4	380,765	47,359	45,345	64,823	28,943	194,299
5	274,543	38,575	32,704	45,851	19,222	138,364
6	1,691,811	209,127	186,994	284,820	131,907	881,944
7	509,798	60,766	54,465	92,250	44,650	257,667
8	343,856	46,423	39,537	59,780	26,911	171,721
9	635,280	73,161	69,347	109,133	49,283	334,532
10	255,493	33,862	30,725	42,309	16,854	131,811
11	377,276	73,326	62,736	71,481	199	169,566
12	188,921	22,798	23,084	33,409	13,680	95,995
13	216,861	29,207	28,546	38,430	7,373	114,009
State	7,357,471	911,402	842,209	1,293,995	541,063	3,780,708

Source: CHAS Database

# HOUSING SUPPLY

Of the state's housing stock, regions 1 and 2 have the highest percentage of one-unit housing; Regions 3, 6 and 7 have the highest levels of multifamily housing.

Housing Stock by Region, 2000

Housing Stock by Region, 2000						
Service Region	Housing Units	One Unit	2 to 19 Units	Over 20 Units	Mobile Homes	Boats, RVs
1	322,045	240,418	30,163	20,997	29,683	784
		74.7%	9.4%	6.5%	9.2%	0.2%
2	243,506	186,932	21,599	7,974	25,365	1,636
		76.8%	8.9%	3.3%	10.4%	0.7%
3	2,140,641	1,373,780	385,269	259,402	118,078	4,112
		64.2%	18.0%	12.1%	5.5%	0.2%
4	434,792	307,802	32,153	13,754	78,312	2,771
		70.8%	7.4%	3.2%	18.0%	0.6%
5	325,047	225,213	23,868	12,709	60,328	2,929
		69.3%	7.3%	3.9%	18.6%	0.9%
6	1,853,854	1,175,460	265,188	293,889	115,535	3,782
		63.4%	14.3%	15.9%	6.2%	0.2%
7	545,761	339,272	96,402	66,390	41,991	1,706
		62.2%	17.7%	12.2%	7.7%	0.3%
8	387,627	259,909	58,646	19,960	47,492	1,620
		67.1%	15.1%	5.1%	12.3%	0.4%
9	689,862	476,751	101,504	52,139	57,339	2,129
		69.1%	14.7%	7.6%	8.3%	0.3%
10	298,494	212,067	36,198	17,165	30,936	2,128
		71.0%	12.1%	5.8%	10.4%	0.7%
11	457,406	303,046	45,937	18,112	80,947	9,364
		66.3%	10.0%	4.0%	17.7%	2.0%
12	221,968	159,092	21,931	13,796	26,240	909
		71.7%	9.9%	6.2%	11.8%	0.4%
13	236,572	161,168	32,741	22,814	19,406	443
		68.1%	13.8%	9.6%	8.2%	0.2%
State	8,157,575	5,420,910	1,151,599	819,101	731,652	34,313
		66.5%	14.1%	10.0%	9.0%	0.4%

Source: 2000 U.S. Census

The homeownership rate for the State is 63.8 percent. The region with the lowest percentage of homeowners is Region 7 with 59.8 percent. The region with the highest percentage of homeowners is Region 4 with 73.8 percent.

Housing Units by Occupancy, 2000

		Owner Occupied		Renter Occ	cupied
Service Region	Total Tenure	Number	Percent	Number	Percent
1	288,175	191,161	66.3%	97,014	33.7%
2	206,388	142,603	69.1%	63,785	30.9%
3	2,004,826	1,220,939	60.9%	783,887	39.1%
4	380,468	280,896	73.8%	99,572	26.2%
5	275,233	201,971	73.4%	73,262	26.6%
6	1,702,792	1,037,371	60.9%	665,421	39.1%
7	510,555	305,294	59.8%	205,261	40.2%
8	344,575	210,882	61.2%	133,693	38.8%
9	636,796	414,009	65.0%	222,787	35.0%
10	256,428	171,319	66.8%	85,109	33.2%
11	378,275	267,716	70.8%	110,559	29.2%
12	189,582	132,956	70.1%	56,626	29.9%
13	219,261	139,842	63.8%	79,419	36.2%
State	7,393,354	4,716,959	63.8%	2,676,395	36.2%

Source: 2000 U.S. Census

# **NEED INDICATORS**

The chart below shows the number of households with cost burden greater than 30 percent by income group. Regions 3 and 6, in that order, have the highest number of households experiencing extreme cost burden for all the income groups. In addition, Regions 7 and 9 have the third and fourth highest numbers of households experiencing extreme cost burden for all income groups. These regions represent the four largest Major Metropolitan Areas in Texas: Dallas-Fort Worth-Arlington, Houston-Sugar Land-Baytown, San Antonio, and Austin-Round Rock.

Number of Households with Extreme Cost Burden by Income Group - Texas, 2009

Service	All	0% to	31% to	51% to	81% to	95% and
Region	Incomes	30%	50%	80%	95%	Above
1	67,159	25,939	18,689	13,818	2,730	5,982
2	44,820	16,401	13,389	8,732	2,075	4,223
3	483,443	148,173	124,704	118,320	29,094	63,152
4	87,846	31,977	23,560	18,322	4,865	9,123
5	62,016	25,949	16,662	11,413	2,581	5,412
6	392,181	133,623	104,552	83,584	20,976	49,445
7	143,360	44,925	36,217	36,747	8,972	16,499
8	90,612	34,211	23,462	19,895	4,810	8,233
9	153,507	47,556	38,733	36,371	9,494	21,352
10	59,191	20,620	15,872	12,697	2,988	7,014
11	78,562	33,079	20,702	14,090	72	10,619
12	40,053	14,994	11,375	7,894	1,849	3,942
13	55,856	17,463	14,981	13,699	1,587	8,126
State	1,758,605	594,909	462,899	395,582	92,093	213,123

Source: CHAS Database with projections based on HISTA data

Regions 3, 6, and 11 have the highest number of units lacking facilities for households earning 0 to 80 percent AMFI. Regions 3 and 6 also have the highest number of units lacking facilities for households earning 80 to over 95 percent AMFI. These are also the two regions with the highest numbers of households in poverty in the state. In contrast, Regions 2, 12 and 1, in that order, have the lowest number of units lacking facilities for households earning 0 to 80 percent AMFI.

Number of Units Lacking Kitchen and/or Plumbing by Affordability Category - Texas, 2009

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	80% and Above
1	3.211	898	558	604	199
2	2,161	670	367	459	151
3	18,571	4,988	3,378	3,940	1,336
4	5,578	1,724	994	1,002	370
5	3,836	1,270	633	733	191
6	18,712	5,594	3,306	3,787	1,037
7	5,598	1,938	981	1,125	339
8	4,173	1,240	805	789	235
9	7,521	2,128	1,319	1,581	607
10	3,763	1,266	737	771	147
11	14,614	6,312	3,577	2,527	0
12	2,577	713	547	538	101
13	4,076	950	1,093	938	124
State	94,391	29,690	18,293	18,792	4,838

Source: CHAS Database with projections based on HISTA data

The table below shows the number of overcrowded owner households by income group. Regions 3, 6, 11 and 9, in that order, have the highest number of overcrowded households for income levels 0 to 80 percent AMFI. With two exceptions, the most populous regions in the state have the highest number of overcrowded households. Those exceptions are Region 10, which is the seventh most populated region, has the eighth highest number of overcrowded households, and Region 8, which is the eighth most populated region, has the seventh highest number of overcrowded households.

Number of Overcrowded Owner Households by Income Group - Texas, 2000

Tiumbe	1 of Overerow	as by income (	sroup re	Aus, 2000		
Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	21,299	3,374	3,735	5,747	1,834	6,609
2	9,466	1,470	1,440	2,691	835	3,030
3	197,622	36,717	39,975	53,458	18,337	49,135
4	21,963	3,657	3,640	5,408	2,289	6,969
5	17,638	3,350	2,548	3,968	1,701	6,071
6	211,054	42,404	43,848	55,539	18,379	50,883
7	40,130	7,442	8,194	10,520	3,857	10,118
8	24,473	4,191	3,775	6,648	2,324	7,535
9	62,420	11,431	11,807	15,974	5,975	17,233
10	24,509	4,937	4,226	5,396	1,885	8,065
11	91,741	22,709	19,440	21,140	12	28,441
12	14,556	2,466	2,483	4,119	1,347	4,141
13	33,316	6,337	6,630	7,773	1,356	11,221
State	770,185	150,483	151,741	198,381	60,130	209,450

Source: CHAS Database with projections based on HISTA data

The total number of households in poverty, elderly and non-elderly, is one of the need indicators for some of the Department's community service activities. Regions 3, 6 and 11 have the highest numbers of poverty households.

Number of Households in Poverty, 2000

Service Region	Number of Elderly Poverty Households	Percent of State's Elderly Poverty Households	Number of Non-Elderly Poverty Households	% of State's Non-Elderly Poverty Households	Total Number of Poverty Households	Percent of State's Poverty Households
1	8,897	4.6%	37,710	4.5%	46,607	4.5%
2	8,100	4.2%	23,414	2.8%	31,514	3.0%
3	32,129	16.6%	165,495	19.7%	197,624	19.1%
4	15,592	8.1%	43,499	5.2%	59,091	5.7%
5	11,148	5.8%	36,076	4.3%	47,224	4.6%
6	32,192	16.7%	179,586	21.4%	211,778	20.5%
7	6,601	3.4%	46,549	5.5%	53,150	5.1%
8	10,531	5.4%	47,640	5.7%	58,171	5.6%
9	17,887	9.3%	70,207	8.4%	88,094	8.5%
10	10,783	5.6%	34,422	4.1%	45,205	4.4%
11	23,614	12.2%	93,382	11.1%	116,996	11.3%
12	6,744	3.5%	24,217	2.9%	30,961	3.0%
13	9,083	4.7%	38,561	4.6%	47,644	4.6%
State	193,301	100.0%	840,758	100.0%	1,034,059	100.0%

Source: 2000 Census

# **ASSISTED HOUSING INVENTORY**

The following table shows the number of multifamily units in the state financed through state and federal sources according to region. Please see the "Assisted Housing Inventory" under "State of Texas" for data explanations.

**Assisted Multifamily Units** 

		120	Sibted Ividi	manny On	105		
Region	TDHCA Units	HUD Units*	PHA Units*	Section 8 Vouchers	USDA Units	HFC units**	Total Assisted Units
1	5,165	3,451	1,304	6,941	4,926	1,607	17,224
2	3,308	1,979	3,026	5,194	6,182	280	13,097
3	60,575	28,032	8,485	68,464	4,226	20,907	144,504
4	5,629	3,577	2,252	8,174	9,763	1,170	21,389
5	5,713	4,134	2,368	14,229	2,329	1,278	21,412
6	55,627	27,284	5,138	41,408	5,081	39,365	111,999
7	17,910	5,032	3,506	14,901	3,493	8,281	35,335
8	6,383	4,178	2,780	10,232	4,638	305	23,740
9	16,065	12,080	7,458	30,472	3,721	22,392	51,879
10	5,141	4,236	4,459	7,988	4,801	971	19,153
11	9,472	4,208	6,949	27,407	2,957	322	36,306
10	2 401	1 742	1 1/5	E 012	1 757	24	10 144
12	3,401	1,763	1,145	5,013	1,757	24	10,146
13	4,736	2,395	6,228	12,092	1,178	690	19,896
State	199,125	102,349	55,098	252,515	55,052	97,592	526,080

<sup>\*</sup>Reflects the most updated numbers available.

<sup>\*\*</sup>Because HFC developments report total units and do not specify assisted units and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

# **SECTION 3: ANNUAL LOW-INCOME HOUSING REPORT**

The Annual Report required by §2306.072 of the Texas Government Code includes the following sections:

- TDHCA's Operating and Financial Statements
- Statement of Activities: Describes TDHCA activities during the preceding year that worked to address housing and community service needs
- Statement of Activities by Region: Describes TDHCA activities by region
- Housing Sponsor Report: Describes fair housing opportunities offered by TDHCA's multifamily development inventory
- Analysis of the Distribution of Tax Credits: Provides an analysis of the sources, uses and geographic distribution of housing tax credits
- Average Rents Reported by County: Provides a summary of the average rents reported by the TDHCA multifamily inventory

# **OPERATING AND FINANCIAL STATEMENTS**

TDHCA's Operating Budgets and Basic Financial Statements are prepared and maintained by the Financial Administration Division. For copies of these reports, visit <a href="http://www.tdhca.state.tx.us/finan.htm">http://www.tdhca.state.tx.us/finan.htm</a>.

#### STATEMENT OF ACTIVITIES

The Department has many programs that provide an array of services. This section of the Plan highlights

TDHCA's activities and achievements during the preceding fiscal year through a detailed analysis of the following:

- TDHCA's performance in addressing the housing needs of low-, very low- and extremely low-income households
- TDHCA's progress in meeting its housing and community services goals

This analysis is provided at the State level and within each of the 13 service regions TDHCA uses for planning purposes (see Figure 2.1). For general information about each region, including housing needs and housing supply, please see the Housing Analysis section of this document.

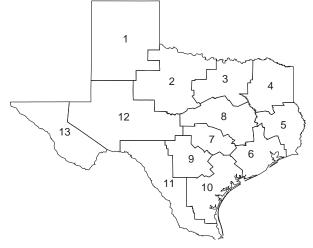


Figure 2.1 State Service Regions

# FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM

For the state and each region, a description of funding allocations, amounts committed, target numbers and actual number of persons or households served for each program is provided. Along with the summary performance information, data on the following activity subcategories is provided.

# • Renter

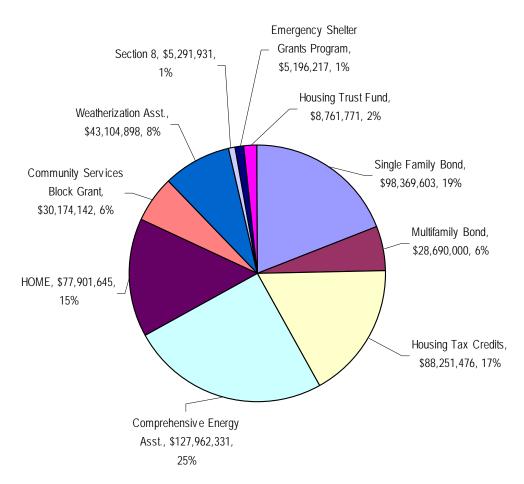
- o New Construction activities support multifamily development, such as the funding of developments and predevelopment funding.
- o Rehabilitation Construction activities support the acquisition, rehabilitation and preservation of multifamily units.
- o Tenant-Based Assistance supports low-income Texans through direct rental payment assistance.

#### Owner

- o Single-family development includes funding for housing developers, nonprofits, or other housing organizations to support the development of single-family housing.
- O Single-family financing and homebuyer assistance helps households purchase a home through such activities as mortgage financing and down payment assistance.
- o Single-family owner-occupied assistance helps existing homeowners who need home rehabilitation and reconstruction assistance.
- Community services includes supportive services, energy assistance and homeless assistance activities.

In FY 2009, TDHCA committed \$515,863,120 in total funds. Almost all of this funding, approximately 99 percent of the total came from federal sources. TDHCA committed funding for activities that predominantly benefited extremely low-, very low- and low-income individuals. The chart below displays the distribution of this funding by program activity.

# **Total Funding By Program, FY 2009** Total Funds Committed: \$515,863,120



# Funding and Households/Persons Served by Activity, FY 2009, All Activities

Household Type	Activity	Committed Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
	Rental Assistance	\$8,229,951	1,196	1.6%	0.2%
Renter	New Construction	\$132,084,399	7,327	25.7%	1.1%
	Rehab Construction	\$30,637,002	2,213	6.0%	0.3%
	Financing & Down Payment	\$106,989,379	1,596	20.8%	0.2%
	Rehabilitation Assistance	\$29,325,695	452	5.7%	0.1%
	Homeless Services	\$5,196,217	120,767	1.0%	18.2%
	Energy Related	\$171,067,229	137,854	33.3%	20.8%
	Supportive Services	\$30,174,142	391,617	5.9%	59.1%
Total		\$513,704,014	\$513,704,014	663,022	100.0%

# Funding and Households/Persons Served by Housing Program, FY 2009

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8	
	Funds	НН	Funds	НН	Funds	НН	Funds	НН	Funds	НН	Funds	НН
Rental Assistance	\$0	-	\$2,938,020	240	\$0	-	\$0	-	\$0	-	\$5,291,931	956
Rental New Construction	\$0	-	\$25,738,037	319	\$2,794,000	160	\$74,862,362	6,344	\$28,690,000	504	\$0	-
Rental Rehabilitation	\$0	-	\$17,247,888	388	\$0	-	\$13,389,114	1,825	\$0	-	\$0	-
Owner Financing & Down Pmt.	\$98,369,603	861	\$3,952,000	180	\$4,667,776	555	\$0	-	\$0	-	\$0	-
Owner Rehab. Asst	\$0	-	\$28,025,700	392	\$1,299,995	60	\$0	-	\$0	-	\$0	-
Total	\$98,369,603	861	\$77,901,645	1,519	\$8,761,771	775	\$88,251,476	8,169	\$28,690,000	504	\$5,291,931	956

# Funding and Households/Persons Served by Community Affairs Programs, FY 2009

	E:	SGP <sup>^</sup>	CSBC	<b>}</b> ^*	CEA	Р	WAP*		
	Funds	Ind	Funds	Ind	Funds	НН	Funds	НН	
Homeless Services	\$5,196,217	120,767	\$0	0	\$0	0	\$0	0	
Energy Related	\$0	0	\$0	0	\$127,962,331	133,132	\$43,104,898	4,722	
Supportive Services	\$0	0	\$30,174,142	391,617	\$0	0	\$0	0	
Total	\$5,196,217	120,767	\$30,174,142	391,617	\$127,962,331	133,132	\$43,104,898	4,722	

<sup>\*</sup>For these programs, funds and households served reflect different 12 month periods.

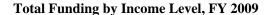
<sup>^</sup> ESGP and CSBG programs represent individuals served, not households

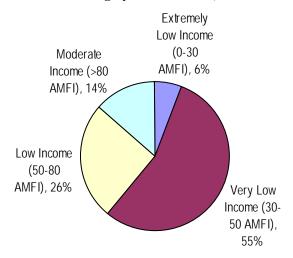
#### FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP

The SLIHP uses the following subcategories to refer to the needs of households or persons within specific income groups.

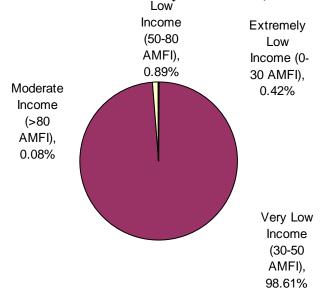
- Extremely Low Income (ELI): 0% to 30% Area Median Family Income (AMFI)
- Very Low Income (VLI): 31% to 50% (AMFI)
- Low Income (LI): 51% to 80% (AMFI)
- Moderate Income and Up (MI): >80% (AMFI)

The vast majority of households and individuals served through CEAP, WAP and ESGP earn less than 30 percent of the AMFI. However, federal tracking of assistance from these programs is based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.





Total Households Served by Income Level, FY 2009



Uniform State Service Regions

# Funding and Households/Persons Served by Income Category, FY 2009 <u>All Activities</u>

Activity	Committed Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Extremely Low Income (0-30 AMFI)	\$30,400,029	1,677	6%	0.25%
Very Low Income (30-50 AMFI)	\$282,428,761	655,017	55%	98.79%
Low Income (50-80 AMFI)	\$130,174,650	5,767	25%	0.87%
Moderate Income (>80 AMFI)	\$70,200,575	561	14%	0.08%
Total	\$513,204,015	663,022	100%	100.00%

**Housing Activities** 

	SF Bor	nd	HOME		HTF		нтс		MF Bor	nd	Sectio	n 8
	Funds	HH	Funds	НН	Funds	НН	Funds	HH	Funds	HH	Funds	НН
Extremely Low Income (0-30 AMFI)	\$42,700	1	\$20,209,359	417	\$294,965	48	5,776,670	535	\$0	-	\$4,076,335	676
Very Low Income (30-50 AMFI)	\$2,224,346	33	\$28,934,555	504	\$6,901,471	593	36,836,166	3,413	\$0	-	\$1,094,635	236
Low Income (50-80 AMFI)	\$25,901,982	266	\$28,757,732	598	\$1,065,335	134	45,638,640	4,221	\$28,690,000	504	\$120,961	44
Moderate Income (>80 AMFI)	\$70,200,575	561	\$0	-	\$0	-	-	0	\$0	-	\$0	-
Total	\$98,369,603	861	\$77,901,646	1,519	\$8,261,771	775	88,251,476	8,169	\$28,690,000	504	\$5,291,931	956

**Community Affairs Activities** 

	ESG	P*	CSI	BG*	CE	AP	WA	·P
	Funds	Indvd	Funds	Indvd	Funds	НН	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Very Low Income (30-50 AMFI)	\$5,196,217	120,767	\$30,174,142	391,617	\$127,962,331	133,132	\$43,104,898	4,722
Low Income (50-80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Moderate Income (>80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Total	\$5,196,217	120,767	\$30,174,142	391,617	\$127,962,331	133,132	\$43,104,898	4,722

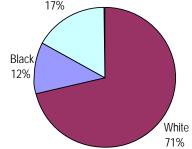
<sup>\*</sup>These programs report by individuals served rather than households served.

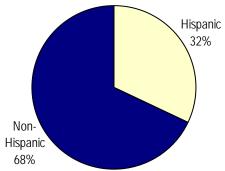
#### RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS RECEIVING ASSISTANCE

As required by legislation, TDHCA reports on the racial and ethnic composition of individuals and families receiving assistance. These demographic categories are delineated according to the standards set by the U.S. Census. Accordingly, "race" is broken down into three sub-classifications: White, Black and Other. "Other" includes races other than White and Black, as well as individuals with two or more races. As ethnic origin is considered to be a separate concept from racial identity, the Hispanic population is represented in a separate chart. Persons of Hispanic origin may fall under any of the racial classifications. Households assisted through each TDHCA program or activity have been delineated according to these categories. Regional analyses of this racial data are included in the Statement of Activities by Uniform State Service Region section that follows. Note that the state population racial composition charts examine individuals, while the many program racial composition charts examine households.

#### **Racial Composition of the State of Texas**

# Other 17%





**Ethnic Composition of the State of Texas** 

23,705,962 Individuals in Texas in 2009<sup>31</sup>

#### HOUSING PROGRAMS

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs.

#### RENTER PROGRAMS

The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs. Included in this category are households participating in TDHCA's Tenant-Based Rental Assistance (TBRA) Program and Section 8 Housing Choice Voucher Program, as well as households residing in TDHCA-funded multifamily properties.

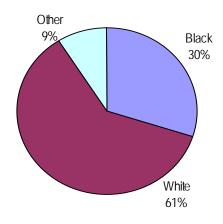
Multifamily properties receive funding through one or more of the following TDHCA programs: the Housing Tax Credit Program, Housing Trust Fund, HOME Investment Partnership Program and Multifamily Bond Program. Data for these programs is collected from the Fair Housing Sponsor Report, which is gathered each year from TDHCA-funded housing developments. The report includes information about each property, including the racial composition of the tenant population as of

<sup>2000</sup> Census updated with HISTA projections.

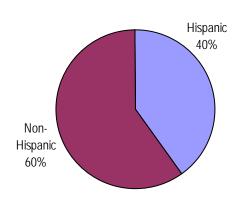
December 31 of the given year. Accordingly, the 2009 report is a snapshot of property characteristics on December 31, 2008.

It should be noted that the Housing Sponsor Report does not report on or represent all units financed by TDHCA. Some submitted reports describe properties under construction, which do not yet have occupied units. Some properties did not submit a report and still others did not fill out the report accurately. Therefore, TDHCA is left with usable data for only a portion of existing multifamily units. As a result, the following charts present a picture of race and ethnicity based on samples and may not represent actual percentages.

## Racial Composition of TDHCA-Assisted Renter Households



# **Ethnic Composition of TDHCA- Assisted Renter Households**



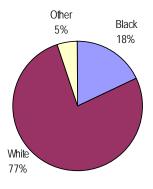
#### HOMEOWNER PROGRAMS

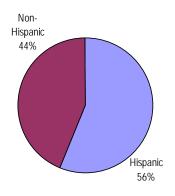
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes in the form of three programs: the Single Family Bond Program, HOME Homeowner Rehabilitation Program and HOME Homeowner Assistance Program. Office of Colonia Initiatives programs are reported in the Homeowner Programs category under the following funding sources: HOME Program for Contract for Deed loans, Single Family Bond for some Contract for Deed loans and some Texas Bootstrap Program loans and the Housing Trust Fund for some Texas Bootstrap loans. Due to the data reporting techniques of the Single Family Bond Program, race and ethnicity are combined into one category.

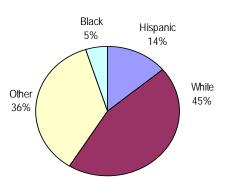




## Ethnic Composition of SF Bond Program Owner Households







The available data demonstrates that TDCHA serves higher percentages of minority populations compared to the general racial and ethnic composition of the State of Texas. This is accurate even though the State of Texas population racial composition charts report by individuals and TDHCA's programs report by household. TDHCA programs that serve renters and HOME homeowner programs, for instance, serve higher percentages of Black and Hispanic households than the percentage of those populations in the State of Texas.

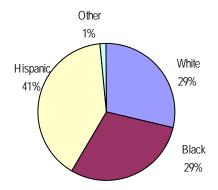
#### COMMUNITY AFFAIRS PROGRAMS

The Community Affairs programs allocate funding to subrecipient entities with service areas that span across two or more uniform state service regions, so racial data for these programs is reported by entity rather than region. Due to the data reporting techniques of the Weatherization Assistance Program (WAP), Comprehensive Energy Assistance Program (CEAP) and Community Services Block Grant (CSBG) Program race and ethnicity are combined into one category. The Emergency Shelter Grant Program (ESGP) reports race and ethnicity as two separate categories

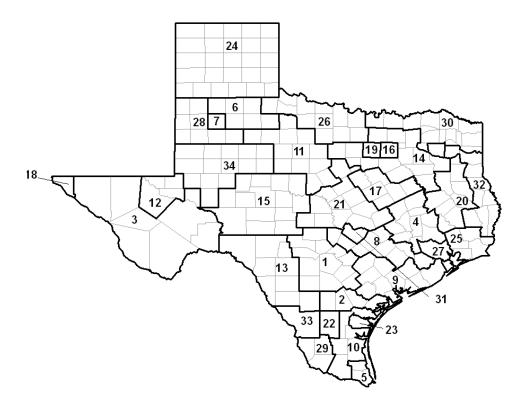
#### WEATHERIZATION ASSISTANCE PROGRAM

The Weatherization Assistance Program (WAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2009 is listed according to subcontractor. A map is provided in order to locate subrecipient service areas. Racial and ethnic composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

Racial and Ethnic Composition of WAP Assisted Households, Statewide, 2009



WAP Subrecipient Service Areas, 2009



# Racial and Ethnic Composition of Households Receiving WAP Assistance by Subrecipient, Statewide, PY 2009

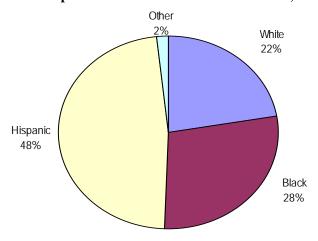
#	Subrecipient	WAP Counties Served	PY 2009 Allocations	HH Served	White	Black	Hispanic	Other
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$3,402,460	276	96	20	160	0
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$265,976	14	2	0	12	0
3	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	\$556,067	43	2	0	41	0
4	Brazos Valley Community Action Agency	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$1,406,676	127	75	37	15	0
5	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,229,162	127	0	0	127	0
6	Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$449,068	53	11	11	31	0
8	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$809,949	53	27	15	11	0
9	Community Action Committee of Victoria Texas	Aransas, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$1,115,283	97	40	25	32	0
10	Community Action Corporation of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$2,553,648	505	23	3	479	0
15	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crocket, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$846,999	48	25	10	13	0
11	Community Action Program, Inc.	Brown, Callahan, Comanche, Eastland, Haskell, Jones, Kent, Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton	\$962,265	106	56	9	41	0
12	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$177,167	26	4	2	20	0
13	Community Services Agency of South Texas	Dimmit, Edwards, Kinney, La Salle, Maverick, Real, Uvalde, Val Verde, Zavala	\$862,251	128	4	2	122	0
14	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$2,288,041	215	148	53	6	8
16	Dallas County Department of Health and Human Services	Dallas	\$3,158,240	386	62	212	67	45
17	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$889,258	123	55	58	10	0
18	El Paso Community Action Program, Project BRAVO, Inc.	El Paso	\$1,701,518	240	9	3	228	0
19	Fort Worth, City of, Department of Housing	Tarrant	\$1,789,086	137	39	79	16	3
20	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$1,368,421	193	60	124	9	0

#	Subrecipient	WAP Counties Served	PY 2009 Allocations	HH Served	White	Black	Hispanic	Other
21	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$1,037,308	222	150	50	22	0
22	Institute for Rural Development	Duval	\$95,515	0	0	0	0	0
7	Lubbock, City of, Community Development Department	Lubbock	\$595,305	44	6	19	19	0
23	Nueces County Community Action Agency	Nueces	\$741,446	56	4	5	47	0
24	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$1,447,428	143	56	20	66	1
25	Programs for Human Services, Inc.	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$1,501,927	78	16	60	2	0
26	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$776,942	98	74	7	17	0
27	Sheltering Arms, Inc.	Harris	\$5,235,123	364	39	295	24	6
28	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$384,344	62	14	10	38	0
29	South Texas Development Council	Jim Hogg, Starr, Zapata	\$427,603	4	0	0	4	0
30	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$1,395,285	199	111	76	10	2
31	Travis County Health and Human Services and Veterans Services	Travis	\$1,081,567	110	26	17	67	0
32	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$816,386	177	66	109	2	0
33	Webb County Community Action Agency	Webb	\$567,553	56	0	0	56	0
34	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$1,169,634	212	66	51	95	0
			43,104,898	4,722	1,366	1,382	1,909	65

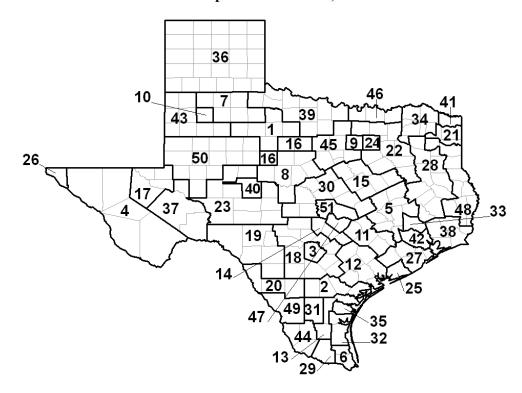
#### COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

The Comprehensive Energy Assistance Program (CEAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, CEAP racial composition data for FY 2008 is listed according to subcontractor. A map is provided in order to locate subcontractor service areas. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

Racial and Ethnic Composition of CEAP Assisted Households, Statewide, PY 2009



**CEAP Subrecipient Service Areas, FY 2009** 



# Racial and Ethnic Composition of Households Receiving CEAP Assistance by Subrecipient, Statewide, FY 2009

#	Subrecipient	Counties Served	PY 2009 Allocation	HH Served	White	Black	Hisp.	Other
1	Aspermont Small Business Development Council	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$963,060	738	328	119	285	6
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$721,519	629	99	42	486	2
3	Bexar County Community and Development Services	Bexar	\$7,701,053	8,884	724	1,115	6,941	104
4	Big Bend Community Action Agency	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$1,054,546	1,051	122	2	924	3
5	Brazos Valley Community Action Agency	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Walker, Waller, Washington	\$3,108,173	2,386	574	1,637	163	12
6	Cameron-Willacy Counties Community Projects Inc.	Cameron, Willacy	\$3,646,237	5,385	64	4	5,317	0
7	Caprock Community Action Association	Crosby, Dickens, Floyd, Hale, King, Motley	\$1,277,030	1,370	272	145	945	8
8	Central Texas Opportunities	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$1,453,196	1,383	986	79	309	9
11	Combined Community Action	Austin, Bastrop, Colorado, Fayette, Lee	\$1,020,753	1,128	344	648	136	0
12	Community Action Committee of Victoria, Texas	Aransas, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$1,778,873	2,525	672	628	1,212	13
13	Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio	\$1,093,156	1,357	73	14	1,265	5
14	Community Action Inc. of Hays, Caldwell	Blanco, Caldwell, Hays	\$703,013	710	273	131	300	6
16	Community Action Program, Inc.	Shackelford, Stephens, Taylor	\$961,881	1,697	645	314	557	7
17	Community Council of Reeves	Loving, Reeves, Ward, Winkler	\$481,521	643	84	46	513	0
18	Community Council of South Central TX	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$2,531,551	4,861	1,332	232	3,268	29
19	Community Council Southwest TX	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$1,475,669	1,596	60	8	1,510	18
20	Community Services Agency of South Texas	Dimmit, LaSalle, Maverick	\$1,056,927	969	6	3	960	0
22	Community Services Inc	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$4,551,101	2,645	1,323	915	348	59
21	Community Services Northeast Texas	Camp, Cass, Marion, Morris	\$842,353	1,095	408	643	25	19
23	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton	\$1,239,051	784	285	5	493	1
24	Dallas County Department of Health and Human Services	Dallas	\$9,490,046	4,440	519	3,372	492	57
25	Economic Action Committee of the Gulf Coast	Matagorda	\$324,302	282	61	127	92	2
15	Economic Opportunities Advancement Corp. of Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$2,613,981	3,172	1,107	1,610	447	8
26	El Paso Community Action Program	El Paso	\$5,080,860	10,196	282	190	9,604	120

#	Subrecipient	Counties Served	PY 2009 Allocation	HH Served	White	Black	Hisp.	Other
9	Fort Worth Parks & Community Services	Tarrant	\$5,331,676	3,233	836	1,729	626	42
27	Galveston County Community Action Council	Brazoria, Fort Bend, Galveston, Wharton	\$3,150,010	3,943	648	2,239	1,017	39
28	Greater East Texas Community Action Program	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$5,121,110	4,810	1,634	2,858	306	12
29	Hidalgo County Community Services Agency	Hidalgo	\$5,521,948	7,419	68	5	7,343	3
30	Hill Country Community Action Association	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$2,209,707	2,634	1,524	646	435	29
31	Institute of Rural Development, Inc.	Duval	\$233,776	203	6	0	197	0
32	Kleberg County Human Services	Kenedy, Kleberg	\$1,055,121	1,062	101	81	878	2
10	Lubbock, City of, Community Development	Lubbock	\$1,721,006	1,459	336	432	685	6
33	Montgomery County Emergency Assistance	Montgomery	\$1,077,961	2,246	1,336	716	118	76
34	Northeast TX Opportunities	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$1,447,275	1,505	730	652	119	4
35	Nueces County Community Action Agency	Nueces	\$2,165,003	1,661	94	284	1,276	7
36	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$4,309,233	6,162	2,581	761	2,817	3
37	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$548,117	752	69	4	664	15
38	Programs for Human Services	Chambers, Hardin, Jefferson, Liberty, Orange	\$3,158,289	2,244	493	1,620	34	97
39	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$2,069,856	1,822	1,101	425	246	50
40	San Angelo-Tom Green County Health Department	Tom Green	\$706,198	586	208	55	315	8
41	Senior Citizens of Texarkana	Bowie	\$680,043	801	195	596	6	4
42	Sheltering Arms Senior Services	Harris	\$15,797,946	11,593	914	8,084	1,512	1,083
43	South Plains Community Action Association Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$1,080,332	1,640	233	184	1,201	22
44	South Texas Development Council	Jim Hogg, Starr, Zapata	\$1,210,980	1,253	8	0	1,245	0
45	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$1,756,976	2,051	1,734	87	204	26
46	Texoma Council Of Governments	Cooke, Fannin, Grayson	\$1,183,331	1,120	772	323	17	8
47	Travis County Health and Human Services	Travis	\$3,198,032	3,434	624	1,510	1,251	49
48	Tri-County Community Action Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$2,392,987	2,607	1,036	1,537	32	2
49	Webb County Community Action Agency	Webb	\$1,636,826	1,804	1	2	1,768	33

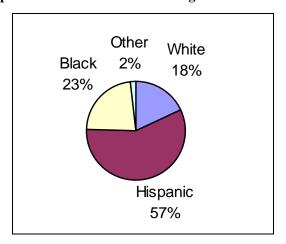
# Annual Report

#	Subrecipient	Counties Served	PY 2009 Allocation	HH Served	White	Black	Hisp.	Other
50	West Texas Opportunities	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$3,466,184	4,167	1,103	611	2,600	27
51	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$562,556	995	526	201	261	7
Totals	3		\$127,962,331	133,132	29,554	37,671	63,765	2,142

#### COMMUNITY SERVICES BLOCK GRANT PROGRAM

The Community Services Block Grant Program (CSBG) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions. In addition, some CSBG subcontractors have been awarded funding for special projects that overlap existing service areas. Because of this, CSBG racial composition data for FY 2009 is listed according to subcontractor. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

Racial and Ethnic Composition of Individuals Receiving CSBG Assistance, Statewide, FY 2009



Racial Composition of Individuals Receiving CSBG Assistance by Subcontractor, Statewide, FY 2009

Contractor	Counties Served	2009 Allocation	Individuals Served	White	Hispanic	Black	Other
Alabama Coushata Indian Reservation	Polk, Tyler	\$63,056	193	3	0	0	190
Asperment Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$153,274	1,722	673	720	240	89
Associacion Pro Servicios Sociales	Jim Hogg, Starr, Webb, Zapata	\$109,393	336	336	0	0	0
Austin, City of, Health and Human Services Department	Travis	\$862,567	8,974	722	5,638	2,501	113
Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, McMullen, Refugio	\$314,966	5,120	1,189	3,580	285	66
Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$154,627	2,818	240	2,561	9	8
Brazos Valley Community Action Agency	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$925,542	11,542	2,403	3,393	5,454	292
*Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,024,745	10,339	105	10,220	13	1

Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$176,871	3,217	491	2,428	270	28
Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$216,473	3,194	2,042	909	146	97
Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$197,502	2,222	779	475	957	11
Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio	\$245,928	3,803	190	3,579	26	8
Community Action Council of Victoria	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$288,301	7,223	1,699	4,030	1,427	67
Community Action Inc. of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays	\$197,440	2,619	729	1,493	319	78
Community Action Program, Inc.	Mitchell, Shackelford, Stephens, Taylor	\$235,546	2,995	1,048	1,284	631	32
*Community Action Social Services & Education	Maverick	\$241,228	1,187	0	1,187	0	0
Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$210,041	1,736	263	1,372	101	0
*Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$603,434	15,637	3,770	11,132	561	174
*Community Council of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$340,870	2,112	63	2,040	1	8
*Community Services Agency of South Texas	Dimmit, La Salle	\$167,463	1,522	14	1,506	2	0
Community Services of Northeast Texas	Bowie, Cass, Marion, Morris, Camp	\$271,458	2,684	1,168	225	1,233	58
Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$1,012,749	8,842	3,853	1,621	3,076	292
Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$270,538	1,555	411	1,101	28	15
Dallas Inter-tribal Center	Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall	\$113,561	234	5	15	1	213
Dallas Urban League	Dallas	\$2,542,699	21,228	1,418	3,769	14,791	1,250
Economic Action Committee of The Gulf Coast	Matagorda	\$152,544	1,132	218	489	418	7
Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$493,491	9,540	2,545	1,658	5,173	164
El Paso Community Action Program, Project BRAVO, Inc.	El Paso	\$1,368,491	29,546	600	28,067	553	326
Fort Worth, City of, Parks & Community Services Department	Tarrant	\$1,324,144	22,904	2,368	13,704	6,424	408

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Brazoria, Fort Bend, Galveston, Wharton	\$796,632	11,715	1,488	3,771	6,206	250
Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$908,425	16,257	5,241	2,134	8,698	184
Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum	\$186,994	884	69	690	98	27
Harris	\$4,263,224	15,949	755	6,314	8,600	280
Hidalgo	\$1,733,065	22,158	141	21,968	15	34
Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$457,641	4,866	2,416	979	1,262	209
Duval	\$50,000	468	6	462	0	0
Lubbock	\$389,260	304	76	150	56	22
Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$253,239	4,752	2,352	354	1,900	146
Nueces	\$511,154	3,535	166	2,802	472	95
Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$592,841	18,524	7,375	8,851	2,113	185
Crane, Pecos, Terrell	\$152,731	1,558	119	1,382	18	39
Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$314,752	4,178	2,221	757	865	335
Bexar	\$1,859,217	44,868	2,910	36,283	5,113	562
El Paso	\$111,939	910	0	910	0	0
Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$193,554	4,490	529	3,403	427	131
Jim Hogg, Starr, Zapata	\$294,650	3,644	28	3,615	0	1
Hardin, Jefferson, Orange	\$523,426	2,760	869	248	1,459	184
	Galveston, Wharton  Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood  Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum  Harris  Hidalgo  Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba  Duval  Lubbock  Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus  Nueces  Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler  Crane, Pecos, Terrell  Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young  Bexar  El Paso  Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum  Jim Hogg, Starr, Zapata	Galveston, Wharton  Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood  Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum  Harris  \$4,263,224  Hidalgo  \$1,733,065  Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba  Duval  \$50,000  Lubbock  \$389,260  Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus  Nueces  \$511,154  Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler  Crane, Pecos, Terrell  \$152,731  Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young  Bexar  \$1,859,217  El Paso  \$111,939  Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum  Jim Hogg, Starr, Zapata  \$294,650	Galveston, Wharton         \$796,632         11,715           Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood         \$908,425         16,257           Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum         \$186,994         884           Harris         \$4,263,224         15,949           Hidalgo         \$1,733,065         22,158           Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba         \$457,641         4,866           Duval         \$50,000         468           Lubbock         \$389,260         304           Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus         \$253,239         4,752           Nueces         \$511,154         3,535           Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler         \$592,841         18,524           Crane, Pecos, Terrell         \$152,731         1,558           Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young         \$314,752         4,178           Bexar         \$1,859,217         44,868           El Paso         \$111,939 </td <td>  Salveston, Wharton   Signor   Signor</td> <td>Galveston, Wharton Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum  Harris \$4,263,224 15,949 755 6,314  Hidalgo \$11,733,065 22,158 141 21,968  Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba  Duval \$550,000 468 6 462  Lubbock \$389,260 304 76 150  Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus  Nucces \$511,154 3,535 166 2,802  Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Harley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler  Crane, Pecos, Terrell  S152,731 1,558 119 1,382  Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young  Bexar \$1,859,217 44,868 2,910 36,283  El Paso \$111,939 910 0 910  Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum  Jim Hogg, Starr, Zapata \$294,650 3,644 28 3,615</td> <td>  Angelina, Cherokee, Grege, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood   San Jacinto, Smith, Trinity, Wood   Saley, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickoek, I.yun, Motley, Parmer, Swisher, Terry, Yoakum   S4,263,224   15,949   755   6,314   8,600    </td>	Salveston, Wharton   Signor   Galveston, Wharton Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum  Harris \$4,263,224 15,949 755 6,314  Hidalgo \$11,733,065 22,158 141 21,968  Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba  Duval \$550,000 468 6 462  Lubbock \$389,260 304 76 150  Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus  Nucces \$511,154 3,535 166 2,802  Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Harley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler  Crane, Pecos, Terrell  S152,731 1,558 119 1,382  Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young  Bexar \$1,859,217 44,868 2,910 36,283  El Paso \$111,939 910 0 910  Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum  Jim Hogg, Starr, Zapata \$294,650 3,644 28 3,615	Angelina, Cherokee, Grege, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood   San Jacinto, Smith, Trinity, Wood   Saley, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickoek, I.yun, Motley, Parmer, Swisher, Terry, Yoakum   S4,263,224   15,949   755   6,314   8,600	

Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$367,493	6,759	5,232	1,036	301	190
Texoma Council of Governments	Cooke, Fannin, Grayson	\$229,093	2,863	1,904	103	819	37
Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$379,754	7,061	2,931	190	3,838	102
Webb County Community Action Agency	Webb	\$532,499	9,535	21	9,503	2	9
West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Nolan, Scurry, Upton	\$607,177	13,180	2,729	8,439	1,838	174
Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$186,443	4,223	1,765	1,380	851	227
Tota		\$30,174,142	391,617	70,688	223,920	89,591	7,418

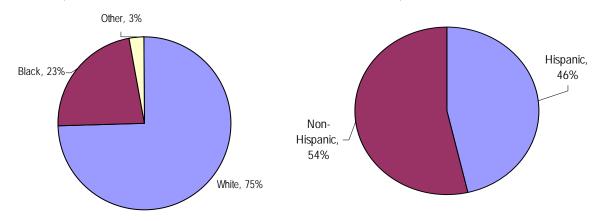
<sup>\*</sup>These contractors receive some additional funding to fund specialized activities for a few counties that fall outside their service area.

#### EMERGENCY SHELTER GRANTS PROGRAM

The Emergency Shelter Grants Program (ESGP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions or multiple subrecipients serve the same area. Because of this, ESGP racial composition data for FY 2009 is listed according to subrecipient. Racial composition for the state is available, but is unavailable at the regional level.

# Racial Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2009

Ethnic Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2009



# Racial and Ethnic Composition of Individuals Receiving ESGP Assistance by Subrecipient, Statewide, FY 2008

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non- Hispanic
ADVOCACY OUTREACH	Bastrop, Travis	\$80,000	1292	1010	273	9	627	665
ADVOCACY RESOURCE CENTER FOR HOUSING	Hidalgo	\$57,854	2687	2681	6	0	2687	0
AMARILLO, CITY OF	Potter	\$122,732	272	266	1	5	248	24
AMISTAD FAMILY VIOLENCE AND RAPE CRISIS CENTER	Val Verde, Kinney, Edwards	\$38,925	989	534	438	17	126	863
ARLINGTON LIFE SHELTER	Tarrant	\$73,138	1536	1511	24	1	1429	107
BETHANY HOUSE OF LAREDO, INC.	Webb	\$83,454	272	201	57	14	121	151
BRIDGE OVER TROUBLED WATERS, INC., THE	Harris	\$62,648	416	231	152	33	25	391
BROWNSVILLE, CITY OF	Cameron	\$253,054	3083	2100	732	251	530	2553
CHILDREN'S CENTER, INC., THE	Galveston	\$114,648	10377	10350	20	7	9721	656
COMAL COUNTY FAMILY VIOLENCE SHELTER, INC.	Comal	\$43,393	1557	1120	275	162	263	1294
CONNECTIONS INDIVIDUAL & FAMILY SERVICES	Comal, San Patricio, Arkansas, Atascosa, Bastrop, Bee, Caldwell, Frio, Goliad, Gonzales, Guadalupe, Karnes, Lee, Live Oak	\$80,000	1270	1163	28	79	578	692
CORPUS CHRISTI HOPE HOUSE, INC.	Nueces	\$68,083	454	410	44	0	240	214
COVENANT HOUSE TEXAS	Harris	\$82,648	1668	1537	131	0	903	765

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non- Hispanic
DALLAS JEWISH COALITION/VOGEL ALCOVE	Dallas, Collin	\$39,645	1376	460	893	23	185	1191
DENTON, CITY OF	Denton	\$179,380	254	80	165	9	36	218
DRISKILL HALFWAY HOUSE, INC.	Carson, Armstrong, Swisher, Briscoe, Hall	\$30,000	129	99	27	3	34	95
EAST TEXAS CRISIS CENTER, INC.	Smith, Henderson, Van Zandt, Wood, Rains	\$37,647	607	438	130	39	130	477
EL PASO VILLA MARIA	El Paso	\$30,000	82	76	4	2	59	23
FAITH MISSION AND HELP CENTER, INC.	Washington	\$79,369	509	168	336	5	65	444
FAMILIES IN CRISIS, INC.	Bell, Coryell, Hamilton	\$55,252	794	358	325	111	182	612
FAMILY CRISIS CENTER, INC.	Cameron, Willacy	\$163,454	3995	3891	65	39	3422	573
FAMILY GATEWAY, INC.	Dallas	\$56,245	308	69	223	16	16	292
FAMILY PLACE, THE	Dallas	\$60,045	685	369	260	56	256	429
FAMILY SERVICES OF SOUTHEAST TEXAS, INC.	Jefferson, Hardin, Orange, Tyler, Newton, Jasper	\$66,747	860	442	415	3	92	768
FAMILY VIOLENCE PREVENTION SERVICES, INC.	Atascosa, Bandera, Bexar, Blanco, Caldwell, Comal, Dimmitt, Frio, Gillespie, Guadalupe, Hays, Kerr, Medina, Uvalde	\$80,000	2,199	1,818	250	131	1,450	749
FORT BEND COUNTY WOMEN'S CENTER	Fort Bend, Harris	\$53,295	401	206	162	33	136	265
GRAYSON COUNTY JUVENILE ALTERNATIVES INC	Grayson, Fannin, Cooke	\$52,198	59	49	8	2	7	52
HARMONY HOUSE, INC.	Harris	\$69,090	92	33	58	1	3	89
HIGHLAND LAKES FAMILY CRISIS CENTER, INC.	Burnet, Blanco, Llano, Lampasas	\$36,000	858	797	27	34	408	450
HOUSTON AREA WOMEN'S CENTER	Harris	\$79,979	4,886	3,676	1,021	189	3,033	1,853
INSTITUTE OF COGNITIVE DEVELOPMENT	Tom Green	\$30,000	619	519	26	74	281	338
JOHNSON COUNTY	Johnson	\$59,979	285	255	22	8	27	258
FAMILY CRISIS CENTER								
LA POSADA HOME, INC.	El Paso	\$54,660	901	883	8	10	864	37
LOVE I.N.C. OF NACOGDOCHES	Nacogdoches	\$50,270	207	71	131	5	11	196
MEMORIAL ASSISTANCE MINISTRIES	Harris	\$80,000	474	370	104	-	320	154
MID-COAST FAMILY SERVICES, INC.	Calhoun, DeWitt, Goliad, Gonzalez, Jackson, Lavaca, Victoria	\$41,529	385	302	66	17	205	180
MIDLAND FAIR HAVENS, INC.	Midland	\$65,600	1,554	1,166	388	-	636	918
MISSION GRANBURY, INC.	Hood	\$48,687	411	387	7	17	48	363
MONTGOMERY COUNTY WOMEN'S CENTER	Montgomery, Harris	\$40,497	680	492	128	60	209	471
NORTHWEST ASSISTANCE MINISTRIES	Harris	\$80,000	152	23	126	3	15	137
OPPORTUNITY CENTER FOR THE HOMELESS	El Paso	\$80,000	2,159	1,825	260	74	1,243	916
PANHANDLE CRISIS CENTER, INC.	Ochitree, Hansford, Lipscomb	\$53,385	580	571	-	9	360	220
PECAN VALLEY REGIONAL DOMESTIC VIOLENCE SHELTER	Brown, Coleman, Comanche	\$32,077	355	317	18	20	119	236
PORT CITIES RESCUE MISSION MINISTRIES	Jefferson	\$42,613	330	122	188	20	-	330
PROJECT VIDA	El Paso	\$48,778	293	292	1	-	292	1

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non- Hispanic
PROVIDENCE MINISTRY CORPORATION	Cameron, Willacy	\$38,866	79	55	24	-	59	20
RANDY SAMS' OUTREACH SHELTER, INC.	Bowie	\$73,353	641	388	228	25	14	627
SABINE VALLEY REGIONAL MHMR CENTER	Bowie, Cass, Gregg, Harrison, Marion, Panola, Red River, Rusk, Upshur	\$44,827	24	15	9	-	-	24
SAFE HAVEN OF TARRANT COUNTY	Tarrant	\$83,245	6,448	4,127	1,692	629	2,514	3,934
SALVATION ARMY FOR CARR P. COLLINS SERVICE CENTER	Dallas	\$80,000	198	22	100	76	-	198
SALVATION ARMY FOR CASA SHELTER	Dallas	\$60,114	172	85	84	3	34	138
SALVATION ARMY FOR FAMILY LIFE CENTER	Dallas	\$80,000	154	83	53	18	39	115
SALVATION ARMY FOR THE FIRST CHOICE PROGRAM	Tarrant	\$83,245	81	45	35	1	19	62
SALVATION ARMY OF ABILENE	Taylor, Jones, Callahan, Runnells	\$105,992	1,375	1,106	243	26	343	1,032
SALVATION ARMY OF AUSTIN	Travis	\$34,692	311	181	111	19	103	208
SALVATION ARMY OF CORPUS CHRISTI	Nueces	\$30,069	1,290	1,119	163	8	466	824
SALVATION ARMY OF GALVESTON	Galveston	\$79,104	18,582	13,657	4,873	52	5,746	12,836
SALVATION ARMY OF KERRVILLE	Кетг	\$60,146	361	355	6	-	74	287
SALVATION ARMY OF MCALLEN	Hidalgo	\$83,454	1,404	1,327	75	2	1,095	309
SALVATION ARMY OF ODESSA	Ector	\$39,584	456	404	52	-	147	309
SALVATION ARMY OF SHERMAN	Grayson	\$40,000	701	494	52	155	9	692
SALVATION ARMY OF TYLER	Smith	\$80,000	4,945	2,971	1,955	19	1,248	3,697
SALVATION ARMY OF WACO	McLennan	\$30,000	17,958	11,113	6,836	9	7,108	10,850
SEARCH	Harris	\$162,582	3,508	1,565	1,881	62	321	3,187
SETON HOME	Bexar	\$77,791	150	127	23	_	111	39
SHELTER AGENCIES FAMILES IN EAST TEXAS	Titus, Camp, Franklin, Hopkins, Morris	\$38,000	786	640	103	43	251	535
SIN FRONTERAS ORGANIZING PROJECT	El Paso	\$55,672	815	815	-	-	815	-
ST. PETER - ST. JOSEPH CHILDREN'S HOME	Bexar	\$80,000	284	212	68	4	169	115
TRAVIS COUNTY DOMESTIC VIOLENCE AND SEXUAL ASSAULT	Travis	\$31,788	83	64	19	-	5	78
DBA SAFEPLACE TWIN CITY MISSION	Brazos, Burleson, Grimes, Leon, Madison, Milam, Robertson, Washington	\$80,254	962	640	180	142	483	479
WESTSIDE HOMELESS PARTNERSHIP	Harris	\$52,000	728	404	243	81	140	588
WINTERGARDEN WOMEN'S SHELTER, INC.	Dimmit, Maverick, Zavala	\$52,515	153	85	60	8	81	72
WOMEN'S HOME, THE	Harris	\$52,182	944	875	1	68	824	120
WOMEN'S SHELTER OF EAST TEXAS, INC.	Nacogdoches, Angelina, Houston, San Augustine, Shelby, Sabine, San Jacinto, Polk, Trinity	\$36,716	432	244	162	26	66	366

# Annual Report

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non- Hispanic
WOMEN'S SHELTER OF SOUTH TEXAS	Arkansas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio	\$79,594	2,804	2,593	89	122	2,116	688
YOUTH AND FAMILY ALLIANCE DBA LIFEWORKS	Travis	\$53,440	574	451	77	46	41	533
YWCA GREATER HOUSTON	Harris	\$79,995	12	2	6	4	4	8
T	OTALS	5,196,217	120,767	90,002	27,526	3,239	56,087	64,680

#### PROGRESS IN MEETING TDHCA HOUSING AND COMMUNITY SERVICES GOALS

The goals, strategies and objectives established in the Legislative Appropriations Act, the TDHCA *Strategic Plan* and the *State of Texas Consolidated Plan*, guide TDHCA's annual activities through the establishment of objective performance measures. TDHCA's resulting goals are as follows:

- 1) Increase and preserve the availability of safe, decent and affordable housing for very low-, low- and moderate-income persons and families
- 2) Promote improved housing conditions for extremely low-, very low- and low-income households by providing information and technical assistance.
- 3) Improve living conditions for the poor and homeless and reduce the cost of home energy for very low-income Texans.
- 4) Ensure compliance with the TDHCA's federal and state program mandates.
- 5) Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.
- 6) Target its housing finance programs resources for assistance to extremely low-income households.
- 7) Target its housing finance resources for assistance to very low-income households.
- 8) Provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable Area Median Family Income
- 9) Work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs through funding, research and policy development efforts.

Progress made towards meeting those goals, the upcoming year's goals and information on TDHCA's actual performance in satisfying in FY 2009 goals and strategies is provided in *Section 4: Action Plan*.

### STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION

This section describes TDHCA's FY 2009 activities by Uniform State Service Region. The regional tables do not include information for WAP, CEAP, ESGP, CSBG and CFNP because figures are not available for these programs at the regional level. Additionally, for purposes of reporting, Office of Colonia Initiatives figures do not appear as an independent category, but rather the figures are grouped under their respective funding sources. For example, most Contracts for Deed Conversion are reported under HOME's Homeownership Assistance Program.

As required by law, TDHCA reports on the racial composition of individuals and families receiving assistance. Regional information has been organized into two generalized categories of housing activity type: Renter Programs and Homeowner Programs.

For more information on the housing activity types and racial reporting categories, please see "Racial Composition of Households Receiving Assistance" under the Statement of Activities section on page 12.

# **REGION 1**

# fo

TDHCA allocated \$3,502,753 in Region 1 during FY 2009.

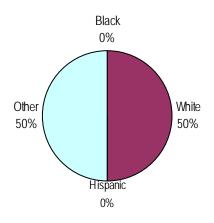
Homeowner programs accounted for the largest segment of this total and the low-

income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

## SINGLE FAMILY BOND PROGRAM

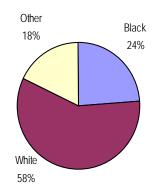
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

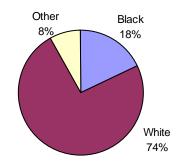


#### **RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE

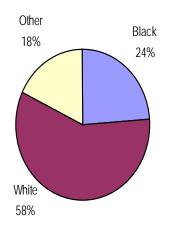
PERCENT OF COMMITTED FUNDS BY ETHNICITY

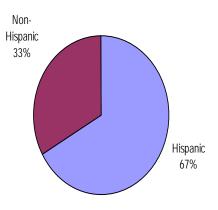




#### **HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY ETHNICITY





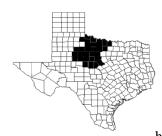
# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1

	SF Bo	nd	HOM	E	НТ	ΓF	НТС	)	MF E	Bond	Secti	on 8	All Acti	vities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$183,900	4	\$2,730,000	35	\$0	0	\$0	0	\$0	0	\$0	0	\$2,913,900	39
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,699,617	331	\$0	0	\$0	0	\$3,699,617	331
Total	\$183,900	4	\$2,730,000	35	\$0	0	\$3,699,617	331	\$0	0	\$0	0	\$6,613,517	370

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1

	SF Bo	nd	НОМ	E	HTF	•	НТС	)	MF Bo	nd	Sectio	n 8	All Activ	vities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,092,000	14	\$0	0	\$245,896	22	\$0	0	\$0	0	\$1,337,896	36
30-50% AMFI	\$55,100	1	\$468,000	6	\$0	0	\$1,128,886	101	\$0	0	\$0	0	\$1,651,986	108
50-80% AMFI	\$128,800	3	\$1,170,000	15	\$0	0	\$2,324,835	208	\$0	0	\$0	0	\$3,623,635	226
>80% AMFI	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$183,900	4	\$2,730,000	35	\$0	0	\$3,699,617	331	\$0	0	\$0	0	\$6,613,517	370

## **REGION 2**

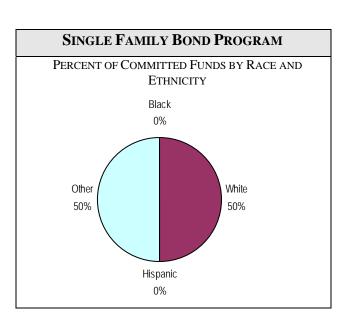


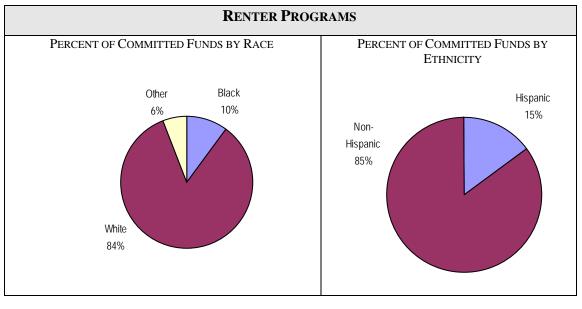
TDHCA allocated \$4,140,264 in Region 2 during FY 2009.

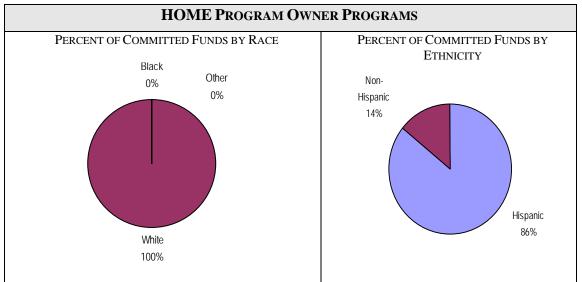
Renter programs accounted for the largest segment of this total and the low-income households group (50-80%)

AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2

	SF Bo	nd	НОМ	E	НТЕ	-	НТС	;	MF Bo	nd	Sectio	n 8	All Activ	vities
Activity	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$694,917	10	\$390,000	5	\$30,000	3	\$0	0	\$0	0	\$0	0	\$1,114,917	18
Renter Programs	\$0	0	\$0	0	\$0	0	\$2,944,310	269	\$0	0	\$81,037	26	\$3,025,347	295
Total	\$694,917	10	\$390,000	5	\$30,000	3	\$2,944,310	269	\$0	0	\$81,037	26	\$4,140,264	313

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2

	SF Bo	nd	HOM	E	HTF	•	НТС	;	MF Bo	nd	Sectio	n 8	All Activ	rities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$0	0	\$0	0	\$131,345	12	\$0	0	\$66,963	20	\$198,308	32
30-50% AMFI	\$0	0	\$0	0	\$30,000	3	\$1,608,972	147	\$0	0	\$10,998	4	\$1,649,970	154
50-80% AMFI	\$292,487	5	\$390,000	5	\$0	0	\$1,203,993	110	\$0	0	\$3,076	2	\$1,889,556	122
>80% AMFI	\$402,430	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$402,430	5
Total	\$694,917	10	\$390,000	5	\$30,000	3	\$2,944,310	269	\$0	0	\$81,037	26	\$4,140,264	313

# **REGION 3**

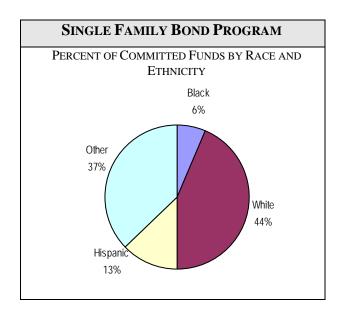


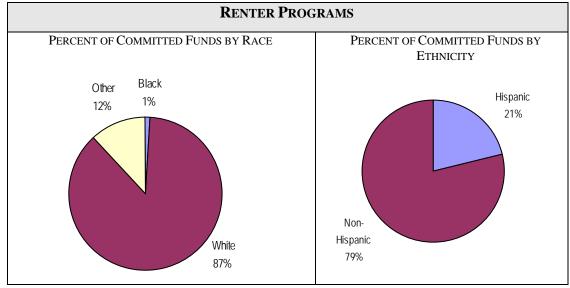
TDHCA allocated \$56,891,430 in Region 3 during FY 2009.

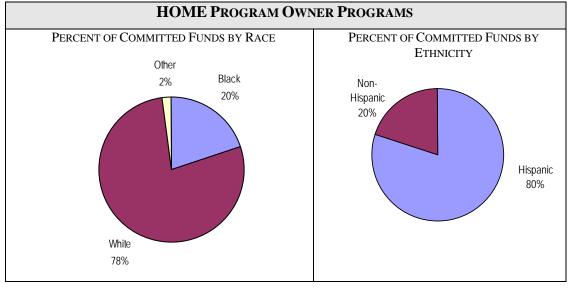
Renter programs accounted for the largest segment of this

total and the low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3

	SF Bon	ıd	HOM	E	HTF		НТС		MF Bor	nd	Section	n 8	All Activi	ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$14,280,831	142	\$1,778,400	25	\$974,750	85	\$0	0	\$0	0	\$0	0	\$17,033,981	252
Renter Programs	\$0	0	\$9,258,648	198	\$960,000	50	\$14,670,949	1,267	\$15,000,000	252	\$1,894,427	306	\$41,784,024	2073
Total	\$14,280,831	142	\$11,037,048	223	\$1,934,750	135	\$14,670,949	1267	\$15,000,000	252	\$1,894,427	306	\$58,818,005	2325

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3

	SF Bo	nd	HOM	E	HTF		НТС	;	MF B	ond	Sectio	n 8	All Activ	ities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,150,614	22	\$54,800	8	\$1,250,478	105	\$0	0	\$1,431,091	215	\$3,886,983	350
30-50% AMFI	\$694,793	10	\$6,245,557	132	\$1,625,550	106	\$5,174,920	456	\$0	0	\$426,372	77	\$14,167,192	781
50-80% AMFI	\$4,109,978	54	\$3,640,876	69	\$254,400	21	\$8,245,551	706	\$15,000,000	252	\$36,964	14	\$31,287,769	1116
>80% AMFI	\$9,476,060	78	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$9,476,060	78
Total	\$14,280,831	142	\$11,037,047	223	\$1,934,750	135	\$14,670,949	1,267	\$15,000,000	252	\$1,894,427	306	\$58,818,004	2325

## **REGION 4**

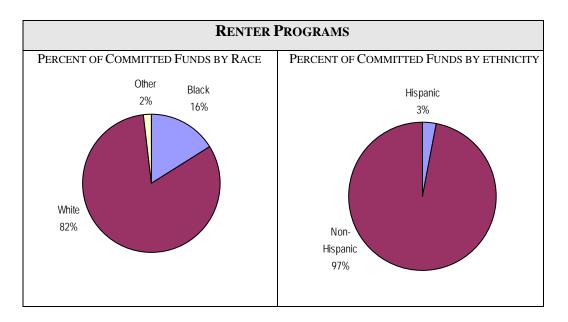


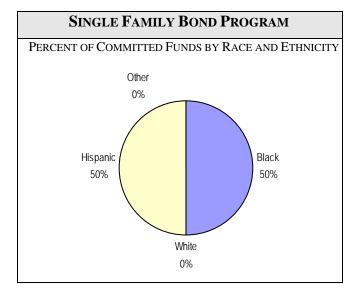
TDHCA allocated \$13,075,262 in Region 4 during FY 2009.

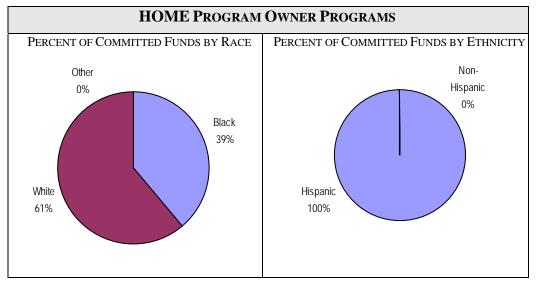
Homeowner programs accounted for the largest segment of this total and the low-income

households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4

	SF Bo	nd	HOM	E	HTF		НТС	;	MF B	Bond	Sectio	n 8	All Activ	ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$47,000	2	\$8,678,800	140	\$96,000	10	\$0	\$0	\$0	0	\$0	0	\$8,821,800	152
Renter Programs	\$0	0	\$2,123,828	82	\$0	0	\$2,129,634	\$190	\$0	0	\$0	0	\$4,253,462	272
Total	\$47,000	2	\$10,802,628	222	\$96,000	10	\$2,129,634	190	\$0	0	\$0	0	\$13,075,262	424

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4

	SF Bo	nd	НОМ	E	НТЕ		НТС	,	MF B	ond	Sectio	n 8	All Activ	ities
Income	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,636,900	30	\$25,000	5	\$112,086	10	\$0	0	\$0	0	\$1,773,986	45
30-50% AMFI	\$47,000	2	\$2,769,152	83	\$71,000	5	\$829,436	74	\$0	0	\$0	0	\$3,716,588	164
50-80% AMFI	\$0	0	\$6,396,576	109	\$0	0	\$1,188,112	106	\$0	0	\$0	0	\$7,584,688	215
>80% AMFI	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$47,000	2	\$10,802,628	222	\$96,000	10	\$2,129,634	190	\$0	0	\$0	0	\$13,075,262	424

# **REGION 5**

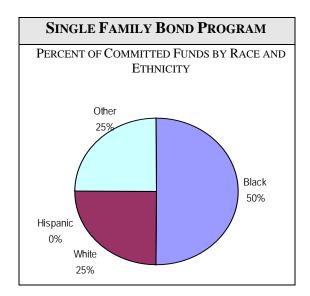


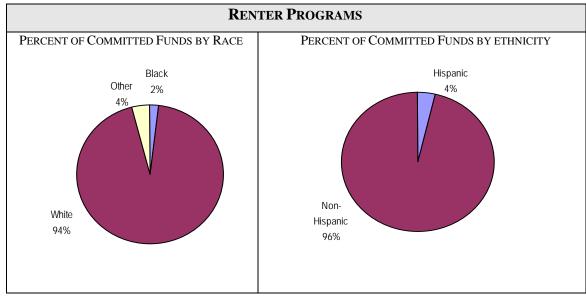
TDHCA allocated \$8,876,808 in Region 5 during FY 2009.

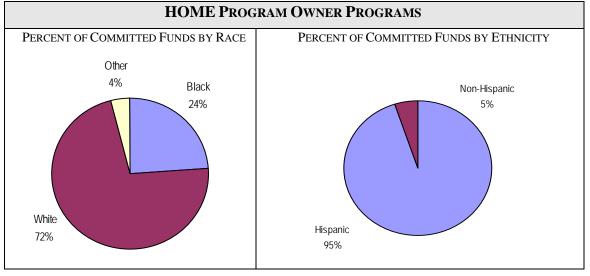
Renter programs accounted for the largest segment of

this total and the low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activ	ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed	Number of Households Served	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$261,722	4	\$1,170,000	18	\$207,000	20	\$0	0	\$0	0	\$0	0	\$1,638,722	42
Renter Programs	\$0	0	\$2,660,693	72	\$0	0	\$3,667,045	304	\$0	0	\$0	0	\$6,327,738	376
Total	\$261,722	4	\$3,830,693	90	\$207,000	20	\$3,667,045	304	\$0	0	\$0	0	\$7,966,460	418

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5

SF B		nd	HOME		HTF		НТС	;	MF Bond		Section 8		All Activities	
Income	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$2,565,955	59	\$30,000	5	\$240,570	20	\$0	0	\$0	0	\$2,836,525	84
30-50% AMFI	\$60,000	2	\$202,177	7	\$147,000	13	\$1,366,467	113	\$0	0	\$0	0	\$1,775,644	135
50-80% AMFI	\$0	0	\$1,062,561	24	\$30,000	2	\$2,060,008	171	\$0	0	\$0	0	\$3,152,569	197
>80% AMFI	\$201,722	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$201,722	2
Total	\$261,722	4	\$3,830,693	90	\$207,000	20	\$3,667,045	304	\$0	0	\$0	0	\$7,966,460	418

# **REGION 6**

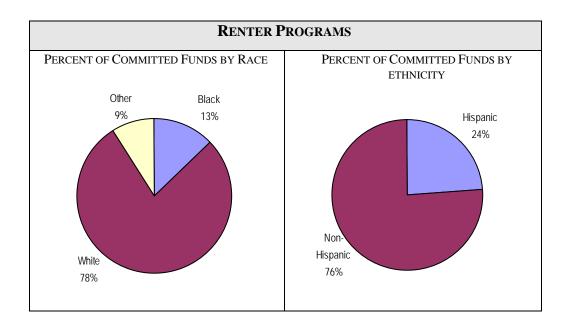


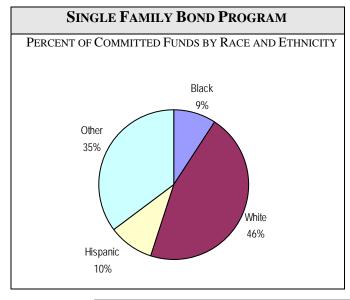
TDHCA allocated \$98,197,440 in Region 6 during FY 2009.

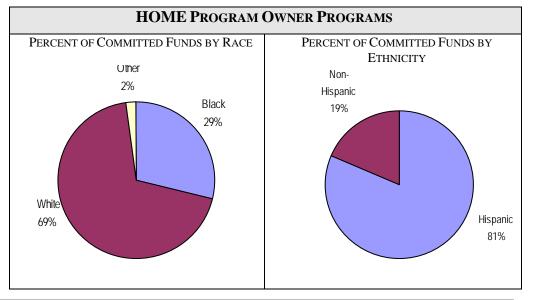
Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was

the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6

	SF Bo	SF Bond		НОМЕ		F	HTC		MF Bond		Section 8		All Activities	
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$28,936,416	240	\$780,000	11	\$53,000	5	\$0	\$0	\$0	0	\$0	0		256
Renter Programs	\$0	0	\$13,976,179	214	\$0	0	\$34,239,947	\$2,854	\$13,690,000	252	\$2,425,768	408	\$64,331,894	3728
Total	\$28,936,416	240	\$14,756,179	225	\$53,000	5	\$34,239,947	2854	\$13,690,000	252	\$2,425,768	408	\$94,101,310	3984

# Funding and Households Served, by Income Category and Housing Program, Region $\boldsymbol{6}$

	SF Bond HOW		E	НТ	F	HTC'	k	MF Bo	nd	Sectio	n 8	All Activ	ities	
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$42,700	1	\$3,616,385	62	\$0	0	\$1,750,085	146	\$0	0	\$1,887,349	288	\$7,296,519	497
30-50% AMFI	\$317,258	3	\$8,514,457	125	\$53,000	5	\$15,641,498	1,305	\$0	0	\$479,415	103	\$25,005,628	1541
50-80% AMFI	\$4,920,073	52	\$2,625,337	38	\$0	0	\$16,848,364	1,403	\$13,690,000	252	\$59,004	17	\$38,142,778	1762
>80% AMFI	\$23,656,385	184	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$23,656,385	184
Total	\$28,936,416	240	\$14,756,179	225	\$53,000	5	\$34,239,947	2,854	\$13,690,000	252	\$2,425,768	408	\$94,101,310	3984

# **REGION 7**

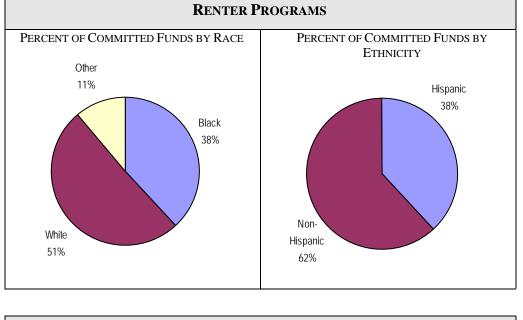


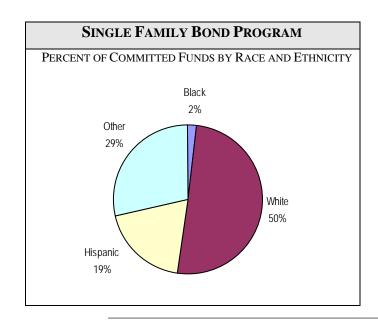
TDHCA allocated \$54,633,960 in Region 7 during FY 2009.

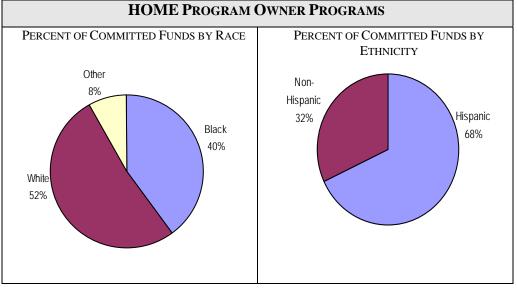
Homeowner programs
accounted for the largest
segment of this total and
the moderate-income
households group (>80%
AMFI) was the most served

income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart







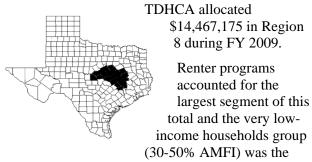
# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7

	SF Bond		HOME		HTF	HTF		нтс		MF Bond		Section 8		ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$36,166,798	268	\$1,690,000	21	\$585,000	41	\$0	0	\$0	0	\$0	0	\$38,441,798	330
Renter Programs	\$0	0	\$8,804,528	165	\$1,000,000	68	\$7,992,769	1157	\$0	0	\$394,865	84	\$18,192,162	1474
Total	\$36,166,798	268	\$10,494,528	186	\$1,585,000	109	\$7,992,769	1157	\$0	0	\$394,865	84	\$56,633,960	1804

# Funding and Households Served, by Income Category and Housing Program, Region 7 $\,$

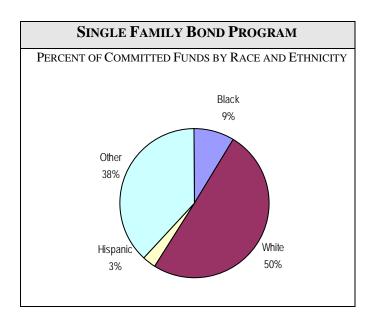
	SF Bo	SF Bond		HOME		-	НТС	;	MF Bo	nd	Sectio	n 8	All Activ	ities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$2,743,800	51	\$0	0	\$522,229	70	\$0	0	\$327,336	62	\$3,593,365	183
30-50% AMFI	\$620,523	7	\$1,700,072	32	\$1,585,000	109	\$3,930,622	468	\$0	0	\$65,462	21	\$7,901,679	637
50-80% AMFI	\$12,767,353	101	\$6,050,656	103	\$0	0	\$3,539,918	619	\$0	0	\$2,067	1	\$22,359,994	824
>80% AMFI	\$22,778,922	160	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$22,778,922	160
Total	\$36,166,798	268	\$10,494,528	186	\$1,585,000	109	\$7,992,769	1157	\$0	0	\$394,865	84	\$56,633,960	1804

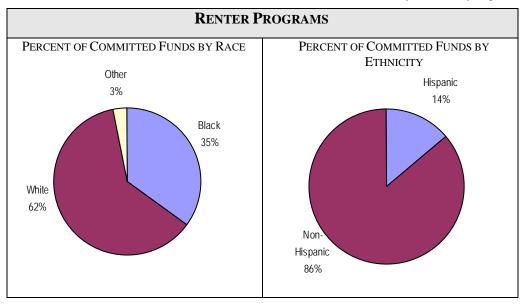
# **REGION 8**

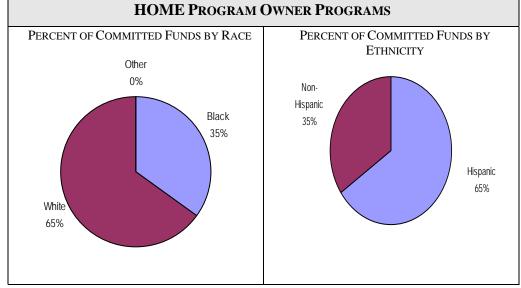


most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8

	SF Bor	nd	НОМ	E	HTF		НТС		MF Bo	nd	Sectio	n 8	All Activ	ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$3,531,834	34	\$2,332,500	33	\$273,500	31	\$0	0	\$0	\$0	\$0	0	\$6,137,834	98
Renter Programs	\$0	0	\$4,173,460	55	\$0	0	\$3,863,811	432	\$0	\$0	\$292,070	77	\$8,329,341	564
Total	\$3,531,834	34	\$6,505,960	88	\$273,500	31	\$3,863,811	432	\$0	0	\$292,070	77	\$14,467,175	662

# Funding and Households Served, by Income Category and Housing Program, Region $8\,$

	SF Bo	nd	НОМ	E	НТЕ	•	НТС		MF Bo	nd	Section	n 8	All Activ	ities
Income	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed	Number of Households Served
0-30% AMFI	\$0	0	\$882,692	12	\$30,000	4	\$187,824	21	\$0	\$0	\$201,748	49	\$1,302,264	86
30-50% AMFI	\$0	0	\$3,510,000	39	\$167,000	15	\$2,003,458	224	\$0	\$0	\$79,106	22	\$5,759,564	300
50-80% AMFI	\$878,798	10	\$2,113,268	37	\$76,500	12	\$1,672,529	187	\$0	\$0	\$11,216	6	\$4,752,311	252
>80% AMFI	\$2,653,036	24	\$0	0	\$0	0	\$0	0	\$0	\$0	\$0	0	\$2,653,036	24
Total	\$3,531,834	34	\$6,505,960	88	\$273,500	31	\$3,863,811	432	\$0	0	\$292,070	77	\$14,467,175	662

# **REGION 9**

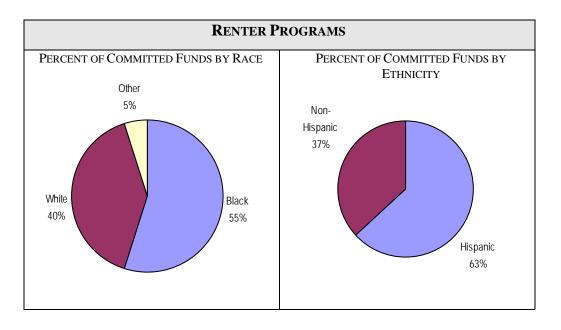


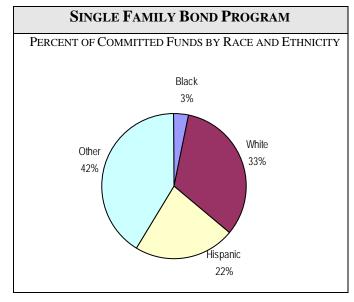
TDHCA allocated \$15,474,007 in Region 9 during FY 2009.

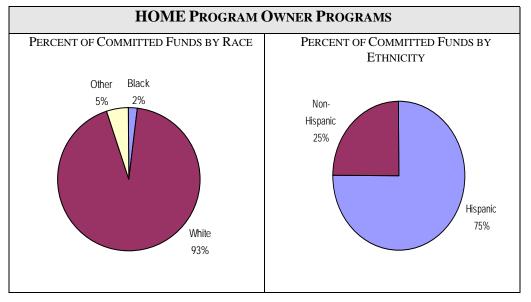
Homeowner programs accounted for the largest segment of this total and the moderateincome households group

(>80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9

	SF Bor	nd	HOM	E	HTF		НТС	ì	MF E	Bond	Sectio	n 8	All Act	ivities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$6,116,772	58	\$1,170,000	16	\$1,134,048	137	\$0	0	\$0	0	\$0	0	\$8,420,820	211
Renter Programs	\$0	0	\$1,439,480	96	\$384,000	18	\$4,442,856	406	\$0	0	\$184,396	43	\$6,450,732	563
Total	\$6,116,772	58	\$2,609,480	112	\$1,518,048	155	\$4,442,856	406	\$0	0	\$184,396	43	\$14,871,552	774

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9

	SF Bo	nd	НОМ	E	HTF	•	НТС	;	MF Bo	nd	Sectio	n 8	All Activ	ities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,977,479	92	\$79,665	13	\$590,811	57	\$0	0	\$144,762	32	\$2,792,717	194
30-50% AMFI	\$276,774	4	\$525,462	15	\$1,278,439	123	\$1,657,865	149	\$0	0	\$31,000	8	\$3,769,540	299
50-80% AMFI	\$1,274,297	18	\$106,539	5	\$159,944	19	\$2,194,179	200	\$0	0	\$8,634	3	\$3,743,593	245
>80% AMFI	\$4,565,701	36	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$4,565,701	36
Total	\$6,116,772	58	\$2,609,480	112	\$1,518,048	155	\$4,442,855	406	\$0	0	\$184,396	43	\$14,871,551	774

# **REGION 10**

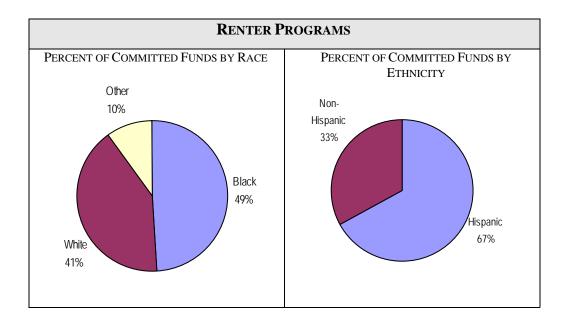


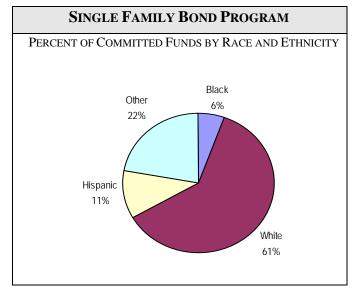
TDHCA allocated \$10,657,582 in Region 10 during FY 2009.

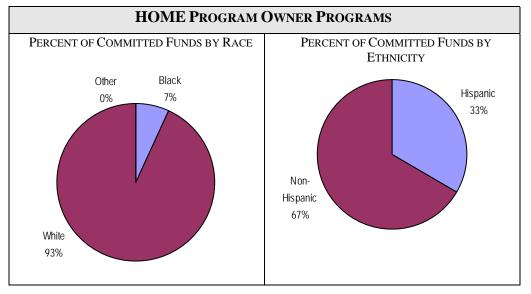
Renter programs accounted for the largest segment of this total and the very low-income

households group (30-50% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







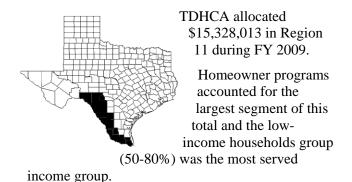
# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10

	SF Bo	nd	HOM	E	HTF		НТС	;	MF Bo	nd	Secti	ion 8	All Activ	ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$1,507,133	18	\$1,950,000	26	\$153,500	22	\$0	0	\$0	0	\$0	0	\$3,610,633	66
Renter Programs	\$0	0	\$3,318,000	59	\$450,000	24	\$3,278,636	343	\$0	0	\$313	1	\$7,046,949	427
Total	\$1,507,133	18	\$5,268,000	85	\$603,500	46	\$3,278,636	343	\$0	0	\$313	1	\$10,657,582	493

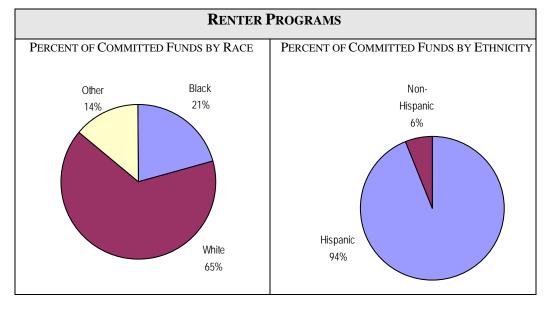
# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10

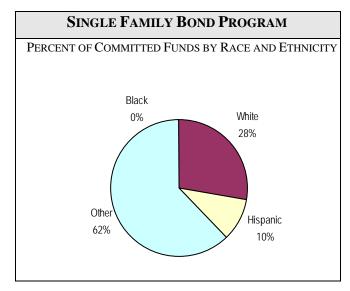
	SF Bo	nd	HOM	E	HTF		HTC	,	MF Bo	nd	Sectio	n 8	All Activ	rities
Income	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,507,293	31	\$25,000	4	\$162,498	17	\$0	0	\$313	1	\$1,695,104	53
30-50% AMFI	\$77,018	2	\$2,788,707	30	\$578,500	42	\$1,787,478	187	\$0	0	\$0	0	\$5,231,703	261
50-80% AMFI	\$262,672	4	\$972,000	24	\$0	0	\$1,328,660	139	\$0	0	\$0	0	\$2,563,332	167
>80% AMFI	\$1,167,443	12	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$1,167,443	12
Total	\$1,507,133	18	\$5,268,000	85	\$603,500	46	\$3,278,636	343	\$0	0	\$313	1	\$10,657,582	493

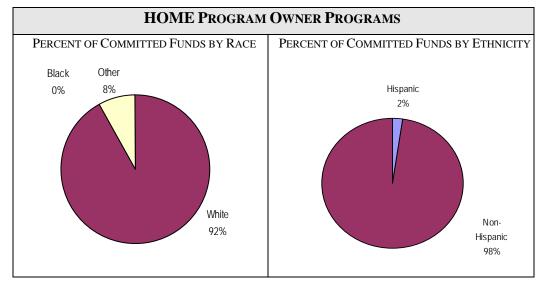
# **REGION 11**



Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart







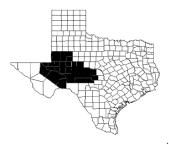
# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11

	SF Bor	nd	HOM	IE	HTF		НТС	;	MF Bo	nd	Section	n 8	All Act	tivities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$4,671,801	61	\$5,423,600	174	\$1,959,973	185	\$0	0	\$0	0	\$0	0	\$12,055,374	420
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,272,012	270	\$0	0	\$627	4	\$3,272,639	274
Total	\$4,671,801	61	\$5,423,600	174	\$1,959,973	185	\$3,272,012	270	\$0	0	\$627	4	\$15,328,013	694

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11

	SF Bo	nd	НОМ	E	HTF	:	НТС	;	MF Bo	nd	Sectio	n 8	All Activ	rities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$872,763	28	\$30,000	5	\$302,964	25	\$0	0	\$627	4	\$1,206,354	62
30-50% AMFI	\$75,880	2	\$1,059,784	34	\$1,569,982	130	\$593,810	49	\$0	0	\$0	0	\$3,299,456	215
50-80% AMFI	\$918,196	15	\$3,491,053	112	\$359,991	50	\$2,375,238	196	\$0	0	\$0	0	\$7,144,478	373
>80% AMFI	\$3,677,725	44	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$3,677,725	44
Total	\$4,671,801	61	\$5,423,600	174	\$1,959,973	185	\$3,272,012	270	\$0	0	\$627	4	\$15,328,013	694

# **REGION 12**

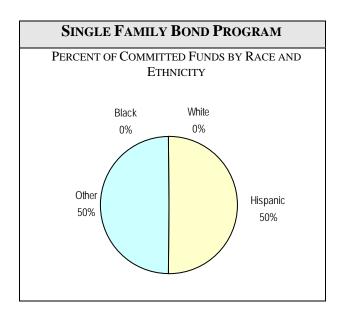


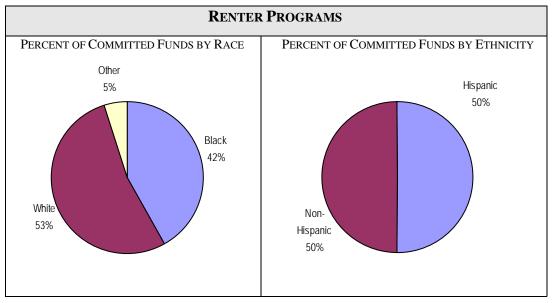
TDHCA allocated \$3,284,999 in Region 12 during FY 2009.

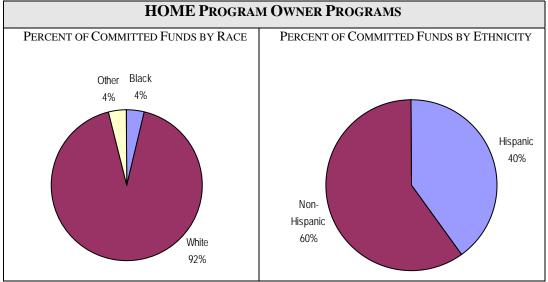
Renter programs accounted for the largest segment of this total and the

low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12

	SF Bo	nd	НОМ	E	НТЕ	=	НТС	,	MF Bo	nd	Sectio	n 8	All Acti	vities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$184,747	2	\$1,154,400	35	\$29,500	4	\$0	0	\$0	0	\$0	0	\$1,368,647	41
Renter Programs	\$0	0	\$169,129	6	\$0	0	\$1,252,049	112	\$0	0	\$18,428	7	\$1,439,606	125
Total	\$184,747	2	\$1,323,529	41	\$29,500	4	\$1,252,049	112	\$0	0	\$18,428	7	\$2,808,253	166

# FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12

	SF Bo	nd	HOM	E	HTF		HTC	;	MF Bo	nd	Sectio	n 8	All Activ	/ities
Income	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$225,968	7	\$0	0	\$201,169	17	\$0	0	\$16,146	5	\$443,283	29
30-50% AMFI	\$0	0	\$0	0	\$29,500	4	\$614,241	51	\$0	0	\$2,282	2	\$646,023	57
50-80% AMFI	\$0	0	\$1,097,561	34	\$0	0	\$436,640	44	\$0	0	\$0	0	\$1,534,201	78
>80% AMFI	\$184,747	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$184,747	2
Total	\$184,747	2	\$1,323,529	41	\$29,500	4	\$1,252,050	112	\$0	0	\$18,428	7	\$2,808,254	166

# **REGION 13**

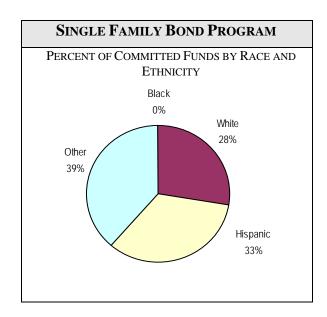


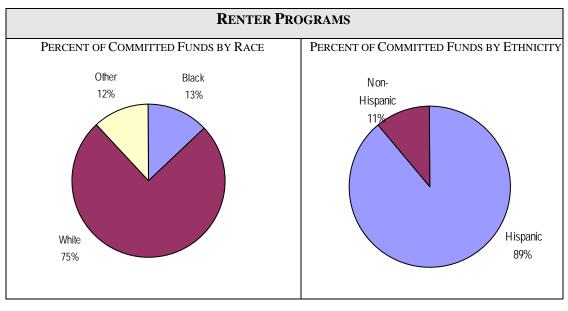
TDHCA allocated \$7,785,072 in Region 13 during FY 2009.

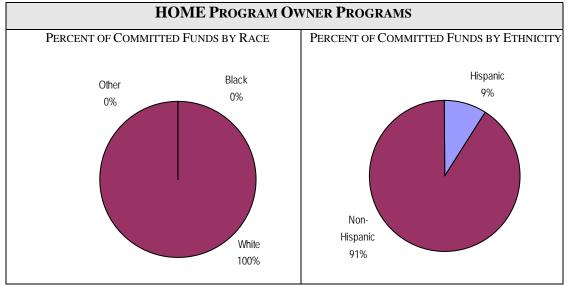
Homeowner programs accounted for the largest segment

of this total and the low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.







# FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13

	SF Bo	nd	НОМ	E	НТЕ		НТС	;	MF Bo	nd	Section	n 8	All Activ	/ities
Activity	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$1,785,732	18	\$2,730,000	33	\$471,500	72	\$0	0	\$0	0	\$0	0	\$4,987,232	123
Renter Programs	\$0	0	\$0	0	\$0	0	\$2,797,841	234	\$0	0	\$0	0	\$2,797,841	234
Total	\$1,785,732	18	\$2,730,000	33	\$471,500	72	\$2,797,841	234	\$0	0	\$0	0	\$7,785,073	357

# Funding and Households Served, by Income Category and Housing Program, Region 13

	SF Bo	nd	HOM	E	НТЕ		НТС	<u>,                                      </u>	MF Bo	nd	Sectio	n 8	All Activ	/ities
Income	Committed	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$744,545	9	\$20,500	4	\$155,436	13	\$0	0	\$0	0	\$920,481	26
30-50% AMFI	\$0	0	\$82,727	1	\$266,500	38	\$1,064,136	89	\$0	0	\$0	0	\$1,413,363	128
50-80% AMFI	\$349,328	4	\$1,902,727	23	\$184,500	30	\$1,578,269	132	\$0	0	\$0	0	\$4,014,824	189
>80% AMFI	\$1,436,404	14	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$1,436,404	14
Total	\$1,785,732	18	\$2,729,999	33	\$471,500	72	\$2,797,841	234	\$0	0	\$0	0	\$7,785,072	357

Housing Sponsor Report

## FAIR HOUSING SPONSOR REPORT ANALYSIS

TDHCA requires that housing developments of 20 units or more which receive financial assistance from TDHCA submit an annual housing sponsor report. This report includes the contact information for each property, the total number of units, the number of accessible units, the rents for units by type, the racial composition information for the property, the number of units occupied by individuals receiving supported housing assistance, the number of units occupied delineated by income group and a statement as to whether there have been fair housing violations at the property. This information depicts the property information as of a specific date, December 31, of each year.

Because of the extensive nature of the information, TDHCA has elected to provide this report under a separate publication: the TDHCA *Housing Sponsor Report* (HSR). The HSR includes an analysis of the collected information, as well as the information submitted by each property. In addition, in fulfillment of §2306.072(c)(8), the HSR contains a list of average rents sorted by Texas county based on housing sponsor report responses from TDHCA-funded properties.

For more information and a copy of this report, please contact the TDHCA Housing Resource Center at (512) 475-3976 or visit <a href="http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm">http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm</a>.

Distribution of Housing Tax Credits

# GEOGRAPHIC DISTRIBUTION OF HOUSING TAX CREDITS

Section 2306.111(d) of the Government Code requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its 9% Housing Tax Credits (HTCs) to the Uniform State Service Regions it uses for planning purposes. Because of the level of funding and the impact of this program in financing the multifamily development of affordable housing, this section of the Plan discusses the geographical distribution of HTCs.

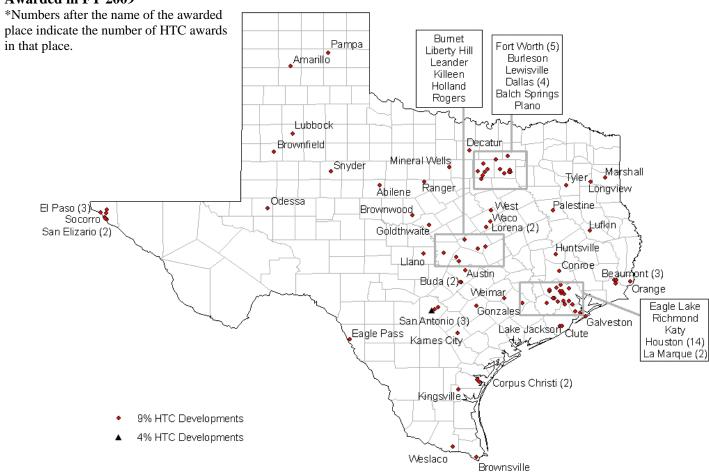
The Department allocated \$92,283,012 in HTCs through the Competitive Housing Tax Credit application process from the 2009 ceiling. Information on these awards, as well as the entire HTC inventory, can be found on the HTC Program's web page at http://www.tdhca.state.tx.us/multifamily/htc/. The map on the following page displays the geographic distribution of the FY 2009 9% and 4% awards.

#### REGIONAL ALLOCATION FORMULA

The table below shows the funding distribution of FY 2009 awards by region and includes the variations between the actual distribution and the 9% HTC RAF targets. The Department plans the credit distributions to match the HTC RAF targets as closely as possible; the RAF targets apply to the 9% HTC program. To that end, as many whole awards as possible are made in each Uniform State Service Region's urban and rural sub-regions based on the RAF target for each. The total remainder in each region is then collapsed into 13 regional pools. The sub-region with the highest original target percentage is determined within each region and, if possible, additional awards are made in these sub-regions out of the region's pool. If a region does not have enough qualified applications to meet its regional credit distribution target, then those credits will be apportioned to the other regions from a statewide pool of remaining credits.

Region	All HTCs	% of All HTCs	4% HTCs	% of All 4% HTCs	9%HTCs	% of All 9% HTCs	Targeted 9% Dist. Under RAF	Difference between Actual and Targeted
1	\$1,548,752	2.94%	\$1,100,819	22.30%	\$447,933	0.94%	4.4%	-3.44%
2	\$1,118,143	2.12%	0	0.00%	\$1,118,143	2.34%	2.3%	0.03%
3	\$10,083,326	19.13%	\$0	0.00%	\$10,083,326	21.11%	21.8%	-0.67%
4	\$2,636,648	5.00%	0	0.00%	\$2,636,648	5.52%	5.2%	0.29%
5	\$3,608,044	6.85%	814993	16.51%	\$2,793,051	5.85%	2.4%	3.43%
6	\$14,180,038	26.91%	\$1,929,924	39.10%	\$12,250,114	25.65%	21.5%	4.16%
7	\$2,922,708	5.55%	\$488,042	9.89%	\$2,434,666	5.10%	5.5%	-0.38%
8	\$2,254,763	4.28%	\$0	0.00%	\$2,254,763	4.72%	6.3%	-1.57%
9	\$4,167,704	7.91%	\$601,737	12.19%	\$3,565,967	7.47%	7.4%	0.11%
10	\$1,139,813	2.16%	\$0	0.00%	\$1,139,813	2.39%	4.3%	-1.87%
11	\$4,123,162	7.82%	0	0.00%	\$4,123,162	8.63%	12.5%	-3.83%
12	\$1,965,605	3.73%	0	0.00%	\$1,965,605	4.11%	2.6%	1.48%
13	\$2,953,877	5.60%	\$0	0.00%	\$2,953,877	6.18%	3.9%	2.26%
Total	\$52,702,583	100.00%	\$4,935,515	100.00%	\$47,767,068	100.00%	100.00%	0.00%

# 9% and 4% HTC Distribution by Place, Awarded in FY 2009\*



Distribution of Housing Tax Credits

# **SECTION 4: ACTION PLAN**

In response to the needs identified in the previous section, this plan outlines TDHCA's course of action designed to meet those underserved needs. This section discusses the following:

# • TDHCA Programs

o Description of each TDHCA program, including funding source, administrator, purpose, targeted population, budget and contact information

# • Housing Support Continuum

o Activities undertaken by each TDHCA program that address the different phases in a low-income household's life

## • Policy Priorities

o Overarching Department-wide policies and policy-driven actions

## • Regional Allocation Plans

o Distribution of TDHCA's resources across the 13 State Service Regions

## • Goals and Objectives

o Program performance based upon measures developed with the State's Legislative Budget Board and the Governor's Office of Budget and Planning

# **TDHCA PROGRAMS**

TDHCA's programs govern the use of available housing resources in meeting the housing needs of low-income Texans. Program descriptions include information on the funding source, recipients, targeted beneficiaries, set-asides and special initiatives. Details of each program's activities are located in the Housing Support Continuum in the following segment.

Additional funding for some programs was provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act). When a program was funded or created as a result of the Recovery Act, the words "Recovery Act" will appear in the title. Additional detail on Recovery Act programs will be provided in *Section 5: Recovery Act*.

A list of TDHCA programs, organized by their Division, follows:

## • Community Affairs Division

- o Community Services Block Grant Program
- o Community Services Block Grant Program (Recovery Act)
- o Comprehensive Energy Assistance Program
- o Emergency Shelter Grants Program
- o Homelessness Prevention and Rapid Re-housing Program (Recovery Act)
- o Homeless Housing and Services Program
- o Section 8 Housing Choice Voucher Program
- Weatherization Assistance Program
- Weatherization Assistance Program (Recovery Act)

## • Disaster Recovery Division

- o Community Development Block Grant Disaster Recovery Round One and Round Two
- o Community Development Block Grant Disaster Recovery Hurricanes Dolly and Ike

# • HOME Investment Partnerships Program Division

- o Community Housing Development Organization Set-Aside
- o Homeownership Assistance
- o Homeowner Rehabilitation Assistance
- o Rental Housing Development
- o Tax Credit Assistance Program (Recovery Act)
- o Tenant-Based Rental Assistance

# Housing Trust Fund Program Division

- o Affordable Housing Match Program
- o Disaster Recovery Homeowner Repair Gap Financing Program
- o Home Free Barrier Removal and Rehabilitation Program
- o Homeownership Assistance Program
- o Rural Housing Expansion Program
- o Texas Veterans Housing Assistance

## • Manufactured Housing Division

# Multifamily Finance Division

- o Housing Tax Credit Program
- Housing Tax Credit Exchange (Recovery Act)
- o Multifamily Bond Program

#### Office of Colonia Initiatives

- o Colonia Self-Help Center Program
- o Texas Bootstrap Loan Program

# • Neighborhood Stabilization Program Division

Neighborhood Stabilization Program 1

# • Texas Homeownership Division

- o 90-Day Down Payment Program and Mortgage Advantage Programs (Recovery Act)
- o First Time Homebuyer Program
- o Mortgage Credit Certificate Program
- o National Foreclosure Mitigation Counseling Program
- o Texas Statewide Homebuyer Education Program

Information for each Division and its programs can be found below.

## **COMMUNITY AFFAIRS DIVISION**

The Community Affairs Division offers the Community Services Block Grant Program, Community Services Block Grant Program (Recovery Act), Comprehensive Energy Assistance Program, Emergency Shelter Grants Program, Homelessness Prevention and Rapid Re-housing (Recovery Act), Homeless Housing and Services Program, Section 8 Housing Choice Voucher Program, Weatherization Assistance Program and Weatherization Assistance Program (Recovery Act).

#### COMMUNITY SERVICES BLOCK GRANT PROGRAM

The Community Services Block Grant Program (CSBG), received from the U.S. Department of Health and Human Services (USHHS), funds CSBG-eligible entities and activities that support the intent of the CSBG Act. TDHCA provides administrative support funds to Community Action Agencies (CAAs) and other human service delivery organizations that offer emergency and poverty-related programs to lower-income persons.

Ninety-percent of the funds are targeted to low-income individuals and funds are also utilized to provide assistance to Native Americans and migrant and seasonal farmworkers. Persons with incomes at or below



A weatherization specialist with Houston's Sheltering Arms, funded through TDHCA's Weatherization Assistance Program, applies weather stripping to a low-income Texans' home.

200 percent of the current federal income poverty guidelines issued by USHHS have income eligibility for the program.

CSBG provides administrative support to 48 CSBG-eligible entities. Five percent of the State's CSBG allocation is used to fund innovative projects that address the causes of poverty, promote client self-sufficiency or promote community revitalization; provide emergency disaster relief assistance to persons impacted by a natural or man-made disaster; provide funding to organizations serving Native Americans and migrant or seasonal farm workers; and provide funding for other eligible discretionary activities as authorized by the Department's Board. Five percent of the CSBG allocation is used for administrative funds for awarded entities.

Allocations to the CSBG-eligible entities are based on two factors: (1) the number of persons living in poverty within the designated service delivery area for each organization and (2) a calculation of population density. Poverty population is given 98 percent weight and the ratio of inverse population density is given 2 percent weight.

Community Services Block Grant funding for FY 2010: \$33,507,182. Funding for 2010 is expected to be level funded.

Additional documentation, including the CSBG Plan, may be accessed at the TDHCA website at http://www.tdhca.state.tx.us/pubs.htm#cs. For more information, contact the Community Services Section at (512) 475-3905.

COMMUNITY SERVICES BLOCK GRANT PROGRAM (RECOVERY ACT)

TDHCA received an additional \$48,148,071 for the Community Services Block Grant Program through the Recovery Act.

See the *Recovery Act* chapter in this document for more details on the Community Services Block Grant Program funded through the Recovery Act.

#### COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

The Comprehensive Energy Assistance Program (CEAP) is funded by the USHHS' Low Income Home Energy Assistance Program (LIHEAP). The purpose of CEAP is to provide energy assistance to eligible households. TDHCA administers the program through a network of 50 CEAP Subrecipients. The Subrecipients consist of CAAs, nonprofit entities and units of local government. The targeted beneficiaries of CEAP in Texas are households with an income at or below 125 percent of federal poverty guidelines, with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

The allocation formula for CEAP uses the following five factors and corresponding weights to distribute its funds by county: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

Comprehensive Energy Assistance Program funding for FY 2010: \$123,928,638.

The Energy Assistance Plans and Rules may be accessed online at http://www.tdhca.state.tx.us/ea on the TDHCA website. For more information contact the Energy Assistance Section at (512) 475-3951. To apply for CEAP, call 1-877-399-8939, toll free, using a land line phone number.

#### EMERGENCY SHELTER GRANTS PROGRAM

The Emergency Shelter Grants Program (ESGP) receives funding from U.S. Department of Housing and Urban Development (HUD) and awards grants to units of local government and private nonprofit entities that provide shelter and related services to homeless persons and/or intervention services to persons at risk of homelessness.

ESGP funds are reserved according to the percentage of poverty population identified in each of the 13 uniform State Service Regions and funds are dispersed according to a Regional Allocation Formula. The top scoring applications in each region are recommended for funding, based on the amount of funds available for that region. Demonstrating the need for homeless shelter and services, for the 2008 ESGP application cycle, the Department received 120 applications and was able to fund only 78 applications.

Projected Emergency Shelter Grants Program funding for the State of Texas for FY 2010: \$5,288,867.

See the *State of Texas Consolidated Plan: One Year Action Plan* at http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#consolidated for further details on ESGP. For more information, contact the Community Services Section at (512) 475-3905.

## HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (RECOVERY ACT)

Through the American Recovery and Reinvestment Act of 2009 (Recovery Act), TDHCA is administering over \$41,472,7722 in Homelessness Prevention and Rapid Re-housing Program (HPRP) funds made available through HUD. These funds are awarded to local units of government and qualifying nonprofit organizations to provide homelessness prevention assistance and assistance to rapidly re-house persons who are homeless. HPRP is not intended to provide long-term support for program participants, nor will it be able to address all of the households' financial and supportive service needs that affect housing stability. HPRP funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF).

See the *Recovery Act* chapter in this document for more details on HPRP.

#### HOMELESS HOUSING AND SERVICES PROGRAM

During the 81st Legislative Session, the Legislature appropriated \$20 million in general revenue funds over the biennium for the Homeless Housing and Services Program (HHSP) for the purposes of assisting regional urban areas in providing services to homeless individuals and families.

Homeless Housing and Services Program funding for FY 2010: \$10,000,000.

More Homeless Housing and Services Program information may be accessed online at www.tdhca.state.tx.us. For more information, contact the Community Services Section at (512) 475-3905.

#### SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

TDHCA receives funding for the Section 8 Housing Choice Voucher (Section 8) Program from HUD for counties included in TDHCA's Public Housing Authority's allocation. The Section 8 Program provides rental assistance payments on behalf of low-income individuals and families, including the elderly and persons with disabilities. The Section 8 Program currently contracts with units of local governments, community action agencies and public housing authorities to assist with the administration of approximately 1,000 housing choice vouchers. The Department administers vouchers in 29 counties.

Eligible households have a gross income that does not exceed 50% of HUD's median income guidelines. HUD requires 75% of all new households admitted to the program be at or below 30% of the area median

income. Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets and medical and childcare expenses.

Projected Section 8 Housing Choice Voucher Program funding for FY 2010: \$5,833,128. Projected funding may vary depending on action taken by HUD.

Additional documentation, including the Section 8 Plan, may be accessed at the TDHCA website at http://www.tdhca.state.tx.us/pubs.htm#sec8. For more information, contact the Section 8 Program at (512) 475-3892.

#### WEATHERIZATION ASSISTANCE PROGRAM

The Weatherization Assistance Program (WAP) is funded by the U.S. Department of Energy (DOE) and U.S. Health and Human Services (USHHS) Low Income Home Energy Assistance Program (LIHEAP). The Weatherization Assistance Program allocates funding regionally to help households in each region control energy costs through the installation on weatherization measures and energy conservation education. The Department administers WAP through a network of 34 WAP Subrecipients. The Subrecipients consist of CAAs, nonprofit entities and units of local government. The targeted beneficiaries of WAP in Texas are households with an income at or below 200 percent of federal poverty with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

Partnerships between the Department and El Paso Electric provide additional weatherization measures to low-income utility customers in some regulated electric market areas. This partnership increases the total number of low-income households that receive weatherization services and allow the Department to leverage the federal weatherization funds with the energy company funds.

The allocation formula for WAP uses the following five factors and corresponding weights to distribute its funds by county: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

Projected Weatherization Assistance Program funding for FY 2010: \$6,000,000 in DOE funding and \$23,900,000 from LIHEAP funding under Public Law 110-329. Projected funding will increase based on the Recovery Act.

The Energy Assistance Plans and Rules may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/ea/index.htm. For more information, contact the Energy Assistance Section at (512) 475-3951. To apply for weatherization, call 1-888-606-8889, toll free, using a land line phone number.

WEATHERIZATION ASSISTANCE PROGRAM (RECOVERY ACT)

Through the Recovery Act, TDHCA received over \$326,975,732 in additional funding for WAP.

See the *Recovery Act* chapter in this document for more details on Weatherization Assistance Program funded through the Recovery Act.

### **DISASTER RECOVERY DIVISION**

The Disaster Recovery Division administers Community Development Block Grant Disaster Recovery Programs.

CDBG DISASTER RECOVERY PROGRAMS ROUND ONE AND ROUND TWO

In August 2005, Hurricane Katrina made landfall in Louisiana and then in September 2005, Hurricane Rita made landfall near Sabine Pass on the southeast Texas Gulf Coast. Texas experienced an influx of evacuees from Louisiana escaping Hurricane Katrina plus over 75,000 homes in southeast Texas were severely damaged or destroyed as a result of Hurricane Rita. According to the Federal Emergency Management Agency (FEMA), 640,968 Katrina and Rita applicants for assistance were residing in Texas as of February 1, 2006.



CDBG Disaster Recovery Program's Round 1 rehabilitated, reconstructed and elevated Port Arthur homes, like the one pictured above, to help low-income Texans weather future storms.

TDHCA is the administrator of two CDBG allocations for disaster recovery funding in Texas under the Department of Defense Appropriations Act, 2006, Public Laws 109-148 and 109-234. The targeted populations for these funds are households affected by Hurricanes Rita and Katrina who have incomes not exceeding 80 percent AMFI.

For Round One of the funding, under Public Law 109-148 a total of \$74.5 million was awarded to Texas to rebuild the southeast Texas region devastated by Hurricane Rita. Of all funds awarded, 56.8 percent is dedicated to housing activities including home rehabilitation, reconstruction and other eligible activities to help the residents of southeast Texas recover from this disaster.

In July 2006, the TDHCA Board approved awards to three Councils of Governments (COGs) in the region to rebuild damaged homes. In August 2006, funds were awarded to four COGs that applied for the CDBG funds on behalf of cities, counties and Indian tribes for infrastructure repairs.

Round Two of the funding occurred through Public Law 109-234 when HUD announced in August 2006 that Texas would receive an additional \$428 million in CDBG disaster funding to promote long-term recovery in the areas affected by the disaster.

The action plan for the second round of CDBG funding for disaster recovery was approved by HUD on April 13, 2007. CDBG Disaster Recovery Programs Round Two funds are being used to provide assistance to homeowners of low to moderate income whose houses were damaged by Hurricane Rita; to restore and protect owner occupied housing stock in the community of Sabine Pass which was severely damaged by the storm; to repair, rehabilitate and reconstruct affordable rental housing stock in the impacted areas; to restore critical infrastructure damaged by the hurricane; and to provide assistance to the City of Houston and Harris County for increased demands in public services, law enforcement, judicial services and community development in areas that have experienced a dramatic population increase due to an influx of Hurricane Katrina evacuees. The Texas Department of Rural Affairs (TDRA) will administer a portion of the disaster recovery funds through a contract with TDHCA and approved by TDHCA's Governing Board.

Additional information about Round One CDBG Disaster Recovery Programs can be found online at http://www.tdhca.state.tx.us/cdbg/first-supplemental/. For more information, contact Jennifer Molinari at (512) 475-2224 or jennifer.molinari@tdhca.state.tx.us. Additional information about Round Two CDBG

Disaster Recovery Programs can be found online at http://www.tdhca.state.tx.us/cdbg/second-supplemental/.

CDBG DISASTER RECOVERY PROGRAMS – HURRICANES DOLLY AND IKE

In 2008, Hurricanes Ike, Gustav and Dolly impacted eastern Texas. Of these, Hurricane Ike was the largest at a Category 4 storm and caused great damage to Galveston and other Texas coastal areas. Hurricane Dolly, a Category 2 storm, overwhelmed the south Texas coast including the Rio Grande Valley.

To assist the recovery efforts of the areas declared major disasters as of December 1, 2008, HUD provided \$1,314,990,193 to Texas in CDBG funds for public infrastructure, economic development and housing under Public Law 110-329. The Office of the Governor, Texas House Select Committee on Hurricane Ike and the Commission for Disaster Recovery and Renewal are coordinating the disaster recovery for Texas which will be overseen by TDRA. TDHCA is partnered with TDRA for disaster recovery and will administer the portion of the disaster recovery funding associated with housing. Of the disaster recovery CDBG funding granted on November 28, 2008, 50 percent of the funds must be used to support activities benefiting low and moderate-income persons, and up to 50 percent of the funds may be allocated to activities of urgent need or the elimination of slums and blight. According to the federal register notice regarding the allocation of these funds, at least 10.6 percent, or \$139,743,911, of the funding amount must be used for affordable rental housing. Of this amount, 4.47 percent, or \$58,834,914, has been set aside for TDHCA affordable rental housing stock restoration; the remaining required 6.13 percent, or \$80,908,997 will be met or exceeded through rental activities administered by the subrecipients of these funds. The *State of Texas Plan for Disaster Recovery* prepared by TDRA was approved by HUD in March 2009.

Awardees of CDBG Hurricanes Dolly and Ike Recovery funding include city and county governments, nonprofit and for-profit organizations, and Councils of Government.

Additional information about CDBG Disaster Recovery for Hurricanes Dolly and Ike can be found online at www.TDRA.state.tx.us or www.TDHCA.state.tx.us for housing activities. For more information, contact TDRA at (512) 936-9701.

#### HOME INVESTMENT PARTNERSHIPS DIVISION

The HOME Investment Partnership Program Division offers Community Housing Development Organization Set-Aside funds, Homeowner Rehabilitation, Homeownership Assistance (with or without rehabilitation), Rental Housing Development, Tenant-Based Rental Assistance, Tax Credit Assistance Program (Recovery Act) and other specialty programs within these activities.

The HOME Investment Partnerships (HOME) Program is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC Section 12701 et. seq.) and receives funding from HUD.



Rural Texans, such as the owners of the newly-constructed home above, have benefited greatly from TDHCA's Homeowner Rehabilitation Program.

The purpose of the HOME Program is to expand the

supply of decent, safe and affordable housing for extremely low-, very low- and low-income households and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between state and local governments and private and nonprofit organizations in order to strengthen their capacity to meet the housing needs of lower income Texans. To achieve this purpose, the HOME Program provides loans and grants to units of general local government, Public Housing Authorities (PHAs), Community Housing Development Organizations (CHDOs), nonprofit organizations and for-profit entities. HOME funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The HOME RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*. TDHCA provides technical assistance to all recipients of the HOME Program to ensure that all participants meet and follow state implementation guidelines and federal regulations.

According to §2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating jurisdictions that do not qualify to receive funds under the Act directly from HUD. This directs HOME funds into rural Texas. As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, 5 percent of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state.

#### COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS SET-ASIDE

Federal regulations require a minimum of 15 percent of the annual HOME allocation is reserved for Community Housing Development Organizations (CHDOs). CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or single-family homeownership.

#### HOMEOWNER REHABILITATION

HOME's Homeowner Rehabilitation offers rehabilitation or reconstruction cost assistance to homeowners for the repair or reconstruction of their existing home, which must be the principal residence of the homeowner. These funds are awarded as specified in the published Notices of Funding Availability.

#### HOMEOWNERSHIP ASSISTANCE WITH OR WITHOUT REHABILITATION

Homeownership Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition of affordable single-family housing, including manufactured housing. These funds are awarded as specified in the published Notices of Funding Availability.

Contract for Deed Conversions, a legislatively mandated program, is a homeownership assistance activity. The purpose of the program is to convert an eligible contract for deed to a warranty deed. These funds are awarded as specified in the published Notices of Funding Availability.

#### RENTAL HOUSING DEVELOPMENT

HOME Rental Housing Development funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low-, very low-and low-income families and must meet long-term rent restrictions as defined by HUD. These funds are awarded as specified in the published Notices of Funding Availability.

#### TAX CREDIT ASSISTANCE PROGRAM (RECOVERY ACT)

The Tax Credit Assistance Program provides funding to compensate for the current devaluation of Housing Tax Credits (HTCs). The Tax Credit Assistance Program seeks to address the loss in value of HTCs by allowing TDHCA to award federal HOME funds to developments affected by HTC devaluation.

Approximately \$148 million is available for this program. See the *Recovery Act* chapter in this document for more details on the Tax Credit Assistance Program.

#### TENANT-BASED RENTAL ASSISTANCE

Tenant-Based Rental Assistance provides rental subsidy, security and utility deposit assistance. TBRA allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months. The tenant must also participate in a self-sufficiency program while receiving TBRA assistance. These funds are awarded as specified in the published Notices of Funding Availability.

### SUMMARY OF HOME PROGRAM FUNDING FOR FISCAL YEAR 2010

HOME Program funding for FY 2010: \$192,288,299. This includes \$43,933,530 in HOME annual allocation and an additional \$148,354,769 through the Recovery Act to be used as gap financing assistance for Housing Tax Credit developments awarded in years 2007, 2008 and 2009.

Year See the State ofTexas Consolidated Plan: One Action Plan at http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#consolidated for further details on the HOME Program. The HOME Program Rule may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/home-division/. For more information regarding the HOME Program, contact the HOME Division directly at (512) 463-8921.

#### HOUSING TRUST FUND DIVISION

For the 2010-2011 biennium, the Housing Trust Fund offers the Affordable Housing Match Program, The Disaster Recovery Homeowner Repair Gap Financing Program, the Home Free Barrier Removal and Rehabilitation Program, the Homeownership Assistance Program, the Rural Housing Expansion Program and the Texas Veterans Housing Assistance Program.

The Housing Trust Fund Program receives several sources of funding from the State



Dallas Habitat for Humanity was awarded Housing Trust Fund's Homeownership Assistance funds to provide down payment assistance for households that help build their own homes with help from volunteers, like the ones seen above.

of Texas including general appropriations, multifamily bond issuance fees, loan repayments and other funds that are received and appropriated by the Department or Legislature. The Housing Trust Fund is the only State-authorized program for affordable housing development. Funding is awarded as loans and grants to nonprofits, units of local government, public housing agencies and for-profit entities. The targeted beneficiaries of the program are low-, very low- and extremely low-income households. Housing Trust Fund monies awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The Housing Trust Fund RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*.

#### AFFORDABLE HOUSING MATCH PROGRAM

The Affordable Housing Match Program provides funding to Nonprofit Organizations for the purpose of leveraging these funds as match for the production and/or provision of affordable housing and promotes greater access to federal and private funds for housing.

### DISASTER RECOVERY HOMEOWNER REPAIR GAP FINANCING PROGRAM

The Disaster Recovery Homeowner Repair Gap Financing Program provides gap financing for homeowners affected by disasters who have been awarded disaster recovery funds from other programs in the Department. The previous awards may have been Community Development Block Grant (CDBG) funds through the Disaster Recovery Division or Homeownership Rehabilitation funds through the HOME Investment Partnership Program Division. In order to be eligible for gap financing, the previous awards must have been limited by federal restrictions so that full housing recovery was not possible. This program is administered through Disaster Recovery or HOME Sub-recipients.

#### HOME FREE BARRIER REMOVAL AND REHABILITATION PROGRAM

The Home Free Barrier Removal and Rehabilitation Program provides funds to eligible entities for accessibility improvements to homes of low-income Persons with Disabilities. These funds will be targeted to allow for reasonable accommodation or modification for rental tenants, homeowners or a member of their household with disabilities needing assistance to fully access their home.

#### HOMEOWNERSHIP ASSISTANCE PROGRAM

The Homeownership Assistance Program provides funding for zero percent interest gap financing or down payment assistance for first time homebuyers, zero percent interest rehabilitation loans for

homeowners including barrier removal, and other innovative homeownership initiatives as released in the NOFA. Funds are limited to loans to ensure repayment to the program and may only serve households at or below 80% of AMFI.

#### RURAL HOUSING EXPANSION PROGRAM

The Rural Housing Expansion Program provides funding to develop affordable housing in rural Texas as well as build capacity. The funds would have two components for each recipient: (1) a capacity and technical assistance component designed as a grant that includes intensive technical assistance provision and (2) a direct housing delivery component provided as a no-interest loan. This model, generated from significant public input and discussion, provides rural communities the capacity they need, while also ensuring money to create affordable housing in their communities.

#### TEXAS VETERANS HOUSING ASSISTANCE PROGRAM

The Texas Veterans Housing Assistance Program provides funds to eligible entities to provide low-income veterans with rental subsidies or down payment assistance, closing costs and accessible modifications such as ramps, accessible bathrooms and accessible kitchens.

#### Summary of Housing Trust Fund Program Funding for Fiscal Year 2010

Projected Housing Trust Fund Program Funding for FY 2010: \$10,963,875. NOFAs will be released identifying the activities for which funds can be applied in accordance with the Biennial Plan as prescribed in Rider 10(d) of the Department's General Appropriations Act. The Housing Trust Fund Rule and Funding Plan may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/htf. For more information on the Housing Trust Fund Program, contact the Housing Trust Fund Division at HTF@tdhca.state.tx.us.

# MANUFACTURED HOUSING DIVISION

The Manufactured Housing Division regulates the manufactured housing industry in Texas by ensuring that manufactured homes are well constructed, safe and correctly installed; by providing consumers with fair and effective remedies; and by providing economic stability to manufacturers, retailers, installers and brokers. The Manufactured Housing Division licenses manufactured housing professionals and maintains records of the ownership, location, real or personal property status and lien status (on personal property homes) on manufactured homes. It also records tax liens on manufactured homes. Because of its regulatory nature, the Manufactured Housing Division has its own governing board and executive director.



TDHCA's Manufactured Housing Division is responsible for regulating the manufactured housing industry.

Relying on a team of trained inspectors operating from eight locations around the state, the Division inspects manufactured homes throughout Texas. Additionally, the Manufactured Housing Division works collectively with TDHCA by inspecting properties for the Portfolio Management and Compliance Division and by inspecting and licensing Migrant Labor Facilities. The Manufactured Housing Division also handles approximately 800 consumer complaints a year, many of those requiring investigation and enforcement action.

For more information, contact the Manufactured Housing Division at 1-800-500-7074.

#### MULTIFAMILY FINANCE DIVISION

The Multifamily Finance Division offers the Housing Tax Credit Program, the Housing Tax Credit Exchange Program (Recovery Act) and the Multifamily Bond Program.

## HOUSING TAX CREDIT PROGRAM

The Housing Tax Credit (HTC) Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofits organizations or for-profit developers. The program supports the development of rental housing that includes reduced rents for low-income Texans. The targeted



Canal Place Apartments, funded through the Housing Tax Credit Program and Multifamily Bond Program, is an affordable alternative for downtown living in Houston.

beneficiaries of the program are very low-income and extremely low-income families at or below 60 percent Area Median Family Income.

The HTC Program was created by the Tax Reform Act of 1986 and is governed by the Internal Revenue Code of 1986 (Code), as amended, 26 USC Section 42. The Code authorizes tax credits in the amount of \$2.10 per capita of the state population, excluding additional temporary HTC authority received under the Housing and Economic Recovery Act of 2008 (HERA) and funds allocated under Public Law 110-343 for disaster recovery. Tax credits are also awarded to developments with tax-exempt bond financing and are made independent of the state annual tax credit allocation. TDHCA is the only entity in the state with the authority to allocate HTCs under this program. The State's distribution of the credits is administered by TDHCA's 2010 Housing Tax Credit Program Qualified Allocation Plan and Rules (QAP), as required by the Code. Pursuant to Section 2306.6724(c), the Governor shall approve, reject, or modify and approve the Board-approved QAP not later than December 1 of each year. HTC funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The HTC RAF can be found in the TDHCA Allocation Plan section in this Action Plan.

To qualify for tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units, which is generally defined as at least \$15,000 per rental unit of construction hard costs. The credit amount for which a development may be eligible depends on the total amount of depreciable capital improvements, the percentage of units set aside for qualified tenants and the funding sources available to finance the total development cost. Typically, 60 to 100 percent of a development's units will be set aside for qualified tenants in order to maximize the amount of tax credits the development may claim.

Credits from the state annual tax credit allocation are awarded regionally through a competitive application process. Each application must satisfy a set of threshold criteria and is scored based on selection criteria. The selection criteria referenced in the QAP is approved by the TDHCA Board each year. The Board considers the recommendations of TDHCA staff and determines a final award list. Tax credits to developments with tax-exempt bond financing are awarded through a similar application review process, but because these credits are not awarded from a limited credit pool, the process is noncompetitive and the selection criteria are not part of the application.

Projected Housing Tax Credit Program Funding for FY 2010: \$70,800,000. This includes approximately \$51,000,000 in HTC 2010 ceiling; an additional estimated \$4,800,000 made available under HERA; approximately \$14,900,000 made available under Public Law 110-343 for Hurricane Ike recovery for 2010.

The 2010 Housing Tax Credit Program QAP may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/multifamily/htc/index.htm. For more information, contact the Multifamily Finance Division at (512) 475-3340.

## HOUSING TAX CREDIT EXCHANGE (RECOVERY ACT)

The Texas Tax Credit Exchange Program, a new program created by the Recovery Act, allows developments who have been allocated Housing Tax Credits in 2007, 2008 and 2009 to return their credits and potentially receive a cash grant in exchange for the credits.

In November 2009, TDHCA will apply for Tax Credit Exchange Program funding up to \$586 million from the U.S. Department of the Treasury, Internal Revenue Service. The Department must return any unused funds by January 1, 2011. Housing Tax Credit funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF).

See the *Recovery Act* chapter in this document for more details on the Housing Tax Credit Exchange.

#### MULTIFAMILY BOND PROGRAM

The Multifamily Bond Program issues tax-exempt and taxable housing Mortgage Revenue Bonds (MRBs) under the Private Activity Bond Program (PAB) to fund loans to nonprofit and for-profit developers who assist very low- to moderate-income Texans. Owners elect to set aside units in each development according to §1372, Texas Government Code. Rental developments must comply with Section 504 unit standards.

TDHCA issues tax-exempt, multifamily MRBs through two different authorities defined by the Internal Revenue Code. Under one authority, tax-exempt bonds used to create housing developments are subject to the State's private activity volume cap. Under MRBs issued for private activities, funding priorities are as follows:

- Priority 1:
  - o (a) Set aside 50% of units rent capped at 30% of 50% of AMFI and the remaining 50% of units rents capped at 30% of 60% of AMFI; or
  - o (b) Set aside 15% of units rent capped at 30% of 30% of AMFI and the remaining 85% of units rent capped at 30% of 60% of AMFI; or
  - o (c) Set aside 100% of units rent capped at 30% of 60% of AMFI for developments located in a census tract with median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
- Priority 2:
  - o Set aside 100% of units rent capped at 30% of 60% of AMFI
  - o Up to 20% of the units can be market rate
- Priority 3:
  - o (a) Any qualified residential rental development

The State will set aside 22 percent of the annual private activity volume cap for multifamily developments. Approximately \$481 million in issuance authority will be made available to various issuers to finance multifamily developments, of which 20 percent, or approximately \$96 million, will be made available exclusively to TDHCA. On August 15th of each year, any allocations in the subcategories of the bond program that have not been reserved pool into one allocation fund. This is an opportunity for

TDHCA to apply for additional allocation and which allows TDHCA to issue more bonds than the set-aside of \$96 million.

PAB Issuance authority per individual development is allocated and administered by the Texas Bond Review Board (BRB). Initially, applications submitted to the BRB are allocated by a lottery. TDHCA, local issuers, local housing authorities and other eligible bond issuers submit applications for specific developments on behalf of development owners. Applications submitted to TDHCA for the private activity bond program will be scored and ranked by priority and highest score. TDHCA will be accepting applications throughout the 2010 program year. Developments that receive 50 percent or more of their funding from the proceeds of tax-exempt bonds under the private activity volume cap are also eligible to apply for HTCs.

Under the second authority, TDHCA may issue tax-exempt MRBs to finance properties that are owned entirely by nonprofit organizations. Bonds issued under this authority are exempt from the private activity volume cap. This is a noncompetitive application process and applications may be received at any time throughout the year. In addition to the set-asides above, 75 percent of development units financed under the 501(c)(3) authority must be occupied by households earning 80 percent or less of the AMFI.

Anticipated available Multifamily Bond Program Funding for FY 2010, including additional disaster recovery and economic stimulus authority: \$120,000,000.

The Multifamily Housing Revenue Bond Rules may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/multifamily/bond/index.htm. For more information, contact the Multifamily Finance Production Division at (512) 475-3340.

#### NEIGHBORHOOD STABILIZATION PROGRAM DIVISION

The Neighborhood Stabilization Program Division administers the Neighborhood Stabilization Program

Neighborhood Stabilization Program 1

The Neighborhood Stabilization Program 1 (NSP) is a HUD-funded program authorized by HERA as a supplemental allocation to the CDBG Program through an amendment to the existing 2008 State of Texas Consolidated Plan One-Year Action Plan. The purpose of the program is to redevelop into affordable housing or acquire and hold abandoned and foreclosed properties in areas that are documented to have the greatest need for declining property values as a result of excessive foreclosures. Units of local governments and other entities with



With the Neighborhood Stabilization Program, TDHCA helps Texas neighborhoods recover from excessive foreclosures.

the consent of the local governments are eligible to apply for these funds.

According to the NSP 1 Action Plan Substantial Amendment, each subrecipient will be required to target as a goal at least 35% of their non-administrative allocation to benefit households with incomes less than or equal to 50% of AMFI. Acquisition of real property allows a grantee to purchase the abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below.

TDHCA and TDRA will work together to administer the \$102 million in funds received from HUD. TDHCA is taking the lead role in this partnership. Initially the Department proposes to distribute the funds as follows:

- Direct Awards \$ 51 million (more urban areas)
- Select Pool \$ 31 million (more rural/smaller communities)
- Land Bank \$ 10 million
- Administration \$ 10 million

Projected NSP 1 Funding for FY 2009: \$102,000,000

The NSP 1 Substantial Amendment and the Notice of Funding Availability (NOFA) may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/nsp/index.htm. For more information, contact Robb Stevenson, NSP Manager, at (512) 463-2179.

#### OFFICE OF COLONIA INITIATIVES

The Office of Colonia Initiatives Division offers two programs: the Colonia Self-Help Center Program and the Texas Bootstrap Loan Program.

## COLONIA SELF-HELP CENTER PROGRAM

In 1995, the 74th Legislature passed Senate Bill 1509, a legislative directive to establish colonia Self-Help Centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. Funded through the Community Development Block Grant Program, this program also allows the Department to establish a colonia SHC in any other county if the county is designated as an economically distressed area. Operation of the Colonia SHCs is managed by local nonprofit organizations, CAAs or local housing authorities that have demonstrated the capacity to operate a Colonia SHC.

These colonia SHCs provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education.



A Texas Bootstrap Loan recipient places a roof shingle into place.

Colonia Self-Help Center Program funding for FY 2010: \$1,800,000

More detail can be found in *Section 6: Colonia Action Plan*. Additional information may be accessed at the TDHCA website at http://www.tdhca.state.tx.us/oci/centers. For more information, contact Will Gudeman at (512) 475-4828 or will.gudeman@tdhca.state.tx.us.

## TEXAS BOOTSTRAP LOAN PROGRAM (OWNER-BUILDER)

The Texas Bootstrap Loan Program provides loans through certified nonprofit organizations for self-help housing initiatives. Identified as the Owner-Builder Loan Program in Texas Government Code 2306.751, the Texas Bootstrap Loan Program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. This program is funded through the Housing Trust Fund.

Projected Texas Bootstrap Loan Program funding for FY 2010/2011: \$11,600,000

More detail can be found in *Section 6: Colonia Action Plan*. Additional information may be accessed at the TDHCA website at http://www.tdhca.state.tx.us/oci/bootstrap.jsp. For more information, contact Raul Gonzales at (512) 475-1473 or raul.gonzales@tdhca.state.tx.us.

#### TEXAS HOMEOWNERSHIP DIVISION

The Homeownership Division offers the 90-Day Down Payment Program and Mortgage Advantage Programs (Recovery Act), First Time Homebuyer Program, Mortgage Credit Certificate Program, the National Foreclosure Mitigation Counseling Program and the Texas Statewide Homebuyer Education Program.

#### FIRST TIME HOMEBUYER PROGRAM

The program is offered through a network of participating lenders. The program provides homeownership opportunities through below-market interest rate loans and/or down payment assistance for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits, or 140 percent of AMFI limitations if in a targeted area. The purchase price of the home must not exceed stipulated maximum purchase price limits. A minimum of 30 percent of program funds will be set aside to assist Texans earning 80 percent or less of program income limits.

Income limits for the program are set by the IRS Tax Code (1986) based on income figures determined by HUD. The first-time homebuyer restriction is established by federal Internal Revenue



TDHCA Homebuyer programs helped approximately 2,000 families and individuals, like Marisa Callan above, become homeowners in 2008.

Service regulations, which also require that program recipients may be subject to a recapture tax on any capital gains realized from a sale of the home during the first nine years of ownership. Certain exceptions to the first-time homebuyer restriction, income ceiling and maximum purchase price limitation apply in targeted areas. Such targeted areas are qualified census tracts in which 70 percent or more of the families have an income of 80 percent or less of the statewide median income and/or are areas of chronic economic distress as designated by the state and approved by the Secretaries of Treasury and HUD, respectively.

Projected Texas First Time Homebuyer Program funding for FY 2010: \$300,000,000

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/homeownership/index.htm. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or eric.pike@tdhca.state.tx.us. To request a First Time Homebuyer information packet, please call 1-800-792-1119.

Homebuyer Tax Credit Programs - 90-Day Down Payment Program and Mortgage Advantage Programs (Recovery Act)

The Recovery Act allows for eligible first-time homebuyers to receive a tax refund equal to 10% of the purchase price of their home or \$8,000, whichever is less. Residences must be purchased on or after January 1, 2009 and before December 1, 2009. In June 2009, TDHCA launched the 90-Day Down Payment Assistance and Mortgage Advantage Programs to allow potential homebuyers to take advantage of the federal first-time homebuyer tax credit.

See the *Recovery Act* chapter in this document for more details on the 90-Day Down Payment Program and Mortgage Advantage Programs.

#### MORTGAGE CREDIT CERTIFICATE PROGRAM

TDHCA has the ability to issue Mortgage Credit Certificates (MCCs) through its bond authority. The program is offered through a network of approved lenders. An MCC provides a tax credit up to \$2,000 annually that reduces the borrower's federal income tax liability. The credit cannot be greater than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC tax credits in excess of a borrower's current year tax liability may, however, be carried forward for use during the subsequent three years.

The MCC Program provides homeownership opportunities for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits. In order to participate in the MCC Program, homebuyers must meet certain eligibility requirements and obtain a mortgage loan through a participating lender. The mortgage loan must be financed from sources other than tax-exempt revenue bonds. The mortgage may be a conventional, FHA, VA, or RHS loan at prevailing market rates.

Projected Mortgage Credit Certificate funding for FY 2010: \$120,000,000

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at http://www.tdhca.state.tx.us/homeownership/index.htm. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or eric.pike@tdhca.state.tx.us.

#### NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM

The Omnibus Appropriations Act of 2009 (Public Law 111-8) continued the National Foreclosure Mitigation Counseling (NFMC) Program originally authorized by the FY 2008 Consolidated Appropriations Act. NFMC funds are federal funds available through NeighborWorks America for foreclosure intervention counseling, training and administration. The purpose of the program is to expand and supplement foreclosure counseling.

In October 2008, TDHCA partnered with six HUD-approved foreclosure mitigation counseling organizations that met the NeighborWorks' experience threshold in order to create an application for funding for NFMC Round 2. In August 2009, TDHCA partnered with nine HUD-approved foreclosure mitigation counseling organizations to submit an application for NFMC Round 3.

TDHCA jointly administers the program with the Texas State Affordable Housing Corporation (TSAHC). Funding was awarded to the partner nonprofit organizations and local units of government included in the application submitted to NeighborWorks America. NFMC Round 2 reimburses for counseling performed between January 1, 2009 and December 31, 2009. NFMC Round 3 reimburses for counseling performed between July 1, 2009 and June 30, 2010.

The partner organizations have written plans for providing in-person counseling with homeowners in danger of foreclosure. Eligible recipients of foreclosure intervention counseling must be owner-occupants of single-family (one-to-four unit) properties with mortgages in default or danger of default. Many of the partner organizations work with toll-free foreclosure prevention hotlines.

All funds will be targeted to "areas of greatest need" which are defined as areas experiencing a high rate of subprime lending, delinquent loans and foreclosure starts. For NFMC Round 2, 30 percent of the funds will be targeted to low-income or minority homeowners and low-income and minority neighborhoods. For NFMC Round 3, 50 percent of the funds will be targeted to low-income or minority homeowners and 15 percent of the funds will be targeted to low-income and minority neighborhoods.

National Foreclosure Mitigation Program Round 3 Funding for FY 2010: \$ 449,960.

For more information, contact Elizabeth Yevich, Housing Resource Center, at (512) 463-7961 or elizabeth.yevich@tdhca.state.tx.us.

#### TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

TDHCA funds the Texas Statewide Homebuyer Education Program (TSHEP) and contracts with training professionals to offer provider-certification training to nonprofit organizations including Texas Agriculture Extension Agents, units of local government, faith-based organizations, CHDOs, community development corporations, community-based organizations and other organizations with a proven interest in community building. The classes are conducted by NeighborWorks America. In addition, a referral service for individuals interested in taking a homebuyer education class is available through TDHCA.

Projected Texas Statewide Homebuyer Education Program funding for FY 2010: \$90,000

For more information, contact Dina Gonzalez, Texas Homeownership Division at (512) 475-3993 or dina.gonzalez@tdhca.state.tx.us.

Housing Support Continuum

# HOUSING SUPPORT CONTINUUM

The Housing Support Continuum consists of a series of phases that low-income households may experience at different times of their lives and the assistance provided through the network of TDHCA-funded service providers in regard to each phase. The Housing Support Continuum has six phases: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief and (6) Disaster Recovery and Relief.

# (1) POVERTY AND HOMELESSNESS PREVENTION

For Texans who struggle with poverty or are currently homeless, TDHCA offers several programs that provide essential services to assist with basic necessities.

# A. POVERTY PREVENTION

COMMUNITY SERVICES BLOCK GRANT PROGRAM AND COMMUNITY SERVICES GRANT PROGRAM (RECOVERY ACT)

Community Service Block Grant (CSBG) activities can be instrumental in preventing homelessness in the lowest-income populations. Activities for CSBG program including access to child care; health and human services; nutrition; transportation; job training and employment services; education services; activities designed to make better use of available income; housing services; emergency assistance; activities to achieve greater participation in the affairs of the community; youth development programs; information and referral services; activities to promote self-sufficiency; and other related services. Recovery Act CSBG Activities should create sustainable economic resources in communities, including innovative employment related services and activities toward the reform goals of the Recovery Act. The Recovery Act allows for States to reserve one percent of the funds for benefits enrollment coordination activities relating to the identification and enrollment of eligible individuals and families in Federal, State, and local benefit programs.

#### COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

For those low-income Texans who have housing, subsidizing or reducing the energy costs may help keep that housing affordable and prevent homelessness. An applicant seeking energy assistance applies to the local Comprehensive Energy Assistance Program (CEAP) Subrecipient for assistance. The Subrecipient determines income eligibility, prioritizes status (this includes a review of billing history to determine energy burden and consumption) and determines which CEAP component is most appropriate for the eligible applicant. If the CEAP applicant is eligible and meets program priorities, the CEAP Subrecipient makes an energy payment to an energy company through a vendor agreement with energy providers. Additionally, some households qualify for repair, replacement or retrofit of inefficient heating and cooling appliances.

There are four CEAP components:

- The Elderly and/or Disabled Component is designed to assist households with at least one member who is elderly and/or disabled. Households can receive up to four energy payments in a program year. Assistance is based on energy consumption in the previous 12 months, energy burden (percentage of income used for energy) and the income category for which the household qualifies.
- The Co-Payment Component is designed to assist households by providing client education, budget counseling and assisting households with energy payments for six to twelve months.

- The Heating and Cooling Component is designed to address inefficient heating and cooling appliances through repair, replacement, or retrofit for households that have high energy consumption
- The Energy Crisis Component is designed to provide one-time energy assistance to households during a period of extreme temperatures or an energy supply shortage. In some instances, Energy Crisis funds can be used to address natural disasters.

#### **B. HOMELESSNESS PREVENTION**

## EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grant Program (ESGP) is the primary program used specifically to provide shelter to homeless Texans or those faced with homelessness. Activities eligible for ESGP funding include the rehabilitation or conversion of buildings for use as emergency shelters for the homeless; the provision of essential services to the homeless; costs related to the development and implementation of homeless prevention activities; medical and psychological counseling; assistance with obtaining permanent housing; and costs related to maintenance, operation administration, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings.

#### HOMELESS HOUSING AND SERVICES PROGRAM

Homeless Housing and Services Program (HHSP) will be used for the purposes of assisting regional urban areas in providing services to homeless individuals and families, including the construction of facilities, direct services, case management, homeless prevention, housing retention and rental assistance.

## HOMELESSNESS PREVENTION AND RAPID RE-HOUSING (RECOVERY ACT)

Homelessness Prevention and Rapid Re-housing (HPRP) can provide the following types of assistance: (1) financial assistance including short-term (up to 3 months) and medium-term (up to 18 months) rental assistance, security deposits, utility deposits and payments, moving cost assistance, and motel and hotel vouchers; (2) housing relocation and stabilization services including case management (e.g. arrangement, coordination, monitoring and delivery of services related to meeting housing needs), outreach and engagement, housing search and placement, legal services (e.g. legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues, excluding mortgage legal services), and credit repair.

## (2) RENTAL ASSISTANCE AND MULTIFAMILY DEVELOPMENT

For low-income Texans who have difficulty affording rent, TDHCA offers two main types of support: rental subsidies for low-income Texans and rental development subsidies for developers who, in turn, produce housing with reduced rents for low-income Texans.

#### A. RENTAL ASSISTANCE

## SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

The Section 8 Housing Choice Voucher Program provides rental subsidies for decent, safe and sanitary housing to eligible households. TDHCA pays approved rent amounts directly to property owners. Qualified households may select the best available housing through direct negotiations with landlords to ensure accommodations that meet their needs.

#### TENANT-BASED RENTAL ASSISTANCE

The HOME Program's Tenant-Based Rental Assistance (TBRA) provides rental subsidy, security and utility deposit assistance. TBRA allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months. The tenant must also participate in a self-sufficiency program while receiving TBRA assistance.

## TEXAS VETERANS HOUSING ASSISTANCE PROGRAM – VETERANS' RENTAL ASSISTANCE

The Housing Trust Funds' Texas Veterans Housing Assistance Program provides rental subsidies for a maximum of two years, allowing assisted households to live in any rental unit in the service area to low-income veterans.

## **B. MULTIFAMILY DEVELOPMENT**

#### AFFORDABLE HOUSING MATCH PROGRAM

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for rental development.

## COMMUNITY HOUSING DEVELOPMENT ORGANIZATION SET-ASIDE

Through the HOME Program, these organizations can apply for multifamily rental housing acquisition, rehabilitation, or new construction as well as for the acquisition, rehabilitation, or new construction of single-family housing.

#### HOUSING TAX CREDIT EXCHANGE (RECOVERY ACT)

Through the Recovery Act, the Texas Tax Credit Exchange (HTC EX) Program allows developments who have been allocated tax credits in 2007, 2008 and 2009 to return their credits and potentially receive a cash grant in exchange for the credits. This program will allow developers to build additional housing for low-income Texans.

## HOUSING TAX CREDIT PROGRAM

The purpose of the Housing Tax Credit (HTC) Program is to encourage the development and preservation of affordable rental housing for low-income families, provide for the participation of for-profit and nonprofit organizations in the program, maximize the number of units added to the state's housing supply and prevent losses in the state's supply of affordable housing.

#### MULTIFAMILY BOND PROGRAM

The proceeds of the bonds issued by TDHCA are used to finance the construction, acquisition, or rehabilitation of multifamily properties with the targeted beneficiaries being very low, low and moderate-income households. Property owners are also required to offer a variety of services to benefit the residents of the development. Specific tenant programs must be designed to meet the needs of the current tenant profile and must be approved annually by TDHCA.

#### RENTAL HOUSING DEVELOPMENT

HOME Rental Housing Development (RHD) funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low-, very low- and low-income families and must meet long-term rent restrictions as defined by HUD.

## RURAL HOUSING EXPANSION PROGRAM

The Housing Trust Funds' Rural Housing Expansion Program will be awarded to eligible applicants for the development of affordable rental housing and capacity building to the eligible applicant, increasing the capability of rural organizations.

## TAX CREDIT ASSISTANCE PROGRAM (RECOVERY ACT)

The Recovery Act seeks to address the loss in value of Housing Tax Credits (HTCs) by allowing TDHCA to award federal HOME funds through the Tax Credit Assistance Program (TCAP) to HTC developments affected by devaluation in the tax credit market. This program provides gap financing to affordable rental developments awarded HTCs in years 2007 and 2008, as well as current program applicants, to build multifamily housing for low-income Texans.

## (3) HOMEBUYER EDUCATION, ASSISTANCE AND SINGLE-FAMILY DEVELOPMENT

After a low-income household has become self-sufficient, the household may be ready for homeownership. Homeownership may help a low-income household to build equity, raise the household out of the low-income financial category and promote self-sufficiency. An asset-development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. TDHCA works to ensure that potential homeowners understand the responsibilities of homeownership by offering homeownership education courses as well as providing financial tools to make homeownership more attainable.

## A. HOMEBUYER EDUCATION

### COLONIA SELF-HELP CENTER PROGRAM

The colonia Self-Help Center (SHC) Program provides outreach, education and technical assistance to colonia residents. Colonia SHCs provide technical assistance in credit and debt counseling, housing finance, contract for deed conversions, capital access for mortgages, as well as in grant writing, housing rehabilitation, new construction, surveying and platting, construction skills training, solid waste removal, tool library access for self-help construction and infrastructure construction and access.

### TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

To ensure uniform quality of the homebuyer education provided throughout the state, TDHCA contracts with training professionals to teach local nonprofit organizations the principles and applications of comprehensive pre- and post-purchase homebuyer education. The training professionals and TDHCA also certify the participants as homebuyer education providers.

## B. HOMEBUYER ASSITANCE

### AFFORDABLE HOUSING MATCH PROGRAM

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An

example of an eligible use includes creation of a loan loss reserve account to encourage banks to lend to low-income families.

#### FIRST TIME HOMEBUYER PROGRAM – NON-TARGETED FUNDS

The Texas Homeownership Division's First Time Homebuyer Program non-targeted funds may offer eligible homebuyers below-market interest rate loans and/or down payment assistance through a network of participating lenders. The program is available on a first-come, first-served basis to individuals or families up to 115% of the AMFI who meet income and home purchase requirements, and have not owned a home as their primary residence in the past three (3) years.

## FIRST TIME HOMEBUYER PROGRAM – TARGETED FUNDS

The Texas Homeownership Division's First Time Homebuyer Program targeted funds may offer eligible homebuyers below-market interest rate loans and/or down payment assistance through a network of participating lenders in areas of chronic economic distress. The program is available on a first-come, first-served basis to individuals or families up to 140% of the AMFI who meet income and home purchase requirements. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

HOMEBUYER TAX CREDIT PROGRAMS - 90-DAY DOWN PAYMENT PROGRAM AND MORTGAGE ADVANTAGE PROGRAM (RECOVERY ACT)

For homebuyers using the Recovery Act's first-time homebuyer tax credit, the Texas Homeownership Division's 90-Day Down Payment Assistance Program provides 5 percent of the first lien mortgage amount up to a maximum of \$7,000 for down payment and/or closing costs at 0 percent interest for 90 days. For homebuyers using the Recovery Act first-time homebuyer tax credit and the Texas First Time Homebuyer Program and/or the MCC Program, the Mortgage Advantage Program provides 5 percent of the first lien mortgage amount up to a maximum of \$6,000 for down payment and/or closing costs. The Mortgage Advantage Program offers 0 percent interest on the second lien for 120 days.

## HOMEOWNERSHIP ASSISTANCE

HOME's Homeownership Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition of affordable single-family housing, including manufactured housing. Homeownership Assistance with Rehabilitation offers down payment and closing cost assistance and also includes construction costs associated with architectural barrier removal for homebuyers with disabilities.

#### HOMEOWNERSHIP ASSISTANCE - CONTRACT FOR DEED

HOME's Homeownership Assistance's Contract for Deed (CFD) activity converts an eligible contract for deed into a traditional mortgage. This is achieved by offering assistance to eligible homebuyers for the acquisition or the acquisition and rehabilitation, new construction or reconstruction of properties. All CFD conversions must be used for families that reside in a colonia and earn sixty percent (60%) or less of the Area Median Family Income.

## HOMEOWNERSHIP ASSISTANCE PROGRAM – HOMEBUYER ASSISTANCE

The Housing Trust Funds' Homeownership Assistance Program provides funding for zero percent interest gap financing or down payment assistance for first-time homebuyers.

#### MORTGAGE CREDIT CERTIFICATE PROGRAM

The Texas Homeownership Division's MCC provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit may equal 30 percent of the annual

interest paid on a mortgage loan; however, the maximum amount of the credit cannot exceed \$2,000 per year. This tax savings may also provide a family with more available income to qualify for a loan and meet mortgage payment requirements.

TEXAS VETERANS HOUSING ASSISTANCE PROGRAM – VETERANS' HOMEBUYER ASSISTANCE

Housing Trust Funds' Homeownership Assistance program will be available to low-income veterans as a one-time deferred forgivable loan of up to \$35,000 for down payment assistance, closing costs and accessible modifications such as ramps, accessible bathrooms and accessible kitchens.

## C. SINGLE-FAMILY DEVELOPMENT

## COMMUNITY HOUSING DEVELOPMENT ORGANIZATION SET-ASIDE

Through the HOME Program, these organizations can apply for multifamily rental housing acquisition, rehabilitation, or new construction as well as for the acquisition, rehabilitation, or new construction of single-family housing.

#### RURAL HOUSING EXPANSION PROGRAM

The Housing Trust Funds' Rural Housing Expansion Program will be awarded to eligible applicants for the development of affordable rental housing. This program will also provide capacity building to the eligible applicant, increasing the capability of rural organizations.

#### TEXAS BOOTSTRAP LOAN PROGRAM

The Office of Colonia Initiative's Texas Bootstrap Loan Program provides funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing. For more detailed information, see *Section 6: Colonia Action Plan*.

# (4) REHABILITATION AND WEATHERIZATION

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. In addition, by providing minor repairs and weatherization to owned or rented housing, the energy costs associated with housing will be reduced. TDHCA offers both these services.

## A. REHABILITATION

### HOMEOWNER REHABILITATION

HOME's Homeowner Rehabilitation program provides rehabilitation or reconstruction cost assistance to homeowners for the repair or reconstruction of their existing home, which must be their principal residence. At the completion of the assistance, all properties must meet, as applicable, the Texas Minimum Construction Standards, the International Residential Code (IRC) and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code.

## HOMEOWNERSHIP ASSISTANCE PROGRAM – HOMEOWNER REHABILITATION

The Housing Trust Funds' Homeownership Assistance Program provides zero percent interest rehabilitation loans for homeowners including barrier removal, and other innovative homeownership initiatives

#### HOME FREE BARRIER REMOVAL AND REHABILITATION PROGRAM

The Housing Trust Fund's Home Free Barrier Removal and Rehabilitation Program is designed to provide a one-time grant up to \$15,000 for home modifications specifically needed for accessibility, and up to an additional \$5,000 in other rehabilitation costs correlated with the barrier removal project. Home modifications may include installing handrails; ramps; buzzing or flashing devices; accessible door and faucet handles; shower grab bards and shower wands; and accessible showers, toilets and sinks. Home modifications may also include door widening and counter adjustments.

### **B. WEATHERIZATION**

WEATHERIZATION ASSISTANCE PROGRAM AND WEATHERIZATION ASSISTANCE PROGRAM (RECOVERY ACT)

The purpose of Community Affairs' Weatherization Assistance Program (WAP) is to provide cost-effective weatherization measures to improve the energy efficiency of eligible client households. In order to provide weatherization measures for a dwelling, the household must meet income-eligibility criteria and the measures must meet specific energy-savings goals. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, energy efficient appliances such as refrigerator replacement, caulking and replacement of inefficient heating and cooling units and minor roof repair. WAP also provides energy conservation education. Community Affairs' Weatherization Assistance Program (WAP) offered through the Recovery Act provides similar assistance as WAP not offered through the Recovery Act. The main differences are in eligibility requirements for households and an increase in the amount of funding allowed for weatherization on each housing unit.

## (5) FORECLOSURE RELIEF

In a proactive response to a national foreclosure crisis, TDHCA has undertaken several programs to mitigate foreclosure.

## A. FORECLOSURE PREVENTION

#### NATIONAL FORECLOSURE MITIGATION COUNSELING

The purpose of the Texas Homeownership Division's National Foreclosure Mitigation Counseling (NFMC) Program is to reimburse HUD-Approved foreclosure counseling agencies for foreclosure mitigation counseling. Foreclosure mitigation counseling includes, but is not limited to, financial analysis of the client's situation, research to determine the current value of the home and a review of options available to the client, such as financial restructuring. While the most desirable outcome is to help homeowners obtain a mortgage they can afford, the purpose of the program is to prevent foreclosure and, in some instances, the only way to successfully cure a default may be to sell the home.

# B. POST-FORECLOSURE MITIGATION

#### NEIGHBORHOOD STABILIZATION PROGRAM 1

The Neighborhood Stabilization Program (NSP) 1 will provide funds to local units of government and other entities with the consent of the local governments to provide clearance, financing mechanisms, acquisition of real property, rehabilitation, creation of land banks and redevelopment of foreclosed properties.

According to the NSP 1 Action Plan and subject to approval by HUD, clearance will allow a grantee to remove dangerous structures that pose a threat to human health, safety, and public welfare and allow for

the future private redevelopment of the property. Financing mechanisms will allow homebuyers who earn 50% or less of Area Median Family Income (AMFI) to qualify for 100% financing through the Department at 0% interest for 30 years and will also allow homebuyers who earn 120% or less of AMFI to qualify for up to \$30,000 in homebuyer assistance. The acquisition of real property will allow subrecipients to acquire foreclosed and/or abandoned homes if the acquisition reflects a minimum discount from the approved appraisal fair market value at the time of closing. The home will be considered to be abandoned if foreclosure proceedings have begun; if the seller has not made tax or mortgage payments for 90 days; and the home has been vacant for 90 days. Acquisition of real property allows a grantee to purchase the abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below. Rehabilitation will allow rehabilitation and/or improvement of existing structures to a condition that brings the structure into in compliance with Texas Minimum Construction Standards. Land banking activities will allow foreclosed properties to be temporarily removed from the real estate market in order to allow neighborhoods experiencing declining property values to recover. Redevelopment of demolished or vacant properties will address areas of greatest need throughout the state wherever there are large amounts of demolished or vacant properties that are contributing to declining land values.

# (6) DISASTER RECOVERY AND RELIEF

When natural and man-made disasters strike, low-income households are often the most dramatically affected. In an effort to reduce the recovery time, almost every department in TDHCA offers some sort of disaster assistance. TDHCA is committed to quickly, efficiently and responsibly locating funds and developing programs and initiatives to assist affected households and communities. Below are descriptions of the disaster recovery initiatives the Department has developed.

#### AFFORDABLE HOUSING MATCH PROGRAM

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for disaster recovery.

### CDBG DISASTER RECOVERY PROGRAMS - ROUND ONE

CDBG Disaster Recovery Program Round One funds will be used for housing activities and non-housing activities for the recovery from Hurricanes Rita and Katrina. CDBG Disaster Recovery Program Round One's housing activities include, but are not limited to, single-family and multifamily acquisition, demolition, repair, rehabilitation, reconstruction and new construction as appropriate for the specific local needs to address damage as a result of Hurricane Rita. Flood buyouts of homes damaged by Hurricane Rita in which the owner will repurchase a home are considered housing activities.

CDBG Disaster Recovery Program Round One's non-housing activities include, but not be limited to, FEMA Infrastructure Grant Program match, FEMA Hazard Mitigation Grant Program match (including drainage projects, flood buyouts in which the property is converted into open, undeveloped land, and saferoom and community storm shelters), Natural Resource and Conservation Service (NRCS-USDA) flood and drainage projects, roads and bridges, water control facilities, water and waste water facilities, buildings and equipment, hospitals and other medical facilities, utilities, parks and recreational facilities, debris removal, public/community shelters, and loan funds for businesses. The Texas Department of Rural Affairs (TDRA) will administer the non-housing activities through a contract with TDHCA and approved by TDHCA's Governing Board.

## CDBG DISASTER RECOVERY PROGRAMS - ROUND TWO

CDBG Disaster Recovery Program funds for Round Two are divided among the Homeowners Assistance Program, the Sabine Pass Restoration Program, the Multifamily Rental Housing Stock Preservation Program, the Restoration of Critical Infrastructure Program and the City of Houston and Harris County Public Service and Community Development Program.

The Homeowner Assistance Program is available for homeowners with incomes up to 80 percent of AMFI whose homes were damaged by Hurricane Rita. All grant amounts or deferred forgivable loans are based on damage to the dwelling and will be used for rehabilitation and new construction.

The Sabine Pass Restoration Program provides three types of assistance. (1) Home rehabilitation and reconstruction assistance made available for homeowners with incomes up to 150 percent of AMFI. (2) Homeowners may also apply for assistance to defray the costs of elevating rehabilitated or reconstructed homes and increase a home's ability to survive another storm event. (3) If uncommitted funding remains available after 180 days, eligible homeowners with damage to more than 50 percent of the home's market value may apply for a grant to purchase a new home in the Rita Go Zone.

TDHCA Multifamily Rental Housing Stock Preservation Program is made available in the form of a grant or loan to the owners of affordable rental properties that were damaged by Hurricane Rita to rehabilitate the properties or build units to replace those damaged by the storm.

The Restoration of Critical Infrastructure Program can be used for 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. TDRA will administer activities awarded under this program through a contract with TDHCA and approved by TDHCA's Governing Board.

The City of Houston and Harris County Public Service and Community Development Program provides funding for public service, community development and housing activities in areas 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.

## CDBG DISASTER RECOVERY PROGRAMS – HURRICANES DOLLY AND IKE RECOVERY

According to the *State of Texas Plan* for Disaster Recovery prepared by TDRA and submitted to HUD, the CDBG Program for Hurricanes Dolly and Ike will be used for housing and non-housing activities. The housing activities include, but are not limited to, single-family and multifamily repair, rehabilitation and/or new construction; repair and replacement of manufactured housing units; hazard mitigation; and elevation. The non-housing activities may include restoration of infrastructure; real property activities, such as buy-out of properties in the flood zone; economic development; public services, such as employment services and crime prevention; and public facilities, such as community facility repair.

### COMMUNITY SERVICES BLOCK GRANT – EMERGENCY DISASTER RELIEF

As a first line of action, the Department reserves a portion of the State's CSBG funds to provide emergency disaster relief to assist low-income persons who live in communities impacted by a natural or man-made disaster. The CSBG emergency disaster relief funds are distributed to CSBG-eligible entities and are to be utilized to provide persons with emergency shelter, food, clothing, pharmaceutical supplies, bedding, cleaning supplies, personal hygiene items and replacement of essential appliances including stoves, refrigerators and water heaters.

#### DISASTER RECOVERY HOMEOWNER REPAIR GAP FINANCING PROGRAM

Although federal assistance is often available after a natural disaster, some homeowners will still need gap financing. Housing Trust Fund monies have been committed through Disaster Recovery Homeowner Repair Gap Financing Program to assist qualified households, who are lacking only a small portion of funds, fulfill their full cost of construction.

#### HOMEOWNER REHABILITATION ASSISTANCE – DISASTER RELIEF

In accordance with Texas Administrative Code, Title 10, Part 1 Chapter 1, subchapter A §1.19 and TAC Section 2306.111, the Department may use HOME deobligated funds for disaster relief through its Homeowner Rehabilitation activity. HOME disaster funds are designed specifically to assist eligible homeowners in the repair, rehabilitation and reconstruction of their existing home affected by the natural disaster, with emphasis on assisting those who have no other means of assistance, or as gap financing after any federal assistance. Assisted homeowners must have an income that is below 80% of AMFI, as defined by HUD, must occupy the property as their principal residence and must have been directly affected by the disaster.

There are two types of disaster declarations, a federally-declared disaster and a state-declared disaster. Communities in federally-declared disaster areas must first apply to the federal government in order to allow counties to access any available federal funds to provide assistance to eligible victims of the disaster. After 90 days, the Department's HOME deobligated funds may be made available to these areas. For state-declared disasters, the Department receives a state-disaster declaration from the Governor's Office. The Department will notify county officials in the affected areas of the availability of disaster relief funds for which they may apply.

#### HOUSING TAX CREDIT PROGRAM – DISASTER RELIEF

In December 2005, Texas received an additional \$3.5 million Housing Tax Credits (HTCs) to assist with the rebuilding of low-income apartments in the Hurricane disaster areas along the gulf coast from the 2005 hurricanes. This amount was set-aside for the specific counties of the Gulf Coast Opportunity Zone (GO Zone).

In October 2008, Texas received \$44.7 million HTCs specifically for counties affected by Hurricane Ike as a result of Public Law 110-343, Tax Extenders and Alternative Minimum Tax Relief Act of 2008. The total amount will be allocated throughout 2008, 2009 and 2010 at \$14.9 million per year.

# TEXAS FIRST TIME HOMEBUYER PROGRAM AND MORTGAGE CREDIT CERTIFICATE PROGRAM – TARGETED FUNDS

Texas First Time Homebuyer Program and Mortgage Credit Certificate Program offer Targeted Funds for areas of severe economic distress. In August 2009, TDHCA released approximately \$16.2 million through the Texas First Time Homebuyer Program for home loans made available to qualified homebuyers wishing to purchase a home in a targeted area, including the 22 East Texas counties designated under the Gulf Opportunity Zone Act of 2005. In February 2009, TDHCA released approximately \$6 million through the 2009 Mortgage Credit Certificate Program for use within targeted areas including the 22-county area known as the Rita Go Zone. The program income and purchase price limits may be higher for eligible homebuyers purchasing in a targeted area or a disaster declared area. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

# **POLICY PRIORITIES**

The Policy Priorities segment describes policies TDHCA uses to address specific types of housing concerns and standards. Furthermore, TDHCA establishes policies to specifically target special needs populations.

A list of housing concerns and standards follows:

- Fair Housing
  - o Providing assistance without regard to race, color, religion, sex, disability, familial status or national origin
- Rural Needs
  - o Meeting the housing needs of the less-populous areas of the state
- Extremely Low-Income Households and Households Living in Poverty
  - o Addressing the underserved needs of extremely low-income households
- Energy Efficiency
  - o Encouraging energy efficiency in housing and appliances
- Lead-Based Paint
  - o Ensuring notification and safe handling of lead-based paint

HUD identified five special needs populations and TDHCA works to support these HUD-designated populations. To tailor its programs to meet Texas' particular needs, TDHCA has also included colonia residents and migrant farmworkers as special needs populations.

A list of special needs populations follows:

- Homeless Populations
- Persons with Disabilities
- Elderly Populations
- Persons with Alcohol and Substance Abuse Issues
- Public Housing Residents
- Colonia Residents
- Migrant Farmworkers

A short description of each housing concern and standard and special needs population is included below. Following the descriptions are policy-driven actions undertaken by TDHCA.

## **FAIR HOUSING**

Through program requirements and compliance monitoring, TDHCA works to ensure that housing programs benefit individuals without regard to race, color, religion, sex, disability, familial status or national origin. Complaints involving all forms of housing discrimination are also referred to the Texas Workforce Commission Human Rights Division, which oversees the Texas Fair Housing Act.

The Texas Fair Housing Act of 1989 enables the State to remedy discriminatory public policies affecting housing affordability and access. The Act prohibits discrimination against individuals in their pursuit of homeownership or rental housing opportunities based on race, color, national origin, sex, religion, familial status and physical or mental handicaps.

*Policy-Driven Action:* The Department is in the process of updating its 2003 Analysis of Impediments to Fair Housing. Internal preparations have begun and will be finalized once HUD releases its new regulations for this process, expected in early 2010.

Recent state activities or current objectives relating to fair housing are discussed below:

- Comply with the Texas Fair Housing Act in TDHCA-administered programs.
- Coordinate fair housing efforts with the Human Rights Division of the Texas Workforce Commission which was created under the Texas Fair Housing Act to directly address public grievances related to fair housing.

Additionally, consistent with federal law and guidance from HUD and the Department of Justice, it is the policy of TDHCA to not require its nonprofit recipients of funds to verify, as a condition of receiving federal funds, the citizenship or immigration status of applicants for funds, with the exception of the Section 8 voucher programs administered by the state. The overall policy of legal residency verification is subject to revision and will be made to conform to the HUD rule currently under review when it is adopted in a final form.

The Section 8 Admittance Policy has been adopted by the TDHCA Board and is as follows:

- Managers and owners of Housing Tax Credit (HTC) properties are prohibited from having policies, practices, procedures and/or screening criteria that have the effect of excluding applicants because they have a Section 8 voucher or certificate.
- The verification of such an exclusionary practice on the part of the owner or the manager by TDHCA will be considered a violation and will result in the issuance of a Notice of Violation and, if appropriate, issuance of a Form 8823 to the Internal Revenue Service.
- Any violation of program requirements relative to this policy will also impact the Owner's ability to participate in future TDHCA programs.

#### RURAL NEEDS

As the migration of populations and industries continues to urban and suburban areas, the less-populous areas of the state are left with a dilapidated housing stock and households with lower incomes than their urban or suburban counterparts. According to HUD, for 2009, the median income for Texas metropolitan statistical areas is \$59,800 compared to \$45,600 for non-metro area households.<sup>32</sup>

*Policy-Driven Action:* Combined with a strategy of interagency collaboration, TDHCA's HOME, Housing Trust Fund, Housing Tax Credits and Section 8 Housing Choice Voucher programs all have specific measures to address rural populations.

The Department works closely with several rural-based affordable housing organizations, private lenders, nonprofits and units of local government in order to give funding priority to rural areas. Affordable housing development in rural areas requires more effort because there are significantly fewer organizations available to assist with these activities. With this in mind, the Department has developed specific strategies to address the needs of the rural populations of the state, which include rural allocations for housing program funds, prioritization of activities that are most needed in rural areas and increasing awareness of TDHCA programs in rural areas.

Section 2306.111(d) of the Texas Government Code requires that the TDHCA Regional Allocation Formula (RAF) consider rural and urban areas in its distribution of program funding. Because of this, allocations for the HOME, Housing Trust Fund and HTC programs are allocated by rural and urban areas within each region.

Additionally for Housing Tax Credits, the Housing Tax Credit RAF provides for a minimum of \$500,000 rural allocation in each uniform state service region and a minimum of 20 percent of the state's tax credit

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<sup>&</sup>lt;sup>32</sup> HUD. (2009, March 19) Estimated median family incomes for FY 2008. Retrieved from http://www.huduser.org/datasets/il/il09/Medians2009.pdf.

amount is reserved for rural areas. Furthermore, TDHCA and the Texas Department of Rural Affairs (TDRA) administer the Housing Tax Credit Program's rural regional allocation. TDRA assists in developing all thresholds, scoring and underwriting criteria for rural regional allocation and must approve the criteria. TDRA also participates in the evaluation and site inspection of rural developments proposed under the rural allocation.

As established in Section 2306.111(c) of the Texas Government Code, ninety-five percent of the Department's HOME funds are required to serve households in non-participating jurisdictions, which are primarily rural areas of the state. Participating jurisdictions are those large metropolitan counties and places that receive their HOME funds directly from HUD. The remaining five percent of the annual HOME Program allocation is set aside for applicants serving persons with disabilities regardless of their location in the state.

The TDHCA Section 8 Housing Choice Voucher Program specifically serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs.

The Housing Trust Fund Program has programmed \$2,000,000 in funds to develop a Rural Housing Expansion Program, which will commits to building capacity in tandem with actual production of affordable housing in rural Texas.

## EXTREMELY LOW-INCOME HOUSEHOLDS AND HOUSEHOLDS LIVING IN POVERTY

The U.S. Department of Health and Human Services defines the 2009 poverty guideline as \$22,050 in income for a family of four,<sup>33</sup> and many poor families make substantially less than this. Poverty can be self-perpetuating, creating barriers to education, health care and the financial stability provided by homeownership.

The data presented in the Housing Analysis section of this report shows that households with lower incomes have higher incidences of housing problems. There is a minimal difference between the incidences of housing problems between the two lowest income groups (0-30 percent and 31-50 percent of median income). While incidences of housing problems for these two groups are significantly higher than those of the other low-income group, households with incomes at 51-80 percent of median income have significant needs as well.

*Policy-Driven Action:* The Department has an important role in addressing poverty in Texas; the Department seeks to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means (1) trying to provide long-term solutions to the problems facing people in poverty and (2) targeting resources to those with the greatest need.

Households at or under 80 percent AMFI have been given higher priority than households above 80 percent AMFI. This prioritization allows TDHCA to target resources to those households most in need, regardless of household type.

In the Neighborhood Stabilization Plan 1, a minimum of \$25,499,212 will be dedicated to serve 50% AMFI or below households through the acquisition and redevelopment of foreclosed or abandoned residential property that will result in permanent housing.

While one of the Department's charges is to serve the State's populations from extremely low income to moderate income, funding priority is given to those populations that are most in need of services: low-, very low- and extremely low-income individuals and households. Additionally, the Texas Legislature, through Rider 5 in the 2010-2011 Appropriations Act, specifically calls upon TDHCA to prioritize funding toward individuals and families that earn less than 60 percent AMFI. This rider directs TDHCA

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<sup>&</sup>lt;sup>33</sup> U.S. Department of Health and Human Services, (2009, January 23). Annual Update of the HHS Poverty Guidelines. http://aspe.hhs.gov/POVERTY/09fedreg.shtml .

to apply \$30,000,000 annually towards assisting extremely low-income households and no less than 20 percent of the Department's total housing funds towards assisting very low-income households. TDHCA works to meet these goals by providing incentives for applicants to set aside units for very low- and extremely low-income households.

The Department provides low-income persons with energy, emergency and housing assistance to meet the basic necessities, as described in the Housing Support Continuum above. All programs and divisions, with the exception of the Manufactured Housing Division, have income guidelines that target low- to moderate-income Texans and households in need.

## **ENERGY EFFICIENCY**

Energy and water costs are often the largest single housing expense after food and shelter for lower income families. According to 2006 estimates, utility costs make up approximately 12.2 percent of the annual income of Weatherization Assistance Program eligible households.<sup>34</sup> Proper use of existing technologies and management practices can reduce these utility costs significantly at a relatively low initial cost, thereby greatly increasing housing affordability for low- and moderate-income families.

Policy-Driven Action: TDHCA offers training, workshops and conferences to encourage energy efficiency as well as requiring specific measures in its Comprehensive Energy Assistance Program, Weatherization Assistance Program, HOME Programs, Housing Tax Credit Program, Multifamily Bond Program, and Neighborhood Stabilization Program that address energy efficiency.

The Department encourages energy efficiency in the construction of affordable housing by offering training, workshops, conferences and other opportunities to learn about energy efficiency construction and by encouraging applicants for Department programs to consider energy efficiency in their developments.

Comprehensive Energy Assistance Program and the Weatherization Assistance Program allocate funding to help households control energy costs through utility payment assistance, the installation of weatherization measures and energy conservation education. Weatherization services include the installation of storm windows, repair and/or replacement of heating and cooling appliances, attic and wall insulation and weather-stripping and sealing.

The HOME, Housing Tax Credit, Multifamily Bond, and Neighborhood Stabilization programs require applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances. The Housing Tax Credit Program also gives additional application points for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, structurally insulated panels, 14 SEER (seasonal energy efficiency ratio) cooling units and numerous green building initiatives.

# **LEAD-BASED PAINT**

The Consumer Product Safety Commission banned the use of lead-based paint in housing in 1978. According to the 2000 Census, there are 3,344,406 housing units in Texas that were built before 1979, many of which potentially contain lead-based paint. Of these homes, 2,764,745 are occupied by low-income households and 579,661 are occupied by moderate-income households. According to the National Safety Council, approximately 38 million U.S. homes contain lead paint.<sup>35</sup>

 $<sup>^{34}</sup>$  Texas Department of Housing and Community Affairs. (2006). Weatherization Assistance Program. Retrieved from <a href="http://www.tdhca.state.tx.us/ea/wap.htm">http://www.tdhca.state.tx.us/ea/wap.htm</a>.

<sup>35</sup> National Safety Council. (2004, December) Lead poisoning. Retrieved from http://www.nsc.org/library/facts/lead.htm.

*Policy-Driven Action:* The Emergency Shelter Grant, Homelessness Prevention and Rapid Re-housing, Housing Tax Credit, Multifamily Bond, HOME, Housing Trust Fund, Neighborhood Stabilization and Section 8 programs all require lead-based paint screening for certain activities.

The Emergency Shelter Grant, Housing Tax Credit, and Multifamily Bond programs require an environmental assessment, which includes an evaluation of lead-based paint hazards, for rehabilitation or demolition required for new construction. Any lead-based paint must be addressed before the development can move forward.

The Homelessness Prevention and Rapid Re-housing Program requires an initial visual assessment and periodic inspections for as long as Financial Assistance funds are being used to assist the family in the unit. These requirements apply if the unit was constructed before 1978 and a child under the age of 6 or a pregnant woman will reside there, unless it meets one of the following circumstances: the unit is a zero-bedroom or Single Residence Occupancy unit; it is housing for the elderly; a lead-based paint inspection has been conducted in accordance with HUD regulations and found not to have lead-based paint; the property has all lead-based paint identified and removed in accordance with HUD regulations; the unit meets any of the other exemptions described in 24 CFR part 35.115(a). In addition, the unit must be inspected again if a new family assisted with Homelessness Prevention and Rapid Re-Housing funds moves in or if the periodic inspection is due. Finally, the owner must provide a notice to occupants if an evaluation and hazard reduction activities have taken place, in accordance with 24 CFR Part 35.125.

The HOME, Housing Trust Fund, and Neighborhood Stabilization programs require lead screening in housing units built before 1978. Requirements for acquisition, rehabilitation and tenant-based rental assistance activities are: the distribution of the EPA-approved information pamphlet "Protect Your Family from Lead in Your Home" prior to receipt of assistance (HOME uses pamphlet "Renovate Right" and not the previous pamphlet); notification to property owners if an assessment observes lead hazards; and stabilization and clearance of lead-based paint hazards, if detected. For the HOME Program, lead-based paint requirements for rehabilitation activities fall into three categories based on the amount of federal assistance.

The Section 8 Program requires staff to conduct a visual assessment and inspect the unit based on housing quality standards.

## HOMELESS POPULATIONS (SPECIAL NEEDS)

On May 20, 2009 President Obama signed into law a bill to reauthorize HUD's McKinney-Vento Homeless Assistance programs. The bill was included as part of the Helping Families Save Their Homes Act. The new Act, called the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), updated the McKinney Vento definition of homelessness. The new definition will go into effect no later than November 20, 2010:

- (1) an individual or family who lacks a fixed, regular, and adequate nighttime residence;
- (2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- (3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);
- (4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;

- (5) an individual or family who--
  - (A) will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations...
  - (B) has no subsequent residence identified; and
  - (C) lacks the resources or support networks needed to obtain other permanent housing; and
- (6) unaccompanied youth and homeless families with children and youth defined as homeless under other Federal statutes who--
  - (A) have experienced a long term period without living independently in permanent housing,
  - (B) have experienced persistent instability as measured by frequent moves over such period, and
  - (C) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

Estimates of homeless populations vary widely. The migratory nature of the homeless population, the stigma associated with homelessness and the fact that many homeless individuals lack basic documentation all contribute to the difficulty of making an accurate count. Most homeless surveys are "point in time" estimates, which do not capture the revolving-door phenomenon of persons moving in and out of shelters over time. Furthermore, the homeless population can be classified into three categories: (1) literally homeless, which describes people who have no permanent residence and stay in shelters or public places; (2) marginally homeless, which describes people who live temporarily with other people and have no prospects for housing; and (3) people-at-risk-of-homelessness, which describes people who have incomes below the poverty level, rely on utility and rental assistance and may be unable to absorb unexpected events such as the loss of a job or serious illness.

Policy-Driven Action: The first phase of the Housing Support Continuum above is "(1) Poverty and Homelessness Prevention" and includes the Community Service Block Grant, Comprehensive Energy Assistance, Emergency Shelter Grant, Homelessness Prevention and Rapid Re-Housing, and Homeless Housing and Services programs. In addition, other programs not specifically created for homelessness prevention nevertheless include several activities to address this population's special needs. For instance, the Housing Tax Credit Program can be used for homeless populations. In addition, TDHCA works in conjunction with the Texas Interagency Council for the Homeless.

While the Housing Tax Credit Program is well-known and primarily used for the construction, acquisition and/or rehabilitation of new, existing, at-risk and rural housing, the HTC Program can also be used to develop transitional housing and permanent supportive housing for homeless populations. Furthermore, according to the 2010 Housing Tax Credit Program QAP, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, including homeless populations, persons with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, and migrant farmworkers.

TEXAS INTERAGENCY COUNCIL FOR THE HOMELESS

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. TICH consists of representatives from all state agencies that serve the homeless. The council receives no funding and has no full-time staff, but receives clerical and advisory support from TDHCA. The council holds public hearings in various parts of the state to gather information useful to its members in administering programs. The Council's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs:
- developing, in coordination with TDHCA and the Health and Human Services Commission, a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

TICH is in process developing a Strategic Plan to End Homelessness which will address collaboration among federal, state, and local organizations to better address the needs of homeless persons and to prevent homelessness.

# PERSONS WITH DISABILITIES (SPECIAL NEEDS)

According to the 2005 to 2007 American Community Survey, approximately 6.6 percent, or 1,383,728, Texans over the age of 5 had one disability, and 7.8 percent, or 1,635,315, Texans over the age of five had two or more disabilities for that time period. Of the people with disabilities aged 16 to 64, approximately 3.1 percent had a sensory disability (severe vision or hearing impairment), 7.1% had a physical disability (condition that substantially limits a physical activity such as walking or carrying), 4.4% had a mental disability (learning or remembering impairment), 2.1 percent had a self-care disability (dressing, bathing, or getting around inside the home), 3.1 percent had a go-outside-home disability, and 6.2 percent had an employment disability from 2005 to 2007.<sup>36</sup>

According to the US Department of Housing and Urban Development, 24 CFR 582.5: A person shall be considered to have a disability if such a person has a physical, mental, or emotional

impairment that

- is expected to be of long-continued and indefinite duration,
- substantially impedes his or her ability to live independently, and
- is of such a nature that the ability could be improved by more suitable housing conditions.

Housing opportunities for people with disabilities may be complicated by low incomes. The 2005 to 2007 American Community Survey estimates that 38.6 percent of persons with any disability were employed during that time period. In addition, 23.4 percent were below the poverty level.<sup>37</sup> Many people with disabilities may be unable to work, and receive supplemental security income (SSI) or social security disability insurance (SSDI) benefits as their principal source of income. In nationwide study Priced Out In 2008: The Housing Crisis for People with Disabilities, a person receiving SSI as their sole source of income would need to pay 112.1 percent of their income to rent a one-bedroom unit or 99.3 percent of their income to rent a studio/efficiency.<sup>38</sup>

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<sup>&</sup>lt;sup>36</sup> U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from http://factfinder.census.gov/.

<sup>&</sup>lt;sup>38</sup> Cooper, E., Korman, H., O'Hara, A., & Zovistoski, A. (2009, April). Priced out in 2008: The housing crisis for people with disabilities. Retrieved from http://www.endlongtermhomelessness.org/downloads/news/Priced%20Out%202008.pdf.

The Olmstead Supreme Court decision maintained that unnecessary segregation and institutionalization of people with disabilities is unlawful discrimination under the Americans with Disabilities Act (ADA). Furthermore, the Fair Housing Act, Section 504 of the Rehabilitation Act, ADA and Section 2306.514 of the Texas Government Code all provide mandates for accessible residential housing for persons with disabilities. Housing developers may choose to provide "adaptive design" or "universal access" housing, which promotes basic, uniform standards in the design, construction and alteration of structures that include accessibility or simple modification for disabled individuals. While an "adaptable" unit may not be fully accessible at time of occupancy, it can easily and inexpensively be modified to meet the needs of any resident. Another option is to equip homes with special features designed for persons with disabilities, including ramps, extra-wide doors and hallways, hand rails and grab bars, raised toilets and special door levers.

Advocates for the elderly and persons with disabilities continue to stress that the primary goal of these populations is to live independently and remain in their own homes. Advocates considered access to rehabilitation funds for single-family housing a priority. The rehabilitation funds would perform minor physical modifications such as extra handrails, grab bars, wheelchair-accessible bathrooms and ramps, thus making existing units livable and providing a cost-effective and consumer-driven alternative to institutionalization. Likewise, the availability of rental vouchers that provide options beyond institutional settings was found to be a high priority. Another recognized need for people with disabilities is deeply affordable rents.

Policy-Driven Action: The Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond, Section 8, Neighborhood Stabilization, and Community Development Block Grant Disaster Recovery programs all have specific measures to address the needs of people with disabilities. Furthermore, the Integrated Housing Rule, as implemented by TDHCA, works to meet the needs of people with disabilities. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, Promoting Independence Advisory Committee, and the Disability Advisory Workgroup which all collaborate with groups representing people with disabilities.

Priority for energy assistance through Comprehensive Energy Assistance and Weatherization Assistance programs is given to the persons with disabilities as well as other special needs and prioritized groups. Local providers must implement special outreach efforts for these special needs populations.

As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, five percent of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state. Furthermore, the HOME Homeownership with Rehabilitation activity provides down payment and closing cost assistance as well as construction costs associated with architectural barrier removal to assist homebuyers with disabilities.

HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond and Neighborhood Stabilization programs' developments that are new construction must conform to Section 504 standards, which require that at least five percent of the development's units be accessible for persons with physical disabilities and at least two percent of the units be accessible for persons with hearing and visual impairments.

According to the 2010 Housing Tax Credit Program QAP, the Housing Tax Credit Program offers additional application points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, including persons with disabilities, persons with alcohol and/or drug addictions, Colonia residents, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farmworkers.

TDHCA's Section 8 Housing Choice Vouchers Program administers the Project Access program to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. Eligible households are those that meet the Section 8 criteria,

have a permanent disability, are less than 62 years of age and are either an At-Risk Applicant and a previous resident or a current resident of a nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance.

The Community Development Block Grant Disaster Recovery Program Round Two's Sabine Pass Restoration Program allows homeowners with a disability or elderly households the opportunity to apply for an additional \$15,000 in assistance for accessibility-related costs associated with elevating the dwelling.

## INTEGRATED HOUSING RULE

An issue of particular concern for advocates for persons with disabilities involved the Department's policies related to integrated housing. Integrated housing, as defined by SB 367 and passed by the 77th Texas Legislature, is "housing in which a person with a disability resides or may reside that is found in the community but that is not exclusively occupied by persons with disabilities and their care providers." The Department, with the assistance of the TDHCA Disability Advisory Workgroup, developed an integrated housing rule to address this concern. The Integrated Housing Rule, for use by all Department housing programs, is found at 10 TAC 1.15 and is summarized as follows

- A housing development may not restrict occupancy solely to people with disabilities or people with disabilities in combination with other special needs populations.
- Large housing developments (50 units or more) shall provide no more than 18 percent of the units of the development set aside exclusively for people with disabilities. The units must be dispersed throughout the development.
- Small housing developments (less than 50 units) shall provide no more than 36 percent of the units of the development set aside exclusively for people with disabilities. These units must be dispersed throughout the development.
- Set-aside percentages outlined above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants that are disabled.
- Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.

Exceptions to the above rule include (1) scattered site development and tenant-based rental assistance; (2) transitional housing that is time limited with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation; (3) housing developments designed exclusively for the elderly; (4) housing developments designed for other special needs populations; and (5) TDHCA Board waivers of this rule to further the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause.

## HOUSING AND HEALTH SERVICES COORDINATION COUNCIL

The 81st Legislature created the Housing and Health Services Coordination Council (Council) through SB 1878. The Council's purpose is to increase the amount of service-enriched housing for seniors and people with disabilities; improve interagency understanding of housing and services and increase the number of staff in state housing and state health services agencies that are conversant in both housing and health care policies; offer a continuum of home and community-based services that is affordable to the state and the target population. The Council includes 16 members including the Executive Director of TDHCA, 8 members appointed by the Governor, and 7 members appointed by State Agencies. Starting November 2009, the Council will meet quarterly. TDHCA provides clerical and advisory support.

PROMOTING INDEPENDENCE ADVISORY COMMITTEE

With the advent of the Olmstead decision, the Health and Human Services Commission (HHSC) initiated the Promoting Independence Initiative and appointed the Promoting Independence Advisory Board, as directed by then-Governor George Bush's Executive Order GWB 99-2. Governor Rick Perry's Executive Order RP 13 complements GWB 99-2. Now known as the Promoting Independence Advisory Committee, the PIAC assists the Health and Human Services Commission in creating the State's response to the Olmstead decision through the biannual Promoting Independence Plan. This plan highlights the State's efforts to assist those individuals desirous of community placement, appropriate for community placement as determined by the state's treatment professionals and who do not constitute a fundamental alteration in the state's services, to live in the community. TDHCA participates in PIAC meetings and is a member of the Housing subcommittee.

#### DISABILITY ADVISORY WORKGROUP

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 has actively maintained a Disability Advisory Workgroup which provides ongoing guidance to the Executive Director on how TDHCA's programs can most effectively serve persons with disabilities.

## **ELDERLY POPULATIONS (SPECIAL NEEDS)**

According to the 2006 to 2008 American Community Survey, there were approximately 2,396,684 Texans aged 65 and over during that time period. This made up approximately 10 percent of the Texas population.<sup>39</sup> The State of Texas Senior Housing Assessment found that 91 percent of survey respondents expressed a desire to stay in their own homes as long as possible and two-thirds believed that they would always live in their homes.<sup>40</sup> Of all elderly households nationwide, 73 percent owned their own homes free and clear. However, elderly homeowners generally live in older homes than the majority of the population; the median year of construction for homes owned by elderly households was 1965 and 5.3 percent had physical problems.<sup>41</sup> Due to their age, homes owned by the elderly are often in need of weatherization and repair.

Policy-Driven Action: The Community Service Block Grant, CDBG Disaster Recovery, Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Tax Credit and Multifamily Bond programs have specific activities that service elderly Texans. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, which works to Increase the amount of service-enriched housing for seniors and people with disabilities. A description of this Council is included under the Persons with Disabilities special needs category above.

Community Service Block Grant eligible entities operate programs targeting the elderly. Such programs include Meals-on-Wheels, congregate meal programs, senior activity centers, and home care services.

The CDBG Disaster Recovery Program Round Two's Sabine Pass Restoration Program allows homeowners with a disability or elderly households the opportunity to apply for an additional \$15,000 in assistance for accessibility-related costs associated with elevating the dwelling.

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 $<sup>^{39}</sup>$  U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from http://factfinder.census.gov.

<sup>&</sup>lt;sup>40</sup> Texas Department of Aging and Disability Services (2005). The State of Our State on Aging. 27. Retrieved from http://www.dads.state.tx.us/news\_info/publications/studies/2005\_sos\_exec\_summary.pdf.

<sup>&</sup>lt;sup>41</sup> U.S. Department of Health and Human Services. (2005). A Profile on Older Americans. 2005. 11.

The Department's energy assistance and weatherization programs, Comprehensive Energy Assistance and Weatherization Assistance programs respectively, give preference to the elderly as well as other special needs and priority populations. Subrecipients must conduct outreach activities for these special needs populations.

The Homeowner Rehabilitation activity, offered through the HOME Program, provides funds for the repair and rehabilitation of homes owned by very low-income households and many of the assisted households are elderly.

A Qualified Elderly Development is a development type that is eligible for funding through the Housing Tax Credit and Multifamily Bond programs. A Qualified Elderly Development is a development in which elderly residents occupy 80 to 100 percent of the units.

# PERSONS WITH ALCOHOL AND SUBSTANCE ABUSE ISSUES (SPECIAL NEEDS)

The National Surveys on Drug Use and Health found that from 2006 to 2007 approximately 6.4 percent of Texans aged 12 or older had used an illicit drug in the past month. The Texas rate is lower than the national average of 8 percent. Also, 2.7 percent of Texans aged 12 or older were dependent on or abused an illicit drug in the past year, compared to 2.8 percent nationwide. In 2006, the Texas Department of State Health Services (DSHS) admitted 14,488 adult clients with alcohol problems and 40,667 adult clients with other drug addictions to state-funded treatment programs. The average age of adult clients was 34 and approximately 21 percent of adult clients were employed. That same year DSHS admitted 566 youth clients with alcohol problems and 7,013 youth clients with other drug problems to state-funded treatment programs. The population of persons with alcohol or other drug addiction is diverse and often overlaps with the mentally disabled or homeless populations.

Supportive housing programs needed for persons with alcohol and/or other substance abuse issues range from short-term, in-patient services to long-term, drug-free residential housing environments for recovering addicts. Better recovery results may be obtained by placing individuals in stable living environments.

*Policy-Driven Action:* The Housing Tax Credit Program addresses the needs of people with alcohol and substance abuse issues.

According to the 2010 Housing Tax Credit Program QAP, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, including persons with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farmworkers.

# PERSONS WITH HIV/AIDS (SPECIAL NEEDS)

Human Immunodeficiency Virus (HIV) is the virus that causes Acquired Immunodeficiency Syndrome (AIDS). HIV infects cells and attacks the immune system, which weakens the body and makes it especially susceptible to other infections and diseases. According to the Texas Department of State Health Services (DSHS), as of December 2007, there were 62,714 reported persons living with HIV/AIDS in Texas.<sup>44</sup> Because of increased medical costs or the loss of the ability to work, people with HIV/AIDS may be at risk of losing their housing arrangements.

DSHS addresses the housing needs of AIDS patients through the Housing Opportunities for Persons with AIDS Program (HOPWA), which is a federal program funded by HUD. In Texas, HOPWA funds provide emergency housing assistance, which funds short-term rent, mortgage and utility payments to prevent homelessness; and tenant-based rental assistance, which enables low-income individuals to pay rent and utilities until there is no longer a need or until they are able to secure other housing. In addition to the DSHS statewide program, the cities of Austin, Dallas, Fort Worth, Houston, San Antonio and El Paso receive HOPWA funds directly from HUD.

Policy-Driven Action: The Housing Tax Credit Program addresses the needs of people with HIV/AIDS.

According to the 2010 Housing Tax Credit Program QAP, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs,

<sup>43</sup> Texas Department of State Health Services. (2007, December 12). Substance abuse statistics: Texas statewide totals. Retrieved from http://www.dshs.state.tx.us/sa/research/statewide-totals/

<sup>&</sup>lt;sup>42</sup> Maxwell, J. C. (2009, June). Substance abuse trends in Texas: June 2009. Retrieved from

http://www.utexas.edu/research/cswr/gcattc/documents/Texas2009\_002.pdf

<sup>&</sup>lt;sup>44</sup>Texas Department of Health, HIV/STD Epidemiology Division, Surveillance Branch. Texas HIV/STD surveillance report: 2007 Annual Report. Austin, TX: 1. Retrieved from Texas HIV/STD Annual Report 2007; http://www.dshs.state.tx.us/hivstd/info/annual/2007.pdf

including persons with HIV/AIDS, persons with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, homeless populations and migrant farmworkers.

# PUBLIC HOUSING RESIDENTS (SPECIAL NEEDS)

According to HUD data, there are 55,098 units of public housing and 252,515 Section 8 Housing Choice Vouchers in Texas. <sup>45</sup> TDHCA believes that the future success of Public Housing Authorities (PHAs) will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of public housing authorities, it is important to maintain a relationship with these service providers.

Policy-Driven Action: TDHCA has developed a strong relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the public housing authorities of Texas. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units.

## COLONIA RESIDENTS (SPECIAL NEEDS)

According to Section 2306.581 of the Texas Government Code:

"Colonia" means a geographic area located in a county some part of which is within 150 miles of the international border of this state, consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood and

- has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or
- has the physical and economic characteristics of a colonia, as determined by the department.

Major issues affecting colonias include high rates of unemployment, extremely low incomes, lack of sufficient infrastructure for water and sewer service, higher rates of certain diseases, lack of educational resources, substandard housing and use of contract for deed. The latter two issues are directly related to housing. Housing in colonias is often constructed by residents using only available materials; professional builders are not often used. According to 2000 Census data, colonias have a 75 percent homeownership rate. Despite this rate, colonia homes are inadequate: 4.9 percent of colonia dwellings lack kitchen facilities and 5.3 percent lack plumbing facilities. It is estimated that 50 percent of colonia residents lack basic water and sewage systems: 51 percent use septic tanks, 36 percent use cesspools, 7 percent use outhouses, and 6 percent use other wastewater systems.

*Policy-Driven Action:* The Office of Colonia Initiatives (OCI), HOME and Housing Tax Credit programs all address the special needs of colonia residents.

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the Office of Colonia Initiatives (OCI) at TDHCA was created and charged with the responsibility of coordinating all Department and legislative initiatives involving border and colonia issues and managing a portion of the Department's existing programs targeted at colonias. The fundamental goal of the OCI is to improve the

<sup>&</sup>lt;sup>45</sup> HUD (n.d.). Public housing agency profiles. Retrieved from http://www.hud.gov/offices/pih/systems/pic/haprofiles/index.cfm.

<sup>&</sup>lt;sup>46</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from http://www.dallasfed.org/ca/pubs/colonias.html.

<sup>&</sup>lt;sup>47</sup> Moncada, N. (2001). A Colonias Primer. A briefing presented to the US Department of Housing and Urban Development. Retrieved from http://www.nationalmortgagenews.com/nmn/plus93.htm.

living conditions and lives of border and colonia residents and to educate the public regarding the services that the Department has to offer.

As part of its plan to improve the living conditions in colonias, OCI offers OCI Border Field Offices. The three OCI border field offices provide technical assistance to the counties and colonia self-help centers.

The HOME Program also administers the Homeownership Assistance Program's Contract for Deed Conversion to assist households in the colonias. Contract for Deed Conversions facilitate homeownership by converting contracts for deed into traditional mortgages.

According to the 2010 Housing Tax Credit Program QAP, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, including Colonia residents, persons with alcohol and/or drug addictions, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farmworkers.

## MIGRANT FARMWORKERS (SPECIAL NEEDS)

According to the US Department of Health and Human Services Migrant and Seasonal Farmworker Enumeration Profiles Study in 2000, a seasonal farmworker describes an individual whose principal employment (at least 51 percent of time) is in agriculture on a seasonal basis and who has been so employed within the preceding twenty-four months; a migrant farmworker meets the same definition, but establishes temporary housing for purposes of employment. As of 2000, the US Department of Health and Human Services estimated that there are 362,724 migrant and seasonal farm workers and families residing in Texas. Of this population, 26 percent reside in Cameron, Hidalgo, and Starr Counties. 48

Farmworkers have a particularly difficult time finding available, affordable housing because of extremely low and sporadic incomes and mobility. Many of the small, rural communities where migrant workers may seek employment do not have the rental units available for the seasonal influx. Overcrowding and substandard housing are significant housing problems for farmworkers. <sup>49</sup> In addition, migrant workers may not be able to afford security deposits, pass credit checks, or commit to long-term leases.

*Policy-Driven Action:* TDHCA addresses farmworker issues by licensing and inspecting migrant farmworker housing and conducting periodic studies on farmworker needs. In addition, the Community Service Block Grant and Housing Tax Credit programs serve seasonal farmworkers.

In HB 1099, the 79th Texas Legislative Session transferred the license and inspection of migrant farmworker housing facilities from the Texas Health and Human Services Commission to TDHCA.

Additionally, the bill directed TDHCA to complete a study on quantity, availability, need and quality of migrant farm labor housing facilities in Texas. See http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports for a copy of the report.

TDHCA utilized \$214,594 of Community Service Block Grant discretionary funds to fund two organizations serving migrant seasonal farmworkers; Funds were awarded during the 2009 Community Service Block Grant State Discretionary Funds Notice of Fund Availability cycle. The Community Service Block Grant also includes Native Americans with migrant farmworker special populations category in the Community Service Block Grant State Plan approved by Health and Human Services. During the 2009 Community Service Block Grant State Discretionary Funds Notice of Fund Availability cycle, TDHCA awarded \$225,000 to two Native American tribes.

<sup>49</sup> Holden, C. (2001, October). Monograph no. 8: housing. Buda, TX: national center for farmworker health inc. *Migrant Health Issues:* 40. Retrieved from http://www.ncfh.org/docs/08%20-%20housing.pdf

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<sup>&</sup>lt;sup>48</sup> Larson, A. (2000, September). Migrant and seasonal farmworker enumeration profiles study: Texas. *US Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care.* Retrieved from <a href="http://www.ncfh.org/enumeration/PDF10">http://www.ncfh.org/enumeration/PDF10</a> Texas.pdf

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According to the 2009 Housing Tax Credit Program QAP, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, including migrant farmworkers, persons with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, and homeless populations.

# TDHCA ALLOCATION PLANS

The Department has developed allocation formulas for many TDHCA programs in order to target available housing resources to the neediest households in each uniform state service region. These formulas are based on objective measures of need in order to ensure an equitable distribution of funding.

## 2010 REGIONAL ALLOCATION FORMULA

Sections 2306.111(d) and 2306.1115 of the Government Code require that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, HTC and Housing Trust Fund funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. Within each region, the RAF further targets funding to rural and urban areas.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF is submitted annually for public comment.

Slightly modified versions of the RAF are used for HOME, HTC and Housing Trust Fund because the programs have different eligible activities, households and geographical service areas. For example, because 95 percent of HOME funding must be set aside for non-Participating jurisdictions, the HOME RAF only uses need and available resource data for non-Participating jurisdictions.

The RAF uses the following 2000 U.S. Census data to calculate this regional need distribution:

- Poverty: Number of persons in the region who live in poverty.
- Cost Burden: Number of households with a monthly gross rent or mortgage payment to monthly household income ratio that exceeds 30 percent.
- Overcrowded Units: Number of occupied units with more than one person per room.
- Units with Incomplete Kitchen or Plumbing: Number of occupied units that do not have all of the following: sink with piped water; range or cook top and oven; refrigerator, hot and cold piped water, flush toilet and bathtub or shower.

There are a number of other funding sources that can be used to address affordable housing needs. To mitigate any inherent inequities in the regional allocation of these funds, the RAF compares each region's level of need to its level of resources. Resources from the following sources were used in the RAF: HTC, Housing Trust Fund, HUD (HOME, HOPWA, PHA capital funding and Section 8 funding), Bond Financing and United States Department of Agriculture (USDA) housing programs.

#### HOME PROGRAM REGIONAL ALLOCATION FORMULA

According to \$2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating areas that do not qualify to receive funds under the Act directly from HUD. The remaining 5 percent of HOME funds may be expended in any area of the state, but only if the funding serves persons with disabilities. Additionally, HOME funds awarded under this plan are subject to Texas Government Code \$2306.111 and as such will be distributed according the established Regional Allocation Formula (RAF). The 2010 RAF distributes funding for all HOME-funded activities with some exceptions for federal and state mandated set-asides including Community Housing Development Organizations (CHDO) Operating Expenses, Housing Programs for Persons with Disabilities, and the Contract for Deed Conversion Program. The following table demonstrates the combined regional funding distribution for all of the HOME activities distributed under the RAF.

**HOME Program RAF** 

	HOWE I TOSTUM WIT						
Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,536,603	4.6%	\$1,536,216	100.0%	\$388	0.0%
2	Abilene	\$966,338	2.9%	\$941,598	97.4%	\$24,740	2.6%
3	Dallas/Fort Worth	\$6,731,297	20.0%	\$2,233,525	33.2%	\$4,497,772	66.8%
4	Tyler	\$3,317,510	9.8%	\$2,580,608	77.8%	\$736,902	22.2%
5	Beaumont	\$1,783,798	5.3%	\$1,586,561	88.9%	\$197,238	11.1%
6	Houston	\$3,061,190	9.1%	\$1,038,028	33.9%	\$2,023,162	66.1%
7	Austin/Round Rock	\$2,217,325	6.6%	\$997,017	45.0%	\$1,220,307	55.0%
8	Waco	\$1,293,881	3.8%	\$631,318	48.8%	\$662,563	51.2%
9	San Antonio	\$1,723,442	5.1%	\$1,106,072	64.2%	\$617,370	35.8%
10	Corpus Christi	\$2,042,012	6.1%	\$1,341,182	65.7%	\$700,830	34.3%
11	Brownsville/Harlingen	\$6,655,318	19.7%	\$3,074,093	46.2%	\$3,581,225	53.8%
12	San Angelo	\$1,475,030	4.4%	\$707,147	47.9%	\$767,883	52.1%
13	El Paso	\$896,256	2.7%	\$672,221	75.0%	\$224,034	25.0%
	Total	\$33,700,000	100.0%	\$18,445,585	54.7%	\$15,254,415	45.3%

For more information on the RAF and further description of the formula, please contact the Housing Resource Center at (512) 475-3976.

#### HOUSING TRUST FUND PROGRAM REGIONAL ALLOCATION FORMULA

Pursuant to \$2306.111(d-1) of the Texas Government Code, Housing Trust Fund programs will be regionally allocated unless the funding allocation for that program is mandated by state statute and the program's allocation represents less than 10 percent of the annual allocation for Housing Trust Fund; or serves people with disabilities; or do not exceed \$3 million.

**Housing Trust Fund Program RAF** 

	Large MSA within		,	ia i rogram ia			
_	Region for	Regional	Regional	Rural	Rural	Urban	
į	Geographical	Funding	Funding	Funding	Funding	Funding	Urban
Region	Reference	Amount*	%	Amount	%	Amount	Funding %
1	Lubbock	\$71,030	3.6%	\$29,326	41.3%	\$41,704	58.7%
2	Abilene	\$35,931	1.8%	\$15,885	44.2%	\$20,046	55.8%
3	Dallas/Fort Worth	\$461,861	23.1%	\$37,520	8.1%	\$424,342	91.9%
4	Tyler	\$89,108	4.5%	\$46,785	52.5%	\$42,323	47.5%
5	Beaumont	\$56,294	2.8%	\$33,468	59.5%	\$22,826	40.5%
6	Houston	\$396,973	19.8%	\$28,994	7.3%	\$367,979	92.7%
7	Austin/Round Rock	\$116,569	5.8%	\$11,911	10.2%	\$104,657	89.8%
8	Waco	\$89,670	4.5%	\$17,955	20.0%	\$71,714	80.0%
9	San Antonio	\$172,680	8.6%	\$19,400	11.2%	\$153,280	88.8%
10	Corpus Christi	\$70,755	3.5%	\$26,031	36.8%	\$44,724	63.2%
11	Brownsville/Harlingen	\$298,047	14.9%	\$106,836	35.8%	\$191,211	64.2%
12	San Angelo	\$47,507	2.4%	\$19,195	40.4%	\$28,312	59.6%
13	El Paso	\$93,577	4.7%	\$14,600	15.6%	\$78,976	84.4%
	Total	\$2,000,000	100.0%	\$407,905	20.4%	\$1,592,095	79.6%

<sup>\*</sup>This table is a depiction of the amounts available in each region if the required RAF amount was \$2,000,000; it is not an accurate depiction of the allocation for the total Housing Trust Fund funding available in each region. Every Housing Trust Fund program listed in a separate Notice of Funding Availability (NOFA) will be subject to its own RAF. In FY 2010, each NOFA for the Housing Trust Fund programs will make available approximately \$2,000,000, which will be run through its own RAF.

#### HOUSING TAX CREDIT REGIONAL ALLOCATION FORMULA

In accordance with Senate Bill 264, TDHCA allocates HTC Program funds to each region using a need-based formula developed by the Department. Using the Regional Allocation Formula, each region will receive the following amount of funding for use with activities subject to the formula. Funding figures will be included in the final document.

**HTC Program RAF** 

	Large MSA within		III O II OBI				
_	Region for	Regional		Rural		Urban	
gio	Geographical	Funding	Regional	Funding	Rural	Funding	Urban
Region	Reference	Amount	Funding %	Amount	Funding %	Amount	Funding %
1	Lubbock	\$1,558,000	3.8%	\$603,804	38.8%	\$954,196	61.2%
2	Abilene	\$737,042	1.8%	\$519,826	70.5%	\$217,216	29.5%
3	Dallas/Fort Worth	\$9,434,562	23.2%	\$974,403	10.3%	\$8,460,159	89.7%
4	Tyler	\$1,499,416	3.7%	\$839,696	56.0%	\$659,720	44.0%
5	Beaumont	\$1,113,019	2.7%	\$611,466	54.9%	\$501,552	45.1%
6	Houston	\$8,846,755	21.8%	\$822,918	9.3%	\$8,023,837	90.7%
7	Austin/Round Rock	\$2,753,132	6.8%	\$574,058	20.9%	\$2,179,074	79.1%
8	Waco	\$2,103,405	5.2%	\$556,581	26.5%	\$1,546,825	73.5%
9	San Antonio	\$3,307,200	8.1%	\$588,962	17.8%	\$2,718,237	82.2%
10	Corpus Christi	\$1,388,922	3.4%	\$548,423	39.5%	\$840,499	60.5%
11	Brownsville/Harlingen	\$5,058,743	12.4%	\$1,845,292	36.5%	\$3,213,451	63.5%
12	San Angelo	\$876,067	2.2%	\$523,566	59.8%	\$352,502	40.2%
13	El Paso	\$1,961,182	4.8%	\$552,755	28.2%	\$1,408,427	71.8%
	Total	\$40,637,446	100.0%	\$9,561,752	23.5%	\$31,075,694	76.5%

As required by state statute, 15% of that ceiling is deducted for the At-Risk Set-Aside, which is not awarded regionally. The balance of the estimated ceiling is regionally allocated using this formula.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING REGIONAL ALLOCATION FORMULA

Please see the Homeless Prevention and Rapid Re-housing RAF under the *Recovery Act* chapter below.

TAX CREDIT ASSISTANCE PROGRAM REGIONAL ALLOCATION PROGRAM

Please see the Tax Credit Assistance RAF under the Recovery Act chapter below.

HOUSING TAX CREDIT EXCHANGE PROGRAM REGIONAL ALLOCATION FORMULA

Please see the Housing Tax Credit Exchange RAF under the *Recovery Act* chapter below.

# TDHCA GOALS AND OBJECTIVES

The Strategic Plan goals reflect program performance based upon measures developed with the State's Legislative Budget Board and Governor's Office of Budget and Planning. The goals are also based upon Riders attached to the Department's Appropriations. The Department believes that the goals and objectives for the various TDHCA programs should be consistent with its mandated performance requirements.

The State's Strategic Planning and Performance Budgeting System (SPPB) is a goal-driven, results-oriented system. The system has three major components including strategic planning, performance budgeting and performance monitoring. As an essential part of the system, performance measures are part of TDHCA's strategic plan, are used by decision makers in allocating resources, are intended to focus the Department's efforts on achieving goals and objectives and are used as monitoring tools providing information on accountability. Performance measures are reported quarterly to the Legislative Budget Board.

The State's Strategic Planning and Performance Budgeting System is based on a two-year cycle; goals and targets are revisited each biennium. The targets reflected in this document are based on the Department's requests for 2009–2010.

Because all applicants for funding are encouraged to apply for and leverage funds from multiple agency programs, HUD funds are frequently leveraged along with funds from other federal and State sources. TDHCA HOME Program funds may be used in conjunction with other TDHCA programs, however, each program area reports its performance separately.

## AFFORDABLE HOUSING GOALS AND OBJECTIVES

The following goals address performance measures established by the 81st Legislature. Refer to program-specific statements outlined in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed below. Included for each strategy are the target numbers for the 2009 goal, the 2009 actual performance and the goal for 2010.

Goals one through five are established through interactions between TDHCA, the Legislative Budget Board and the Legislature. They are referenced in the General Appropriations Act enacted during the most recent legislative session.

**GOAL 1:** TDHCA will increase and preserve the availability of safe, decent and affordable housing for very low-, low- and moderate-income persons and families.

**Strategy 1.1**Provide mortgage financing and homebuyer assistance through the Single-Family Mortgage Revenue Bond Program

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of single-family households Assisted through the First Time Homebuyer Program	1,716	835	48%	1,911

**Explanation of Variance:** Due to volatility in the housing market in 2009, the resulting mortgage crisis and the disruption in the investor markets, the Department has been unable to structure and make available a mortgage revenue bond program. Therefore, our performance figures are much lower than originally projected.

Strategy 1.2

Provide funding through the HOME Program for affordable single family housing

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of single-family	1,255	783	62%	952
households assisted with				
HOME funds				

**Explanation of Variance:** Due to programmatic changes and based on public input, there was an increase in the investment per unit, which resulted in a reduction of the total number of households assisted by Rehabilitation Activities. Additionally, due to current economic and housing market challenges, there was significantly less demand for Homebuyer Assistance. There was an increase in the number of households assisted through Tenant-Based Rental Assistance; the increase in the investment per household is reflected in households serving special needs families.

Strategy 1.3

Provide funding through the HTF program for affordable single family housing

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of single-family households assisted through the Housing Trust Fund	209	275	132%	344

**Explanation of Variance:** The Department received approximately \$5.8 million in appropriations for the Housing Trust Fund for the 2008-2009 biennium. In accordance with the funding plan, \$1,000,000 was awarded for the Texas Veterans Housing Assistance Program. During the third quarter, this program provided assistance to 30 Veteran Households. The Department also released a Homeownership SuperNOFA, making available \$1,000,000 from the annual appropriation. This program provided assistance to 83 Texas families. Additionally, the Department was able to award \$50,000 as gap financing for the Disaster Recovery effort in Southeast Texas, supporting the rehabilitation of 8 units. The Department was able to exceed the target due to the lower amount of assistance provided per household for the gap financing for Disaster Recovery and Veteran's Housing Assistance programs.

**Strategy 1.4**Provide tenant-based rental assistance through Section 8 certificates

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of households assisted through Statewide Housing Assistance Payments Program	1,494	956	64%	1,100

**Explanation of Variance:** The targeted measure of 1,494 voucher was developed when HUD provided Section 8 Housing Assistance Program funds based on a specified number of vouchers. The methodology for the allocation of Section 8 Housing Assistance Program funds has changed and the Department no longer received funds based on a specified number of vouchers but rather receives a set amount of funding that limits the number of households served to approximately 1,100 a year. Consequently, the number of households served will be below target.

Strategy 1.5

Provide federal tax credits to develop rental housing

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of multifamily households assisted with Housing Tax Credits	11,779	8,998	82%	10,928

**Explanation of Variance:** The Housing Tax Credit program activity for this measure is a combination of 4% (multifamily bond related) and 9% (competitive application cycle) rental development funding awards. The 4% credits are tied to the bond market which is experiencing a dramatic slowdown nationally due to the recession in the economy.

Strategy 1.6

Provide funding through the HOME Program for affordable multifamily housing

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of multifamily	526	620	118%	262
households assisted with				
HOME funds				

**Explanation of Variance:** The Department maintained a continuous open-cycle Notice of Funding Availability (NOFA) for rental development throughout FY 2009. Additional HOME funds that were deobligated from non-performing contracts were made available for this strategy. This allowed the Department to maintain a continuous award process and facilitate the timely commitment and expenditure of HOME funds in accordance with federal requirements.

Strategy 1.7

Provide funding through the Housing Trust Fund for affordable multifamily housing

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of multifamily	800	160	20%	38
households assisted through				
the Housing Trust Fund				

**Explanation of Variance:** The Department utilized all funds set-aside for the HTF Multifamily Housing Activity during the 3rd Quarter. Due to programming, the investment of HTF funds was fixed to subsidized units--those units required to assist very low or extremely low income during the affordability period. As a result, there has been a significant increase of investment per unit and a decrease in the estimated number of units assisted.

Strategy 1.8

Provide funding through the Mortgage Revenue Bond Program for affordable multifamily housing

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of households assisted through the Mortgage Revenue Bond Program	2,217	504	31%	1,627

**Explanation of Variance:** This measure is tied to the bond market which is experiencing a dramatic slowdown. Economic conditions in the equity markets have made it very difficult for developers to present financially feasible applications to the Department. This Strategy correlates to Strategy 1.1.

**GOAL 2**: TDHCA will promote improved housing conditions for extremely low-, very low- and low-income households by providing information and technical assistance.

# Strategy 2.1

Provide information and technical assistance to the public through the Public Affairs Division and the Housing Resource Center

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of information and technical assistance requests completed	4,900	5,281	108%	5,000

**Explanation of Variance:** None needed.

# Strategy 2.2

To provide technical assistance to colonias through field offices

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of on-site technical assistance visits conducted annually from the field offices	800	948	119%	800

**Explanation of Variance:** As the Department continues to improve the Texas Bootstrap Loan Program and the colonia SHC Program, OCI Field Staff continues to provide technical assistance to units of local governments and nonprofit organizations. The Texas Bootstrap Loan Program Reservation System has necessitated increased technical activities. In addition, technical assistance visits have increased for the colonia SHC Program due to environmental assessments, labor laws, changes to rules and processes and other related federal regulations.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of colonia residents receiving assistance	8,000	11,707	146%	12,000

**Explanation of Variance:** The Department focuses on empowering the units of local government and nonprofit organizations to work with the colonia residents on a one-on-one basis through the colonia SHCs. Due to increased outreach efforts more colonia residents are utilizing the programs and activities of the colonia SHCs. In addition, targeted performance for 2009 has increased due to Val Verde County conducting two solid waste removal activities during the 3rd Quarter and one during the 4th Quarter and Webb County conducting one during the 3rd Quarter. This activity is reported as area wide and benefiting all colonia residents in the targeted area.

Strategy Measure (C)	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of entities and/or individuals receiving	1,000	636	63%	1,000
informational resources				

**Explanation of Variance:** The Office of Colonia Initiatives (OCI) staff provides technical assistance to county governments and local nonprofits. Local nonprofits are the primary conduits of information since the Department (OCI) does not provide direct services to individuals. As a consequence, a majority of informational resources is provided through our nonprofits and county governments rather than through OCI staff. It is also important to note that in FY2008 the OCI released a biennial NOFA under the Texas Bootstrap Loan Program.

**GOAL 3:** TDHCA will improve living conditions for the poor and homeless and reduce the cost of home energy for very low-income Texans.

# Strategy 3.1

Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low-income persons throughout the state.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of persons assisted through homeless and poverty related funds	512,224	590,481	115%	531,498

**Explanation of Variance**: This measure is impacted by the number of persons assisted through the CSBG and ESGP. CSBG and ESGP subrecipients served 51,045 more persons in SFY 2009 than in 2008. Of that increase, 12,931 persons were assisted by ESGP subrecipients and 38,114 by CSBG subrecipients. There are more persons who are homeless or at risk of homelessness. CSBG subrecipients have also had an increase in the number of persons seeking assistance due to the increase in unemployment and poverty.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
	raryet	Actual		raryet
Number of persons assisted				
that achieve incomes above	2,200	1,770	80%	2,800
poverty level.				

**Explanation of Variance:** The tough economic times facing Texas have impacted the ability of CSBG subrecipients assisting persons to transition out of poverty. Staff resources at the subrecipient level also have to focus on providing more emergency assistance and services to families facing unemployment and poverty.

Strategy Measure (C)	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of shelters assisted				
through the Emergency	76	77	105%	76
Shelter Grant Program				

**Explanation of Variance**: None needed.

## Strategy 3.2

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low-income persons and for assistance to very low-income households for heating and cooling expenses and energy related emergencies.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of households assisted through Community Energy Assistance Program	51,502	129,907	252%	66,050

**Explanation of Variance**: Federal funding increased.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of dwelling units weatherized through Weatherization Assistance Program	2,960	4,489	151%	3,809

**Explanation of Variance:** Federal funding increased.

**GOAL 4**: TDHCA will ensure compliance with the Texas Department of Housing and Community Affairs' federal and state program mandates.

# Strategy 4.1

The Portfolio Management and Compliance Division will monitor and inspect for Federal and State housing

program requirements.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Total number of monitoring reviews conducted	965	956	99%	864

**Explanation of Variance:** None needed.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Total number of units administered	252,766	248,191	98%	209,444

**Explanation of Variance:** None needed.

# Strategy 4.2

The Portfolio Management and Compliance Division will administer and monitor federal and state

subrecipient contracts for programmatic and fiscal requirements.

_	Sub-obligation of programmatic and negative differences.					
I	Strategy Measure (A)	2009	2009	% of Goal	2010	
		Target	Actual		Target	
	Total number of monitoring reviews conducted	258	593	229%	208	

**Explanation of Variance:** More monitoring reviews were conducted than anticipated.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of contracts administered	430	256	59%	525**

**Explanation of Variance:** During this reporting period, there were few new contracts which would result in contract administration. The numbers reported reflect activity on existing contracts.

<sup>\*\*</sup>The performance measure for 2010 has been changed to "Number of contracts monitored".

**GOAL** 5: To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Strategy 5.1

Provide titling and licensing services in a timely and efficient manner.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of manufactured housing statements of ownership and location issued	90,000	63,767	70.8%	80,000

**Explanation of Variance:** This measure is under the targeted amount due to the excessive number of applications which were incomplete, as a result of law changes effective January 2008. Approximately 38% of the applications received were rejected, but will ultimately be resubmitted for issuance.

Strategy Measure (B)	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of licenses issued	4,000	2,318	57.9%	3,100

**Explanation of Variance:** Performance is under the targeted projection due to receiving fewer applications for new and renewed licenses. Effective in January 2008, the licenses were renewed every two years as opposed to every year, which caused a reduction in the number of renewals for this fiscal year.

Strategy 5.2

Conduct inspections of manufactured homes in a timely manner.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of routine installation inspections conducted	6,000	4,801	80.0%	5,000

**Explanation of Variance:** The measure was below the targeted projection. However, there were 5,315 attempted inspections; but, due to lack of accessibility, only 4,801 could be successfully completed. If all attempted inspections had been successful, then the measure would have been exceeded. The Department is meeting the program's statutory requirement to inspect at least 25% of the installation inspections received. The actual year-to-date inspection rate is 38%.

Strategy Measure (B)	2009	2009	% of Goal	2010
	Target	Actual		Target
Number of non-routine installation inspections conducted	2,200	2,239	101.8%	2,300

**Explanation of Variance:** No explanation required.

# Strategy 5.3

To process consumer complaints, conduct investigations and take administrative actions to protect the general public and consumers.

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of complaints resolved	1,250	629	50.3%	850

**Explanation of Variance:** The Department has received fewer complaints than expected, resulting in fewer complaints resolved.

Goals six through eight are established in legislation as riders to TDHCA's appropriations, as found in the General Appropriations Act.

GOAL 6: TDHCA will target its housing finance programs resources for assistance to extremely low-income households.\*

# Strategy 6.1

The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income.	\$30,000,000	\$42,328,192	141%	\$30,000,000

**Explanation of Variance:** The performance is higher than expected because the Rider 5 report now captures actual incomes of households served by TDHCA and not projected income groups.

Note: For more information, see Rider 5 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81st Legislature, Regular Session.

GOAL 7: TDHCA will target its housing finance resources for assistance to very low-income households.

# Strategy 7.1

The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division's total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Percent of housing finance division funds	20%	56%	282%	20%
applied towards housing assistance for				
individuals and families earning between				
31% and 60% of median family income.				

**Explanation of Variance**: The majority of TDHCA housing programs serve households under 60% of median family income. The Rider 5 Report includes Section 8, HOME Single Family, HOME Multifamily, Housing Trust Fund Single Family, Housing Trust Fund Multifamily, and Housing Tax Credit Programs.

Note: For more information, see Rider 5 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81st Legislature, Regular Session.

Goals and Objectives

**GOAL 8**: TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income.

# Strategy 8.1

Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Amount of TDHCA funds				
applied towards contract for	100	25	25%	100
deed conversions for colonia				
families earning less than				
60% of median family income.				

**Explanation of Variance:** Rider 6 of the Department's appropriations act requires that the Department direct \$2,000,000 a year towards completing 100 contract for deed conversions. The decline in the number of contract for deed requests has inhibited the ability of the Department to attain the target.

Note: For more information, see Rider 6 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81st Legislature, Regular Session.

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

**GOAL 9**: TDHCA will work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

# Strategy 9.1

Dedicate five percent (5%) of the HOME project allocation for benefits of persons with disabilities who live in any area of this state.\*

Strategy Measure	2009	2009	% of Goal	2010
	Target	Actual		Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	\$2,196,677	\$5,167,301	235%	\$2,000,000**

**Explanation of Variance:** These include funds from the Persons with Disabilities Set-Aside and HOME general funds that were used to assist households with persons with disabilities. It is important to note that while funds from the set-aside may be used anywhere in the state, HOME general funds may only be utilized in non-participating jurisdictions, those communities that do not receive funds directly from HUD.

Note: For more information, see 2306.111(c)(2).

### Strategy 9.2:

Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs.

# **Strategy Activities:**

- Assist counties and local governments in assessing local needs for persons with special needs.
- Work with State and local providers to compile a statewide database of available affordable and accessible housing.
- Set up a referral service to provide this information at no cost to the consumer.

<sup>\*\*</sup>Estimate based on \$40,000,000 prior to finalized Congressional appropriation.

Goals and Objectives

 Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider web sites, TDHCA newsletter and local informational workshops.

# Strategy 9.3:

Increase collaboration between organizations that provide services to special needs populations and organizations that provide housing.

### **Strategy Activities:**

- Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.
- Continue working with agencies, advocates and other interested parties in the development of programs that will address the needs of persons with special needs.
- Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site and newsletter.

# Strategy 9.4:

Discourage the segregation of persons with special needs from the general public.

# **Strategy Activities:**

- Increase the awareness of the availability of conventional housing programs for persons with special needs.
- Support the development of housing options and programs, which enable persons with special needs to reside in noninstitutional settings.

# **SECTION 5: RECOVERY ACT**

On February 13, 2009, the United States Congress passed the American Recovery and Reinvestment Act of 2009 (Recovery Act). A direct response to the economic crisis, the Recovery Act has three immediate goals:

- 1. Create new jobs as well as save existing ones
- 2. Spur economic activity and invest in long-term economic growth
- 3. Foster unprecedented levels of accountability and transparency in government spending

TDHCA administers several programs funded through the Recovery Act. These programs are grouped and discussed in their own chapter rather than the Action Plan because of their temporary nature; most of them will conclude in two to three years. However, the Recovery Act programs are included in the Action Plan's Housing Support Continuum because of their administration through the Department and their creation to serve the needs of low- to moderate-income Texas.

Nationally, the Recovery Act will provide more than \$150 billion in assistance to low-income and vulnerable households. The Department may receive up to approximately \$1.16 billion in Recovery Act funds if the Department is awarded all pending applications and receives all eligible funds.

Recovery Act programs administered by the Department include the Community Services Block Grant Program, Homebuyer Tax Credit Programs, Homelessness Prevention and Rapid Re-Housing Program, Housing Tax Credit Recovery Act Programs, and the Weatherization Assistance Program. The following table provides summary information about each of the Department's Recovery Act programs.

# Texas Department of Housing and Community Affairs Recovery Act Programs

Program	Total Funding
Community Services Block Grant Program	\$48,148,071
Homebuyer Tax Credit Programs (Mortgage Advantage Program and the 90-Day Down Payment Assistance Program)	\$4,571,183
Homelessness Prevention and Rapid Re-Housing Program	\$41,472,772
Housing Tax Credit Recovery Act Programs (Housing Tax Credit Exchange Program and Tax Credit Assistance Program)	Up To \$594,091,929 for the Housing Tax Credit Exchange Program \$148,354,769 for the Tax Credit Assistance Program
Weatherization Assistance Program	\$326,975,732
Total	\$1,163,614,456

# COMMUNITY SERVICES BLOCK GRANT

### PROGRAM DESCRIPTION

The Recovery Act expanded the funds available for the Department's existing Community Services Block Grant (CSBG) Program. The CSBG funds are distributed through the U.S. Department of Health and Human Services (USHHS). TDHCA received \$48,148,071 in CSBG Recovery funds. CSBG is administered through the Community Affairs Division.

The CSBG Program funds eligible entities and activities that support the intent of the CSBG Act. Activities typically allowed under the program include administrative support for poverty programs, such as Head Start and Meals on Wheels; and direct services such as credit counseling, short-term rental assistance and transportation. The Department provides administrative support funds to Community Action Agencies (CAAs) and other human-service-delivery organizations that offer emergency and poverty-related programs to lower-income persons.

Ninety-nine percent of the new funding available through the Recovery Act must be made available to the CSBG eligible entities and one percent of funding must be used to help clients enroll in federal, state, and local benefits programs. In addition, the Recovery Act raises the income limit from 125 percent to 200 percent of the federal poverty guidelines. This income limit increase will result in the eligibility of more households in Texas.

### IMPLEMENTATION AND ALLOCATION

The Department submitted the CSBG Recovery Act plan to USHHS on May 28, 2009, and received notice of approval on July 24, 2009. The Department applied the existing CSBG allocation formula to the Recovery Act funds available for the CSBG-eligible entities. Allocations are based on two factors: (1) the number of persons living in poverty within the designated service-delivery area for each organization and (2) a calculation of population density. Poverty population is given ninety-eight percent weight and the ratio of inverse population density is given two percent weight. The formula also includes a base award for each organization before the factors are applied as well as a minimum award, also known as a floor.

Subrecipient contracts were executed in September 2009 and program services must be rendered by September 30, 2010.

# ADDITIONAL RESOURCES

See State of Texas Federal FY 2009 and Federal FY 2010 Community Services Block Grant Program (CSBG) Recovery Act Plan as approved by USHHS posted on the TDHCA website at http://www.tdhca.state.tx.us/recovery/docs/09-CSBGRecoveryActPlan.pdf.

# HOMEBUYER TAX CREDIT PROGRAMS

The Recovery Act created a tax credit program for qualifying taxpayers who bought a home before December 1, 2009. The Department created two programs in late Spring 2009 to help Texas families take advantage of the Recovery Act tax credit program for first-time homebuyers. The 90-day Down Payment Assistance Program (DPAP) and the Mortgage Advantage Program (MAP) both provided short-term loans at 0 percent interest to eligible families in exchange for them filing for and receiving the federal first-time homebuyer tax credit. Upon receipt, borrowers were required to either repay the 2<sup>nd</sup> lien in full or make monthly payments for the duration of the term of the loan. Due to the overwhelming popularity of the program and limited availability of funds, applications were only accepted through September 23, 2009.

The Recovery Act's homebuyer tax credit program allowed homebuyers to claim a tax credit on either their 2008 or 2009 tax return. Homebuyers do not have to repay the credit to the IRS if the home remains their main residence for 36 months after the purchase date. Homebuyers can claim 10 percent of the purchase price up to \$8,000 for individuals or married couples, or \$4,000 for married couples filing separately. Taxpayers whose adjusted gross income is less than \$75,000 for individual filers or \$150,000 for joint filers were eligible to claim the credit. A first-time homebuyer is an individual or a married couple who has not owned a principal residence during the three-year period ending on the date of purchase. Homebuyers applying for the Department's DPAP or MAP needed to complete a homebuyer education course, be eligible to claim the federal tax credit and file the appropriate IRS forms to receive the credit.

### 90-DAY DOWN PAYMENT ASSISTANCE PROGRAM

### **PROGRAM DESCRIPTION**

The Department's Board gave staff the authority to utilize up to \$5 million in Supplemental Bond Contingency Reserve Funds for down payment and closing cost assistance. The 90-day DPAP allowed a maximum of \$7,000 for this purpose. DPAP offered 90 days interest-free for the homebuyer to access the tax credit and repay the loan. If the homeowner did not repay the loan within the specified period, the homeowners were responsible for repayment of a second lien note with a two year term and an interest rate of 10 percent.

### MORTGAGE ADVANTAGE PROGRAM

### PROGRAM DESCRIPTION

The Department's Board gave staff the authority to utilize up to \$2.5 million from funds within the Mortgage Credit Certificate (MCC) Program and Mortgage Revenue Bond (MRB) Program 70. Like DPAP, MAP provided short-term loans at 0 percent interest to eligible families in exchange for them filing for and receiving the federal first-time homebuyer program tax credit. MAP funds were only available in conjunction with the Department's First Time Homebuyer Program or the Mortgage Credit Certificate Program. MAP allowed a maximum of \$6,000 for down payment and/or closing cost assistance interest-free for 120 days for the homebuyer to access their tax credit and repay the loan. If the homeowner did not repay the loan within the specified period, the homeowners were responsible for repayment of a second lien note with a five year term and an interest rate of 7 percent.

### IMPLEMENTATION AND ALLOCATION FOR DPAP AND MAP

The TDHCA Board approved the use of funds for the Mortgage Advantage Program on April 23, 2009. On May 21, 2009 the TDHCA Board approved the use of Supplemental Bond Contingency Funds for the 90-day Down Payment Assistance Program.

First-time homebuyers accessed this program through a participating lender. The second lien for qualified borrowers was processed by TDHCA's Texas Homeownership Division. Although applications were accepted through September 23, 2009, loans were allowed to close up to December 1, 2009.

### ADDITIONAL RESOURCES FOR DPAP AND MAP

For more information about the Recovery Act tax credit program for first-time homebuyers, see http://www.irs.gov. For information about other programs the Department may have available for first time homebuyers, please visit the Division's website at www.myfirsttexashome.com.

# HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM

### PROGRAM DESCRIPTION

The Recovery Act created the Homelessness Prevention and Rapid Re-Housing Program (HPRP) to enable persons who are homeless or at risk of homelessness to maintain housing. The HPRP funds are administered through the U.S. Department of Housing and Urban Development (HUD). The Department received \$41,472,772 in HPRP funds. HPRP is administered through the Community Affairs Division.

The intent of HPRP is to transition program participants to stability, either through their own means or with public assistance, as appropriate. HPRP is not intended to provide long-term support for program participants (assistance is limited to 18 months). This program was created in response to the financial stress on individuals and households due to the impact of the current economic downturn. HPRP funds homeless prevention assistance to individuals and households who would otherwise become homeless and assists in re-housing persons rapidly who are homeless, as defined by Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11303). To be eligible, households must have incomes at or below 50 percent of area median income.

Two target populations facing housing instability are eligible to receive funding under HPRP. The first target population eligible for homeless prevention assistance includes individuals and families who are currently housed but are at risk of becoming homeless; they may need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit. The second target population eligible for rapid re-housing assistance includes individuals and families who are experiencing homelessness (e.g. residing in emergency or transitional shelters or places not intended for habitation) and need temporary assistance in order to obtain and retain housing.

Homelessness Prevention services to at-risk populations include:

- Assistance to locate, secure, and/or maintain housing, including mediation or outreach to property owners to help avoid eviction;
- Assistance for certain financial needs, such as utility payment, utility security deposit assistance, housing search and moving costs;
- Counseling and other activities to help repair credit ratings; and
- Case management to ensure that appropriate programs are accessed to help achieve and maintain self-sufficiency.

# IMPLEMENTATION AND ALLOCATION

The Department submitted a substantial amendment to its Consolidated Plan 2008 Action Plan that also served as the Department's application for HPRP funds to HUD in May 2009, and HUD approved the Department's substantial amendment on June 26, 2009.

TDHCA released a Notice of Funding Availability (NOFA) for the HPRP funds, authorized by its Governing Board based on public input for both competitive portions of the HPRP funds. Applications were due May 29, 2009. Eligible applicants included units of general local government and private nonprofit organizations with an exemption under Section 501(c)(3) of the Internal Revenue Code exemption and whose professional activities included the promotion of social welfare and the prevention or elimination of homelessness.

To allocate funds regionally across the State, the Department used a regional allocation based on the 13 Uniform State Service Regions. Calculation of regional allocations utilized 2000 US Census data for

individuals in poverty as well as unemployment figures for December 2008, January and February 2009 provided by the Texas Workforce Commission.

Region	Geographical Reference Regional Funding Amount		ount
1	Lubbock	\$	1,243,246
2	Abilene	\$	850,679
3	Dallas/Fort Worth	\$	9,227,080
4	Tyler	\$	1,783,793
5	Beaumont	\$	1,414,642
6	Houston	\$	8,572,937
7	Austin/Round Rock	\$	2,301,128
8	Waco	\$	1,632,540
9	San Antonio	\$	3,132,547
10	Corpus Christi	\$	1,353,832
11	Brownsville/Harlingen	\$	4,339,138
12	San Angelo	\$	864,583
13	El Paso	\$	1,646,169
		\$	38,362,314
	2.5% State Admin	\$	1,036,819
	5% Statewide Pilot	\$	2,073,639
	Total TDHCA Allocation	\$	41,472,772

In July 2009, the TDHCA Board of Directors awarded HPRP funds to 59 eligible applicants. All HPRP contracts were executed in October 2009. HPRP is administered through the Community Affairs Division at the Department. According to the Recovery Act, 60 percent of the HPRP funds must be expended within two years and 100 percent within three years, and the Department is on target to meet this deadline.

# ADDITIONAL RESOURCES

See the Substantial Amendment to the *Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)* as approved by HUD posted on the TDHCA website at http://www.tdhca.state.tx.us/recovery/docs/HPRP-ConPlanAmendment.pdf.

# HOUSING TAX CREDIT RECOVERY ACT PROGRAMS

Two Recovery Act programs are administered by the Department to assist with the existing Low Income Housing Tax Credit (HTC) Program, the Tax Credit Assistance Program and the Housing Tax Credit Exchange Program. The HTC Program is an existing Department program and is the primary program used to develop affordable rental housing for working families. Through the HTC Program, the federal government encourages private investment in affordable rental housing by providing investors a dollar-for-dollar reduction on their federal tax liability for every dollar of eligible construction expenses. The current economic crisis has decreased demand for tax credits by investors. As a result, the pricing of tax credits has plummeted, and many approved developments now lack the total funding needed for completion. This devaluation undermines the ability to develop housing with recently awarded tax credits.

# HOUSING TAX CREDIT EXCHANGE PROGRAM

#### PROGRAM DESCRIPTION

Through the Recovery Act, the Housing Tax Credit Exchange Program (HTC EX) administered through the U.S. Department of the Treasury (Treasury) allows developments allocated HTCs in 2007, 2008 and through September 2009 to return their tax credits. The Department can exchange the returned credits with the Treasury for cash at a rate of \$0.85 for each dollar in credit returned. The total amount of national funding is estimated at \$3 billion and the Department received \$594,091,929. Administration of the program is shared by several Department divisions including the HOME and Multifamily Finance Production divisions with support from the Real Estate Analysis and Program Services divisions.

The HTC Program can only be used for the new construction or rehabilitation/ reconstruction of rental properties affordable to households earning up to 60 percent of the Area Median Family Income (AMFI), as determined by HUD.

# IMPLEMENTATION AND ALLOCATION

The Department anticipates the submission of an application for HTC EX funds to Treasury in November 2009.

Eligible applicants include HTC applicants that:

- received an allocation of HTC for award years 2007, 2008, and/or 2009;
- have paid all required tax credit commitment fees; and
- intend to return 100 percent of their HTC allocation.

The 2007 and 2008 HTC developments with a legally binding tax credit carryover will have priority for the allocation of HTC EX funds. Requests for HTC EX funds for 2009 HTCs will be distributed based on each applicant's original selection score and the application of a modified Regional Allocation Formula. Changes to the Regional Allocation Formula emphasize at-risk and rural developments. At-risk funding targets will increase to 20 percent from 15 percent and the funding targets for rural developments will increase to 40 percent from 20 percent.

	Place for Geographical	Regional Funding	Regional	Rural Funding	Rural Funding	Urban Funding	Urban Funding
Region	Reference	Amount	Funding %	Amount	%	Amount	%
At Risk	\$ 40,994,344						
1	Lubbock	\$ 5,657,957	3%	\$ 4,313,395	76%	\$ 1,344,563	24%
2	Abilene	\$ 3,338,146	2%	\$ 2,878,352	86%	\$ 459,795	14%
3	Dallas/Fort Worth	\$ 37,647,159	23%	\$ 14,021,418	37%	\$ 23,625,741	63%
4	Tyler	\$ 5,814,100	4%	\$ 5,161,505	89%	\$ 652,596	11%
5	Beaumont	\$ 4,139,371	3%	\$ 3,726,499	90%	\$ 412,872	10%
6	Houston	\$ 39,981,663	24%	\$ 14,457,096	36%	\$ 25,524,567	64%
7	Austin/Round Rock	\$ 10,877,111	7%	\$ 5,028,700	46%	\$ 5,848,411	54%
8	Waco	\$ 7,783,586	5%	\$ 4,321,030	56%	\$ 3,462,556	44%
9	San Antonio	\$ 11,690,316	7%	\$ 5,330,933	46%	\$ 6,359,382	54%
10	Corpus Christi	\$ 6,063,919	4%	\$ 4,149,254	68%	\$ 1,914,665	32%
11	Brownsville/ Harlingen	\$ 20,846,297	13%	\$ 11,730,698	56%	\$ 9,115,599	44%
12	San Angelo	\$ 2,810,393	2%	\$ 2,774,920	99%	\$ 35,473	1%
13	El Paso	\$ 7,327,359	4%	\$ 4,094,889	56%	\$ 3,232,470	44%
	Total Regional	\$ 163,977,377	100%	\$ 81,988,688	50%	\$ 81,988,688	50%
	Grand Total	\$ 204,971,721	100%	\$ 81,988,688	40%	\$ 81,988,688	40%

### ADDITIONAL RESOURCES

For more information, see the Department's website at http://www.tdhca.state.tx.us/recovery/detail-htc-exchange.htm. The Tax Credit Exchange Policy as adopted by the Board is available at http://www.tdhca.state.tx.us/recovery/docs/09-TCE-ExchangePolicyBoardRes.pdf; and the Tax Credit Exchange Policy Supplement is available at http://www.tdhca.state.tx.us/recovery/docs/09-TCE-ExchangePolicySupp.pdf.

### TAX CREDIT ASSISTANCE PROGRAM

### PROGRAM DESCRIPTION

The Tax Credit Assistance Program (TCAP) provides funding through the HOME Program to compensate for the current state of the investor market for Housing Tax Credits (HTCs). TDHCA received \$148,354,769 in TCAP funding. TCAP is administered through the HOME Division.

The HOME Program is funded through HUD and typically provides funding to local governments and states for a variety of affordable housing activities benefiting low-income households. The Recovery Act seeks to address the loss in value of HTCs by allowing the Department to award federal HOME funds to HTC developments adversely affected by current HTC market conditions. Eligible recipients for this funding are previously-awarded 2007 and 2008 HTC applicants, as well as recipients of 2009 HTC awards. The HTC Program can only be used for the new construction or rehabilitation/reconstruction of rental properties affordable to households earning up to 60 percent of the Area Median Family Income (AMFI), as determined by HUD.

#### IMPLEMENTATION AND ALLOCATION

The TCAP Plan was submitted to HUD by June 3, 2009 after a five-day public comment period. The Department revised the TCAP Plan on July 16, 2009 and HUD approved the Plan on July 23, 2009.

The Department released TCAP funds through a competitive process open to eligible entities. TCAP funds were allocated according to the HTC Regional Allocation Formula distributing funds to 13 state regions and, within those regions, to urban and rural areas. The HTC Regional Allocation Formula is based on regional need for affordable housing and includes an at-risk set-aside of 15 percent and rural set-aside of 20 percent. TCAP funds must be expended by February 16, 2012.

Region	Place for Geographical	Regional Funding	Regional Funding %	Rural Funding	Rural Funding %	Urban Funding	Urban Funding %
	Reference	Amount		Amount		Amount	
1	Lubbock	\$4,344,197	3.4%	\$2,291,537	52.7%	\$2,052,659	47.3%
2	Abilene	\$2,590,427	2.1%	\$1,467,629	56.7%	\$1,122,798	43.3%
3	Dallas/Fort Worth	\$28,932,205	22.9%	\$3,691,363	12.8%	\$25,240,843	87.2%
4	Tyler	\$4,444,990	3.5%	\$2,893,936	65.1%	\$1,551,053	34.9%
5	Beaumont	\$3,187,599	2.5%	\$2,094,137	65.7%	\$1,093,463	34.3%
6	Houston	\$30,993,097	24.6%	\$3,605,180	11.6%	\$27,387,917	88.4%
7	Austin/Round Rock	\$8,295,464	6.6%	\$1,069,201	12.9%	\$7,226,263	87.1%
8	Waco	\$5,973,227	4.7%	\$1,884,930	31.6%	\$4,088,297	68.4%
9	San Antonio	\$9,002,345	7.1%	\$1,534,556	17.0%	\$7,467,789	83.0%
10	Corpus Christi	\$4,718,289	3.7%	\$2,101,631	44.5%	\$2,616,658	55.5%
11	Brownsville/Harlingen	\$16,014,660	12.7%	\$5,133,896	32.1%	\$10,880,763	67.9%
12	San Angelo	\$2,164,195	1.7%	\$832,664	38.5%	\$1,331,531	61.5%
13	El Paso	\$5,440,858	4.3%	\$1,070,292	19.7%	\$4,370,565	80.3%
Total		\$126,101,554	100.0%	\$29,670,954	23.5%	\$96,430,600	76.5%

# ADDITIONAL RESOURCES

For more information regarding TCAP funds, see the Department's TCAP website at http://www.tdhca.state.tx.us/recovery/detail-tcap.htm. The TCAP plan as approved by HUD is available at http://www.tdhca.state.tx.us/recovery/docs/09-TCAPplan.pdf; the Board Resolution is available at http://www.tdhca.state.tx.us/recovery/docs/09-TCAP-PolicyBdResolution.pdf; and the TCAP Policy Supplement is at http://www.tdhca.state.tx.us/recovery/docs/09-TCAP-PolicySupplement.pdf.

# WEATHERIZATION ASSISTANCE PROGRAM

### DESCRIPTION OF PROGRAM

The Weatherization Assistance Program (WAP) is funded through the U.S. Department of Energy (DOE). The Recovery Act expands the Department's existing Weatherization Assistance Program, which was previously funded approximately \$13,000,000 per year through the DOE and the U.S. Heath and Human Services' Low Income Home Energy Assistance Program (LIHEAP). The Department received \$326,975,732 in WAP Recovery Funds. WAP is administered through the Community Affairs Division.

The Weatherization Assistance Program allocates funding to help households control energy costs through the installation of weatherization measures and through energy conservation education. Activities include measures to reduce air infiltration, such as replacement of doors and windows, repairing of holes and caulking; installation of ceiling, wall, and floor insulation; replacement of energy inefficient appliances and heating and cooling units; and energy education to help families reduce their energy consumption.

The Recovery Act WAP program is able to benefit from the success of the pre-existing program. Of the \$326.9 million, approximately \$288 million is being made available for contracts with subrecipients for weatherization activities; the balance is designated for training and technical assistance and administrative funds. The Recovery Act allowed the increase of the income limit for households served from 125 percent to 200 percent of federal poverty guidelines, and the Department has increased the income limits to 200 percent. This income limit increase will result in the eligibility of more households in Texas. The Recovery Act increased the maximum percentage of funds that can be used for training and technical assistance from 10 to 20 percent of the total award amount. The Recovery Act also raised the monetary cap (WAP funds only) that may be spent on each household from \$3,044 in 2009 to \$6,500. Priority households include the elderly, persons with disabilities, families with young children, households with the highest energy costs or needs in relation to income (highest home energy burden), and households with high energy consumption.

### IMPLEMENTATION AND ALLOCATION

The Department submitted a Plan for WAP Recovery Act funds to DOE on March 23, 2009. The DOE approved the Department's WAP Plan and the release of half the total funds on July 10, 2009.

The allocation formula for WAP uses the following five factors and corresponding weights to distribute funds to all 254 counties in Texas through the existing network of providers: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

The pre-existing Weatherization Assistance Program is administered by an existing subrecipient network comprised of 33 agencies that provide weatherization services to all 254 counties in Texas. Moreover, 12 cities were temporarily added to the existing network because of the significant increase in Recovery Act WAP funding compared to the historical WAP funding and the short timeframe for expenditure.

The projections for Recovery Act WAP awarded in 2009 with performance period lasting until March 2012: \$326,975,732 of funding allocated to weatherize 33,908 units. Note that Recovery Act WAP is a one-time multiyear funding award.

### ADDITIONAL RESOURCES

See the Department plan approved by DOE; U.S. Department of Energy State Plan; 2009 American Recovery and Reinvestment Act; and Weatherization Assistance Program for Low-Income Persons posted on the TDHCA website at <a href="http://www.tdhca.state.tx.us/recovery/detail-wap.htm">http://www.tdhca.state.tx.us/recovery/detail-wap.htm</a>.

# **SECTION 6: PUBLIC PARTICIPATION**

TDHCA strives to include the public in policy, program and resource allocation decisions that concern the Department. This section outlines how the public is involved with the preparation of the plan and includes a summary of public comment.

- Participation in TDHCA Programs: Discusses efforts to ensure that individuals of low income and their community-based institutions participate in TDHCA programs
- Citizen Participation in Program Planning: Discusses affirmative efforts to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process

# PARTICIPATION IN TDHCA PROGRAMS

Texas is an economically, regionally and demographically diverse state. The Department recognizes this by establishing criteria to distribute funds based on the priorities established in TDHCA's governing statute. It is incumbent upon TDHCA to increase the public's awareness of available funding opportunities so that its funds will reach those in need across the state.

Below are the approaches taken by TDHCA to achieve this end:

- Throughout the year, the TDHCA staff reaches out to interested parties at informational workshops, roundtables, and conferences across the state to share information about TDHCA programs.
   Organizations interested in becoming affordable housing providers are actively encouraged to contact TDHCA for further technical assistance in accessing TDHCA programs.
- The Department's Division of Public Affairs is responsible for media releases, attends conferences and maintains conference information booths on behalf of TDHCA, as well as coordinates media interviews and speaking events.
- The TDHCA *Program Guide* provides a comprehensive, statewide housing resource guide for both individuals and organizations across the state. The *Program Guide* provides a list of housing and housing-related programs operated by TDHCA, HUD and other federal and state agencies.
- The TDHCA website, through its provision of timely information to consumers, is one of TDHCA's most successful marketing tools and affordable housing resources.
- TDHCA also operates a listserv e-mail service, where subscribed individuals and entities can receive email updated on TDHCA information, announcements and trainings.
- TDHCA is involved with a wide variety of committees and workgroups, which serve as valuable resources to gather input from people working at the local level. These groups share information on affordable housing needs and available resources and help TDHCA to prioritize these needs.

# CITIZEN PARTICIPATION IN PROGRAM PLANNING

The Department values and relies on community input to direct resources to meet its goals and objectives. In an effort to provide the public with an opportunity to more effectively give input on the Department's policies, rules, planning documents and programs, the Department has consolidated its public hearings. In addition to these annual public hearings, individual program sections hold various hearings and program workshops throughout the year. Furthermore, the TDHCA Board accepts extensive public comment on programmatic and related policy agenda items at monthly board meetings.

The Department ensures that all programs follow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend

and are held at times accessible to both working and non-working persons. The Department maintains a voluntary membership e-mail list which it uses to notify all interested parties of public hearings and public comment periods. Additionally, pertinent information is posted as an announcement in the *Texas Register* and on TDHCA's website. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via mail, fax, or email.

# PREPARATION OF THE PLAN

Section 2306.0722 of the Texas Government Code mandates that the Department meet with various organizations concerning the prioritization and allocation of the Department's housing resources prior to preparation of the Plan. As this is a working document, there is no time at which the Plan is static. Throughout the year, research was performed to analyze housing needs across the state, focus meetings were held to discuss ways to prioritize funds to meet specific needs and public comment was received at program-level public hearings as well as at every Governing Board meeting.

The Department met with various organizations concerning the prioritization and allocation of the Department's resources and all forms of public input were taken into account in its preparation. Several program areas conducted workgroups and public hearings in order to receive input that impacted policy and shaped the direction of TDHCA programs.

Communication between TDHCA and numerous organizations results in a participatory approach towards defining strategies to meet the diverse affordable housing needs of Texans. In March 2006, TDHCA mailed out the 2006 Community Needs Survey to approximately 2,500 state representatives and senators, mayors, county judges, city managers, housing/planning departments, USDA local offices, public housing authorities, councils of governments, community action agencies and Housing Opportunities for Persons with AIDS (HOPWA) agencies to gather preliminary input on local perceptions of housing, community affairs and community development needs. TDHCA uses this input when preparing the Plan and in program planning and development.

# PUBLIC HEARING

From October to December 2009, TDHCA worked on the draft version of the 2010 State of Texas Low Income Housing Plan and Annual Report. The draft was submitted to the TDHCA Board of Directors for approval at the December 2009 Board meeting and was released for public comment in accordance with §2306.0732 and §2306.0661.

The hearing notice was published in the *Texas Register*. During the comment period from January 4 to February 2, 2010, the public was encouraged to submit input toward the Plan in writing via mail, fax, or e-mail. A public hearing to gather public comment on the SLIHP was held on January 13, 2010 at the Stephen F. Austin Building at 11:15am. At the public hearing, there were seven attendees and four speakers who had comments on the SLIHP.

# **PUBLIC COMMENT**

The comments summarized below were received during the public hearing or submitted in writing directly to the Department. Eight comments were received and the Department responses are included after each comment.

# 1. Comment: Add Recovery Act Projections for the Weatherization Assistance Program

The Weatherization Assistance Program (WAP) description is divided by the annual allocation in the Action Plan chapter and the Recovery Act allocation in the Recovery Act chapter. The Action Plan projects benchmarks for WAP but the Recovery Act chapter is more general and does not have benchmark numbers for WAP. Commenter encourages the Department to include a benchmark number, specifically the number of households served, by the Recovery Act WAP.

<u>Department Response</u>: The Recovery Act WAP description has been updated to include funding available and units weatherized, similar to the benchmark format in the Action Plan. Each unit weatherized represents one household served. While the Action Plan benchmarks for WAP's annual allocation are for fiscal year (FY) 2010, the Recovery Act WAP benchmarks are for a one-time multiyear funding award starting in 2009 and ending in 2012.

### 2. Comment: Use 2009 CHAS data in the SLIHP and Regional Allocation Formulas

In January 2010, HUD released the 2009 Comprehensive Housing Affordability Strategy (CHAS) data. The Department currently uses data projections from the 2000 Census in the SLIHP Housing Analysis chapter and the regional allocation formula (RAF) in the Action Plan chapter. Commenter stated that while the 2000 data projections in the 2010 SLIHP account for changes in population, the projections do not take into account the prevalence of housing problems: Dallas, Houston and Austin have seen a significant increase in housing need over the rest of the state. Commenter believes that the projection does not account for above-projection growth in the number of extremely low-income households with extreme cost burden and that the current estimate of need underestimates the needs in Regions 3, 6 and 7. While commenter understands that the RAF has already been adopted, because the RAF is based on information in the SLIHP, commenter would like the Department to reopen the RAF so that it will be based on the most current data available.

<u>Department Response</u>: The Department strives to use the most current data available in its analysis and allocation formulas. With this goal, the Department used 2000 CHAS data updated with Ribbon Demographics' HISTA projections purchased by the Department. HISTA data is based on four-way cross tabulations of household data designed specifically for affordable housing analysis that has been built by Claritas, a provider of demographic data worldwide. The data is not based on extrapolations of Summary File (SF) 3 data. According to the U.S. Census website, "Summary File 3 consists of 813 detailed tables of Census 2000 social, economic and housing characteristics compiled from a sample of approximately 19 million housing units (about 1 in 6 households) that received the Census 2000 long-form questionnaire."

The data used for the SLIHP and RAF are based on CHAS data, specifically certain categories that address housing problems. Because the HISTA data does not provide all the CHAS data categories needed for the Department's analysis, the Department applied the HISTA data to create projections to the CHAS data.

Although the 2009 CHAS data was released by HUD in January 2010, HUD only released 2009 CHAS data for Metropolitan Statistical Areas (MSAs) and did not release updated CHAS data for rural areas. The 2009 CHAS data only includes 116 counties out of 254 counties in Texas. Therefore it is not possible to compare the SLIHP data projections against the 2009 CHAS data for Regions 3, 6 and 7 because the 2009 CHAS data does not have information for each county in

the region. Because the Department serves all of Texas, the SLIHP and the RAF must use data from all counties in order to be accurate in its analysis and allocations. In order to use consistent data, the Department will not update its SLIHP or RAF with 2009 CHAS data because not all counties are available. In 2011, the RAF will again be updated based on current data available to the Department.

# 3. Comment: Creation of Income Category Below 30 Percent of Area Median Family Income (AMFI)

Commenter would like the Department, along with other State agencies, to develop an income threshold between 0-15% AMFI, so that the State can plan for and allocate resources to a group that commenter believes is currently slipping through the cracks of housing and human service programs.

To evaluate housing needs, the Department currently uses three income categories for low-income Texans: Low Income (80% AMFI or below); Very Low Income (50% AMFI or below); and Extremely Low Income (30% AMFI or below). These divisions are also present in state law and allow TDHCA to allocate funds differently among these categories of low- and moderate-income populations. Commenter believes that no progress has been made over the past decade to reduce the proportion of need within this lowest income category. Evidence suggests that these groups include, but are not limited to, those living on Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI) or other entitlement programs. According to the 2008 Old Age, Survivors, and Disability Insurance (OASDI, a.k.a. Social Security) Data, in Texas there are 597,297 beneficiaries receiving SSDI and 566,504 receiving SSI, many of whom rely solely on these benefits for income.

Commenter believes that the SLIHP should recognize that the unmet needs of the extremely low-income population results to a large degree from households not able to access current programs targeting extremely low-income households. Commenter believes that often, people making extraordinarily low income do not have the revenue needed to enter the most affordable of housing programs. Below 16% AMFI, the need for subsidies increases significantly, as rent levels fail to cover operating costs and replacement reserves. Moreover, these groups are more difficult to locate, contact, and market to than their higher income earning counterparts. For these reasons, money earmarked for below 30% AMFI largely goes to the population nearest the 30% threshold.

The following organizations support this statement: Advocacy, Inc; Coalition for Texans with Disabilities; Easter Seals Central Texas; Mary Lee Foundation; Texas Council for Developmental Disabilities; Texas Low Income Housing Information Service.

<u>Department Response</u>: The Department acknowledges the needs of the extremely low-income population at 30% AMFI and below. As a result, the Department strives to effectively serve this population by providing services through its programs, adjusting programmatic guidelines and developing policy priorities to address the needs of this population. The creation of a separate income category for 0-15% AMFI is not necessary to prioritize and adequately these households, which are served within the 0-30% AMFI income category.

Texans at 0-30% AMFI may be eligible for the following TDHCA programs and services:

- Emergency shelter funded through the Emergency Shelter Grants Program or Homeless Housing and Services Program;
- Human services including child care; health and human services; nutrition; transportation; job training and employment services; education services; activities designed to make better use of available income; housing services; emergency assistance; activities to achieve greater participation in the affairs of the community; youth development programs; information and referral services; activities to promote self-

sufficiency; and other related services through community action agencies that receive Community Services Block Grant funds;

- Energy education, financial assistance for utility bills and HVAC replacement through the Comprehensive Energy Assistance;
- Emergency rental assistance to prevent eviction through the Emergency Shelter Grants Program or Homeless Prevention and Rapid Re-housing Program;
- A rental subsidy through Section 8 Housing Choice Vouchers or Tenant-Based Rental Assistance through the HOME Program or Rental Assistance through the Housing Trust Fund;
- Reduced rent based on income level in an apartment complex created by the Housing Tax Credit Program, the Multifamily Bond Program, the HOME Program or the Housing Trust Fund;
- Home repairs or rehabilitation funded through the HOME Program;
- Weatherization of the housing unit in order to save on electricity bills through the Weatherization Assistance Program; or
- Homebuyer assistance through self-help owner-builder programs funded through the Office of Colonia Initiatives.

The Department provides incentives for funding to serve 0-30% AMFI on the programmatic level:

- The Department makes layering funds possible in many of its programs in order to provide opportunities for program recipients to reach this extremely low-income;
- The Housing Tax Credit complexes are prohibited from denying rental assistance to residents with Section 8 vouchers, creating deeply affordable rents to tenants with a Section 8 voucher living in a reduced-rent apartment;
- The Housing Tax Credit, Multifamily Revenue Bond and Housing Trust Fund Programs all provide point incentives for multifamily development applications that commit to serve households at 0-30% AMFI;
- The HOME Program's multifamily development funds require 5-10% of the units to be committed to serve households at 0-30% AMFI.
- Single-family activities, such as HOME's Homeowner Rehabilitation, Homebuyer Assistance and Tenant-Based Rental Assistance (TBRA) activities, offer additional points for applicants committed to serve households at 0-30% AMFI to meet the threshold point requirements.
- Homeowner rehabilitation and TBRA do not rely on rents for operating/administration costs and can serve households at 0-30% AMFI.

Commenter takes for example people on SSI, SSDI or other entitlement programs as within the 0-15% AMFI. The Department has based policy priorities for people with special needs including elderly populations (many of which rely on SSI) and persons with disabilities (many of whom rely on SSDI). The SLIHP's Action Plan Policy Priorities section outlines what policy-driven actions the Department takes to meet the needs of these populations.

The 0-15% AMFI income category is within the 0-30% AMFI income category that the Department serves. The Rider 5 report, submitted to the Legislative Budget Board, tracks income

levels of households served for many of the Department's programs. The most recent Rider 5 report shows that in 2006 the Department's Section 8, HOME, Housing Trust Fund and Housing Tax Credit programs expended \$42,328,192 to serve 8,172 households in the 0-30% AMFI category. This was approximately 37% of the total funding available in 2006 and 30% of the total households served for those programs during 2006.

Finally, separating the 0-15% AMFI households out of the 0-30% category would reduce the consistency of the Department's data based on national standards. Because HUD uses the 0-30% AMFI category, it is more appropriate for the public to compare national data with TDHCA's data if the 0-30% AMFI category remained.

# 4. Comment: Support of 15% AMFI Category to Meet the Needs of Persons with Disabilities

Commenter added a statement of support to the creation of an income category at 15% AMFI to address the income level of many people with disabilities when it comes to seeking safe and decent affordable integrated housing and accessible housing. In addition, commenter noted that the needs of persons with disabilities don't necessarily fit the 30 percent income level, especially when dealing with individuals who are on Social Security Disability benefits.

<u>Department Response</u>: The response to the creation of the 15% AMFI category is outlined in the Department Response to the Comment 3 above.

The Department addresses the needs of persons with disabilities through several policies outlined in the SLIHP Action Plan's Policies Priorities section. The Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond, Section 8, Neighborhood Stabilization, and Community Development Block Grant Disaster Recovery programs all have specific measures to address the needs of people with disabilities. The Integrated Housing Rule also works to meet the needs of people with disabilities. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, Promoting Independence Advisory Committee, and the Disability Advisory Workgroup which all collaborate with groups representing people with disabilities.

# 5. Comment: Support of 15% AMFI Category to Meet the Needs of Persons with Developmental Disabilities and/or Severe Mental Illness

Commenter described the situation of individuals with severe mental illness and/or developmental disabilities who cannot work, live on Supplemental Security Income (SSI) and are looking for affordable housing. Commenter explained that these individuals are permanently disabled, do not have Section 8 vouchers and have not been able to find available TDHCA units within Caldwell County, Travis County or Hays County. These individuals are already at self-sufficiency levels permissible with their disabilities, so a self-sufficiency plan required under tenant-based rental assistance would not improve their situations. As a result, commenter supported the creation of an income category of 0-15% AMFI which would possibly help the Department better serve individuals with mental illness and/or developmental disabilities.

<u>Department Response</u>: The response to the creation of the 15% AMFI category is outlined in the Department Response to Comment 3 above.

The Department addresses the needs of persons with developmental disabilities and/or Severe Mental Illness as outlined in several policies found in the SLIHP Action Plan's Policies Priorities section. This population is included in the "persons with disabilities" section. The U.S. Department of Housing and Urban Development (HUD) provides the following definition: "A person shall be considered to have a disability if such a person has a physical, mental, or emotional impairment that

1. is expected to be of long-continued and indefinite duration,

- 2. substantially impedes his or her ability to live independently, and
- 3. is of such a nature that the ability could be improved by more suitable housing conditions.

# 6. Comment: Provide Housing with Support Services for the Mentally Ill Population

Commenter stressed the need for the Department to provide safe, affordable, permanent housing for the mentally ill and integrate support services, tailored to individual needs, into this housing. Commenter outlined the severely mentally ill subpopulation's barriers to obtaining housing, including extremely low incomes which may consist only of SSI or SSDI, abnormal behaviors, inability to provide self-care and, in some cases, felony convictions. Commenter cited experts, studies and statistics stating that 20-30 percent of jail/prison population is mentally ill, 67-69 percent of the mentally ill in jail/prison also have co-occurring substance abuse and recidivism is inordinately high; the mentally ill subpopulation cycle through emergency rooms and state hospitals and are often discharged before they are sufficiently stable; and most of the chronically homeless are mentally ill. Without housing and support services, the recovery rate is low and the cost to society in taxes and quality of life is higher than if society provided these services.

<u>Department response</u>: The Department recognizes the special needs of the mentally ill populations and people with disabilities. In an effort to meet those needs, the Department collaborates with groups representing people with disabilities, such as the Housing and Health Services Coordination Council, Promoting Independence Advisory Committee, and the Disability Advisory Workgroup. The most current effort is the Housing and Health Services Coordination Council (Council), which is tasked with increasing state efforts to create service-enriched housing for persons who are elderly and persons with disabilities and to offer a continuum of home and community-based services that are affordable to the state and the target population. The Council's tasks are outlined in the SLIHP Action Plan's Policies Priorities section and further information can be found on the Council website: http://www.tdhca.state.tx.us/hhscc.

Additionally, the Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond, Section 8, Neighborhood Stabilization, and Community Development Block Grant Disaster Recovery programs all have specific measures to address the needs of people with disabilities.

# 7. Comment: Deeply Affordable Rents Needed for Individuals with Intellectual and/or Mental Health Disabilities

The Action Plan's Policy Priorities section called "Persons with Disabilities (Special Needs)" states that the Department meets with advocates for the elderly and persons with disabilities and stresses the primary goal of this subpopulation to live independently and remain in their own home. Commenter noted that the Department's statement in the "Person's with Disabilities (Special Needs)" section focuses on rehabilitation and physical access of properties and not on this subpopulation's need for deeply affordable rents. Commenter states that although a segment of this subpopulation consists of people with physical and not cognitive disabilities, a high percentage of this subpopulation consists of people with intellectual and/or mental health disabilities, in which case they would need the deeply affordable assistance and not assistance with physical access. Commenter recommends that the Department recognize the needs for deeply affordable rents for individuals with intellectual and/or mental health disabilities in the "Persons with Disabilities (Special Needs)" Policy Priority.

<u>Department Response</u>: The Department has worked and continues to work to provide deeply affordable assistance to people with intellectual and/or mental health disabilities. Therefore, the Department has added a sentence to the "Persons with Disabilities (Special Needs)" policy priority section in the Action Plan to include the recognized need of deeply affordable rents for persons with disabilities.

The Department offers many programs aimed at providing deeply affordable rents to people with extremely low-incomes that often includes persons with disabilities:

- Section 8 The Department administers the Section 8 Housing Choice Voucher Program, which requires 75 percent of all new households admitted to the program to be at or below 30% of the area median income.
- The Project Access Program The Department uses 60 Section 8 Housing Choice Vouchers to assist low-income non-elderly persons with disabilities to transition from institutions into the community by providing access to affordable housing.
- Tenant Based Rental Assistance The Department's HOME program administers the Tenant Based Rental Assistance (TBRA) Program. Clients of the TBRA program must only contribute the greater of 10 percent of gross income or 30 percent of adjusted gross income towards their rent. The project sponsor pays the balance of the rent up to the fair market rent value. In addition, 5 percent of the HOME program funding is set aside for people with disabilities in any part of the state.

Furthermore, several of the Department's programs have requirements, provide incentives or provide the flexibility to layer funding sources so that the developer or administrator will provide services for people with disabilities, as stated in the SLIHP Action Plan's Policy Priorities section. For example, Section 8 vouchers can be used in developments funded through TDHCA which offer rents based on income levels, creating deeply affordable rents when the income-based rents are combined with Section 8 vouchers.

Finally, the Department addresses the needs of persons with intellectual and/or mental health disabilities through several policies outlined in the SLIHP Action Plan's Policies Priorities section.

# 8. Comment: Clarification of Set-Asides in the Housing Tax Credit and Housing Trust Fund Programs

Commenter questioned the amount that the Housing Tax Credit and Housing Trust Fund programs are reserving for people with special needs. The Action Plan's Policy Priority section indicates that the Housing Tax Credit Program has a 10% set-aside for several populations with special needs. Commenter asked if the 10 percent is all-encompassing or if the 10 percent is spread across all of those unique needs.

Also, for the Housing Trust Fund, the 2 million in the Rental Housing Development for Unique Housing Needs is listed under several special needs population in the Action Plan's Policy Priorities section. Commenter asked if that 2 million is for each of those special needs populations or for all of them combined.

<u>Department Response</u>: According to the 2010 Qualified Allocation Plan and Rules, the Housing Tax Credit Program's 10 percent set-aside is for people with special needs including persons with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farmworkers. This is not 10 percent for each population, but 10 percent for all seven subpopulations combined. Language was added in the Action Plan's Policy Priority section to clarify this statement.

The \$2 million for Housing Trust Fund's Rental Housing Development for Unique Housing Needs was for several different types of subpopulations and not \$2 million for each subpopulation; the applicant would have been able to define unique housing needs. However, as a result of a 5 percent reduction in General Revenue, TDHCA has postponed the Rental Housing Development for Unique Housing Needs. Until additional funds are available, this program has been removed from the SLIHP. The Action Plan's Policy Priorities section describes other measures taken through the Department's programs to provide for special needs populations.

# SECTION 7: 2010-2011 COLONIA ACTION PLAN

# POLICY GOALS

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the TDHCA Office of Colonia Initiatives (OCI) was established to administer and coordinate efforts to enhance living conditions in colonias along the Texas-Mexico border region. OCI's fundamental goal is to improve the living conditions of colonia residents and to educate the public regarding the services that TDHCA has to offer.

The OCI Division was created to do the following:

- Expand housing opportunities to colonia and border residents living along the Texas-Mexico border
- Increase knowledge and awareness of programs and services available through the Department.
- Implement initiatives that promote improving the quality of life of colonia residents and border communities.
- Train and increase the capacity of organizations that serve the targeted colonia population.
- Provide consumer education to colonia and border residents.
- Develop cooperative working relationships between other state, federal and local organizations to leverage resources and exchange information.
- Promote comprehensive planning of communities along the Texas-Mexico border to meet current and future community needs.
- Solicit input from colonia residents on major funding decisions that will affect border communities.

# **OVERVIEW**

The US-Mexico border region is dotted with hundreds of rural subdivisions called colonias, which are characterized by high levels of poverty and substandard living conditions. Several different definitions of colonias are used by various funding sources and agencies due to differing mandates. Generally, these definitions include the concepts that colonias are rural and lacking services such as public water and wastewater systems, paved streets, drainage and safe and sanitary housing. Colonias are mostly unincorporated communities located along the US-Mexico border in the states of California, Arizona, New Mexico and Texas, with the vast majority located in Texas

While new colonias continue to develop, many have been in existence for over 50 years. A few colonia developments began as small communities of farm laborers employed by a single rancher or farmer while others originated as town sites established by land speculators as early as the 1900s. A majority of the colonias, however, emerged in the 1950s as developers discovered a large market of aspiring homebuyers who could not afford to purchase in cities or who did not have access to conventional financing mechanisms.

### POPULATION AND POVERTY

Data updated in 2006 by the Texas Office of the Attorney General recorded 2,060 colonias in 30 counties within 150 miles of the Texas-Mexico border. However, approximately 1,700 of those colonias are concentrated in just seven counties directly abutting the international boundary. It should be noted that these figures represent only the documented colonias. There may be many small, rural colonias that have gone unidentified. Currently, Hidalgo County has the largest number of colonias, with 847 counted in 2006. The 13 counties running along the Texas-Mexico border have an average Hispanic or Latino population of 74.2 percent, as compared to the statewide average of 34.6 percent.

Between 2000 and 2005 many Texas border counties experienced rapid population growth. El Paso, Maverick, Webb, Zapata, Starr, Hidalgo and Cameron counties have shown an average increase in population of 12.3 percent, surpassing the state average increase of 9.6 percent. Simultaneously, a 5.4 percent average decrease in population has actually occurred in several counties that are adjacent to the border counties over the same time period. Counties experiencing large decreases include Hudspeth, Reeves, Pecos, Terrell, Edwards, Kinney, Duval, Jim Hogg and Brooks. 50

2003 U.S. Census data placed the median household income for Texas at \$39,967, while the median household income for the Texas-Mexico border counties averaged a much lower \$26,606. Zavala County, near the border, posted the lowest median household income at \$18,553. In the larger border-region cities El Paso, McAllen, Brownsville, Corpus Christi and Laredo, the average median values of owner-occupied housing units in 2000 was \$69,640. Laredo had the highest home values at \$77,900.<sup>2</sup>

The particular need for affordable housing in the border region can be largely attributed to the poverty level of the rapidly growing population. Counties along the Texas-Mexico border shoulder some of the highest poverty rates in the state. According to 2003 U.S. Census data, the poverty level in the state of Texas stood at 16.2 percent, while the average poverty level of counties along the Texas-Mexico border was 25.3 percent. Furthermore, the four counties with the greatest number of colonias (Hidalgo, El Paso, Starr, and Cameron), had an average poverty level of 31.5 percent, nearly double the state rate. Counties like Dimmit and Starr, at 32.7 percent and 36.2 percent respectively, were even higher.

# HOUSING

According to a review completed by the Texas Comptroller's Office, most homebuilders would have a difficult time constructing houses for a sale price of less than \$60,000 to \$70,000. Houses in this price range would typically be affordable to workers earning \$12 to \$14 an hour (assuming a housing debt to income ratio of 33 percent with no additional debts). Some builders indicate that it is difficult to build lower-priced homes because many of the construction costs, including the cost of acquisition and site development, are fixed, regardless of the size of the home. Land acquisition and development can add \$10,000 to \$20,000 to the cost of a house.

Owner-builder construction in colonias can face additional significant obstacles. First, federal rules, such as those that govern the HOME Program, prohibit the use of affordable housing funds to acquire land unless the affordable structure is built within 12 months. Second, lenders are typically reluctant to lend funds for owner-builder construction because these borrowers may have little or no collateral. Third, owner-builders may not be sufficiently skilled and may end up building substandard housing without appropriate supervision or guidance. Some governmental housing programs limit the private housing market from serving border residents because they offer no profit incentive for housing professionals, builders, lenders and real estate agents to serve low-wage workers. Program administrators acknowledge profit as an ingredient in encouraging home construction.

# COLONIA NEEDS ASSESSMENT

The following table displays housing quality data from 19 of the 32 colonias served by the Department's Colonia Self-Help Center Program. This sample of data, reported by the participating counties as part of their colonia needs assessments, provides a representation of the acute need for housing-related assistance in these communities. Each county conducted its own needs assessment by different methods and not all counties reported specific data figures. As a result, the table below contains only the data that is available.

Interview with Clark Wilson Homebuilders, November 20, 1997.

U.S. Census Bureau: State and County Quickfacts. http://quickfacts.census.gov/qfd/states/48000.html (Viewed July 27, 2006).

<sup>&</sup>lt;sup>2</sup> U.S. Census Bureau: State and County Quickfacts. http://quickfacts.census.gov/qfd/states/48000.html. Viewed July 27, 2006. <sup>3</sup> Bordering the Future: Homes of Our Own. Windows on State Government. Texas Comptroller of Public Accounts. July 1998.

For the purposes of this assessment, "substandard homes" refers to structures in need of repair or rehabilitation, while "dilapidated homes" refers to structures necessitating total replacement.

**Housing Structural Quality by Colonia, Selected Border Counties** 

County	Colonia Name	Total Number of Homes	Number of Substandard Homes	Number of Dilapidated Homes
Hidalgo	South Tower Estates	273	69	120
Hidalgo	Muniz	150	22	32
Hidalgo	LJ #1	65	2	12
Hidalgo	Linda Vista Estates	150	14	8
Hidalgo	Sanchez Ranch	77	23	10
Val Verde	Val Verde Park Estates	840	113	22
Val Verde	Cienegas Terrace	421	108	36
Val Verde	Villareal	12	3	0
Val Verde	Escondido Estates	32	0	0
Cameron	Laguna Heights	583	343	60
Cameron	Cameron Park	1088	558	346
Cameron	La Paloma	128	24	26
Cameron	Sunny Skies	44	9	16
Willacy	Los Angeles	35	19	6
Webb	Los Altos	95	8	19
Webb	Tanquecitos I & II	102	34	22
Webb	San Carlos I & II	119	45	22
Webb	Ranchitos 359 East	43	21	6
Webb	D-5 Acres	31	8	4
	TOTAL	4288	1423 33% of total	767 18% of total

# PROGRAM PLAN

TDHCA, through its Office of Colonia Initiatives, administers various programs designed to improve the lives of colonia residents. This action plan outlines how various initiatives and programs will be implemented for 2008.

FY 2009 and 2010 Office of Colonia Initiatives Funding

Programs	Estimated Available Funding for FY 2010	Estimated Available Funding for FY 2011			
Texas Bootstrap Loan Program	\$6,062,942	\$6,062,941			
Colonia Self-Help Centers	\$1,800,000	\$1,800,000			
Total	\$7.862.942	\$6,862,941			

### TEXAS BOOTSTRAP LOAN PROGRAM

The Texas Bootstrap Loan Program is a statewide loan program that funds certified non-profit organizations and enables owner-builders to purchase real estate and construct or renovate a home. In 2009 the 81<sup>st</sup> Legislature amended this program under Senate Bill 679 with a legislative directive requiring continuation of an Owner Builder Loan Program through 2020. TDHCA is required under Section 2306.753(d) of the Texas Government Code, to set aside two-thirds of the available funds for owner-builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, of the Water Code. A county is only eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code, if: 1) the county contains an area that meets the criteria for

an economically distressed area under Section 17.92(1), Water Code; and 2) the county has adopted and enforces the model rules under Section 16.343, Water Code. The remaining one-third is available statewide.

The program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. Participating owner-builders must provide a minimum of 65 percent of the labor required to build or rehabilitate the home. Section 2306.753(a) of the Texas Government Code directs TDHCA to establish a priority in directing funds to Owner-Builders with an annual income of less than \$17,500. The maximum loan amount using TDHCA funds may not exceed \$45,000 per Owner-Builder. The total amount of loans made with TDHCA and any other source may not exceed a combined \$90,000 per household. The Department committed \$12 million in Fiscal Year 2009 to implement this initiative from the Housing Trust Fund.

TDHCA is required under Section 2306.7581 (a-1) of the Texas Government Code, to make available at least \$3,000,000 each state fiscal year for mortgage loans to very low-income families (60% Area Median Family Income) not to exceed \$45,000 per unit. In addition to the 2010 & 2011 Fiscal Year allocation of \$3,000,000 per year, TDHCA's Governing Board set-aside an additional \$3,500,000 for this program under the 2010/2011 Housing Trust Fund Plan. The remaining funds from FY2009 in the amount of \$2,125,883 were reallocated with the 2010/2011 allocation for a total of \$11,625,883.

In an effort to increase the Department's ability to more promptly assist households and expend funds and to better disseminate Bootstrap funds across a broader network of providers, the OCI Division of TDHCA is utilizing a reservation system concept similar to the TDHCA First Time Homebuyer Bond Program in order to distribute funding. This type of system allows program funds to be expended more rapidly and efficiently. Under the reservation system, participating nonprofit organizations must be certified by TDHCA as a Nonprofit Owner-Builder Housing Program (NOHP) in accordance with Section 2306.755 of the Texas Government Code and must execute a Loan Origination Agreement with the Department in order to assure full compliance with program rules and guidelines. After being certified as an NOHP, the NOHP will then be able to submit individual loan applications to TDHCA on behalf of the owner-builder applicant on a first-come, first-served basis. A nonprofit is allowed to have up to \$900,000 in reservations at any given time under the 2/3 set-aside and up to \$450,000 in reservations under the 1/3 for the rest of the state. Funds may be reserved up to twelve months for each reservation; however, the nonprofits are required to meet specific performance benchmarks within that time period in order to retain the funding.

### COLONIA SELF-HELP CENTERS

In 1995, the 74th Legislature passed Senate Bill 1509 (Texas Government Code Subchapter Z §2306.581 - §2306.591), a legislative directive to establish colonia self-help centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. This program also allows the Department to establish a colonia SHC in any other county if the county is designated as an economically distressed area. Five colonias in each county are identified to receive concentrated attention from its respective SHC. Operation of the colonia SHCs is managed by a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the capacity to operate a center.

These colonia SHCs provide concentrated on-site technical assistance to low and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. In addition, on-site technical assistance is provided to colonia residents. Key services to the designated colonias within each county receive technical assistance in the areas of housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; infrastructure constructions and access; contract for deed conversions; and capital access for mortgages to

improve the quality of life for colonia residents in ways that go beyond the provision of basic infrastructure. The three OCI border field offices provide technical assistance to the counties and SHCs.

The colonia SHC program serves 32 colonias in the five counties designated by statute and two additional counties of Maverick and Val Verde, which were added to the program at the discretion of the Department. The total number of beneficiaries for all SHCs is approximately 32,000 residents. The Department contracts with the counties, which in turn subcontract with nonprofit organizations to administer the colonia SHC program or specific activities. The counties oversee the implementation of contractual responsibilities and ensure accountability. Before selecting subcontractor organizations, County officials conduct a needs assessment to prioritize needed services within the colonias and publish a Request for Proposal (RFP) to provide these services.

The Department designates a geographic area to receive the services provided by the colonia SHCs based upon funding proposals submitted by the counties. In consultation with the Colonia Residents Advisory Committee (C-RAC) and the appropriate unit of local government, the Department designates up to five colonias in each service area to receive concentrated attention from the colonia SHCs. The C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board which advises the Board regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the colonia SHCs. Each county nominates two colonia residents to serve on the committee, both of which must be colonia residents. The committee also includes a primary and secondary representative from each county. The Department's Board of Directors appointed the current members to the C-RAC on April 23, 2009. The C-RAC meets thirty days before a contract is scheduled to be considered for award by the Board in order for their concerns, if any, to be relayed to and evaluated by the Board.

Each SHC is allocated sufficient funds to provide services within the designated colonias and if applicable, can provide limited assistance outside the service area.

The operations of the colonia SHCs are funded by HUD through the Texas Community Development Block Grant Program (CDBG) 2.5 percent set-aside, which is approximately \$1.8 million per year. The CDBG funds are transferred to the Department through a memorandum of understanding with the Texas Department of Rural Affairs. CDBG funds can only be provided to eligible units of general local governments. Therefore, the Department must enter into a contract with each participating county government. The Department provides administrative and general oversight to ensure programmatic and contract compliance. In addition, colonia SHCs are encouraged to seek funding from other sources to help them achieve their goals and performance measures.

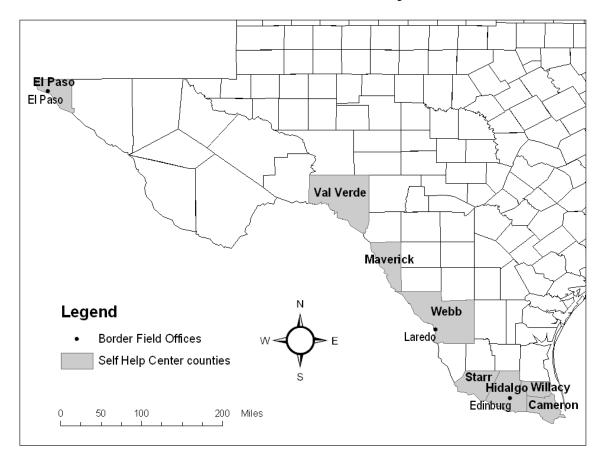
### **BORDER FIELD OFFICES**

OCI manages three border field offices located in El Paso, Laredo and Edinburg. These border field offices administer, at the local level, various OCI programs and services and provide technical assistance to nonprofits, for profits, units of general local government, other community organizations and colonia residents along the Texas-Mexico border region. Current funding for the border field offices is partially funded from General Revenue, Bond Funds and CDBG programs. OCI will continue to maintain these three border field offices and will continue to act as a liaison between nonprofit organizations and units of local government.

Occasionally, there is funding available to communities and organizations in the colonias to support local programs. Technical assistance is provided to help nonprofit organizations locate funding and learn to write successful grant proposals. However, the most important aspect in seeking funding is the ability of the communities or organizations to manage the funding within its rules and program guidelines. Many communities and nonprofit organizations struggle to deliver services to their colonia residents due to capacity and financial issues. Therefore, the Border Field Offices anticipate approximately 800 technical assistance visits for FY 2010 to nonprofit organizations and units of local government.

The Department recognizes the need for consumer education on topics such as filing homestead exemptions, knowing one's property rights under Contract for Deed and the challenges of homeownership. The Department assists as needed to provide homebuyers under its Contract for Deed Conversion and Texas Bootstrap Loan Programs a form to file their homestead exemption at the time of closing on their homes. Education services are available through the colonia SHCs and OCI Border Field Offices.

# **Border Field Offices and Colonia Self Help Centers**



# SECTION 8: TEXAS STATE AFFORDABLE HOUSING CORPORATION ANNUAL ACTION PLAN

According to Section 2306.0721(7), the Texas State Affordable Housing Corporation (Corporation) Annual Action Plan must be included as part of the 2010 State Low Income Housing Plan (SLIHP).

# **OVERVIEW**

This report is prepared in accordance with Texas Government Code, Section 2306.566, which requires the Texas State Affordable Housing Corporation (Corporation) to develop a plan to address the state's housing needs and provide the plan to the Texas Department of Housing and Community Affairs (TDHCA) for incorporation into the resource allocation plans in the State Low Income Housing Plan (SLIHP). In accordance with Section 2306.0722(n), TDHCA will provide the needs assessment information compiled for the report and plan to the Corporation. Additionally, the Corporation's plan must include specific proposals to help serve rural and other underserved areas of the state. Sec. 2306.566 of the Texas Government Code reads:

# COORDINATION REGARDING STATE LOW INCOME HOUSING PLAN.

The corporation shall review the needs assessment information provided to the corporation by the department under Section 2306.0722(b).

The corporation shall develop a plan to meet the state's most pressing housing needs identified in the needs assessment information and provide the plan to the department for incorporation into the state low income housing plan.

The corporation's plan must include specific proposals to help serve rural and other underserved areas of the state.

# HISTORY OF THE CORPORATION

The Texas State Legislature created the Corporation as a self-sustaining non-profit entity to facilitate the provision of affordable housing for low-income Texans who do not have comparable housing options through conventional financial channels. Enabling legislation, as amended, may be found in the Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq. All operations of the Corporation are conducted within the state of Texas. Corporate offices are located in Austin, Texas. A five-member board of directors appointed by the Governor with the advice and consent of the Senate oversees the business of the Corporation.

The Corporation issues mortgage revenue bonds and private activity bonds to finance the purchase and creation of affordable housing. Over the course of its history, the Corporation has utilized over \$338 million in single family and approximately \$540 million in multifamily bonding authority.

The following four programs allow homebuyers to finance the purchase of single family homes: (1) the Professional Educators Home Loan Program, (2) the Fire Fighter, Law Enforcement or Security Officer and Emergency Medical Services Personnel Home loan Program (more commonly referred to as the Homes for Texas Heroes Program), (3) the Home Sweet Texas Loan Program, and (4) the Mortgage Credit Certificate Program. The Corporation has served over 3000 income eligible individuals and/or families through its single family first-time homebuyer programs. These programs are provided at no cost to the state and its taxpayers. The Corporation does not receive any state funding and is not subject to the legislative appropriations process.

The Corporation is organized, operated and administered in accordance with its enabling legislation as a 501(c)(3) nonprofit corporation in order to access additional sources of funding to accomplish its mission.

The Corporation is an approved originating seller/servicer for single family loans with Fannie Mae, Freddie Mac, Ginnie Mae, U.S. Rural Development, FHA and VA. The Corporation has conduit sales agreements with Bank of America Home Loans and Wells Fargo Funding and with the Community Development Trust, Inc., for multifamily mortgage loans. The Corporation is also an associate member borrower of the Federal Home Loan Bank of Dallas.

# **NEEDS ASSESSMENT REVIEW**

According to an analysis of the Texas Department of Housing and Community Affairs' (TDHCA) Needs Assessment and other published studies on the subject, the following represent the most pressing housing needs in the state:

### GENERAL HOUSING NEEDS

- Between 2002 and 2008, Texas' population increased approximately 14.6 percent. The total population estimate for January 1, 2009 is 23,705,962 and it is expected to continue to grow, with projections putting the state's population at 35.7 million by 2040.<sup>51</sup>
- The population in Texas is also becoming older. In 2009, the percentage of the population that was 65 years or older was 10.3 percent. That number is expected to increase to 18.0 percent by 2040. Additionally, the American Community Survey found that 45.3 percent of those 65 years or older had a disability. Furthermore, 56 percent of older Texans spend more than 30 percent of their income on housing. 52
- Based on the information found in the State's Needs Assessment, the expected rise of Texans older than 65 years-old will increase the demand for affordable senior housing and barrier removal or home modification programs.
- The ethnic makeup of the state's population is also expected to change in the next 30 years. It is projected that the Anglo percentage of the overall population will increase by 0.2 percent between 2009 and 2040, while the Hispanic population is expected to increase by 53.1 percent and the Black population by 20 percent in the same period.<sup>53</sup>
- Historically, there's been a substantial difference in income levels between Anglos and Blacks and Hispanics. Poverty levels among Blacks is 24.7 percent and 21.2 percent among Hispanics, both significantly higher than the 10.5 percent poverty level among Anglos.<sup>54</sup> Consequently, the Corporation anticipates that the need for affordable housing in Texas will increase with the projected change in our state' demographics.
- As a result of the growing population, housing demands will change substantially in the coming years with both owner and renter housing growing at nearly equal rates.<sup>55</sup>
- Affordable housing is in short supply for the extremely low, very low, low and moderate income brackets, which was caused primarily by the private sector's concentration of development, both

 $^{53}$  Ibid.

<sup>&</sup>lt;sup>51</sup> Texas Department of Housing and Community Affairs, Center for Housing Research, Planning and Communications, 2010 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2009).

Ibid.

 $<sup>^{54}</sup>$  Ibid.

<sup>&</sup>lt;sup>55</sup> Texas A&M University, Center for Demographic and Socioeconomic Research and Education, A Summary of the Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas, 2002.

single family and multifamily development, in larger metropolitan areas and targeting higher income individuals and families.<sup>56</sup>

• Many HUD-financed or HUD-subsidized properties, which represent a significant portion of the state's affordable housing portfolio, are at risk of becoming market rate properties.<sup>57</sup>

# SINGLE FAMILY HOUSING NEEDS

The Corporation administers the Professional Educators, Homes for Texas Heroes, and Home Sweet Texas Loan Programs. The programs are available statewide on a first come, first-served basis, to first-time homebuyers who wish to purchase a newly constructed or existing home.

- Texas is expected to add nearly 3.8 million more students over the next 40 years creating a high demand for educators. 58
- The Texas nursing education system is operating close to capacity and faces several impediments to producing more graduates—faculty shortages due to retirement, inadequate salaries and fewer faculty applicants.<sup>59</sup>
- Lack of funds for down payment and closing costs has created one of the greatest obstacles that
  prevent first-time homebuyers of low-to-moderate-income families, such as the teachers, police
  officers and firefighters, from achieving the American dream of owning a home.<sup>60</sup>

### MULTIFAMILY HOUSING NEEDS

- Renter households are, on average, a lower income group than owner households. More than 37 percent of renter households earn less than 50 percent of the Area Median Family Income, compared to only 16.3 percent of owner households. As a result, renter households are more likely to be in need of housing assistance.
- According to the results of the 2006 Community Needs Survey distributed by TDHCA to cities, counties, local housing departments, public housing authorities and the US Department of Agriculture/Rural Development field offices, approximately 35 percent of respondents indicated that their community's greatest need was the construction of new rental units.
- The lack of affordable housing opportunities leads to severe and extreme housing cost burdens for lower-income groups; in particular, extremely low-income renter households. 63
- Overcrowding may indicate a general lack of affordable housing in a community and lower income renter households experience overcrowded conditions more frequently than higher income households.<sup>64</sup>
- In the 2005-2009 State of Texas Consolidated Plan, it is estimated that 2 million people or 9.9 percent of the total population are 65 years of age and older. The Texas Department of Aging and Disability Services estimate that by year 2040, individuals age 60 and over will comprise 23

<sup>&</sup>lt;sup>56</sup> Texas Department of Housing and Community Affairs, Center for Housing Research, Planning and Communications, 2005 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2004). <sup>57</sup> Ibid.

<sup>&</sup>lt;sup>58</sup> Texas A&M University, Center for Demographic and Socioeconomic Research and Education, *A Summary of the Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas, 2002.* 

<sup>&</sup>lt;sup>59</sup> Health and Nurses in Texas – The Future of Nursing: Data for Action (Vol. 3 No. 1. 2000. San Antonio, TX: The Center for Health Economics and Policy (CHEP), the University of Texas Health Science Center at San Antonio).

National Association of Home Builders, News Details; March 24, 2004.

 <sup>61</sup> Texas Department of Housing and Community Affairs, Center for Housing Research, Planning and Communications, 2005 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2004).
 62 Texas Department of Housing and Community Affairs, Center for Housing Research, Planning and Communications, 2010 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2009
 63 Ibid.

<sup>64</sup> Ibid.

percent of the population in Texas. Though the majority of the elderly Texans live in urban areas, rural areas have a higher percentage of elderly relative to the local population. According to the 2000 Census, 13.1 percent of seniors age 65 and over in Texas live below the poverty level. Approximately 30 percent of all elderly households pay more than 30 percent of their income on housing with 14 percent paying more than 50 percent of their income on housing. Lower incomes combined with rising healthcare costs contribute to the burden of paying for housing.<sup>65</sup>

- There is a shortage of affordable housing in the extremely low, very low, low and moderate income brackets. This is primarily caused by the private sector's concentration of development in larger metropolitan areas and targeting higher income individuals and families.<sup>66</sup> Cities with populations between 20,000 and 50,000 have a particularly hard time accessing funds. They cannot access USDA funding and are too small to effectively compete for other funding opportunities.<sup>67</sup>
- According to the US Census Related Comprehensive Housing Affordability Strategy (CHAS) Data, there are approximately 2,903,671 people living in rural areas of Texas. Of these, 574,843 people or 20 percent are living below the poverty level; 83,454 low-income households live with the cost burden of paying more than 30 percent of their income on housing expenses; 26,999 occupied units are "overcrowded"; and 5,211 units were found to have substandard conditions such as lack of piped water, utilities and waste facilities.<sup>68</sup>
- Preservation of existing affordable and subsidized housing stock is an important element of providing safe, decent and affordable housing. The explosive population growth in the metropolitan areas as well as the lack of new construction during the late 80's and early 90's created a huge demand for housing at all income levels. Adding to this problem is the loss of units in the federally subsidized Section 8 portfolio, the USDA/Rural Development portfolio and the pools of tax credit units that have reached their 15 year affordability periods. The USDA/Rural Development portfolio contains smaller rural rental properties which, in many cases, represent the sole affordable housing stock in Texas' smallest towns. 69
- As of the most recent statistical information available, there were 2,676,060 renter occupied housing units in Texas. Eighty-four percent of these were constructed before 1990 with the highest production of rental housing (50.8 percent) built between 1970 and 1989. Therefore, the majority of rental housing stock in Texas is between 15-35 years old and may be in need of some type of moderate to substantial rehabilitation in order to preserve its functionality. 70

# CORPORATION PROGRAM DESCRIPTIONS

# SINGLE FAMILY MORTGAGE REVENUE PRIVATE ACTIVITY BOND PROGRAMS

The Corporation administers the Professional Educators, Homes for Texas Heroes, and Home Sweet Texas Loan Programs. These Programs are the Corporation's Single Family Mortgage Revenue Private Activity Bond Programs. The first two Programs were established by the Legislature in 2001 and 2003 respectively, and allocate approximately \$60 million of the State's Ceiling for Private Activity Bond Cap for the exclusive purpose of making single family mortgage loans to Texas Professional Educators (\$30 million) and Fire Fighters, EMS Personnel, Law Enforcement Officers Corrections Officers, and Public Security Officers (\$26 million) who are first-time home buyers.

70 2000 U.S. Census Data

<sup>&</sup>lt;sup>65</sup> Texas Department of Community Affairs, 2005-2009 State of Texas Consolidated Plan (Austin, Texas, February 2005).

Texas Department of Housing and Community Affairs, Strategic Plan for Fiscal Years 2005-2009.

<sup>&</sup>lt;sup>67</sup> Texas Department of Housing and Community Affairs, Report on the 2004 Regional Advisory Committee Meetings on Affordable Housing and Community Services Issues, November 2004.

 <sup>68 2000</sup> U.S. CHAS Datá, Texas Department of Housing and Community Affairs
 69 Texas Department of Community Affairs, 2005-2009 State of Texas Consolidated Plan (Austin, Texas, February 2005).

In 2006 the Corporation created the Home Sweet Texas Loan Program which is funded by applying for bond cap after the collapse of the set-asides for all state issuers of bonds. The Home Sweet Texas Loan Program is available statewide with no professional requirements to those at or below 80 percent of the AMFI.

The Programs are available statewide on a first come, first-served basis, to first-time homebuyers who wish to purchase a newly constructed or existing home. Borrowers must meet income and purchase price limits set by the Corporation, while meeting standard mortgage underwriting requirements demonstrating credit worthiness. The borrower must also occupy the purchased home as his or her primary residence.

Through each Program, eligible borrowers are able to apply for a 30 year fixed rate mortgage loan and may receive down payment assistance in the form of a grant. The programs are accessible to eligible borrowers by directly contacting a trained, participating mortgage lender.

Since the inception of both the Professional Educator Home Loan Program in 2001 and the Fire Fighter and Law Enforcement or Security Officer Home Loan Program in 2003, the Corporation has only seen the demand for these programs increase. Over 2800 individuals and families have become homeowners through the assistance offered by the Corporation.

Given the volatility of the bond market in 2008 and 2009, the Corporation was not able to issue mortgage revenue bonds for its first-time homebuyers. In an effort to continue serving our homebuyers, the Corporation converted its bonding authority into mortgage credit certificates, thus establishing the Mortgage Credit Certificate (MCC) Program. Through the MCC Program an annual tax credit is made available to the same qualifying homebuyers mentioned above. With an MCC, the qualified homebuyer is eligible to take a portion of the annual interest paid on the mortgage as a special tax credit, up to \$2,000, each year that they occupy the home as their principal residence. An MCC has the potential of saving the homebuyer thousands of dollars over the life of the loan.

To date \$125 million in bonding authority has been converted which has served 395 first-time homebuyers. The Corporation plans on serving over 745 first-time homebuyers under this program.

### 2010 IMPLEMENTATION PLAN

The Corporation's primary goal for 2010 will be to continue to develop a financing structure that minimizes the Programs' mortgage interest rate and offers the best possible down payment assistance grant to the borrowers. Down payment assistance is especially critical when the spread between conventional mortgage rates and tax-exempt mortgage rates have reached historical lows. If the Corporation is unable to issue bonds, then other avenues to assist first-time homebuyers will be explored. A continuation of the Mortgage Credit Certificate Program may be an option.

The Corporation will also continue to advertise and to receive input about the Programs by attending home builder, real estate agent, lender and the various professional trade associations' conventions and trade shows in 2010. In addition, the Corporation will continue to train and develop relationships with mortgage lenders and realtors who represent the Programs to the borrowers.

Given the demand for first-time homebuyer programs, other financing options available to the Corporation through its enabling legislation will be explored. If demand continues, the Corporation will continue to submit applications to the Texas Bond Review Board requesting additional volume cap during the collapse to serve new first-time homeowners.

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<sup>&</sup>lt;sup>71</sup> As of December 8, 2009.

### INTERIM CONSTRUCTION AND LAND ACQUISITION PROGRAM

The Corporation's Interim Construction and Land Acquisition Loan Program (the "ICAP") supports our mission to serve the housing needs of low-, very low- and extremely low-income Texans who do not have comparable housing opportunities in rural and underserved communities. The program accomplishes this by providing short-term financing for site acquisition and interim construction to non-profit and for-profit developers for the creation of affordably priced homes for Texans.

The Corporation considers proposals for land development, new construction and the rehabilitation of existing homes. All homes built using the Corporation's funding must be affordable to households earning 80% of the area median income and must be constructed to meet the Corporation's housing construction standards. Developers may also propose to build multi-unit developments such as, condominiums, town homes or cooperative developments to meet the needs of dense urban areas.

The Corporation has funded the ICAP program through the commitment of its own cash reserves, and by leveraging grants, loans and other investments from private foundations and financial institutions. Since the program's creation in 2007, the Corporation has provided \$750,000 to build 57 affordable homes in rural Texas. Loan rates for the program are generally between 4% and 7% with terms of 18 to 24 months.

### 2010 IMPLEMENTATION PLAN

Due to the national and statewide decline in home sales, the Corporation is working to double its efforts to provide new opportunities to developers under the ICAP program. The Corporation has applied for more than \$1 million in program related investments from private institutions to increase its lending corpus. Additionally, the program's marketing efforts have been successful at increasing interest in the program and we are currently considering several loan proposals for the upcoming year. The Corporation is on track to provide more than \$1 million in loans to create more than 100 affordably priced homes for Texans in 2010.

### AFFORDABLE COMMUNITIES OF TEXAS PROGRAM

The Affordable Communities of Texas (the "ACT") program was launched at the end of 2008 and has been working through a pilot stage in 2009. The program's primary purpose is to stabilize home prices in communities hardest hit by foreclosures by working with locally based nonprofit and government agencies to acquire and rehabilitate foreclosed homes. The ACT program will create and manage land banks in more than 14 communities in the coming year with support through the Neighborhood Stabilization Program (the "NSP").

The Corporation committed \$100,000 of its cash reserves to operate the pilot phase of the ACT program and has been successful at raising \$5 million in federal grants from the State of Texas' NSP program. At the end of 2010 fourteen local partners had been qualified for participation and in the program. The Corporation anticipates being able to acquire more than 100 foreclosed homes and vacant lots that will benefit households earning 80% of the area median income and below.

### 2010 IMPLEMENTATION PLAN

The ACT program will be focused on the successful implementation of its NSP grant from the State of Texas during 2010. The Corporation has also submitted an application for NSP funding directly to the U.S. Department of Housing and Urban Development ("HUD") for an additional \$36 million in funding. The Corporation has been working with several private foundations and banking institutions to leverage its NSP funding for additional capital to finance the construction and rehabilitation of foreclosed properties acquired under the ACT program. For 2010, the Corporation anticipates purchasing more than

100 homes using its NSP funds from the State of Texas and more than 500 additional homes if funding from HUD is awarded.

### MULTIFAMILY PRIVATE ACTIVITY BOND PROGRAM

In 2003, The Texas Legislature allocated 10 percent of the State's multifamily private activity bond ("PAB") cap to the Corporation in order to target underserved housing needs in Texas. The Corporation accomplishes this purpose by releasing an annual request for proposals ("RFP") that identifies the program's targeted housing needs, scoring criteria and process of application. The Corporation released its RFP in November 2009 and has approximately \$48 million in available bond cap for 2010. Nonprofit and for profit developers apply to the program to finance the acquisition and rehabilitation, or new construction of multifamily residential rental developments that serve low and very-low income households. Developers are encouraged to leverage the private activity bond funds using low income housing tax credits ("HTC") available through the Texas Department of Housing and Community Affairs ("TDHCA").

# 2010 IMPLEMENTATION PLAN

The Corporation is concerned that the lack of investment by private and public institutions in PABs will limit the effectiveness of this program in 2010. While the demand and need for affordably priced rental housing continues to grow within the State, the lack of interest shown by financial institutions and investors in affordable housing over the past 18 months continues to limit opportunities for the Corporation's PAB program. The Corporation has identified the following housing needs for targeting in 2010.

- Preservation of Existing Affordable Rental Housing
- Housing in Rural Communities
- Senior and Assisted Living Developments
- Rental Housing in Communities Affected by Hurricanes Ike and Dolly

# MULTIFAMILY 501(C)(3) BOND PROGRAM

The Corporation's 501(c)(3) Multifamily Bond Program was created to finance the acquisition and rehabilitation, or new construction, of affordable multifamily housing units. Unlike the Corporation's PAB program, 501(c)(3) financing does not use the limited volume cap allocation available to the State. Only qualified nonprofit developers, designated under the internal revenue code as 501(c)(3) organizations, are eligible to apply for financing, and funds may not be combined with the State's housing tax credit program.

In addition to providing safe, decent and affordable rental housing to Texas residents, recipients of 501(c)(3) financing must adopt a dollar-for-dollar public benefit program, investing at least one dollar in rent reduction, capital improvement projects, or social, educational, and economic development services, for every dollar of abated property tax revenue they receive.

# 2010 IMPLEMENTATION PLAN

The Corporation will continue to monitor market conditions but does not anticipate issuing new bonds under this program in 2010.

### MULTIFAMILY DIRECT LENDING PROGRAM

The Multifamily Direct Lending Program supports the Corporation's mission to promote equal access to safe, decent and affordable housing with an emphasis on serving rural and underserved markets. The program provides both short and long-term financing to non-profit and for-profit developers to develop affordable rental housing for low, very-low and extremely low-income families in Texas.

The Corporation commits its own cash reserves to leverage investments by private foundations and financial institutions. The Corporation has made more than \$8.2 million in loans since the programs creation in 2001, creating more than 1,800 affordably priced rental units. The Corporation has leveraged more than \$6.3 million in funding through investments from Wells Fargo Bank, the Federal Home Loan Bank of Dallas, and the Community Development Trust.

### 2010 IMPLEMENTATION PLAN

The Corporation will continue to work on building up its cash reserves and ability to provide increased funding to the Multifamily Direct Lending program over the next year. In 2009, the Corporation reviewed four loan applications approved a loan to one qualified development. In 2010, we hope to increase activity, especially in rural areas of the state, and are planning to increase the lending corpus of the program by an additional \$2 million through new investments and donations.

### ASSET OVERSIGHT AND COMPLIANCE

Asset oversight of properties is required by many bond issuers, including the Corporation and TDHCA, to monitor the financial and physical health of a property and to provide suggestions for improvement. Compliance monitoring ensures that the borrowers are providing the required number of affordable units to income eligible households and that quality resident services are being provided to all residents of the property. Annual on-site inspections and resident file reviews of affordable units ensure that federal requirements relating to the tax-exempt status of the bonds are followed.

For those properties funded by the Corporation, the Corporation has developed a convenient way for property managers/owners to submit their compliance reports online. Since that time, properties have been reporting as required on a monthly and quarterly basis streamline paper and provide convenience to the properties.

The Corporation is currently providing asset oversight and compliance reviews for 40 bond issued properties <sup>72</sup>. In May of 2006 TDHCA contracted with the Corporation to provide asset oversight services for multifamily properties financed through their bond program. The Corporation conducted 34 reviews for the Department before the contract ended in March of 2009. The number of asset oversight reviews conducted by the Corporation for the Texas Department of Housing and Community Affairs are as follows:

2006	73 site visits	16,956 units
2007	86 site visits	19,727 units
2008	99 site visits	22,279 units
2009	34 site visits	7,182 units

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<sup>&</sup>lt;sup>72</sup> As of December 8, 2009

### 2010 IMPLEMENTATION PLAN

The Corporation will continue to provide high quality asset oversight and compliance monitoring services to the properties in our current portfolio and intends to increase the effectiveness and efficiency of the program. The Corporation is currently developing Asset Oversight and Compliance training tools. The Corporation will continue to work toward contracting with other entities to expand our asset oversight and compliance monitoring portfolio of business. The Corporation will pursue new asset oversight and/or compliance business relationships with public agencies such as the Department of Housing and Urban Development, the Texas Department of Housing and Community Affairs, Housing Authorities, the United States Department of Agriculture, or partnering with private owners and property management companies.

### **GRANT PROGRAM**

As a 501(c)(3) nonprofit entity, the Texas State Affordable Housing Corporation actively pursues fundraising and grant opportunities. Since 2006, the Corporation has been making considerable strides to fundraise for new programs, such as the Texas Foundations Fund, the Interim Construction and Land Acquisition Program, the Affordable Communities of Texas (ACT) Program and the HomeWorks Loan Program. In addition, the Corporation actively fundraises for other Texas initiatives, such as the Texas Foreclosure Prevention Task Force and the Texas Statewide Homebuyer Education Program.

To date, the Corporation has received \$8 million in grants and donations.<sup>73</sup>

# 2010 IMPLEMENTATION PLAN

The Corporation's mission of affordable housing matches many foundation and grant objectives. The Corporation will work to fundraise for grants and will pursue low-interest loans for the Texas Foundations Fund, the ACT Program, the HomeWorks Loan Program, the Multifamily Direct Lending Program and the Interim Construction and Land Acquisition Program. The Corporation will also seek to create and expand a pool of individual donors by undertaking an annual campaign, hosting events to promote the Texas Foundations Fund, and soliciting donations online. These are just a few of the fundraising activities and initiatives that the Corporation will undertake in 2010.

# **HOMEWORKS PROGRAM**

The Corporation created HomeWorks, an employer assisted housing program, in April of 2008. Employer assisted housing programs are aimed not only at providing an affordable financing product to potential homebuyers, but aid in recruiting new businesses to the State. Such programs can enhance existing businesses by offering incentives not otherwise possible to employees they would like to recruit and retain.

This program is a partnership between the Corporation and participating employers and their employees. HomeWorks offers a 30-year fixed rate mortgage through the mortgage lender of the borrower's choice. The program offers up to \$4,000 in matching funds for down payment and closing cost assistance courtesy of the Corporation and participating employers across Texas.

The Corporation and the employer match dollar for dollar, up to \$2,000 each, of an employee's contribution toward down payment and closing costs. Matching assistance is provided to the employee in the form of a 3-year deferred forgivable second lien loan (33.33 percent is forgiven each year). If the employee leaves or is terminated by the employer, the remaining balance of the assistance is to be paid back to the Corporation and/or the employer.



Participating employers contribute a maximum amount to the program and offer it to employees on a first-come, first-served basis. The employee must be employed by a participating employer for at least 6 months, with a 3 year commitment to the employer. The employee must participate in a homebuyer education course approved by the Corporation prior to closing on the loan. The employee must meet income (80 percent AMFI or below) and purchase price limits set by the Corporation, while meeting standard mortgage underwriting requirements demonstrating credit worthiness. The employee must also occupy the purchased home as his or her primary residence.

#### 2010 IMPLEMENTATION PLAN

The Corporation will continue to have discussions with interested employers across the State. The Corporation is committed to assisting borrowers bridge the gap to homeownership while strengthening the economic viability and stability of the State. The Corporation will also continue its fundraising efforts to secure additional funding for this program.

#### TEXAS FOUNDATIONS FUND

The Corporation created the Texas Foundations Fund (TFF) in early 2008 to improve the living standards of Texas residents of very low-income and extremely-low income, specifically those at 50 percent or below of the area median family income.

TFF provides grants of up to \$50,000 to nonprofit organizations and rural governmental entities (or their instrumentalities) for the construction, rehabilitation, and/or critical repair of single family homes for homeowners who are Texas residents of very low-income or extremely low-income, with a particular emphasis on serving very low-income disabled and rural Texans and the provision of additional supportive housing services for very low-income residents of multifamily rental units.

The Corporation accepts eligible project proposals through a competitive process. A notice of funding availability is published on an annual basis when the Board of Directors determines that sufficient funds exist to award grants. Proposals are first considered by the Corporation's Advisory Council, whose members are appointed by the Corporation's Board of Directors, with final approval provided by the Board of Directors.

In October 2008, five \$50,000 grants were awarded to the following organizations: Affordable Homes of South Texas, Foundation Communities, Midland Habitat for Humanity, Brazos Valley Affordable Housing Corporation, and United Cerebral Palsy of Texas.

In light of the devastation left behind by Hurricanes Ike and Dolly in 2009, the Corporation conducted a Hurricane Relief Cycle of the TFF. Four grant awards were made for the purpose of the rehabilitation and/or critical repair of owner-occupied single family located in any one or more counties affected by Hurricanes Ike and Dolly. The four organizations awarded were: Fort Bend CORPS, Southeast Texas Interfaith Organization, Self Help Housing of East Texas, and Community Development Corporation of Brownsville.

#### 2010 IMPLEMENTATION PLAN

A notice of funding availability for a third round of funding was released in October of 2009. It is anticipated that awards will be made and funds disbursed in early 2010.

The Corporation has funded the first two rounds, and set aside funding for the third round, of funding using revenue generated through its other programs. While our Board of Directors will determine how much revenue the Corporation will contribute to future rounds of Texas Foundations Fund, it is estimated that the Corporation will be able to conduct one round of funding annually.

# APPENDIX A

# LEGISLATIVE REQUIREMENTS FOR THE STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

#### SEC. 2306.072. ANNUAL LOW INCOME HOUSING REPORT

- 1. Not later than March 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.
- 2. Not later than the 30th day after the date the board receives and approves the report, the board shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and members of any legislative oversight committee.
- 3. The report must include:
  - a. a complete operating and financial statement of the department;
  - b. a comprehensive statement of the activities of the department during the preceding year to address the needs identified in the state low income housing plan prepared as required by Section 2306.0721, including:
    - i. a statistical and narrative analysis of the department's performance in addressing the housing needs of individuals and families of low and very low income;
    - ii. the ethnic and racial composition of individuals and families applying for and receiving assistance from each housing-related program operated by the department; and
    - iii. the department's progress in meeting the goals established in the previous housing plan;
  - c. an explanation of the efforts made by the department to ensure the participation of individuals of low income and their community-based institutions in department programs that affect them;
  - d. a statement of the evidence that the department has made an affirmative effort to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process;
  - e. a statistical analysis, delineated according to each ethnic and racial group served by the department, that indicates the progress made by the department in implementing the state low income housing plan in each of the uniform state service regions;
  - f. an analysis, based on information provided by the fair housing sponsor reports required under Section 2306.0724 and other available data, of fair housing opportunities in each housing development that receives financial assistance from the department that includes the following information for each housing development that contains 20 or more living units:
    - i. the street address and municipality or county in which the property is located;
    - ii. the telephone number of the property management or leasing agent;
    - iii. the total number of units, reported by bedroom size;
    - iv. the total number of units, reported by bedroom size, designed for individuals who are physically challenged or who have special needs and the number of these individuals served annually;
    - v. the rent for each type of rental unit, reported by bedroom size;
    - vi. the race or ethnic makeup of each project;
    - vii. the number of units occupied by individuals receiving government-supported housing assistance and the type of assistance received;
    - viii. the number of units occupied by individuals and families of extremely low income, very low income, low income, moderate income, and other levels of income:

- ix. a statement as to whether the department has been notified of a violation of the fair housing law that has been filed with the United States Department of Housing and Urban Development, the Commission on Human Rights, or the United States Department of Justice; and
- x. a statement as to whether the development has any instances of material noncompliance with bond indentures or deed restrictions discovered through the normal monitoring activities and procedures that include meeting occupancy requirements or rent restrictions imposed by deed restriction or financing agreements;
- g. a report on the geographic distribution of low income housing tax credits, the amount of unused low income housing tax credits, and the amount of low income housing tax credits received from the federal pool of unused funds from other states; and
- h. a statistical analysis, based on information provided by the fair housing sponsor reports required by Section 2306.0724 and other available data, of average rents reported by county.

## SEC. 2306.0721. LOW INCOME HOUSING PLAN

- 1. Not later than March 18 of each year, the director shall prepare and submit to the board an integrated state low income housing plan for the next year.
- 2. Not later than the 30th day after the date the board receives and approves the plan, the board shall submit the plan to the governor, lieutenant governor, and the speaker of the house of representatives.
- 3. The plan must include:
  - a. an estimate and analysis of the housing needs of the following populations in each uniform state service region:
    - i. individuals and families of moderate, low, very low, and extremely low income;
    - ii. individuals with special needs; and
    - iii. homeless individuals;
  - b. a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;
  - c. an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;
  - d. a description of state programs that govern the use of all available housing resources;
  - e. a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;
  - f. a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to ensure the full use by the state of all available federal resources for those services in each uniform state service region;
  - g. strategies to provide housing for individuals and families with special needs in each uniform state service region;
  - h. a description of the department's efforts to encourage in each uniform state service region the construction of housing units that incorporate energy efficient construction and appliances;
  - i. an estimate and analysis of the housing supply in each uniform state service region;

- j. an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;
- k. strategies for meeting rural housing needs;
- 1. a biennial action plan for colonias that:
  - i. addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to the policy goals; and
  - ii. includes information on the demand for contract-for-deed conversions, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international border of this state:
- m. a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); and
- n. any other housing-related information that the state is required to include in the one-year action plan of the consolidated plan submitted annually to the United States Department of Housing and Urban Development.
- 4. The priorities and policies in another plan adopted by the department must be consistent to the extent practical with the priorities and policies established in the state low income housing plan.
- 5. To the extent consistent with federal law, the preparation and publication of the state low income housing plan shall be consistent with the filing and publication deadlines required of the department for the consolidated plan.
- 6. The director may subdivide the uniform state service regions as necessary for purposes of the state low income housing plan.
- 7. The department shall include the plan developed by the Texas State Affordable Housing Corporation under Section 2306.566 in the department's resource allocation plan under Subsection (c)(5).

## SEC. 2306.0722. PREPARATION OF PLAN AND REPORT

- 1. Before preparing the annual low income housing report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the department shall meet with regional planning commissions created under Chapter 391, Local Government Code, representatives of groups with an interest in low income housing, nonprofit housing organizations, managers, owners, and developers of affordable housing, local government officials, residents of low income housing, and members of the Colonia Resident Advisory Committee. The department shall obtain the comments and suggestions of the representatives, officials, residents, and members about the prioritization and allocation of the department's resources in regard to housing.
- 2. In preparing the annual report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the director shall:
  - a. coordinate local, state, and federal housing resources, including tax exempt housing bond financing and low income housing tax credits;
  - b. set priorities for the available housing resources to help the neediest individuals;
  - c. evaluate the success of publicly supported housing programs;
  - d. survey and identify the unmet housing needs of individuals the department is required to assist:
  - e. ensure that housing programs benefit an individual without regard to the individual's race, ethnicity, sex, or national origin;
  - f. develop housing opportunities for individuals and families of low and very low income and individuals with special housing needs;
  - g. develop housing programs through an open, fair, and public process;

- h. set priorities for assistance in a manner that is appropriate and consistent with the housing needs of the populations described by Section 2306.0721(c)(1);
- i. incorporate recommendations that are consistent with the consolidated plan submitted annually by the state to the United States Department of Housing and Urban Development;
- identify the organizations and individuals consulted by the department in preparing the annual report and state low income housing plan and summarize and incorporate comments and suggestions provided under Subsection (a) as the board determines to be appropriate;
- k. develop a plan to respond to changes in federal funding and programs for the provision of affordable housing;
- 1. use the following standardized categories to describe the income of program applicants and beneficiaries:
  - i. 0 to 30 percent of area median income adjusted for family size;
  - ii. more than 30 to 60 percent of area median income adjusted for family size;
  - iii. more than 60 to 80 percent of area median income adjusted for family size;
  - iv. more than 80 to 115 percent of area median income adjusted for family size; or
  - v. more than 115 percent of area median income adjusted for family size;
- m. use the most recent census data combined with existing data from local housing and community service providers in the state, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies; and
- n. provide the needs assessment information compiled for the report and plan to the Texas State Affordable Housing Corporation.

## SEC. 2306.0723. Public Participation Requirements

1. The Department shall consider the annual low income housing report to be a rule and in developing the report shall follow rulemaking procedures required by Chapter 2001.

#### SEC. 2306.0724. FAIR HOUSING SPONSOR REPORT

- 1. The department shall require the owner of each housing development that receives financial assistance from the department and that contains 20 or more living units to submit an annual fair housing sponsor report. The report must include the relevant information necessary for the analysis required by Section 2306.072(c)(6). In compiling the information for the report, the owner of each housing development shall use data current as of January 1 of the reporting year.
- 2. The department shall adopt rules regarding the procedure for filing the report.
- 3. The department shall maintain the reports in electronic and hard-copy formats readily available to the public at no cost.
- 4. A housing sponsor who fails to file a report in a timely manner is subject to the following sanctions, as determined by the department:
- 5. denial of a request for additional funding; or
- 6. an administrative penalty in an amount not to exceed \$1,000, assessed in the manner provided for an administrative penalty under Section 2306.6023.

# HOUSING RESOURCE CENTER BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Presentation, Discussion, and Possible Approval to publish a proposed new rule for the Housing and Health Services Coordination Council, 10 TAC, Chapter 1, Subchapter A, §1.11, Definition of Service-Enriched Housing for comment in the *Texas Register*.

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

# **Background**

The Housing and Health Services Coordination Council (HHSCC) was created by Senate Bill 1878 during the 81st Texas Legislative Session. The purpose of this Council, as written in the statute, is to increase state efforts to offer service-enriched housing through increased coordination of housing and health services. The Council seeks to improve interagency understanding of housing and services and increase the number of staff in state housing and state health services agencies that are conversant in both housing and health care policies. The creation of this Council was recommended to the 81st Texas Legislature by the Legislative Budget Board's 2009 Government Effectiveness and Efficiency Report.

According to SB1878, found in Government Code, Chapter 2306, Subchapter NN, "With the advice and assistance of the council, the department by rule shall define "service-enriched housing" for the purposes of this subchapter." Publishing the rule in the *Texas Register* opens the period for public comment. The Board will address the final rule after public comment is received and compiled for presentation. The draft definition proposed was approved by the HHSCC at their March 2, 2010 Council meeting.

#### Attachment A: Preamble and Rule 1.11

The Texas Department of Housing and Community Affairs proposes new 10 TAC, Chapter 1, Subchapter A, §1.11, Definition of Service-Enriched Housing. The Housing and Health Services Coordination Council (HHSCC) was created by Senate Bill 1878 during the 81st Texas Legislative Session. The purpose of this Council is to increase state efforts to offer service-enriched housing through increased coordination of housing and health services. The Council seeks to improve interagency understanding of housing and services and increase the number of staff in state housing and state health services agencies that are conversant in both housing and health care policies. The creation of this Council was recommended to the 81st Texas Legislature by the Legislative Budget Board's 2009 Government Effectiveness and Efficiency Report.

According to SB1878, found in Government Code, Chapter 2306, Subchapter NN, "With the advice and assistance of the council, the department by rule shall define "service-enriched housing" for the purposes of this subchapter." Publishing the rule in the *Texas Register* opens the period for public comment. The Board will address the final rule after public comment is received and compiled for presentation. The draft definition proposed was approved by the HHSCC at their March 2, 2010 Council meeting.

Mr. Michael Gerber, Executive Director, has determined that for the first five-year period the proposed new section is in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the sections as proposed.

Mr. Gerber has also determined that for each year of the first five years the section is in effect the public benefit anticipated as a result of enforcing the rules will be enhanced compliance with formalized policy, all contractual and statutory requirements. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the section as proposed. The proposed section will not impact local employment.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306, which provides the Department the authority to adopt rules governing the administration of the Department and its programs.

The proposed new sections affect no other code, article or statute.

# §1.11. Definition of Service-Enriched Housing.

- (a) Purpose. It is the purpose of this section to define service-enriched housing for the Housing and Health Services Coordination Council.
- (b) Definition. For the purpose of directing the work of the Housing and Health Services Coordination Council and its work products, including the biennial plan, Service-Enriched Housing is defined as integrated, affordable, and accessible housing that provides residents with the opportunity to receive on-site or off-site health-related and other services and supports that foster independence in living and decision-making for individuals with disabilities and persons who are elderly.

# COMMUNITY AFFAIRS DIVISION BOARD ACTION REQUEST March 11, 2010

# **Recommended Action**

Approve publication in the *Texas Register* of a notice proposing revisions to the Texas Administrative Code regulations related to Community Affairs Programs. The following provisions are recommended for revision:

Title 10. Part 1. Chapter 5. Subchapter A. General Provisions. §5.12, §5.16 (6), §5.21, §5.22

Title 10. Part 1. Chapter 5. Subchapter B. Community Services Block Grant (CSBG). §5.204, §5.207 (c), §5.211 (a), §5.213 (a)(1), (b)(2), (c)(1)(A)

Title 10. Part 1. Chapter 5. Subchapter C. Emergency Shelter Grants Program (ESGP). §5.311 (a) (b), §5.311 (d)

Title 10. Part 1. Chapter 5. Subchapter D. Comprehensive Energy Assistance Program (CEAP). §5.422 (d)(2) (A),(B)-(D),.§5.422 (f), §5.423 (b), (d)(2), §5.425 (c), §5.426 (c),(l)

Title 10. Part 1. Chapter 5. Subchapter G. Weatherization Assistance Program Low Income Home Energy Assistance Program (WAP LIHEAP). §5.705 (c)

**RESOLVED**, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered, and directed to cause to be published in the *Texas Register* for public comment the proposed revisions to 10 TAC Chapter 5, Subchapters A, B, C, D, and G in the form presented to this meeting, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable.

# **Background**

Staff is recommending through these draft proposed rules that specified Community Affairs program rules be revised. The draft proposed rules incorporate program changes, preexisting guidance and state and federal statutory requirements.

For the Community Services Block Grant, the changes clarify thresholds on purchases, add a deadline for subrecipients to respond to monitoring reports; require subrecipients to provide contact information for Board Members and key management and notify the Department of vacancies to the same, require documentation of client services in client records and that records be secured. Additional changes delete mortgage assistance as eligible activity; require that services are provided equitably to counties within the service area; revise the due date for reports; and clarify language on board make-up for public sector representatives.

For the Emergency Shelter Grant Program the changes revise the due date for reports and delete the requirement for a monthly HMIS report since such is reported in the monthly performance report.

For the Comprehensive Energy Assistance Program the changes increase the energy payment amounts and fuel assistance amounts for households; increase the heating and cooling system amounts; and increase the total annual household benefit amount; clarify requirements for energy assistance; require use of Department's assessment tools for refrigerators for those manufactured prior to 1993; and require the installation of Energy Star rated energy saving equipment.

For the Low Income Home Energy Assistance Program Weatherization Assistance Program the changes add requirements on types of refrigerators to purchase.

Upon approval by the Board, the draft proposed rules will be published in the *Texas Register* and released to the public for comment. The public comment period will extend from approximately March 15 - April 15, 2010. A final recommendation for the adoption of the proposed rules will be presented to the Board in May 2010.

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 5, Subchapter A, §5.12, §5.16, and adding new §5.21, Subrecipient Contact Information and §5.22, Offsite Record Retention concerning the Community Affairs Division programs (Community Services Block Grant (CSBG) Program, the Comprehensive Energy Assistance Program (CEAP), and the Weatherization Assistance Program (WAP)). The proposed amendments make changes to the existing rules to clarify purchases and acquisition costs and timeline to respond to monitoring reports. The proposed new sections are to improve communication between the Department and subrecipients' board of directors and ensure client confidentiality.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the proposed new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

The public comment period will be held between March 15, 2010 to April 15, 2010 to receive input on these rules. More information on the public hearings can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. ALL COMMENTS MUST BE RECEIVED BY 5:00 PM APRIL 15, 2010.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by these proposed new sections.

## §5.12. Equipment Purchases.

Equipment <u>Purchases purchases</u> of personal property, equipment, goods or services with a <u>unitan</u> acquisition cost of over \$5,000 or greater per unit for Community Services Block Grant (CSBG), Comprehensive Energy Assistance Program (CEAP), and Weatherization Assistance Program (WAP) and \$500 or greater for Emergency Shelter Grant Program (ESGP) require prior approval from the TDHCA Community Affairs Division before the purchase can take place.

- (a) The Department's Community Affairs Division (CAD) is responsible for ensuring that the Community Services Block Grant (CSBG), Comprehensive Energy Assistance Program (CEAP), Weatherization Assistance Program (WAP), and Emergency Shelter Grant Program (ESGP) program activities are completed and that the funds are expended in accordance with the contract provisions and applicable State and Federal rules, regulations, policies, and related statutes. In order to ensure such, the Department will conduct monitoring reviews of the subrecipients to evaluate the effectiveness of subrecipient's performance and program compliance through on-site and desk monitoring as described in §5.15 of this chapter (relating to Federal Funding Accountability and Transparency Act (FFATA)) following the requirements of §678B of PL 105-285 Subtitle B, §2605(B)(10) of PL 97-35, as amended, 10 CFR §440.23(d), and 24 CFR §576.61 and §576.57(f) and (g), respectively.
- (1) CAD employs a subrecipient monitoring procedure that is based upon an assessment of associated risks. The factors may include but are not limited to the status of the most recent monitoring report, timeliness of grant reporting, results of the last on-site monitoring review, number and funding amount of Department funded contracts, final expenditure rate, and single audit status or other factors. Ranking of subrecipients will determine whether an on-site review or a desk review is completed unless Department management determines an on-site review is needed.
- (2) CAD may conduct unannounced on-site monitoring reviews of subrecipients identified as at risk for contract termination, if deficiencies identified from prior monitoring activities persist or remain unresolved for an unreasonable period of time. In the event of reports of fraud and abuse or other extenuating circumstances the Department may make an unannounced on-site monitoring review.
- (3) Follow-up reviews may be performed to ensure implementation of corrective action of subrecipients that failed to meet the goals, standards, and requirements established by the Department.
- (4) Technical assistance and training will be provided to the subrecipient to address program deficiencies.
- (5) A monitoring instrument is used to perform monitoring reviews. Support documentation is retained by the Department to verify: the achievement of performance goals; conduct of eligible activities; and compliance with other contractual regulatory provisions and financial accountability. Monitoring reviews of subrecipients also include reviewing annual financial reports and any related management letters and financial documents.
- (6) Following the onsite monitoring review, a monitoring report is prepared and submitted to the subrecipients outlining any administrative, program, and financial deficiencies. The monitoring report also includes notes, recommended recommend improvements, corrective actions or a corrective action plan. Subrecipients must respond to the monitoring report within 45 calendar days from the date of the monitoring report.
- (A) Finding--The written description of a deficient condition which is significantly substandard according to the monitoring standards. Findings may also be deficiencies found with regard to compliance with program rules, required cost principles, federal, state and/or local laws, and generally accepted accounting procedures or Generally

Accepted Accounting Principles. In general, findings require corrective action to create an acceptable level of risk for disbursement of funds. The description of a finding might include the cause and effect of the deficient condition.

- (B) Recommended Improvement--Suggested best practice(s) to enhance program, operational, financial, or administrative practices.
- (C) Note--An explanatory tool to further describe and clarify findings or recommended improvements. A note may also be used to include additional information related to the monitoring review but not related to a finding or recommended improvement.
- (7) Subrecipients are required to have at a minimum the following documents available, and any other requested documents, for the monitoring review:
  - (A) Roster of staff (name, title, salary and status)--All Community Affairs programs;
  - (B) Current agency organization chart;
- (C) List of Board of Directors to include: names, addresses and telephone numbers, tenure on the board, section represented by the board member, list of committees--CSBG and ESGP;
  - (D) Board election/selection materials--CSBG;
  - (E) Board minutes (previous six meetings) and attendance roster--CSBG and ESGP;
  - (F) List of neighborhood centers with names of staff--CSBG and CEAP;
  - (G) Personnel policies;
  - (H) Bylaws--CSBG and ESGP;
  - (I) Travel policies and records;
  - (J) Chart of accounts;
  - (K) Accounting records (journals/ledgers) and support documentation;
  - (L) Amount of Cash on Hand (at time of monitoring);
  - (M) Bank reconciliation records;
  - (N) Agency's proof of fidelity bond coverage;
  - (O) Documentation of match requirements--ESGP;
  - (P) Closeout data for prior program year--CEAP and WAP;
- (Q) Access to client files and documentation of performance--All Community Affairs programs;
- (R) Declaration of Income Statement (DIS) Policy/Procedure--All Community Affairs programs;
  - (S) Appeals Procedures--CEAP and WAP;
- (T) Subcontract agreements with appropriate procurement packages (if applicable)--All Community Affairs programs;
  - (U) Procurement policy;
  - (V) Documentation of current contract inventory--All Community Affairs programs;
- (W) Documentation of coordination with other local programs (including contact person and phone numbers)--CSBG;
- (X) Copies of most recent monitoring reports and/or performance reviews of all programs administered by the organization;
- (Y) Copy of the most recent Single Audit Report--Organizations that expend more than \$500,000 in federal funds during a fiscal year must have a single audit conducted for that year (A-133 Subpart B.200). Organizations that do not exceed the \$500,000 federal fund expenditure threshold are exempt from the single audit requirements. If an organization is not required to have a single audit performed, the organization must provide the end-of-

the-year financial statements (balance sheet, income statement, and statement of cash flow); and

- (Z) If applicable, documentation of the most recent Head Start Onsite Monitoring Document review, including results, responses, and current status--CSBG.
- (b) Subrecipients not exempt from the single audit requirements are responsible for submitting their Single Audit Report within thirty (30) days of completion of their audit and no later than nine (9) months after the end of the audit period (fiscal year end) to the Department's Portfolio Management and Compliance Division as well as to the CA Division. Refer to 31 U.S.C. §7502.
- (c) Monitoring reviews of subrecipients will include a review of the subrecipients annual financial reports and any related management letters and financial documents.

# §5.21. Subrecipient Contact Information.

(a) Subrecipients will notify the Community Affairs Division (CAD) of key management staff vacancies and will provide contact information for key management staff new hires. Contact information will include, name, title, phone number, and direct email address.

(b) As vacancies occur within the organization's board of directors, the CAD will be notified of such vacancies and, if applicable, the sector the board member represented.

(c) Contact information for the board of director's board chair must be provided to CAD and shall include: the board chair's name, mailing address (which must be different from the organization's phone number), fax number (if applicable), and the direct email address for the board

# §5.22. Offsite Record Retention.

chair.

Client Records. The Department requires subrecipient organizations that administer Community Affairs Programs and serve clients, to document client services and to arrange for the security of confidential client files in a manner to protect the privacy of each client and to maintain the same for future reference. Archiving of client files will be maintained offsite from subrecipient headquarters and shall be stored in a secure space in a manner that ensures confidentiality and in accordance with organization policies and procedures.

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 5, Subchapter B, §5.204, §5.207, §5.211 and §5.213 concerning the Community Services Block Grant (CSBG) Program. The proposed amendments make changes to the existing rules in response to federal grant guidance; to ensure equitable distribution of services and uniformity in reporting timelines.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the proposed new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

The public comment period will be held between March 15, 2010 to April 15, 2010 to receive input on these rules. More information on the public hearings can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. ALL COMMENTS MUST BE RECEIVED BY 5:00 PM APRIL 15, 2010.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by these proposed new sections.

## §5.204. Use of Funds.

- (a) CSBG funds distributed to eligible entities for a fiscal year may be available for obligation during that fiscal year and the succeeding fiscal year. Eligible entities may use the funds for administrative support and/or for direct services such as: education, employment, housing, health care, nutrition, transportation, linkages with other service providers, youth programs, emergency services, i.e., utilities, rent, mortgage, food, shelter, clothing etc. For additional requirements reference 42 U.S.C. §9908(b)(A)(i-vii) and Office of Management and Budget (OMB) Circulars A-122 and A-87.
- (b) Utility and rent deposit refunds from vendors must be reimbursed to the subrecipient and not the client. Funds should be treated as program income.

- (a) Budgets. CSBG eligible entities and any other funded organizations shall submit a budget to facilitate the contract execution process. A certification of board approval of CSBG budget form issued by the Department must also be submitted with planned budgets.
- (b) Unexpended Funds. The Department reserves the right to deobligate funds.
- (1) The U.S. Department of Health and Human Services Administration for Children and Families issues terms and conditions for receipt of funds under the CSBG. Subrecipients of CSBG funds will comply with the requirements of the terms and conditions of the CSBG award. Services must be provided on or before September 30th of the subsequent year and funds must be fully expended.
- (2) The Coats Human Services Reauthorization Act of 1998, allows states to recapture unexpended CSBG funds in excess of 20% of the CSBG funds obligated to an eligible entity. This may be superseded by Congressional action in the appropriation process or by the terms and conditions issued by U.S. Department of Health and Human Services in the CSBG award letter.
- (c) Services to Poverty Population. The subrecipient organizations administering services to clients in one or more CSBG service area counties shall ensure that such services are rendered reasonably and in an equitable manner to ensure fairness among all potential applicants eligible for services. Services rendered must reflect the poverty population ratios in the service area and services should be distributed based on the proportionate representation of the poverty population within a county. A variance of greater than plus or minus 20% will constitute a finding. Subrecipients with a service area of a single county shall demonstrate marketing and outreach efforts to render direct services to a reasonable percentage of the county's eligible population based on the most recent decennial census. Services should also be distributed based on the proportionate representation of the poverty population within a county.

## §5.211. Subrecipient Reporting Requirements.

- (a) Monthly Performance and Expenditure Report. CSBG subrecipients must submit a monthly performance and expenditure report. Subrecipients shall submit the Monthly Expenditure Report and Monthly Performance Report no later than the <u>fifteenth</u> (15<sup>th</sup>)twentieth (20th) day of the month after each month of the contract period. Even if a fund reimbursement is not being requested, an Expenditure Report must be submitted electronically on or before the <u>fifteenth</u> (15<sup>th</sup>)twentieth (20th) day of each month of the grant period. A final Expenditure Report must be submitted within sixty (60) days after the CSBG contract ends. The "Community Affairs Contract User Guide System" may be accessed through the TDHCA website, www.tdhca.state.tx.us.
- (b) Reporting. Federal requirements mandate all states to participate in the preparation of an annual performance measurement report (also referred to as the CSBG National Survey). To comply with the requirements of §678E of the CSBG Act, all CSBG eligible entities and other organizations receiving CSBG funds are required to participate.

- (a) Private nonprofit entities, shall administer the CSBG program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities. Some of the members of the board shall be selected by the private nonprofit entity and others through a democratic process; the board shall be composed so as to assure that the requirements of §676B(a)(2) of the CSBG Act are followed and are composed as follows:
- (1) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. In the event that there are not enough elected public officials reasonably available and willing to serve on the board, the entity may select appointive public officials to serve on the board. The entity may allow governing officials of the political jurisdiction to select and/or recommend an elected or appointive official to serve on the board. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board. Appointive public officials or their representatives or alternates may be counted in meeting the 1/3 requirement. Refer to subsection (d)(1)(B) of this section entitled "Permanent Representatives and Alternates" for related information;
- (2) not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and each representative of low-income individuals and families selected to represent a specific neighborhood within a community under subsection (b)(1)(B) of this section, resides in the neighborhood represented by the member;
- (3) the remainder are members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.
- (b) For public organizations to be considered to be an eligible entity for purposes of the CSBG Act, §676B(b), the entity shall administer the CSBG grant through tripartite boards as follows:
- (1) A tripartite board, which shall have members selected by the organization and shall be composed so as to assure that not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members:
- (A) are representative of low-income individuals and families in the neighborhood served:
  - (B) reside in the neighborhood served; and
- (C) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under this chapter; or
- (D) If conditions in subparagraphs (A) (C) of this paragraph are not utilized, then another mechanism specified by the state which meets the tripartite requirements may be used. Public organizations that choose to utilize another mechanism must submit to the Department, for review and approval, a description of the mechanism to be utilized to select low-income representatives. The mechanism must assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs funded under this chapter.
- (2) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. In the event that there are not

enough elected public officials reasonably available and willing to serve on the board, the entity may select appointive public officials to serve on the board. The entity may allow governing officials of the political jurisdiction to select and/or recommend an elected or appointive official to serve on the board. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board. Refer to subsection (d)(1)(B) of this section, entitled "Permanent Representatives and Alternates" for related information.

- (3) The remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.
- (c) Eligible entities administering the Head Start Program must comply with, the Head Start Act (42 U.S.C. §9837) that requires the governing body membership to comply with the requirements of §642(c)(1) of the Head Start Act. Exceptions shall be made to the requirements of clauses (i) (iv) of §642(c)(1) of the Head Start Act for members of a governing body when those members oversee a public entity and are selected to their positions with the public entity by public election or political appointment.
- (d) Selection. As per §676B of the CSBG Act, Private nonprofit entities and public organizations have the responsibility for selection and composition of the board.

# (1) Public Officials:

- (A) Elected public officials or appointed public officials, selected to serve on the board, shall have either general governmental responsibilities or responsibilities which require them to deal with poverty-related issues. They may not be officials with only limited, specialized, or administrative responsibilities; and
- (B) Permanent Representatives and Alternates. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board.
- (i) Permanent Representatives. The public officials selected by a private nonprofit entity or public organization to serve on the board may each choose one permanent representative to serve on the board in a full-time capacity. The public officials of the public organization may choose a representative to serve on the board or other governmental body. The representative need not be a public official but shall have full authority to act for the public official at meetings of the board. Permanent representatives may hold an officer position on the board. If a permanent representative is not chosen, then an alternate may be designated by the public official selected to serve on the board. Alternates may not hold an officer position on the board.
- (ii) Alternate Representatives. If the private nonprofit entity or public organization board chooses to allow alternates, the alternates for low-income representatives shall be elected at the same time and in the same manner as the board representative is elected to serve on the board. Alternates for representatives of private sector organizations may be designated to serve on the board and should be selected at the same time the board representative is selected. In the event that the board member or alternate ceases to be a member of the organization represented, he/she shall no longer be eligible to serve on the board. Alternates may not hold an officer position on the board.

# (2) Low-Income Representatives:

(A) An essential objective of community action is participation by low-income individuals in the programs which affect their lives; therefore, the CSBG Act and its

amendments require representation of low-income individuals on boards or statespecified governing bodies. The CSBG statute requires that not fewer than one-third of the members shall be representatives of low-income individuals and families and that they shall be chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhoods served; and that each representative of low-income individuals and families selected to represent a specific neighborhood within a community resides in the neighborhood represented by the member; or

- (B) Board members representing low-income individuals and families must be selected in accordance with a democratic procedure. This procedure, as detailed in subparagraph (D) of this paragraph, may be either directly through election, public forum, or, if not possible, through a similar democratic process such as election to a position of responsibility in another significant service or community organization such as a school PTA, a faith-based organization leadership group; or an advisory board/governing council to another low-income service provider;
- (C) Every effort should be made by the nonprofit entity or public organization to assure that low-income representatives are truly representative of current residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community. "Current" should be defined by the recent or annual demographic changes as documented in the needs/community assessment. This does not preclude extended service of low-income community representatives on boards, but it does suggest that continued board participation of longer term members be revalidated and kept current through some form of democratic process; and
- (D) The procedure used to select the low-income representative must be documented to demonstrate that a democratic selection process was used. Among the selection processes that may be utilized, either alone or in combination, are:
- (i) Selection and elections, either within neighborhoods or within the community as a whole; at a meeting or conference, to which all neighborhood residents, and especially those who are poor, are openly invited;
- (ii) Selection of representatives to a community-wide board by members of neighborhood or sub-area boards who are themselves selected by neighborhood or area residents;
  - (iii) Selection, on a small area basis (such as a city block); or
- (iv) Selection of representatives by existing organizations whose membership is predominately composed of poor persons.
- (3) Representatives of Private Groups and Interests:
- (A) The private nonprofit entity or public organization shall select the remainder of persons to represent the private sector on the board or it may select private sector organizations from which representatives of the private sector organization would be chosen to serve on the board; and
- (B) The individuals and/or organizations representing the private sector shall be selected in such a manner as to assure that the board will benefit from broad community involvement. The board composition for the private sector shall draw from officials or members of business, industry, labor, religious, law enforcement, education, school

districts, representatives of ecommunity served.	education districts	and other major g	groups and interests in t	he

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 5, Subchapter C, §5.311 concerning the Emergency Shelter Grants Program (ESGP). The proposed amendments make changes to the existing rules to facilitate uniformity in reporting timelines and simplify reporting requirements.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the proposed new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

The public comment period will be held between March 15, 2010 to April 15, 2010 to receive input on these rules. More information on the public hearings can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. ALL COMMENTS MUST BE RECEIVED BY 5:00 PM APRIL 15, 2010.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by these proposed new sections.

## §5.311. Reports.

- (a) The ESGP contract requires subrecipients to submit the Monthly Expenditure Report and Monthly Performance Report no later than the <u>fifteenth (15<sup>th</sup>)twentieth (20th)</u> day of the month after each month of the contract period.
- (b) Even if a fund reimbursement is not being requested, an Expenditure Report must be submitted electronically no later than the fifteenth (15<sup>th</sup>)on or before the twentieth (20th) day of each month of the grant period. A final Expenditure Report must be submitted within sixty (60) days after the ESGP contract ends.
- (c) A user name and password are needed to access the reporting system to submit monthly reports. The "Community Affairs Contract User Guide System" may be accessed through the TDHCA website, www.tdhca.state.tx.us, under "Interactive" "Contractor Tools".

(d) Subrecipients shall submit, by the thirtieth (30th) day of the month, a Monthly Service Summary Report of ESGP clients reported during the prior month in the Homeless Management Information Systems (HMIS) database.

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 5, Subchapter D, §§5.422- 5.423, §§5.425-5.426 concerning the Comprehensive Energy Assistance Program (CEAP). The proposed amendments make changes to the existing rules to increase subrecipients' flexibility and efficiency in providing assistance to clients.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the proposed new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

The public comment period will be held between March 15, 2010 to April 15, 2010 to receive input on these rules. More information on the public hearings can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. ALL COMMENTS MUST BE RECEIVED BY 5:00 PM APRIL 15, 2010.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by these proposed new sections.

## §5.422. General Assistance and Benefit Levels.

- (a) Subrecipients shall not discourage anyone from applying for CEAP assistance. Subrecipients shall provide all potential clients with opportunity to apply for LIHEAP programs.
- (b) CEAP provides assistance to targeted beneficiaries being households with low incomes at or below 200% of the Federal Poverty Level, with priority given to the elderly, persons with disabilities, families with young children; households with the highest energy costs or needs in relation to income, and households with high energy consumption.
- (c) CEAP includes activities, as defined in Assurances 1-16 in Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), as amended; such as education; and financial assistance to help very low- and extremely low-income consumers reduce their utility bills to an affordable level. CEAP services include utility

payment assistance; heating and cooling system replacement, repair, and/or retrofit; energy education; and budget counseling.

- (d) Sliding scale benefit for all CEAP components:
- (1) Benefit determinations are based on the household's income, the household size, the energy cost and/or the need of the household, and the availability of funds.
- (2) Energy assistance benefit determinations will use the following sliding scale (Except Heating and Cooling System Replacement, Repair and/or Retrofit Component):
- (A) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,6001,200.
- (B) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,4001,100.
- (C) Households with Incomes of 76% to at or below 200% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,200<del>1,000</del>.
- (D) The Heating and Cooling System Replacement, Repair, and/or Retrofit Component maximum household benefit limit is \$6,000<del>5,000</del>.
- (e) Subrecipient shall not establish lower local limits of assistance for any component.
- (f) Total maximum possible annual household benefit (all components combined) equals \$10,800<del>8,600</del>.
- (g) Subrecipient shall determine client eligibility for utility payments and/or retrofit based on the agency's household priority rating system and household's income as a percent of poverty.
- (h) Subrecipients shall provide only the following types of assistance with funds from CEAP:
- (1) Payment to vendors and suppliers of fuel/utilities, goods, and other services, such as electrical wiring, butane tanks, and lines, etc. for past due or current bills related to the procurement of energy for heating and cooling needs of the residence, not to include security lights and other items unrelated to energy assistance;
- (2) Payment to vendors--only one energy bill payment per month as required by component;
- (3) Needs assessment and energy conservation tips, coordination of resources, and referrals to other programs;
- (4) Energy assistance to low-income elderly and disabled individuals most vulnerable to high cost of energy for heating and cooling needs of the residence;
- (5) Payment of water bills only when such costs include expenses from operating an evaporative water cooler unit or when the water bill is an inseparable part of a utility bill. As a part of the intake process, outreach, and coordination, the subrecipient shall confirm that a client owns an operational evaporative cooler and has used it to cool the dwelling within sixty (60) days prior to application. Payment of other utility charges such as wastewater and waste removal are allowable only if these charges are an inseparable part of a utility bill. Documentation from vendor is required. Whenever possible, subrecipient shall negotiate with the utility providers to pay only the "home energy"--heating and cooling--portion of the bill;
- (6) Energy bills already paid by householders may not be reimbursed by the program;

- (7) Payment of reconnection fees in line with the registered tariff filed with the Public Utility Commission and/or Texas Railroad Commission. Payment cannot exceed that stated tariff cost. Subrecipient shall negotiate to reduce the costs to cover the actual labor and material and to ensure that the utility does not assess a penalty for delinquency in payments;
- (8) Payment of security deposits only when state law requires such a payment, or if the Public Utility Commission or Texas Railroad Commission has listed such a payment as an approved cost, and where required by law, tariff, regulation, or a deferred payment agreement includes such a payment. Subrecipients shall not pay such security deposits that the energy provider will eventually return to the client;
- (9) While rates and repair charges may vary from vendor to vendor, Subrecipient shall negotiate for the lowest possible payment. Prior to making any payments to an energy vendor a Subrecipient shall have a signed vendor agreement on file from the energy vendor receiving direct LIHEAP payments from the Subrecipient;
- (10) Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of client is deducted from client's rent; and
- (11) In lieu of deposit required by an energy vendor, Subrecipient may make advance payments. The Department does not allow LIHEAP expenditures to pay deposits, except as noted in paragraph (7) of this subsection. Advance payments may not exceed an estimated two months' billings. Funds for the Texas CEAP shall not be used to weatherize dwelling units, for medicine, food, transportation assistance (i.e., vehicle fuel), income assistance, or to pay for penalties or fines assessed to clients.

## §5.423. Energy Crisis Component.

- (a) A bona fide energy crisis exists when extraordinary events or situations resulting from extreme weather conditions and/or fuel supply shortages or a terrorist attack have depleted or will deplete household financial resources and/or have created problems in meeting basic household expenses, particularly bills for energy so as to constitute a threat to the well-being of the household, particularly the elderly, the disabled, or children age 5 and younger.
- (b) A utility disconnection notice may constitute an energy crisis, if client demonstrates a history of good faith in paying prior utility bills.
- (c) Energy Crisis assistance for one household cannot exceed the maximum allowable benefit level in one year. Crisis assistance payments cannot exceed the minimum amount needed to resolve the crisis. If the client's crisis requires more than the household limit to resolve, it exceeds the scope of this program. If crisis exceeds the household limit, subrecipient may pay up to the household limit but the rest of the bill will have to be paid from other funds to resolve the crisis. Payments may not exceed client's actual utility bill. The assistance must result in resolution of the crisis.
- (d) Where necessary to prevent undue hardships from a qualified energy crisis, subrecipients may directly issue vouchers to provide:

- (1) Temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances that inoperable heating/cooling appliances or supply of power to the dwelling is disrupted--causing temporary evacuation;
- (2) Emergency deliveries of fuel up to <u>250</u><del>100</del> gallons per crisis per household, at the prevailing price. This benefit may include coverage for safety precautions--up to the maximum household benefit;
- (3) Purchase of portable heating/cooling units (portable electric heaters are allowable only as a last resort) not to exceed household benefit limit during the contract period. Portable air conditioning and heating units may be purchased only in situations that threaten the life of the client;
- (4) Subrecipient shall meet local energy crisis criteria prior to purchasing portable units for clients;
- (5) Subrecipient shall maintain in the client file documentation of any special situation affecting client eligibility. For a client to qualify to receive a portable air conditioner or heater to protect life of household occupants, the subrecipient's client file must contain documentation from a medical professional, stating that a health condition of household occupant requires such climate control. A doctor's statement or prior written approval from the Department is required.
- (6) Portable heating/cooling units must meet Energy Star® or International Residential Code (IRC) compliant.
- (e) Crisis funds, whether for emergency fuel deliveries, purchase of portable heating/cooling units, or temporary shelter, shall be considered part of the total maximum household allowable assistance.
- (f) When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures for the following:
- (1) Costs to temporarily shelter or house individuals in hotels, apartments or other living situations in which homes have been destroyed or damaged, i.e., placing people in settings to preserve health and safety and to move them away from the crisis situation;
- (2) Costs for transportation (such as cars, shuttles, buses) to move individuals away from the crisis area to shelters, when health and safety is endangered by loss of access to heating or cooling;
- (3) Utility reconnection costs;
- (4) Repair or replacement costs for furnaces and air conditioners;
- (5) Insulation repair;
- (6) Coats and blankets, as tangible benefits to keep individuals warm;
- (7) Crisis payments for utilities and utility deposits; and
- (8) Purchase of fans, air conditioners and generators.
- (g) Time Limits for Assistance--Subrecipients ensure that for clients who have already lost service or are in immediate danger of losing service, some form of assistance to resolve the energy crisis shall be provided within a 48 hour time limit (18 hours in lifethreatening situations). The time limit commences upon completion of the application process. The application process is considered to be complete when an agency representative accepts an application and completes the eligibility process.

(h) Subrecipients maintain written documentation in client files showing crises resolved within appropriate timeframes. The Department disallows improperly documented expenditures.

## §5.425. Elderly and Disabled Component.

- (a) Elderly households include at least one member age sixty (60) or above. Disabled households include at least one member living with a disability. Documentation of disability, (i.e. Social Security, Supplemental Security Income statement, doctor's letter) kept in client file will validate eligibility.
- (b) Subrecipients make utility payments on behalf of elderly and disabled persons based on the previous twelve (12) month's home energy consumption history, including allowances for cost inflation. In the absence of an available home energy consumption history, subrecipient may base payments on current program year's bill. Subrecipients note such exceptions in client files. Benefit amounts exceeding the actual bill shall be treated as a credit with the utility company for the client.
- (c) Elderly and/or disabled clients may receive benefits to cover up to 100% of the <u>eightfour</u> highest remaining bills within the contract year as long as the cost does not exceed the maximum annual benefit.
- (d) The Department requires Subrecipients to expend a minimum of 10% of their Direct Service funds in the Elderly/Disabled Component.

# §5.426. Heating and Cooling Component.

- (a) The priority factors other than income eligibility for heating/cooling assistance include the degree of energy burden and household needs. Equipment replacement or repair under this component must reduce energy consumption and energy burden. "Household energy need" takes into account the unique situation of such household that results from having members of vulnerable populations, including children age 5 and younger, disabled individuals, and older individuals. The Department defines the household's energy need as the requirement for energy used to heat and/or cool the dwelling unit, as well as energy required to heat water and refrigerate food.
- (b) Equipment repair and replacement targets households with high energy burden, or equipment unsafe or inadequate to protect occupants from extreme temperatures. This component reduces clients' energy burden by reducing excess demand from inefficient heating and cooling appliances. Questionably high energy bills during the heating or cooling season may indicate the need for an assessment of the condition of all major heating and cooling appliances in the client's home. An energy assessment of the home demonstrates whether or not the expected savings from repair or replacement of equipment will exceed the cost and will reduce energy consumption. Appliances consuming the most energy receive highest priority. Estimated repair cost exceeding 60% of estimated replacement cost justifies replacement.
- (c) Subrecipients must conduct whole house assessments on all eligible heating and cooling appliances. Subrecipients must incorporate the appliance replacement protocols and tools available on the Department website, for window units, water heaters, and refrigerators on all applicable appliances in the household. Printed results from the use of

these tools must be placed in the client files and be available for review. <u>Refrigerators manufactured after 1993 need to be evaluated utilizing the Department's refrigerator assessment tool.</u>

- (d) Household appliances assessed for condition (health and safety) and efficiency may include any home heating or cooling appliances and propane tanks. The Program allows replacement of evaporative coolers with refrigerated air only for substantiated medical reasons. Subrecipients shall replace appliances with Energy Star® rated equipment or IRC compliant appliances.
- (e) Acceptable assessments for appliances under consideration for repair, replacement or retrofit with CEAP funds may be considered valid for one (1) year from the date of assessment. While subrecipients must re-certify income eligibility, the previously obtained assessment would remain valid. Should it appear that appliances previously assessed that did not require repair, replacement, or retrofit at the time of the assessment had deteriorated, a new assessment could be performed on only the applicable appliances.
- (f) Households that contain both evaporative coolers and refrigerated air must be assessed in order to make the household most energy efficient. When both units need replacement consideration must be based on what is most energy efficient. Special consideration may be given to climate area and medical need. Without medical documentation a waiver may be granted by the Department.
- (g) Heating and cooling assessments may be charged to the Heating and Cooling Component on a per household basis. If the assessment cost is charged to the Heating and Cooling Component, the cost must be counted toward the household benefit of \$5,000.
- (h) All replacement units must meet Energy Star or IRC compliant and must result in energy savings for the client. Heating and cooling funds may pay for zoning off a room in which the client spends a majority of time at home, incidental to the above improvements, if necessary to conserve conditioned air. In order to use heating and cooling funds for a room zone-off, the household must also be receiving a repair, replacement, or retrofit of a space heating or cooling unit.
- (i) This component may be used to purchase, lease, or repair butane or propane tanks as well as the residential lines associated with the tanks or natural gas lines of the dwelling not to exceed the household's maximum allowable assistance and only if such service ensures the flow of energy necessary for heating and or cooling the household.
- (j) This component may be used to purchase or repair of residential electric lines, not to exceed household's maximum allowable assistance and only if such service ensures the flow of energy necessary for heating and cooling the household.
- (k) The Department requires Subrecipients to expend a minimum of 10% of their Direct Service funds in the Heating and Cooling Component.
- (1) Eligible activities include installation of Energy Star rated ceiling fans, replacement of air filters, installation of compact fluorescent lights (CFL's) and water savers.

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 5, Subchapter G, §5.705 concerning the Weatherization Assistance Program Low Income Energy Assistance Program (WAP LIHEAP). The proposed amendments make changes to the existing rules to increase subrecipients' flexibility and efficiency in providing assistance to clients.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the proposed new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

The public comment period will be held between March 15, 2010 to April 15, 2010 to receive input on these rules. More information on the public hearings can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. ALL COMMENTS MUST BE RECEIVED BY 5:00 PM APRIL 15, 2010.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by these proposed new sections.

§5.705. Other Measures.

- (a) LIHEAP-WAP energy efficiency measures identified in this section must be entered into the Audit as an "other measure."
- (b) Solar screens and window film must be installed in the order West, East, South, and North.
- (c) Replacement of refrigerators <u>after</u> 1993 <del>or older or</del> that have an SIR of one or greater in Energy Audit or the Department's refrigerator assessment tool.

# COMMUNITY AFFAIRS DIVISION BOARD ACTION REQUEST

March 11, 2010

# **Recommended Action**

# Approve:

- 1) The adoption, as an emergency rule, of new 10 TAC Chapter 5, Subchapter I, §§5.900 5.905 concerning the Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA), and
- 2) The adoption of publication for public comment of proposed new 10 TAC Chapter 5, Subchapter I, §§5.900 5.905 concerning the Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA) for comment in the *Texas Register*.

**RESOLVED,** that the order adopting 10 TAC Chapter 5, Subchapter I, §§5.900 to 5.905, on an emergency basis, in the form presented to this meeting, is hereby adopted, and that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause them to be published in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing; and

**FURTHER RESOLVED,** that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause proposed new 10 TAC Chapter 5, Subchapter I, §§5.900 – 5.905 concerning the Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA), in the form presented to this meeting, to be published in the *Texas Register* for public comment and, in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

#### **Background**

Under the American Recovery and Reinvestment Act of 2009, the Department received an allocation of funding from the Department of Energy for additional funding for the Weatherization Assistance Program (ARRA WAP). Because of the urgent timelines and significant increase of funds, the Department is adopting rules to provide for the process and criteria to be used for ARRA WAP funds in deobligation of a commitment of funds from a contract, and subsequent reobligation of those funds. This rule is codified at Chapter 5, Subchapter I, §§5.900 – 5.905 concerning the Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA).

The Department has found that this rule needs to be adopted on an emergency basis for the following reasons: First, 10 CFR Part 440 provides for states to impose requirements on the administration of Department of Energy funds, provided they are not inconsistent with federal requirements, and, therefore, these rule are necessary to comply with federal requirements under those regulations. Second, the American Recovery and Reinvestment Act of 2009 ("ARRA") provided for an appropriation of funding for the weatherization assistance program ("WAP") and

the Department of Energy allocated \$327 million in WAP funds to the State of Texas. This additional new funding, a fifty-fivefold increase over historic funding levels, comes with very significant time limitations, requiring the funds to be obligated within two years and expended within three years. If these timeframes are not complied with, the State and the Texans served are at risk of losing this funding. Therefore, TDHCA finds that there is an imminent peril to the public welfare, placing Texans at risk of loss of this vital assistance if these rules are not immediately adopted to provide TDHCA with the essential tools to assure timely expenditure and utilization of these funds though the creation of processes for the de-obligation and re-obligation of WAP funds.

The amendment is adopted on an emergency basis under Chapter 2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, and §2001.034 of the Texas Government Code, which provides for the adoption of administrative rules on an emergency basis, without notice and comment.

The proposed rule is being filed simultaneously with the Emergency Adoption of the rule to allow for public comment. These new sections are adopted on an emergency basis to ensure that due to urgent timelines and significant increase of funds, the Department will establish rules to provide for the process and criteria to be used for ARRA WAP funds in deobligation of a commitment of funds from a contract, and subsequent reobligation of those funds.

For the non-emergency rule, the public comment period will be held from March 26, 2010 through April 26, 2010 to receive input on these rules and a public hearing will be held. More information on the public hearing can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. ALL COMMENTS MUST BE RECEIVED BY April 26, 2010.

## PREAMBLE FOR TEXAS REGISTER EMERGENCY RULE SUBMISSION

The Texas Department of Housing and Community Affairs (the "Department") adopts on an emergency basis new 10 TAC, Chapter 5, Subchapter I, §§5.900 – 5.905 concerning the Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA).

Under the American Recovery and Reinvestment Act of 2009, the Department received an allocation of funding from the Department of Energy for additional funding for the Weatherization Assistance Program (ARRA WAP). ARRA programs generally require short time lines for committing and expending funds. Under the Department's ARRA WAP Program, if the Department's Subrecipients are unable to meet expenditure deadline criteria set by the Department the State of Texas risks losing a significant portion of the ARRA WAP funding. Therefore, the Department is adopting these procedures, as required by federal law (24 CFR 440.15(e)), for deobligating and reobligating ARRA WAP funds in the event a Subrecipient is unable to meet expenditure deadlines. The emergency rule provides for appropriate notice to the affected Subrecipients and an opportunity to be heard concerning the deobligation of any funds. Given that the Board will be unable to complete the rulemaking process before commitment deadlines arise, the Board finds that it is not practical to provide the usual 30 days' prior notice and hearing.

The Department has found that this rule needs to be adopted on an emergency basis for the following reasons: First, 10 CFR Part 440 provides for states to impose requirements on the administration of Department of Energy funds, provided they are not inconsistent with federal requirements, and, therefore, these rules are necessary to comply with federal requirements under those regulations. Second, the American Recovery and Reinvestment Act of 2009, PL Pub.L. 111-5 ("ARRA"), provided for an appropriation of funding for the weatherization assistance program ("WAP") and the Department of Energy allocated \$327 million in WAP funds to the State of Texas. This additional new funding, a fifty-fivefold increase over historic Department of Energy funding levels, comes with very significant time limitations, requiring the funds to be obligated within two years and expended within three years. If these timeframes are not complied with, the State and the Texans served are at risk of losing this funding. Therefore, the Department finds that there is an imminent peril to the public welfare, placing Texans at risk of loss of this vital assistance if these rules are not immediately adopted to provide the Department with the essential tools to assure timely expenditure and utilization of these funds though the creation of processes for the de-obligation and re-obligation of WAP funds.

In order to provide as much notice as possible to the public of this emergency rule, the Department released a copy of this emergency rule on its website and notified the public through an e-mail distribution list on or before February 24, 2010. The public was provided the opportunity to make comment to the Department's Board at the March 11, 2010 Board meeting prior to the Board's adoption of the emergency rule.

The new sections are adopted on an emergency basis under Chapter 2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, and §2001.034 of the Texas Government

Code, which provides for the adoption of administrative rules on an emergency basis, without notice and comment.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

# PREAMBLE FOR TEXAS REGISTER NON-EMERGENCY RULE SUBMISSION FOR PUBLIC COMMENT

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC Chapter 5, Subchapter I, §§5.900 – 5.905 concerning the Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA). Under the American Recovery and Reinvestment Act of 2009, the Department received an allocation of funding from the Department of Energy for additional funding for the Weatherization Assistance Program (ARRA WAP).

The proposed new sections are being filed simultaneously with the Emergency Adoption of the rule to allow for public comment.

Mr. Michael Gerber, Executive Director, has determined that for the first five year period the new sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections.

Mr. Gerber has also determined that for each year of the first five years the new sections are in effect the public benefit anticipated will be to permit the adoption of new rules, thereby enhancing the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the new sections as proposed.

The public comment period will be held from March 26, 2010 through April 26, 2010 to receive input on these rules and a public hearing will be held. More information on the public hearing can be found at http://www.tdhca.state.tx.us. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2010 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 469-9606. All comments must be received by April 26, 2010.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by these proposed new sections.

TITLE 10 COMMUNITY DEVELOPMENT

PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 5 COMMUNITY AFFAIRS PROGRAMS

SUBCHAPTER I WEATHERIZATION ASSISTANCE PROGRAM DEPARTMENT OF

ENERGY AMERICAN RECOVERY AND REINVESTMENT ACT

# §5.900. Deobligation and Reobligation of Funds for Department of Energy Weatherization Assistance Program under the American Recovery and Reinvestment Act.

Under the American Recovery and Reinvestment Act of 2009 (ARRA), the Texas Department of Housing and Community Affairs (the "Department") is receiving funding from the United States Department of Energy for the Weatherization Assistance Program (ARRA WAP). The Department is adopting rules to establish the processes and criteria to be used for the deobligation of ARRA WAP funds committed to a Subrecipient pursuant to the Department's approved plan with the U.S. Department of Energy and the subsequent reobligation of those funds. These sections will also apply to any New Providers of ARRA WAP Funds. The Department is adopting these sections in order to assure the timely and appropriate use of ARRA WAP funds; compliance with federal accountability, transparency, and programmatic requirements; and that ARRA WAP funds are expended by required deadlines. Unless otherwise specified herein all definitions and requirements under 10 TAC, Chapter 5, Subchapters E, F and G of this chapter apply to ARRA WAP.

#### §5.901. Definitions.

- (a) Awarded Funds--The amount of ARRA WAP funds awarded through the Department plan, as amended, submitted to the United States Department of Energy to each Subrecipient or the amount of funds awarded by the Department to New Providers of ARRA WAP funds. The amount of funds awarded reflects the full multi-year amount of ARRA WAP funds awarded to the Subrecipient or New Provider and not only the amount reflected in a contract.
- (b) ARRA WAP--The allocation of funds provided to the Department from the American Recovery Reinvestment Act of 2009 for the Department of Energy Weatherization Assistance Program.
- (c) Deobligation--The partial or full removal of Awarded Funds from a Subrecipient or New Provider. Partial Deobligation is the removal of some portion of the full Awarded Funds from a Subrecipient or New Provider, leaving some remaining balance of Awarded Funds to be administered by the Subrecipient or New Provider. Full Deobligation is the removal of the full amount of Awarded Funds from a Subrecipient or New Provider.
- (d) Department--The Texas Department of Housing and Community Affairs.
- (e) Executive Director--The Executive Director of the Texas Department of Housing and Community Affairs.
- (f) Expenditure--Funds having been drawn from the Department through the Contract System. For purposes of this rule, expenditure will include draws requested through the system.

- (g) New Provider--An entity to which the Department has contractually obligated ARRA WAP funds subsequent to March 12, 2010.
- (h) Production Schedule--A Production schedule signed by the applicable Executive Director/Chief Executive Officer of the Subrecipient or New Provider, and approved by the Department meeting the requirements of this definition. The Production Schedule shall include a total estimated number of units to be completed with all Awarded Funds, based on the average per unit cost for the Subrecipient or New Provider; the estimated monthly and quarterly unit production; and the estimated monthly and quarterly expenditure targets for all Awarded Funds reflecting achievement of the criteria identified in §5.902 of this chapter. The Production Schedule should reflect anticipated delays, and unit production estimates may vary significantly from month to month. The Production Schedule shall reflect by month estimated numbers that include for each month: total units to be produced; households that need to be income qualified; units to be assessed; audits to be performed; work orders to be issued; units for which weatherization is to be completed; units to have final inspections; and units to be invoiced. The Production Schedule is a requirement applicable to all ARRA WAP contracts administered by the Subrecipient or New Provider. The Production Schedule must demonstrate how all Awarded Funds will be expended by required ARRA deadlines. The Production Schedule as defined herein may differ significantly from the ARRA WAP plan production schedule submitted by the Department to the United States Department of Energy. In the case of any such conflict, the applicable Subrecipient or New Provider is required to comply with the Production Schedule.
- (i) Subrecipient--An entity to which the Department contractually obligated ARRA WAP funds prior to March 12, 2010. Subrecipients may have one or more contracts for ARRA WAP funds and reference to Subrecipient herein may include only one, some, or all of those contracts.
- (j) Reobligation--The reallocation of deobligated ARRA WAP funds to current Subrecipients and/or New Providers.
- (k) Unit Production--A unit is considered "produced" for purposes of this rule when the unit is considered a final unit and the post-weatherization inspection and all other requirements have been satisfied.

#### §5.902. Criteria for Deobligation of Fund Award.

- (a) The criteria noted in this section will prompt the deobligation process under this rule. If the criteria are met, then notification and ensuing processes will apply as further described in this rule.
- (b) The criteria for deobligation for a Subrecipient are as follows:
  - (1) Subrecipient fails to provide the Department with a Production Schedule by April 1, 2010. The Production Schedule must be signed by the Subrecipient Executive Director/Chief Executive Officer and approved by the Department;
  - (2) By April 15, 2010, no unit production has occurred;
  - (3) By June 30, 2010, less than 20% of total expected unit production has occurred based on the Production Schedule, or less than 15% of total Awarded Funds have been expended;

- (4) By August 31, 2010, less than 35% of total expected unit production has occurred based on the Production Schedule, or less than 25% of total Awarded Funds have been expended;
- (5) By October 31, 2010, less than 40% of total expected unit production has occurred based on the Production Schedule, or less than 40% of total Awarded Funds have been expended;
- (6) By December 31, 2010, less than 50% of total expected unit production has occurred based on the Production Schedule, or less than 50% of total Awarded Funds have been expended;
- (7) The Subrecipient fails to submit a required monthly report explaining any variances between the Production Schedule and actual results on Production Schedule criteria;
- (8) The Subrecipient's monthly report, as required under the contract between the Department and the Subrecipient, for Subrecipients whose monthly production target is 50 units or greater reflects unit production that is 5% or more below the unit production amount to be completed, or for Subrecipients whose monthly production target is less than 50 units the monthly report reflects unit production that is 10% or more below the unit production amount to be completed, as of the end of the month according to the Production Schedule, or expenditure of funds is 5% or more below the amount of Awarded Funds to be expended as of the end of the month according to the Production Schedule; and
- (9) The Subrecipent's quarterly report, as required under the contract between the Department and the Subrecipient, for Subrecipients whose monthly production target is 50 units or greater reflects that unit production is 5% or more below the unit production amount to be completed, or for Subrecipients whose monthly production target is less than 50 units the monthly report reflects unit production that is 10% or more below the unit production amount to be completed, as of the end of the quarter according to the Production Schedule, or expenditure of funds is 5% or more below the amount of Awarded Funds to be expended as of the end of the quarter according to the Production Schedule.

### (c) The criteria for deobligation for a New Provider are as follows:

- (1) The New Provider fails to provide a Production Schedule as described in this rule and required under the contract between the Department and the New Provider within fifteen (15) days of contract execution. The Production Schedule must be approved by the New Provider Executive Director/Chief Executive Officer;
- (2) The New Provider fails to submit a required monthly report explaining any variances between the Production Schedule and actual results on Production Schedule criteria;
- (3) The New Provider's monthly report, as required under the contract between the Department and the New Provider, reflects unit production that is 5% or more below the unit production amount to be completed as of the end of the month according to the Production Schedule, or expenditure of funds is 5% or more below the amount of Awarded Funds to be expended as of the end of the month according to the Production Schedule;
- (4) The New Provider's quarterly report, as required under the contract between the Department and the New Provider, reflects that unit production is 5% or more below the unit production amount to be completed as of the end of the quarter according to the Production Schedule, or expenditure of funds is 5% or more below the amount of Awarded Funds to be expended as of the end of the quarter according to the Production Schedule; and
- (5) The New Provider fails to meet any other production or expenditure targets based on the Production Schedule as required under the contract between the Department and the New Provider.

- (d) At any time, a Subrecipient or New Provider fails to notify the Department of any adverse audit, inspection or internal control finding.
- (e) At any time a Subrecipient or New Provider has recurrent findings or inspections reflecting work quality that do not conform fully to program requirements, lack of adequate and satisfactory inspections, inadequate assessments or that insufficient quality control efforts are in place.
- (f) At any time a Subrecipient or New Provider has unresolved ARRA WAP monitoring findings, violates their contract, and fails to implement timely all necessary changes identified during a monitoring visit.
- (g) At any time the Department believes a Subrecipient or New Provider is at significant risk of not expending ARRA WAP Awarded Funds in accordance with the Production Schedule or is at significant risk of not providing appropriate and thorough controls on the expenditure of ARRA WAP funds.

#### §5.903. Notification and Action Plan

- (a) At any time that a Subrecipient or New Provider believes they may be at risk of meeting one of the criteria noted in §5.902 of this chapter, or of not achieving their Production Schedule goals, notification must be provided to the Department.
- (b) A written "Notification of Possible Deobligation" will be sent to the Executive Director of the Subrecipient or New Provider as soon as a criterion included in §5.902 of this chapter is at risk of being met. Written notice will be sent electronically and by mail. The notice will include an explanation of the criteria met.
- (c) Within fifteen (15) days of the date of the "Notification of Possible Deobligation" referenced in subsection (b) of this section, a Mitigation Action Plan must be submitted to the Department by the Subrecipient or New Provider in the format proscribed by the Department.
- (d) A Mitigation Action Plan is not limited to but must include:
  - (1) Explanation of why one or more of the criteria under §5.902 of this chapter occurred setting out all fully relevant facts.
  - (2) Explanation of how the criteria under §5.902 of this chapter will be immediately, permanently, and adequately mitigated. For example, if production or expenditures are insufficient, the explanation would need to address how production or expenditures will be increased in the short- and long-term to restore projected full and timely execution of the contract with respect to all Awarded Funds.
  - (3) If applicable because of failure to produce Unit Production or Expenditure targets under the existing Production Schedule, a revised Production Schedule reflecting how Unit Production and Expenditure targets will be achieved for each remaining month, including compensation for prior months of missed production, for all Awarded Funds.
  - (4) An explanation of how remaining criteria under §5.902 of this chapter will be avoided. For example, if Unit Production criteria for June 30, reflected under §5.902(b) of this chapter

- were not met, then explanation will need to include how the ensuing criteria will be met and the criteria under §5.902(c) of this chapter, avoided.
- (5) If relating to a Unit Production or expenditure criteria, a description of activities currently being undertaken including an accurate description of the number of units in progress, broken down by number of units that have been qualified, audited, assessed, contracted, inspected, and invoiced and as reflected in an updated Production Schedule.
- (6) Provide any request for a reduction in Awarded Funds, reasons for the request, desired Awarded Fund and revised Production Schedule reflecting the reduced Awarded Fund.
- (e) At any time after sending a Notification of Deobligation, the Department or a third-party assigned by the Department may monitor, conduct onsite-visits or other assessment or engage in any other oversight of the Subrecipient or New Provider that is believed appropriate by the Department under the facts and circumstances.
- (f) The Department or a third-party assigned by the Department will review the Mitigation Action Plan, and where applicable, assess the Subrecipient's or New Provider's ability to meet the revised Production Schedule or remedy other concern.
- (g) After the Department's receipt of the Mitigation Action Plan, the Department will provide the Subrecipient or New Provider a written Corrective Action Notice indicating the Department's determination, which may include one or more of the criteria identified in §5.904 of this chapter or other acceptable solutions or remedies.
- (h) The Subrecipient or New Provider has seven (7) calendar days from the date of the Corrective Action Notice to appeal the Corrective Action Notice to the Executive Director. Appeals may include:
  - (1) Request for the full Fund Award;
  - (2) Request for only partial deobligation of the full Awarded Fund if full deobligation was indicated in the Corrective Action Notice;
  - (3) Request for other lawful action consistent with the timely and full completion of the contract and Production Schedule for all Awarded Funds.
- (i) In the event that an appeal is submitted to the Executive Director, the Executive Director may grant extensions or forbearance of targets included in the Production Schedule, continued operation of a contract, authorize Deobligation, or take other lawful action that is designed to ensure the timely and full completion of the contract for all Awarded Funds.
- (j) In the event the Executive Director denies an appeal, the Subrecipient will have the opportunity to have their appeal presented at the next Department Board meeting for which the matter may be posted in accordance with law and submitted for final determination by the Board.
- (k) In the event an appeal is not submitted within seven (7) calendar days from the date of the Corrective Action Notice, the Corrective Action Notice will automatically become final without need of any further action or notice by the Department, and the Department will amend/terminate the contract with the Subrecipient or New Provider to effectuate the Corrective Action Notice.

## §5.904. Deobligation and Other Mitigating Actions.

- (a) When one or more of the criteria in  $\S 5.902$  of this chapter have been met, the Department will issue a Corrective Action Notice, as described in  $\S 5.903$  of this chapter, recommending one or more of the actions in subsection (b) (d) of this section.
- (b) Partial or Full Deobligation of Awarded Funds. Deobligation may be made dependent upon identification of a temporary or permanent replacement provider as described in §5.905 of this chapter.
- (c) Month-to-month monitoring, site visits, assessments and/or oversight by the Department or a third-party assigned by the Department.
- (d) Other mitigating action that may improve the performance of the Subrecipient or New Provider and ensure the delivery of services to the service area, consistent with the timely and full completion of contract and expenditure of Awarded Funds.
- (e) In the event of deobligation, the Subrecipient will place no further orders, or enter into further subcontracts for services, materials, or equipment. However, to the extent possible, the Department will allow continued delivery of eligible services to those customers whose unit has been assessed prior to the delivery of notice of deobligation. In the event of deobligation, the Subrecipient will identify any such customers and negotiate with the Department regarding the delivery of services to those customers.

## §.5.905. Reobligation.

- (a) While it may not be possible in all circumstances, it is the Department's primary goal to ensure that Deobligated Awarded Funds be expended in the existing geographic service area of the Deobligated Subrecipient or New Provider. So that Awarded Funds released through Deobligation can be recommitted to the geographic service area, the Department may immediately take the actions in paragraphs (1) (2) of this section:
  - (1) Identify and reach agreements for increasing funding with Subrecipients who are capable of achieving unit production and expenditures in adjacent or non-adjacent geographic regions on a temporary or permanent basis; and/or
  - (2) Identify, initiate and complete the procurement process with one or more New Providers of weatherization services that can service one or more geographic service areas.
- (b) In the event that no qualified provider can be identified to serve a geographic service area where a Subrecipient or New Provider has been Deobligated, the Department will consider the geographic reallocation of Awarded Funds for only the remainder of the ARRA WAP contract, to other existing Subrecipients or New Providers.
- (c) Unless otherwise determined by the Executive Director, Subrecipients or a New Provider will only qualify for reobligation of Awarded Funds if they meet the criteria in paragraphs (1) (5) of this subsection:
  - (1) If applicable, they have achieved 95% or more of monthly unit and expenditure Production Schedule targets for the previous three months.
  - (2) Subrecipients must have achieved 30% of total Production Schedule goals by August 31, 2010.
  - (3) Have no significant outstanding unresolved monitoring findings.
  - (4) Have had no significant unit quality or other concerns.

- (5) Can demonstrate available capacity or expedited capacity building to administer additional Awarded Funds in a timely and appropriate manner.
- (d) Awards of reobligation. Awarded Funds to existing Subrecipents or New Providers will be based upon ability to meet Unit Production and Expenditures requirements as assessed by Department staff and other criteria consistent with ARRA, Department or state weatherization policy objectives. Priority will be given to serving priority populations as required by Department of Energy.
- (e) Subrecipients and New Providers may request an increase in their Awarded Funds with the Department or may be approached by the Department.

## DISASTER RECOVERY DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve for publication in the *Texas Register* a new section under 10 TAC Chapter 54, the Disaster Recovery, §54.03 Forms.

**RESOLVED**, that proposed new section to the Disaster Recovery Rules, 10 TAC Chapter §54.3 be approved for posting in the *Texas Register*.

**FURTHER RESOLVED,** that the Executive Director and his designees are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the draft form section of the Disaster Recovery Rule, in the form presented to this meeting, to be published in the *Texas* Register for public comment and, in connection therewith, make such nonsubstantive technical corrections as they may deem necessary to effectuate the foregoing.

## **Background**

The Texas Department of Housing and Community Affairs receives funding from the federal government to provide disaster assistance in Texas following natural disasters. Rules are necessary to effectively monitor the activities under disaster assistance and to ensure program benchmarks are achieved and disaster funds spent timely. On January 20, 2010, the Board gave approval to publish a draft of proposed rules for Disaster Recovery programs, 10 TAC §§54.1-54.2, for comment in the *Texas Register*. The draft rules are posted and available for public comment. The addition adds §54.3 to the draft rules concerning forms utilized by the disaster recovery program. Specifically the form section creates an affidavit of ownership that establishes non-traditional documentation of ownership.

The Texas Department of Housing and Community Affairs proposes new 10 TAC Chapter 54, Disaster Recovery, §54.3, concerning Forms. The proposed new section will establish rules to formalize existing policy regarding the types of documentation that can be used to establish ownership under the disaster recovery program.

Mr. Michael Gerber, Executive Director, has determined that for the first five-year period the proposed section is in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the sections as proposed.

Mr. Gerber has also determined that for each year of the first five years the section is in effect the public benefit anticipated as a result of enforcing the rules will be enhanced compliance with formalized policy, all contractual and statutory requirements. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the section as proposed. The proposed section will not impact local employment.

The new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306, which provides the Department the authority to adopt rules governing the administration of the Department and its programs.

The proposed new sections affect no other code, article or statute.

#### 54.3. Forms.

An applicant for federal assistance funds administered by the department and subject to this chapter to repair or rebuild a home damaged by a natural disaster such as a hurricane may establish ownership of the home through a deed to the property or non-traditional documentation of ownership. In accordance with Texas Government Code §2306.188 applications for federal disaster funds subject to this chapter where the applicant cannot produce record title but otherwise meets the requirements of the program will be processed as if the applicant were the owner provided the applicant provides the following:

- 1) an affidavit in the form specified in Appendix 1 hereto setting forth the basis on which the applicant claims to be the owner and affirmation that either:
  - a. there is no other person entitled to claim any ownership interest in the property; or
  - b. each person who may be entitled to claim an ownership interest in the property has provided consent to the application or cannot be located after reasonable effort;

#### **AND**

- 2) the applicant has evidence that the applicant exercised ownership of the property at the time of the disaster by providing copies of either:
  - a. tax receipts reflecting that the applicant was the person who paid the property taxes on the property made the subject of the request for assistance,

- b. utility bills in the name of the applicant relating to the provision of utilities to the property made the subject of the request for assistance,
- c. evidence of a paid insurance policies for the property made the subject of the request for assistance and naming the applicant as the insured, or
- d. other evidence, reasonably acceptable to the Department, that establishes that the applicant exercised ownership over the property.

The affidavit in Appendix 1 does not establish record ownership or otherwise alter legal ownership of the assisted property. The Department is not liable to any claimed owner or an interest in real property for administering federal disaster funds subject to this chapter.

## Appendix 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## Affidavit of Ownership (Sworn Statement)

BLOCK 1: O	wner/Co-Owner Information
<b>BLOOK 1.</b> O	WHEN CO OWNER IMPORTATION
Owner:	Co-Owner:
Owner/Co-Owner Address:	
BLOC	K 2: Statement of Facts
I/Weherein are true and complete:	, being first duly sworn, do affirm the facts presented
A) There is no other person entit	itled to claim any ownership interest in the property;
or	
	titled to claim an ownership interest in the property cation or was not located after a reasonable effort.
BLOCK 3: Signat	tures (Notarization is REQUIRED)
true and accurate to the best of my/ou providing false representations herein incomplete information may result in	Ify that the information presented in this Affidavit is are knowledge and belief. I/We further understand that a constitutes an act of fraud. False, misleading or my/our ineligibility to participate in Programs that we with Government Code, Chapter 2306.
Owner Signature	Co-Owner Signature
being sworn, upon oath say that the s	person(s) whose signature(s) appear above, who by statements set forth hereinabove are true and correct.  day of 20
(Name of Notary)	
(Notary Public)	SEAL
	(Commission Expires)
Notary Public State of Texas	

## HOME PROGRAM DIVISION BOARD ACTION REQUEST March 11, 2010

## No Action Required. Presentation and Discussion Only. The Board May In Its Discretion Provide Direction to Staff.

Presentation and Discussion of issues relating to the Department's Owner-Occupied Housing Assistance Program in 10 TAC Chapter 53, HOME Program Rule.

#### **Background**

In planning for the 2010 HOME Program allocation, staff has initiated the preparation of draft revisions to the current HOME Program Rule, 10 TAC Chapter 53. Anticipated changes include eliminating redundant federal and statutory requirements, providing flexibility for program development in NOFAs in order to respond better to local needs and demands, clarifying administrative requirements, and incorporating recommended programmatic changes.

To solicit input and feedback, staff has conducted a survey and held several roundtables specific to the various program activities – Owner-Occupied Housing Assistance (OCC), Homebuyer Assistance (HBA), Tenant-Based Rental Assistance (TBRA), and multifamily and single family development. Staff plans to present the draft 2010 HOME Program Rule for consideration at the May Board meeting. To date, the most discussion and input has come with regard to the Owner-Occupied Housing Assistance Program. Staff wanted to discuss these matters with the Board and, in public meeting, give Board members an opportunity to hear and discuss these issues and, as the Board desires, provide direction to staff.

HUD allows HOME funds to be provided in the form of a grant. Participating jurisdictions must use loans, grants or a combination thereof for all HOME funds. The same long term affordability requirements do not apply to different HOME activities. The majority of activities allowed under the OCC program have no HUD directed long term affordability requirement. From the beginning of the Department's HOME Program in 1992 until 2005, the Department provided assistance for the rehabilitation or reconstruction of owner-occupied housing units in the form of grants.

HUD allows unused or unallocated HOME funds to be used in subsequent years but has a requirement that funds be committed within 2 years of when they are made available and expended within 5 years. Due to the size of the Department's annual allocation, the limited length of time the Department has to expend funds, the wide variety of HOME activities administered by the Department, and constraints HUD imposes on commitments and expenditures, small delays over time in awards, commitments, set-ups and closings have cumulatively added pressure in meeting the expenditure and closeout

requirements. At the same time, measures taken to address Board policy regarding "recycling" of the HOME funds and long term affordability resulted in a significant review and revision to the state HOME program guidelines and requirements in 2005. Changes to the State rules for the HOME Program at that time included requiring state affordability periods for all awards. The affordability requirements have been applied by following the requirements of the Texas Constitution for liens and by providing assistance in the form of loans instead of grants. This provided for the possibility of repayment and recycling of funds if the intended recipient no longer owned or resided in the property.

The breadth of these changes created new expenditure obstacles and have generated significant resistance to the OCC program by subrecipients and their contractors. In 2007 a HOME task force, with significant involvement from contract administrators and consultants (who provide services from application submission assistance to turn key administration), was revisiting the HOME program rules. The results of this reevaluation and the rule changes since then have been mixed with some significant improvements in the flexibility of award amounts, terms of repayment or forgiveness, and an increase in soft costs to cover the closing costs and general improvements in processes; while the issue most important to the administrators and consultants, the return to the use of outright grants, was not changed.

The implementation of the loan policy, with loans that are constitutionally required to close with a title company or an attorney or at the Department's offices, also helped the Department more fully comply with the HUD requirement that the eligible assisted homeowners have fee title to their home. Clear title is one of the biggest obstacles to providing assistance to otherwise eligible homeowners, particularly in rural Texas, because property is often passed down from generation to generation without addressing the requirements of the Probate Code and updating the deed records. While providing proof of clear title is an eligible cost for reimbursement from the HOME program, the work effort in actually obtaining clear title (locating and obtaining releases from all potential heirs or partial owners) is not eligible federally for reimbursement under the HOME Program. A change to the state rules last year allowed the flexibility of a title report to be provided and reviewed by the Department's attorneys; however, few clear reports have made this flexibility less than fruitful. As fee title is a federal requirement of the program, and as the provision for a title policy provides a benefit to the owner that may be funded under an eligible financing cost under the HOME program, staff will be recommending that a requirement for title policy for the property being improved be instituted for all households receiving assistance under the OCC program.

The Department generally provides a variety of types of loans and grants for similar programs funds with different sources. The following charts delineate the current forms of assistance for the various activities of the TDHCA housing programs. With the exception of the HOME Single Family Development Program, all loans are 0% interest.

## Texas Department of Housing and Community Affairs Comparison of Single Family Funding Products March 11, 2010

	Homebuyer Assistance				
Program	HTF	HOME	CDBG	SF MRB	NSP
Max. Amt. Asst.	\$10,000	\$20,000	Varies based on subrecipient selection	Up to 4% of first lien amount	Up to \$30,000
Other		Term depends on amount of assistance	Hurricane Ike and Dolly; using HOME reqmts	Must be used in conjunction with first lien bond program	Term depends on amount of assistance
>60% >50%-≤60% >30%-≤50% ≤30%	Not eligible 10-year 2 <sup>nd</sup> lien, DFL 5-year 2 <sup>nd</sup> lien, DFL	5-10-year 2 <sup>nd</sup> lien, DFL	5-10-year 2 <sup>nd</sup> lien, DFL	10-year 2 <sup>nd</sup> lien, DFL	5-10-year DFL

	Rehabilitation Only					
Program	Bootstrap	HTF		HOME	CDBG	
Max. Amt. Asst.	\$45,000	\$30,000	\$20,000	\$30,000		
Other	\$90,000 total all sources; 65% sweat equity reqmt; 95% max LTV, 45% max dti; term depends on non-profit builder selection		Accessibility Modifications Only		Hurricane Rita	
>60%	Not eligible	Not eligible	Not eligible	20-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, repayable, amortizing PI	Grant	
>50%- ≤60%				20-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL	agreement with 3-year	
>30% - ≤50%	0-30-year 1 <sup>st</sup> or 2 <sup>nd</sup> repayable, amortizing PITI	20-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL	Grant	15-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL	DFL	
≤30%		10-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL		5-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL		

	Homebuyer Assistance with Rehabilitation				
Program	Bootstrap	HTF	НОМЕ		
Max. Amt. Asst.	\$45,000	\$15,000 HBA	\$15,000 HBA	Up to \$40,000 for	
		\$20,000	\$20,000 Accessibility Mods	acquisition and \$80,000	
		Accessibility		(\$73 psf) for	
		Mods		rehab/reconstruct	
Other	\$90,000 total all	Veterans Only	PWD HBA and accessibility	Contract for Deed	
	sources; 65% sweat		modifications - term	Conversion – term	
	equity reqmt; 95%		depends on total amount of	depends on total amount	
	max LTV, 45% max		assistance	of assistance	
	dti; term depends on				
	non-profit builder				
	selection				
>60%	Not eligible	10-year 2 <sup>nd</sup>			
		lien, DFL			
>50% <b>-</b> ≤60%	0-30-year 1 <sup>st</sup> or 2 <sup>nd</sup>	5-year 2 <sup>nd</sup> lien,	5-10-year 2 <sup>nd</sup> lien DFL	5-15-year 1 <sup>st</sup> lien DFL	
>30% - ≤50%	repayable, amortizing	DFL			
≤30%	PITI				

## Texas Department of Housing and Community Affairs Comparison of Single Family Funding Products March 11, 2010

		Acq	uisition and/or	Rehabilitatio	on or Reconstr	ruction/New Const	truction	
Program	Bootstrap		NSP		HOME		CDBG	
Max. Amt. Asst.	\$45,000	Up to \$30,000	HUD 203(b) Limits DPAP \$30,000	Up to \$80,000 (\$73 psf)	Up to maximum amount underwritten (\$73 psf)	Up to \$40,000 for acquisition and \$80,000 (\$73 psf) for rehab/reconstruct	Up to \$40,000?	Varies based on subrecipient selection
Other	\$90,000 total all sources; 65% sweat equity reqmt; 95% max LTV, 45% max dti; term depends on non- profit builder selection	Term depends on amount of assistance	100% max LTV; 45% max dti	Owner- Occupied Housing Assistance Program	Single Family Development – includes up to \$15,000 in HBA, 2 <sup>nd</sup> lien DFL	Contract for Deed Conversion – term depends on total amount of assistance	Round II Hurricane Rita Housing Assistance Program	Hurricane Ike and Dolly
>60% >50%- ≤60%	Not eligible		Not eligible	20-year 1 <sup>st</sup> or 2 <sup>nd</sup> , repayable, amortizing PI 20-year 1 <sup>st</sup>	30 year, 1 <sup>st</sup> lien,	5-15-year 1 <sup>st</sup> lien,		Grant agreement
>30% - \le 50%	0-30-year 1 <sup>st</sup> or 2 <sup>nd</sup> repayable, amortizing PITI	5-10-year DFL	30-year repayable, amortizing PITI	or 2 <sup>nd</sup> lien, DFL 15-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL 5-year 1 <sup>st</sup> or	repayable, amortizing PITI	DFL	Grant; 3-year DFL if located in floodplain	with DFL
_5070			umoruzing 1111	2 <sup>nd</sup> lien, DFL				

## Abbreviations:

DTI: Debt to income ratio

DFL: Deferred, forgivable loan

PITI: Principal, interest, taxes, and insurance

## **TDHCA 2010 HOME Owner Occupied Housing Assistance Policy Questions**

- 1. While staff continues to favor not imposing any repayment when serving the lowest income persons (assuming they meet all other program requirements), staff believes that repayable loans for 50% and 60% households may be appropriate and consistent with the continuum of funding products currently provided through other TDHCA housing programs. There has been significant public support for OCC to return to grants, particularly for the lowest income households (30% AMFI or less).
  - a. Should the draft rule maintain a deferred forgivable loan structure for:
    - 1. 30% households with repayable loans based upon income capacity above 30% or
    - 2. 30%, 50% and 60% households as well? Or,
  - b. Should the draft rule provide a more immediate grant for:
    - 1. 30% households or
    - 2. 30%, 50% and 60% households as well?
  - c. Another option would be to allow a conditional grant with a contractual agreement of some type that provides an option or first right of refusal to the Department for a period of affordability with a notice in the deed records. Such an agreement would only trigger a right to the Department if a subsequent sale by the homeowner is made and could have provisions to account for any equity value in the home.
  - d. Another option would be to only provide a more immediate grant or conditional grant for households funded in an award through and impacted by a disaster (which is a separate subset of HOME activity funded through the Department's deobligation rule.)
- 2. When providing owner occupied households assistance that is federally defined as new construction, i.e. relocation to another site, replacement of a manufactured housing unit with a site-built home on the same site, reconstructing a unit that is not currently habitable due to condemnation or destruction in disaster, the federal HOME regulations require an affordability period from 5 to 15 years based on the amount of assistance to the household; however currently such new construction activity is either not specifically addressed in the state rule or is a difficult transaction to complete. Staff believes that such new construction activity should be added or made easier as an eligible OCC activity at the state level, but that the Department's funding instrument should be
  - a. A repayable loan based on the amount of assistance provided to the household for those households at or above 30% AMFI and a deferred forgivable loan for households below 30% with the period of forgiveness based on the size of the loan in accordance with the federal affordability requirements.
  - b. Another option would be to maintain the same state affordability requirements as the other activities under the OCC Program but this would expose the Department to HUD affordability risk in that lowest income households use high levels of assistance. For example, a 30% household

- with over \$40,000 of assistance would have a 5-year state affordability but the state would have a 15-year liability to HUD for affordability.
- 3. In the event that the assisted homeowner dies during an established affordability period, staff favors requalification of heirs to ensure a fully completed term of affordability for the housing unit. Current rules allow the immediate forgiveness of the balance of the loan upon the death of a homeowner who was at or below 30% AMFI at the time of assistance. It is important to note that in the instance of new construction, federal regulations do not provide for the immediate forgiveness of recaptured funds upon the death of the homeowner.
  - a. Should the draft rule provide for requalification of heirs to complete the originally established affordability term?, Or
  - b. Should the draft rule maintain immediate forgiveness upon death for
    - 1. 30% households and requalification above that level or
    - 2. 30%, 50% and 60% households as well?

## Appeal #10023 Burkburnett Pioneer Crossing

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST March 11, 2010

## **Requested Action**

Deny the appeal of the loss of pre-application points for Burkburnett Pioneer Crossing for Seniors.

WHEREAS, the applicant has appealed the Executive Director's denial of the award of preapplication points to Burkburnett Seniors, LP because of a non-compliant late submission and Burkburnett Seniors, LP has appealed that decision, and

WHEREAS, this Board has heard the appeal and duly considered the matter,

It is hereby:

RESOLVED, that the appeal is hereby denied.

## **Burkburnett Pioneer Crossing for Seniors - 10023**

On January 7, 2010, a Pre-application was submitted for the above-referenced development. The applicant was notified that the Pre-application would not receive the six pre-application points because it was not submitted in a readable format by the deadline for Pre-application submission. The 2010 Qualified Allocation Plan allows an applicant to receive pre application points if the preapplication is submited by January 8, 2010 and in accordance with the Application Submission Procedures Manual (ASPM) referenced at 10TAC 50.3(11) which states that incomplete or improperly formatted Pre-Applications will not be accepted. The Applicant submitted the preapplication fee and states that the files were successfully and timely uploaded to the Department's File Transfer Protocol (FTP) server; however, these files were not readible. The Applicant subsequently provided a CD which was intended to include the files in question, however the files on the CD were submitted after the submission deadline and their record reflects that they were not the same size or same saved time stamp as the files originally submitted via FTP. The applicant has not contradicted the readability of the files submited on the FTP site nor claimed that any other attempt was made to provide the application information in a readable format prior to the deadline.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Burkburnett Seniors, LP a Texas limited partnership

Site Location: 109 Williams Drive City/County: Burkburnett/Wichita

Regional Allocation Category: Rural Population Served: Elderly

Region: 2

Set Aside: None

Type of Development: New Construction

Units: 80

Credits Requested: \$1,000,000



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February 18, 2010

Noor Jooma Burkburnett Seniors, LP P.O. Box 113267 Carrollton, Texas75011

RE: Appeal of Pre-Application Points for #10023, Burkburnett Pioneer Crossing for Seniors

Dear Mr. Jooma:

## Appeal Review

I have carefully reviewed the appeal received on February 4, 2010, regarding your request to have the pre-application points reinstated for the above listed development.

The above referenced pre-application was denied the 6 pre-application points because it was not submitted in a readable format by the deadline for pre-application submission. The record of submission indicates that the file you submitted timely was not the same file that you submitted after the deadline on CD. In your appeal letter you indicate that the files submitted on CD after the deadline were identical to the files that were uploaded prior to the deadline and therefore your original submission should be accepted despite not being readable. In the attached copy of the e-mail correspondence between you and Jason Burr staff confirmed that the Burkburnett PreApp.xls file you originally uploaded was 865KB while the replacement file on the CD was 901KB and thus not the same file. In lieu of terminating the Pre-Application, the Department deducted the six Pre-Application points for failing to meet the deadline.

#### **Appeal Determination**

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the March 11, 2010 Board meeting agenda.

Sincerely,

Michael Gerber

**Executive Director** 

MFF/rbm

## NOORALLAH JOOMA P.O. BOX 113267 CARROLLTON TX 75011 972-242-7602 PH 972-245-7655 FAX

February 4, 2010

Re:

Preapplication 10023, Burkburnett Pioneer Crossing for Seniors; Preapplication 10032, Mineral Wells Pioneer Crossing for Seniors

Mr. Michael Gerber Executive Director Texas Department of Housing & Community Affairs 221 East 11th Street Austin, Texas 78701-2410

Dear Mr. Gerber:

I wish to appeal staff denial of pre-application points for the above listed developments. The pre-applications for these developments were uploaded to the Department's FTP Server on January 7, 2010 at 9am and 10am, more than a day prior to the submission deadline, and our transmission software indicated the files were successfully uploaded. Moreover, the Department's own server printouts (attached) show they were timely submitted. I was not notified by the Department until January 19, 2010, that staff could not read the files that were on the FTP Server. I immediately submitted the files on CD to staff, which were readable. The files submitted on the CD were identical to the files uploaded (note all modification dates prior to the deadline). If staff would have notified me of any problems prior to the submission deadline, I would have immediately rectified them.

The letter from Robbye Meyer denying pre-application points cites the Application Submission Procedures Manual for the proposition that pre-application points should not be awarded; it says no such thing. The situation cited above is not mentioned or contemplated in the ASPM. The pre-applications were submitted prior to the deadline; replacement files were provided immediately upon request, and prior to public viewing of pre-applications so that the Department's interest in timely submission and public disclosure under the TDHCA Rules was upheld. Since the pre-applications complied with the Rules and the ASPM, I ask that the points be reinstated. In the event my request is denied, I wish to appeal to the TDHCA Board at the March 11, 2010 meeting.

Sincerely

Noorallah Jooma



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Juan S. Muñoz, Ph.D.

January 27, 2010

Noor Jooma Burkburnett Seniors, LP P.O. Box 113267 Carrollton, Texas75011

RE: Pre-Application #10023, Burkburnett Pioneer Crossing for Seniors

Dear Mr. Jooma:

The low income housing tax credit pre-application process depends on persons submitting pre-applications in a thorough and timely basis so that staff will have complete information that can quickly be made available to the public to enable Applicants to move forward with the annual competitive allocation process. Pre-applications are awarded points as a way to encourage Applicants to participate in this manner. If a pre-application is late, submitted in an unreadable format, or materially incomplete, that greatly, sometimes completely, reduces the value of a pre-application submission. Staff is of the belief that pre-applications that do not meet the basic criteria for a complete and timely submission should not be rewarded with pre-application points.

The above referenced pre-application did not meet the indicated requirement(s) under the Applications Submission Procedures Manual referenced at 10TAC 50.3(11) (the "Manual"):

☐ It was not received in ANY format by the deadline specified in the Manual. A pre-application was subsequently submitted.
☐ It was not received in the format specified in the Manual.
☐ It was not received by the deadline specified in the Manual.
☑ It was incomplete, missing the following item(s): the files were unreadable.

Accordingly, staff has determined that the pre-application will be accepted, but should not be awarded pre-application points. The pre-application for the above referenced development will be reflected on the final Pre-Application Log posted on January 28, 2010. If you have any questions, please do not hesitate to contact Raquel Morales at 512-475-1676 or <a href="mailto:raquel.morales@tdhca.state.x.us">raquel.morales@tdhca.state.x.us</a>.

Sincerely,

Robbye Meyer

Director of Multifamily Finance

MFF/rm

## Appeal #08182 Suncrest Apartments

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST March 11, 2010

## **Requested Action**

Deny the appeal of the transfer of ownership of the Suncrest Apartments.

WHEREAS, the applicant has appealed the Executive Director's denial of the transfer of ownership because there is no justifiable hardship for the transfer, and

WHEREAS, this Board has heard the appeal and duly considered the matter,

It is hereby:

RESOLVED, that the appeal is hereby denied.

## **Background and Recommendations**

## **Suncrest Apartments - 08182**

The appeal references an approval for a change in the ownership structure of the development owner for the Sound Preservation 205 LP. The ownership structure would change by replacing the current owner of the General Partner, Madrona Tax Credit Owner, LLC, owned by John Orehek, with BG Housing, LLC owned by Bryon Gongaware. It was requested that BG Housing, LLC also be allowed to replace Madrona Tax Credit Owner, LLC as the Developer. These changes were proposed to be temporary to allow Mr. Orehek time to obtain United States Department of Housing and Urban Development (HUD) approval of his participation in this transaction.

In accordance with §50.17(e)(1) of the Qualified Allocation Plan and Rules, transfers (other than an Affiliate included in the ownership structure) will not be approved prior to the issuance of IRS forms 8609 unless the Development Owner can provide evidence that a hardship is creating the need for the transfer. The Department determined that the issue cited by the Applicant was already present at that the time the original tax credit application was submitted to the Department for consideration. Staff believes that Mr. Orehek knew or should have known about the noncompliance issues he had with another HUD property but may not have known that HUD would prevent him from acquiring other developments including the subject development. The Department recognizes that Mr. Orehek was anticipating relief from HUD for the material noncompliance issues that existed when the credit application was submitted.

After the submission of the tax credit application Mr. Orehek entered into an agreement with HUD in which he effectively agreed to be prevented from acquiring additional HUD

developments from a period of fifteen months. As a result, the request to change the ownership is necessary in order to garner HUD approval to close the construction and financing of the development.

Department staff discussed the issue of changing the ownership with the HUD staff responsible for monitoring the compliance and negotiating the settlement. Department staff described the plan to temporarily exclude Mr. Orehek to allow the development to close and then return him to an ownership position sometime after the lockout period from HUD participation has ended. HUD staff indicated that they believed this would circumvent the intent of the HUD settlement agreement.

Staff believes that the hardship described in the request was not outside of Mr. Orehek's control, there has been no indication that a delay in the proposed rehabilitation would be a threat to the health and safety of the resident and the original development could reapply in 2011.

This development has returned their tax credits and requested an award of Exchange funds. Denial of the ownership transfer would likely result in the return of these Exchange funds for the use by another development requesting Exchange funds.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Sound Preservation 205 LP, a Texas limited partnership

Site Location: 611 Rubin Drive City/County: El Paso/El Paso

Regional Allocation Category: Urban
Population Served: General
Region: 13

Set Aside: None

Type of Development: Rehabilitation

Units: 100

Credits Requested and Returned: \$398,799 Exchange Funds Requested: \$3,389,792

**Staff Recommendation:** The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal.



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March 2, 2010

Bryon Gongaware BG Housing, LLC 1201 Third Avenue, Suite 5400 Seattle, WA 98101

Re:

Suncrest Apartments (the Development), El Paso Sound Preservation 205, LP (the Development Owner) Housing Tax Credit Development No. 08182

Dear Mr. Gongaware:

The Texas Department of Housing and Community Affairs (the "Department") received your letter of August 31, 2009. The letter requested approval for a change in the ownership structure of the development owner named above and for a change of Developer. The ownership structure would change by replacing the current owner of the General Partner, Madrona Tax Credit Owner, LLC, owned by John Orehek, with BG Housing, LLC owned by Bryon Gongaware. It was requested that BG Housing, LLC also be allowed to replace Madrona Tax Credit Owner, LLC as the Developer. These changes were proposed to be temporary to allow Mr. Orehek time to obtain United States Department of Housing and Urban Development (HUD) approval of his participation in this transaction.

In accordance with §50.17(e)(1) of the Qualified Allocation Plan and Rules, transfers (other than an Affiliate included in the ownership structure) will not be approved prior to the issuance of IRS forms 8609 unless the Development Owner can provide evidence that a hardship is creating the need for the transfer. The Department finds that the issue cited by the Applicant was already present at that the time the original tax credit application was submitted to the Department for consideration. The Department understands that Mr. Orehek knew or should have known about the noncompliance issues he had with another HUD property but may not have known that HUD would prevent him from acquiring other developments including the subject development. The Department recognizes the Mr. Orehek was anticipating relief from HUD for the material non-compliance issues that existed when the credit application was submitted. After the submission of the tax credit application Mr. Orehek entered into an agreement with HUD in which he effectively agreed to be prevented from acquiring additional HUD developments from a period of fifteen months. As a result, the request to change the ownership is necessary in order to garner HUD approval to close the construction and financing of the development.

Department staff discussed the issue of changing the ownership with the HUD staff responsible for monitoring the compliance and negotiating the settlement. Department staff described the plan to

temporarily exclude Mr. Orehek to allow the development to close and then return him to an ownership position sometime after the lockout period from HUD participation has ended. HUD staff indicated that they believed this would circumvent the intent of the HUD lockout period.

The Department has determined that the hardship described in the request was not outside of Mr. Orehek's control, there has been no indication that a delay in the proposed rehabilitation would be a threat to the health and safety of the resident and the original development could reapply in 2011.

Therefore, your request to transfer the ownership is denied.

Per your request, your appeal to the Board has been placed on the March Board meeting agenda. In accordance with §50.17(b)(4) of the 2010 QAP, if you wish to submit any further documentation for your Board appeal, the documentation <u>must</u> be received by 5:00 p.m. CST on Friday, March 5, 2010 to be placed with the March 11, 2010 Board materials.

If you have questions regarding this finding please contact Robbye Meyer, Director of the Multifamily Finance Division at 512-475-2213 or by email at robbye.meyer@tdhca.state.tx.us.

Thank you for your letter.

Sincerely,

Michael Gerber Executive Director

MFF/rgm

1201 Third Avenue, Suite 5400 Seattle, WA 98101

## Memo Re Suncrest Ownership Transfer Request: Board Appeal

## Summary:

Sound Preservation 205 LP, a Texas limited partnership (the "Applicant") seeks approval from the TDHCA board to make a change in the proposed ownership structure of the Suncrest Apartments project [TDHCA #08182 & #09925] (the "Project"). Specifically, the Applicant requests a change in ownership from John Orehek to Bryon Gongaware prior to closing.

### Background:

The Applicant originally submitted its application for tax credits for the Project to TDHCA on February 23, 2008. The application proposed an ownership structure where both the owner and the developer entities are solely owned and controlled by Mr. Orehek – the Chief Executive Officer of Security Properties, the guaranter of the Project.

The Project currently benefits from a project-based Section 8 contract supporting 83 of the 100 units as well as a Section 236 mortgage with Interest Reduction Payments ("IRP"). The Applicant proposes to assume the Section 8 contract from the current owner, extend the contract to a 20-year term, and decouple the IRP from the existing mortgage. All three plans require approval from HUD.

In April 2008, Mr. Orehek submitted an application to HUD – including a Form 2530 – requesting approval to replace the existing general partner in a 56-unit LIHTC deal in Wisconsin, a deal where Security Properties also serves as guarantor. Prior to this application, Mr. Orehek had not made an application to HUD related to new business which required a submission and review of his 2530. This application was eventually denied on December 19, 2008, owing to outstanding flags on Mr. Orehek's 2530 from legacy deals within the Security Properties portfolio dating back to the 1970s and 1980s. At the same time, after Mr. Orehek submitted his 2530 for the project in Wisconsin and before its official denial, the Project was awarded an allocation of 9% tax credits in August 2008 from TDHCA.

A revised, formal denial from HUD was sent to Mr. Orehek on January 5, 2009. On January 16, 2009, Mr. Orehek requested a hearing based on the actions taken by HUD. The negotiations with HUD resulted in a Settlement Agreement dated July 29, 2009. A copy of the Settlement Agreement has been provided to and reviewed by TDHCA. The Agreement provided for a 15-month probationary period for Mr. Orehek, during which time applications for new business would be accepted for just three stabilized properties mutually agreed to by HUD and Mr. Orehek. HUD would monitor operations at those three properties during the probationary period. Pending the successful completion of the probationary period, Mr. Orehek will be allowed to apply to own and operate HUD properties going forward. The three properties selected included two completed and stabilized LIHTC deals and a 55-unit property in Washington D.C. needing a new mortgage for rehab. Mr. Orehek requested approval to enter into additional deals —

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including the Project – but the final compromise with HUD allowed only three. As closing the Suncrest deal is dependent on an assignment of the Section 8 contract, extension of the term, and approval of the IRP decoupling, the Project would not be able to close as currently proposed to TDHCA until the end of the 15-month probationary period ending in October 2010.

Following the implementation of the ARRA legislation, the Project applied for both TCAP and TC Exchange funding, as the Applicant has been unsuccessful in its search for an investor. The application for TCAP funding was submitted on July 24, 2009. As advised by TDHCA staff, the Applicant submitted its TCAP application showing the ownership structure as originally proposed, along with a request to transfer ownership to Mr. Gongaware, a long-term employee of Security Properties and Director of Tax Credits. Mr. Gongaware is the principal in four existing LIHTC deals – two stabilized, one under construction, and a third owned in a joint venture which is also under construction. All four deals benefit from federal subsidies, and Mr. Gongaware has no issues with his Form 2530.

The Applicant also applied for TC Exchange funding on September 9, 2009 and included a copy of the complete transfer approval request, which had been resubmitted with updates requested by TDHCA staff on September 3, 2009. In a deficiency letter from TDHCA staff dated September 25, 2009, TDHCA requested that the Exchange application be amended to reflect the new ownership structure, including a new set of signed certifications. A final Exchange award was approved in December 2009.

As discussed above, based on follow-up discussions with TDHCA staff, additional materials in support of the transfer request were sent on September 3, 2009. On October 28, 2009, the Applicant was advised that the transfer request had been sent out of underwriting and was being routed for signature to be approved and that the process normally took a week. On November 19, 2009, the Applicant was advised that there was a delay and that the request was subject to further consideration. The TC Exchange award, however, was made in December 2009.

On January 5, 2010, the Applicant was advised by Jeffrey Spicer of State Street Housing – the consultant for the Project – that he was advised by Robbye Meyer that the request to transfer ownership would be denied. The Applicant subsequently spoke with Ms. Meyer and Tom Gouris of TDHCA and outlined the fact pattern as represented in this appeal. Ms. Meyer and Mr. Gouris agreed that a hardship exists, however, again indicated that they are likely to deny the transfer request on the basis that the Applicant "was aware of the possibility of the issue prior to the award." To date, however, an official denial letter from TDHCA has not been received.

## **Reasons Supporting the Transfer Approval:**

Section 49.17(e) of TDHCA's Qualified Allocation Plan and Rules provides that the Partnership may request a transfer of the Tax Credit Allocation upon evidence of a hardship. The Applicant believes that the transfer request is reasonable and should be approved for the following reasons:

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- TDHCA agreed that a hardship exists.
- Mr. Orehek submitted his application for the tax credits on February 23, 2008. It was not until April 2008 that Mr. Orehek was made aware that there may be an issue with his 2530 at HUD and it was not until January 5, 2009 that Mr. Orehek was informed by HUD that his 2530 has been denied by HUD. The hardship was unanticipated at the time Mr. Orehek submitted his tax credit application.
- The Applicant submitted the transfer request in July 2009 and sent all revised materials on September 3, 2009, yet did not hear that its request would be denied until January 5, 2010, and further review as requested by the Applicant lasted until February 22, 2010. During the period between July 24, 2009 and January 5, 2010, the Applicant had reasonable basis to believe that TDHCA would approve the transfer request. In fact, TDHCA awarded the TC Exchange award in December 2009 knowing that the request for the TC Exchange award was submitted under the new ownership structure.
- The Applicant incurred significant legal and other development expenses during the period between July 2009 and January 5, 2010 because it is obligated to continue with the transaction based on the strict deadlines imposed by the TCAP and TC Exchange funding. To date, the Partnership has incurred \$129,000 in development costs related to this deal, and has outstanding bills to the architect of approximately \$80,000 and to its legal counsel of approximately \$67,000, a total of \$276,000.
- The Applicant has successfully obtained a commitment from the City of El Paso for \$350,000 in HOME Funds in support of the rehabilitation of the property, indicating local support for the Project. There are other committed sources to finance this Project, such as the TC Exchange award. If the TDHCA Board does not approve the transfer request, the Project may lose all of the committed financing sources that the Project has received to date.
- Mr. Gongaware has the development experience to move the Project forward.
   Mr. Gongaware is currently the developer and owner of four other HUD-assisted LIHTC projects.
- There is no material impact to either TDHCA or the transaction if Mr. Gongaware is permitted to replace Mr. Orehek in the transaction. Mr. Gongaware and Mr. Orehek are both long-term employees of Security Properties. In both the original and currently proposed structures, the guarantor behind this deal Security Properties does not change. Moreover, Mr. Orehek and Mr. Gongaware are prepared to sign an Option Agreement acceptable in form and content to TDHCA that would allow Mr. Orehek to acquire the interests of Mr. Gongaware in the Applicant, for no consideration, upon HUD's approval of Mr. Orehek's 2530. This option agreement could be in place at closing.
- If the request is approved, the applicant is ready to proceed:

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- Permits for the unit rehabilitation and construction of a new community building can be obtained from the City of El Paso within one to two weeks
- All necessary HUD approval requests were submitted in November 2009 reflecting Mr. Gongaware as the proposed owner; HUD is awaiting a decision from TDHCA before it will approve, but the submission to HUD is complete
- All approvals from the City of El Paso related to its funding have been obtained
- o The lender has reaffirmed its commitment and is prepared to proceed
- The applicant has an award of exchange funds approved by TDHCA
- If the request is not approved or a compromise cannot be reached that would allow the deal to close with Mr. Orehek as owner after the probationary period expires, the Applicant is likely to terminate its sale contract. The seller has indicated that it will place the property on the open market and there is serious risk that the Project would be purchased by a buyer who will opt out of all federal subsidies and take 100 affordable units out of the market
- Similarly, if the Applicant is not able to proceed, the tenants at the Project will be harmed. The Project was constructed in the early 1970s and, though it is in good condition, it would benefit greatly from the \$23,000 per unit in rehabilitation proposed by the Applicant

### Request:

As stated, the Applicant would be unable to close the transaction by the March 31, 2010 deadline imposed by the TC Exchange program as Mr. Orehek would not be able to obtain approval from HUD for an assignment of the Section 8 contract, term extension, or the IRP decoupling. His actions vis-à-vis HUD are regulated by a Settlement Agreement dated July 29, 2009 imposing a 15-month probationary period. The Applicant is prepared to close this transaction with Mr. Gongaware as owner and has requested approval from TDHCA to approve this transfer in order to meet the closing deadline.

Based on the reasoning presented above, the Applicant requests that the Board reconsider the recommendation of staff and approve the transfer approval request. However, if the Board agrees with the recommendation of staff in denying the approval request, the Applicant would propose an alternative to the Board and ask for approval to delay closing of the transaction until December 2010, after the maturity of the Settlement Agreement, at which time it will be able to close under the ownership structure as currently approved based on the original application for tax credits. Evidence that the Applicant will be able to close to the satisfaction of TDHCA will, of course, be delivered.

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## HOUSING PROGRAMS DIVISION

October 21, 2009

Sound Preservation 205 LP 1201 Third Avenue, Suite 5400 Seattle, WA 98101

Gentlemen:

This letter confirms that on October 20, 2009, the El Paso City Council approved funding for the following affordable rental housing development:

Sound Preservation 205 LP Suncrest Apartments 611 Rubin Drive, El Paso, Texas

The HOME funding commitment amount is \$350,000. The terms are an amortized loan for 15 years, 0% interest, with the first monthly payment due 90 days after project completion. The funding draws will be on a prorata basis with the other project financing.

Attached is a copy of the Resolution that will be signed by the Mayor by next week. Please contact me if you have any questions.

Sincerely,

Patricia White

**Housing Programs Manager** 

Patricia White

attachment

Mayor John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2 Susie Byrd

District 3 Emma Acosta

District 4 Carl L. Robinson

District 5 Rachel Quintana

District 6
Eddie Holguin Jr.

District 7 Steve Ortega

District 8 Beto O'Rourke

City Manager Joyce A. Wilson



## None at this time

## None at this time

# None at this time

# None at this time

# HOUSING TRUST FUND DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the Request for an Amendment to the Housing Trust Fund Program Award for Meadow Park Village Apartments.

RESOLVED, that the restructuring of the \$500,000 Housing Trust Fund loan to Meadow Park Village, as recommended by the Real Estate Analysis Division, be and it hereby is approved, and

FURTHER RESOLVED, that the Executive Director and his designees and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take such measures and to executive and deliver such documents, instruments, and writings as they or any of them may deem necessary or advisable to effectuate the foregoing.

#### **Background**

Meadow Park Village Apartments (Pending Housing Trust Fund Contract #1001115), has been tabled since the April 23, 2009 Board meeting due to the Applicant's concerns that the recommended interest rate of 5% could not be supported by the property's operations. The 36-unit multifamily property is a Section 8 Mark-to-Market transaction with rents and operating expenses approved by the US Department of Housing and Urban Development (HUD). The Board awarded the funds at a 5% interest rate and asked that the agenda item be brought back for modification if HUD objected to the terms of the loan. On June 30, 2009, the Department received a letter from HUD stating that they were unable to approve the level of debt service as approved by the Department.

After evaluating additional information provided by the Applicant, which included updated cost data, the Department's Real Estate Analysis Division was able to revise the pro forma and provide an updated recommendation. Staff is recommending this loan including a 2% interest rate and 30 year amortization with a 26 year term. The terms include a level of debt service that is acceptable to the Applicant and HUD, and a debt coverage ratio and interest rate that are acceptable to the Department. Attached is the April 2009 Real Estate Analysis Report with February 12, 2010, addendum.



U.S. Department of Housing and Urban Development Office of Housing, Multifamily Program Center San Antonio Field Office One Alamo Center 106 South St. Mary's Street, Suite 405 San Antonio, Texas 78205-3601 (http://www.hud.gov/local/san/index.html)

# AUG 2 5 2009

Michael Gerber Executive Director Multifamily Program Administrator Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701

Meadow Park Village, FHA Project # 115-35464 TDHCA Housing Trust # 100115; Revised Staff Recommendations

Dear Mr. Gerber:

We are in receipt of the revised staff recommendation for the Texas Department of Housing and Community Affairs (TDHCA) terms and conditions for the proposed \$500,000 Housing Trust loan for the benefit of Meadow Park Village Apartments in Lockhart, Texas. As we understand it, the revised terms call for annual debt service of \$22,177.17 representing principal and interest (2%) payments amortizing the principal over thirty (30) years with the remaining principal and interest due and payable at the end of 26 years.

The Meadow Park Village Apartments are 36 units which have a project based Section 8 contract covering all 36 units. project completed HUD restructuring of the first lien through the HUD Mark-to-Market (M2M) restructuring program in December 2003. As part of the Mark-to-Market program the first lien was restructured and a new FHA first lien was originated. addition, the existing Section 8 contract was sized to support the property in accordance with the HUD approved restructuring plan of operations.

We have reviewed the TDHCA revised staff recommendation regarding the \$22,177.17 in debt service. We find that the restructured cash flow is sufficient to support this level of debt service. We would consider approval of this level of debt service.

The proposed transaction as revised, which is in line with the M2M restructuring plan would be subject to written approval by our office as well as the Office of Affordable Housing Preservation (OAHP) who oversaw the restructuring.

If you have any questions or if we can be of any assistance please contact us.

Sincerely,

Gretchen A. Marchand

Director, Multifamily Program Center

cc Gilbert M. Piette

Housing and Community Services, Inc.

Harry West, OAHP



#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division Underwriting Report - ADDENDUM

REPORT DATE: 02/12/10 PROGRAM: HTF FILE NUMBER: 08335

DEVELOPMENT									
Meadow Park Village Apartments									
Location: 1200 Meadow Park					Re	gion: 7			
City: Lockhart	County: Cald	dwell	Zip:	78644	x QCT	DDA			
Key Attributes: Family, Reha	b, Rural, and Du	plexes					jı.		
	-	ALLOCATIO	ON						
	PREV	/IOUS REQL	JEST	PREVIOUS R	RECOMMENDATION*				
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term			
Housing Trust Fund	\$304,000	forgivable	0/0						
Housing Trust Fund	\$196,000	0.00%	360/360	\$500,000	5.00%	193/193			
		REQUEST		RECO	MMENDAT	ION			
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term			
Housing Trust Fund	\$304,000	forgivable	0/0						
Housing Trust Fund	\$196,000	0.00%	360/360	\$500,000	2.00%	360/312			

#### **CONDITIONS**

- 1 Receipt, review and acceptance of evidence that the asbestos affected materials in the laundry room have been removed or receipt of an Operation & Maintenance plan prepared by a qualified firm is a condition of this report. It is required that any removal of asbestos-containing materials associated with the structure be conducted by trained and licensed asbestos abatement personnel working under the requirements of the Texas Asbestos Health Protection Rules.
- 2 Should the terms and rates of the proposed debt change, the transaction should be re-evaluated and an adjustment to the allocation amount or terms may be warranted.

#### **SALIENT ISSUES**

TDHCA SET-ASIDES for LURA							
Income Limit	Rent Limit	Number of Units					
30% of AMI	30% of AMI	14					
50% of AMI	50% of AMI	22					

#### **ADDENDUM**

At the May 21,2009 Board meeting, the applicant was awarded \$500,000 from the Housing Trust Fund Multifamily Rental Production Program based on the original underwriting recommendation of a 5% interest rate with a 16 year amortization. The Applicant's testimony during the Board meeting stated that the terms of the debt as recommended by the Underwriter would likely not be acceptable to HUD as HUD uses their own underwriting methodology to calculate their subsidy funding on mark-to-market transactions. The Board ultimately approved Staff's recommendation noting that if HUD in fact would not accept the terms, Staff would work with the Applicant and HUD to negotiate acceptable terms for all parties.

On June 30, 2009 the Department received a letter from HUD stating that they were unable to approve the repayment terms that were approved by the Board due to insufficient cash flow based on their underwriting.

As a result of HUD's denial, the Underwriter reviewed extensive additional information provided by the Applicant including HUD's underwriting of the transaction. The Underwriter focused attention to the expense line-items causing the largest discrepancies between the Underwriter's and HUD's proforma.

The Underwriter re-evaluated proforma expense assumptions and made adjustments where justified. Adjustments were supported by the last three year actual data and specific water, sewer & trash billings for the last three months. The Underwriter researched historical expense information (primarily utility expenses) of another similar development, by type and size, in the Lulling area using CMTS data. The Underwriter confirmed historical utility consumption data provided by the City of Lockhart. The Underwriter also reinterviewed the Applicant discussing in detail all the expense line-items and the historical operating environment and circumstances associated with extraordinary actual expenses.

The Underwriter received a letter from Berkadia Commercial Mortgage (loan servicer for HUD) requiring reserve for replacements to increase effective 1-1-10 supporting the Applicant's assumption.

After consideration of the above, the Underwriter has adjusted total operating expenses upward from \$4,846 per unit annually to \$5,490 per unit annually (an overall \$644 per unit increase). The Underwriter's adjusted expenses remain below the Applicant's proforma by \$561 per unit annually.

Using the adjusted net operating income, the Underwriter recommends a repayable loan of \$500,000 at a 2% interest rate with payments amortized on a 30 year amortization with a balloon payment due at the end of 26 years matching the maturity of the HUD debt. This results in a proforma DCR of 1.26, inclusive of the related party debt, which falls within the DCR parameters outlined in the REA rules.

The Department received a letter from HUD stating that they will accept the Underwriter's revised recommendation.

Underwriter:		Date:	February 12, 2010
	Carl Hoover	<del></del>	·
Manager of Real Estate Analysis:		Date:	February 12, 2010
	Audrey Martin		
Director of Real Estate Analysis:		Date:	February 12, 2010
	Brent Stewart		

# MULTIFAMILY COMPARATIVE ANALYSIS

Meadow Park Village Apartments, Lockhart, HTF #08335 - ADDENDUM											
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
HTF50%	2	1	1	568	\$666	\$645		\$1,290	\$1.14	\$68.00	\$69.00
HTF 30%	3	1	1	570	\$400	\$645		\$1,935	\$1.13	\$68.00	\$69.00
HTF 50%	3	1	1	570	\$666	\$645		\$1,935	\$1.13	\$68.00	\$69.00
HTF 30%	8	2	1	693	\$480	\$734		\$5,872	\$1.06	\$86.00	\$74.00
HTF 50%	12	2	1	693	\$800	\$734		\$8,808	\$1.06	\$86.00	\$74.00
HTF30%	3	3	1.5	924	\$555	\$909		\$2,727	\$0.98	\$106.00	\$85.00
HTF50%	3	3 4	1.5	924	\$924	\$909		\$2,727	\$0.98	\$106.00	\$85.00
HTF50%	36	4	AVERAGE:	1,129 728	\$1,031	\$1,040		\$2,080	\$0.92	\$121.00	\$96.00
TOTAL:	30		AVERAGE:	120		\$760		\$27,374	\$1.04	\$87.28	\$75.94
INCOME POTENTIA	AL GROSS		Rentable Sq Ft:	<u>26,218</u>		TDHCA \$328,488	TDHCA-ORIG \$328,488	\$328,488	COUNTY Caldwell	IREM REGION	COMPT. REGION
Secondary		, IXLINI		Per Unit Per Month:	\$5.00	2,160	2,160	2,160	\$5.00	Per Unit Per Monti	
•	port Income:				*****	0	0	0	\$0.00	Per Unit Per Montl	
POTENTIA						\$330,648	\$330,648	\$330,648	*****		
Vacancy &	Collection L	_oss	% of Poter	ntial Gross Income:	-7.50%	(24,799)	(24,799)	(16,536)	-5.00%	of Potential Gross	Income
Employee	or Other No	n-Rental Un	its or Concess	sions		0	0				
EFFECTIV		INCOME				\$305,849	\$305,849	\$314,112			
EXPENSE	<u>:S</u>		% OF EGI	PER UNIT	PER SQ FT				PER SQ FT	PER UNIT	% OF EGI
	Administrati	ve	4.95%	\$421	0.58	\$15,141	\$12,910	\$15,141	\$0.58	\$421	4.82%
Manageme			5.55%	471	0.65	\$16,965	16,823	18,085	0.69	502	5.76%
Payroll & P	Payroll Tax		11.73%	996	1.37	\$35,866	33,254	47,459	1.81	1,318	15.11%
	Maintenance	Э	12.07%	1,025	1.41	\$36,903	22,727	36,903	1.41	1,025	11.75%
Utilities			2.24%	190	0.26	\$6,840	8,210	10,300	0.39	286	3.28%
	wer, & Trash		11.74%	998	1.37	\$35,912	34,763	38,110	1.45	1,059	12.13%
Property In	surance		3.33%	283	0.39	\$10,182	10,041	12,000	0.46	333	3.82%
Property Ta		2.6585	0.00%	0	0.00	\$0	0	0	0.00	0	0.00%
Reserve fo	r Replacem	ents	6.43%	546	0.75	\$19,656	15,553	19,644	0.75	546	6.25%
TDHCA Co	ompliance F	ees	0.00%	0	0.00	\$0	0	0	0.00	0	0.00%
Other: Sup			6.59%	560	0.77	\$20,156	20,188	20,188	0.77	561	6.43%
TOTAL EX			64.61%	\$5,490	\$7.54	\$197,622	\$174,468	\$217,830	\$8.31	\$6,051	69.35%
NET OPER		IC	35.39%	\$3,006	\$4.13	\$108,227	\$131,381	\$96,282	\$3.67	\$2,675	30.65%
DEBT SEF						<b>A-1</b>	<b>A</b> =4 0=0	<b>^</b>			
GMAC/Capr	mark		16.99%	\$1,443	\$1.98	\$51,956	\$51,956	\$55,250	\$2.11	\$1,535	17.59%
HTF			2.14%	\$181	\$0.25	6,533	6,533	6,533	\$0.25	\$181	2.08%
Housing & C NET CASH			3.74%	\$318 \$1,063	\$0.44 \$1.46	11,454 \$38,284	11,454 \$61,438	11,454 \$23,045	\$0.44 \$0.88	\$318 \$640	3.65% 7.34%
		DVED 4 0 E F	12.52%	\$1,063	\$1.46				φυ.٥٥	\$640	7.34%
AGGREGAT RECOMME						1.55 1.26	1.88	1.31			
CONSTRU			JE KATIO			1.20	1.33				
						<b>TDUO</b> 4	TRUCK CRIC		l		
	ription	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	TDHCA-ORIG	APPLICANT 100	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	1 Cost (site o	or bldg)	58.13%	\$29,597	\$40.64	\$1,065,482	\$1,065,482	\$1,065,482	\$40.64	\$29,597	58.37%
Off-Sites			0.00%	0	0.00	0	0	100,000	0.00	0	0.00%
Sitework			9.06%	4,611	6.33	166,000	166,000	166,000	6.33	4,611	9.09%
Direct Con		F 600/	21.05%	10,716	14.71	385,768	385,768	385,768	14.71	10,716	21.13%
Contingen	•	5.00%	1.51%	766	1.05	27,588	27,588	55,177	2.10	1,533	3.02%
Contractor		14.00%	4.21%	2,146	2.95	77,247	77,247	77,247	2.95	2,146	4.23%
Indirect Co			3.32%	1,689	2.32	60,808	60,808	60,808	2.32	1,689	3.33%
Ineligible C			0.00%	0	0.00			45.000	0.00	0	0.00%
Developer'		2.09%	0.82%	417	0.57	15,000	15,000	15,000	0.57	417	0.82%
Interim Fin	ancing		0.00%	0	0.00	0	0 074		0.00	0	0.00%
Reserves TOTAL CO	net.		1.92%	976 \$50.017	1.34	35,131 \$1,833,025	31,974 \$1,820,868	\$1,825,482	0.00	0 \$50.709	0.00%
Construction		ran	100.00% 35.82%	\$50,917 <b>\$18,239</b>	\$69.91 <b>\$25.04</b>	\$1,833,025 <b>\$656,603</b>	\$1,829,868 <b>\$656,603</b>	\$1,825,482 \$ <b>684,192</b>	\$69.63 <b>\$26.10</b>	\$50,708 <b>\$19,005</b>	100.00% 37.48%
			33.02%	φ10, <b>2</b> 33	φ£.J.U4	φυσυ,υυσ	φυσυ,υυ <b>σ</b>	ψυυ, 1 32		φ13,003	31.40%
SOURCES		<u> </u>		A.= · · ·		#C 17 CC :	#0.17.00.1	<b>#0.17.00</b>	RECOMMENDED	1	
GMAC/Capr			35.31%	\$17,980	\$24.69	\$647,291	\$647,291	\$647,291	\$647,291		ee Available
TDHCA- HT			0.000:	Ao=	<b>60.04</b>	196,000	196,000	196,000	500,000	\$15	,000
Housing & C		enal-fi-	2.88%	\$1,467	\$2.01	52,808	52,808	52,808	52,808		D-( :
Housing & C			0.700:	<b>#</b> 4.00=	61.01	365,383	365,383	365,383	365,383		ee Deferred
Housing & C			2.73%	\$1,389	\$1.91	50,000	50,000	50,000	50,000	50	0%
TDHCA - H	, ,	•		0	A	304,000	304,000	304,000	0	-	
Reserve for	Replaceme	nt Funds	11.46%	\$5,833	\$8.01	210,000	210,000	210,000	210,000		

\$1,833,025

7,543

4,386

\$1,829,868

0

\$1,833,025

\$1,825,482

7,543 15-Yr Cumulative Cash Flow

\$465,222

\$0.29

Deferred Developer Fees

TOTAL SOURCES

0.41%

\$210

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Meadow Park Village Apartments, Lockhart, HTF #08335 - ADDENDUM

#### PAYMENT COMPUTATION

Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	2.08

Secondary	\$196,000	Amort	360	
Int Rate	0.000%	Subtotal DCR	1.85	

Additional \$82,209		Amort	120	
Int Rate	7.00%	Aggregate DCR	1.55	

#### RECOMMENDED FINANCING STRUCTURE:

 Primary Debt Service
 \$51,956

 Secondary Debt Service
 22,177

 Additional Debt Service
 11,454

 NET CASH FLOW
 \$22,641

Primary	\$685,000	Amort	360	
Int Rate	6.50%	DCR	2.08	

Secondary	Secondary \$500,000		360
Int Rate	2.00%	Subtotal DCR	1.46

Additional \$82,209		Amort	120	
Int Rate	7.00%	Aggregate DCR	1.26	

#### 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	\$328,488	\$338,343	\$348,493	\$358,948	\$369,716		\$428,602	\$496,868	\$576,006	\$774,103
Secondary Income	2,160	2,225	2,292	2,360	2,431		2,818	3,267	3,788	5,090
Other Support Income:	0	0	0	0	0	_	0	0	0	0
POTENTIAL GROSS INCOME	330,648	340,567	350,784	361,308	372,147		431,421	500,135	579,793	779,194
Vacancy & Collection Loss	(24,799)	(25,543)	(26,309)	(27,098)	(27,911)		(32,357)	(37,510)	(43,484)	(58,440)
Employee or Other Non-Renta	0	0	0	0	0	_	0	0	0	0
EFFECTIVE GROSS INCOME	\$305,849	\$315,025	\$324,476	\$334,210	\$344,236	_	\$399,064	\$462,625	\$536,309	\$720,754
EXPENSES at 4.00%						_				
General & Administrative	\$15,141	\$15,747	\$16,377	\$17,032	\$17,713		\$21,550	\$26,219	\$31,900	\$47,220
Management	16,965	17,474	17,999	18,538	19,095		22,136	25,662	29,749	39,980
Payroll & Payroll Tax	35,866	37,300	38,792	40,344	41,958		51,048	62,108	75,564	111,853
Repairs & Maintenance	36,903	38,379	39,914	41,511	43,171		52,524	63,904	77,749	115,088
Utilities	6,840	7,114	7,399	7,694	8,002		9,736	11,845	14,412	21,333
Water, Sewer & Trash	35,912	37,349	38,843	40,396	42,012		51,114	62,189	75,662	111,998
Insurance	10,182	10,589	11,013	11,453	11,911		14,492	17,632	21,452	31,754
Property Tax	0	0	0	0	0		0	0	0	0
Reserve for Replacements	19,656	20,442	21,260	22,110	22,995		27,977	34,038	41,412	61,300
Other	20,156	20,963	21,801	22,673	23,580	_	28,689	34,904	42,466	62,861
TOTAL EXPENSES	\$197,622	\$205,357	\$213,397	\$221,753	\$230,437	_	\$279,267	\$338,500	\$410,365	\$603,385
NET OPERATING INCOME	\$108,227	\$109,668	\$111,079	\$112,457	\$113,799	_	\$119,797	\$124,124	\$125,944	\$117,369
DEBT SERVICE						_				
First Lien Financing	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956		\$51,956	\$51,956	\$51,956	\$51,956
Second Lien	22,177	22,177	22,177	22,177	22,177		22,177	22,177	22,177	22,177
Other Financing	11,454	11,454	11,454	11,454	11,454	11,454	11,454	11,454	11,454	11,454
NET CASH FLOW	\$22,641	\$24,081	\$25,492	\$26,870	\$28,212	_	\$34,211	\$38,537	\$40,357	\$31,782
DEBT COVERAGE RATIO	1.26	1.28	1.30	1.31	1.33	=	1.40	1.45	1.47	1.37



REPORT DATE: 05/15/09 PROGRAM: HTF FILE NUMBER: 08335

# ADDENDUM TO APRIL 9, 2009 REPORT

DEVELOPMENT									
Meadow Park Village Apartments									
Location: 1200 Meadow Park					Re	gion: 7			
City: Lockhart	County: Cald	well	Zip:	78644	x QCT	DDA			
Key Attributes: Family, Rehab	, Rural, and dup	olexes							
	ļ	ALLOCATI	ON						
	REQUEST			ORIGINAL RECOMMENDATION					
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term			
Housing Trust Fund	\$304,000	forgivable	0/0						
Housing Trust Fund	\$196,000	0.00%	360/360	\$500,000	5.00%	193/193			
				ALTERNATIVE RECOMMENDATION					
Housing Trust Fund				\$500,000	0.00%	312/312			
		CONDITIO	NIC						
	(	CONDITIC	DNS						
<ol> <li>Receipt, review and accepta have been removed or receiption condition of this report. It is re</li> <li>Should the terms and rates of an adjustment to the allocation.</li> </ol>	pt of an Operati quired that any the proposed c	ion & Mair removal lebt chan	ntenance pla ge, the trans	an prepared by action should b	a qualifie	ed firm is a			

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#### CONCLUSIONS

At the April 21, 2009 Board meeting, the Board tabled consideration of this allocation request until the applicant could work with the Real Estate Analysis Division ("REA") regarding the underwriter's original recommendation.

In the original underwriting report, REA concluded that the property has operated with expenses significantly over similarly sized developments contained in the TDHCA database. Therefore, REA underwrote the development consistent with the database information (\$4,800 per unit annually). Subsequently, the Applicant submitted additional information supporting the historical operating expenses of just over \$6,000 per unit.

After review of this additional information, the underwriter concurs that the property has operated as reported by the Applicant, but based on comparable information the underwriter can not determine a justification as to why the property operates at these expense levels.

The property is a Section 8 mark-to-market transaction with rents and operating expenses approved by HUD. Additionally, the underwriter acknowledges that small developments with 32 units operate with higher per unit expenses. However, two specific properties in Lockhart were identified in the TDHCA database that operate at approximately \$3,800 per unit net of property taxes (see attached comparison).

REA has no disagreement with the applicant that the property has operated as reported. REA maintains, however, that the original REA underwritten operating expense estimate is the correct estimate to use for determining the structure of the Housing Trust Fund allocation considering a structure that provides for recovery of TDHCA's investment in the property. REA's operating expense estimate is generous at \$1,000 per unit higher than the two comparable properties mentioned above.

The REA's original analysis and recommendation provides for repayment of the HTF allocation determined by an amortization period required to achieve an acceptable DCR between 1.15 and 1.35.

Should the Board accept the Applicant's historical expenses for structuring the HTF loan, REA's recommendation provides for full repayment at 0% interest as hard, amortizing debt over a term that matches the senior debt.

This report assumes the HTF loan(s) be superior to the existing Housing & Community Service Loans.

Manager of Real Estate Analysis:		Date:	May 15, 2009
	Raquel Morales		
Director of Real Estate Analysis:		Date:	May 15, 2009
	Brent Stewart		_

# Meadow Park Village - HTF Application Operating Expense Analysis

	Annual			
	Expenses per			
Expense Comparables	Unit	Property Type	# Units	Taxes
TDHCA Database Average	\$4,128	Various	>76	(Includes Property Taxes)
Lockhart Comp #1	\$3,861	Senior	20	(Property Taxes Deducted)
Lockhart Comp #2	\$3,800	Family	32	(Property Taxes Deducted)
TDHCA Underwritten	\$4,846	Family	36	(No Property Taxes)
Applicant	\$6,051	Family	36	(No Property Taxes)

#### MULTIFAMILY COMPARATIVE ANALYSIS

# Meadow Park Village Apartments, Lockhart, HTF #08335

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Applicant	Market	Rent per SF	Tnt-Pd Util	WS&T
HTF50%	2	1	1	568	\$666	\$645	\$1,290	\$645	\$615	\$1.14	\$68.00	\$69.00
HTF 30%	3	1	1	570	\$400	\$645	\$1,935	\$645	\$615	\$1.13	\$68.00	\$69.00
HTF 50%	3	1	1	570	\$666	\$645	\$1,935	\$645	\$615	\$1.13	\$68.00	\$69.00
HTF 30%	8	2	1	693	\$480	\$734	\$5,872	\$734	\$710	\$1.06	\$86.00	\$74.00
HTF 50%	12	2	1	693	\$800	\$734	\$8,808	\$734	\$710	\$1.06	\$86.00	\$74.00
HTF30%	3	3	1.5	924	\$555	\$909	\$2,727	\$909	\$1,075	\$0.98	\$106.00	\$85.00
HTF50%	3	3	1.5	924	\$924	\$909	\$2,727	\$909	\$1,075	\$0.98	\$106.00	\$85.00
HTF50%	2	4	2	1,129	\$1,031	\$1,040	\$2,080	\$1,040.00	\$1,255	\$0.92	\$121.00	\$96.00
TOTAL:	36		AVERAGE:	728		\$760	\$27,374			\$1.04	\$87.28	\$75.94

INCOME Total Net	Rentable Sq Ft:	26,218		TDHCA	APPLICANT	Actual 2007	Actual 2006	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				\$328,488	\$328,488	\$296,100	\$286,224	Caldwell		7
Secondary Income	F	Per Unit Per Month:	\$5.00	2,160	2,160	6,300	6,794	\$5.00	Per Unit Per Month	n
Other Support Income:				0	0			\$0.00	Per Unit Per Month	n
POTENTIAL GROSS INCOME				\$330,648	\$330,648	\$302,400	\$293,018			
Vacancy & Collection Loss	% of Poter	ntial Gross Income:	-7.50%	(24,799)	(16,536)	(13,917)	(5,584)	-5.00%	of Potential Gross	Income
Employee or Other Non-Rental U	nits or Concess	sions		0						
EFFECTIVE GROSS INCOME				\$305,849	\$314,112	\$288,483	\$287,434			
<u>EXPENSES</u>	% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.22%	\$359	0.49	\$12,910	\$15,141	\$40,831	\$37,233	\$0.58	\$421	4.82%
Management	5.50%	467	0.64	16,823	18,085	16,823	16,724	0.69	502	5.76%
Payroll & Payroll Tax	10.87%	924	1.27	33,254	47,459	33,254	28,882	1.81	1,318	15.11%
Repairs & Maintenance	7.43%	631	0.87	22,727	36,903	50,897	30,858	1.41	1,025	11.75%
Utilities	2.68%	228	0.31	8,210	10,300	8,210	6,309	0.39	286	3.28%
Water, Sewer, & Trash	11.37%	966	1.33	34,763	38,110	34,763	36,282	1.45	1,059	12.13%
Property Insurance	3.28%	279	0.38	10,041	12,000	10,268	9,813	0.46	333	3.82%
Property Tax 2.6585	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Reserve for Replacements	5.09%	432	0.59	15,553	19,644	0	0	0.75	546	6.25%
TDHCA Compliance Fees	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Other: Supp. Serv.	6.60%	561	0.77	20,188	20,188			0.77	561	6.43%
TOTAL EXPENSES	57.04%	\$4,846	\$6.65	\$174,468	\$217,830	\$195,046	\$166,101	\$8.31	\$6,051	69.35%
NET OPERATING INC	42.96%	\$3,649	\$5.01	\$131,381	\$96,282	\$93,437	\$121,333	\$3.67	\$2,675	30.65%
DEBT SERVICE										
GMAC/Capmark	16.99%	\$1,443	\$1.98	\$51,956	\$55,250			\$2.11	\$1,535	17.59%
HTF	2.14%	\$181	\$0.25	6,533	6,533			\$0.25	\$181	2.08%
Housing & Comm Svcs	3.74%	\$318	\$0.44	11,454	11,454		_	\$0.44	\$318	3.65%
NET CASH FLOW	20.09%	\$1,707	\$2.34	\$61,438	\$23,045		-	\$0.88	\$640	7.34%
AGGREGATE DEBT COVERAGE	RATIO			1.88	1.31					
RECOMMENDED DEBT COVERA	GE RATIO			1.35						

#### **CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT
Acquisition Cost (site	or bldg)	58.23%	\$29,597	\$40.64	\$1,065,482	\$1,065,482
Off-Sites		0.00%	0	0.00	0	0
Sitework		9.07%	4,611	6.33	166,000	166,000
Direct Construction		21.08%	10,716	14.71	385,768	385,768
Contingency	5.00%	1.51%	766	1.05	27,588	55,177
Contractor's Fees	14.00%	4.22%	2,146	2.95	77,247	77,247
Indirect Construction		3.32%	1,689	2.32	60,808	60,808
Ineligible Costs		0.00%	0	0.00	0	
Developer's Fees	2.09%	0.82%	417	0.57	15,000	15,000
Interim Financing		0.00%	0	0.00	0	
Reserves		1.75%	888	1.22	31,974	
TOTAL COST		100.00%	\$50,830	\$69.79	\$1,829,868	\$1,825,482
Construction Cost Box	200	25.000/	640 220	¢25.04	¢ese ena	\$694 102

Construction Cost Recap	35.88%	\$18,239	\$25.04	\$656,603	\$684,192
SOURCES OF FUNDS					
GMAC/Capmark	35.37%	\$17,980	\$24.69	\$647,291	\$647,291
TDHCA- HTF				196,000	196,000
Housing & Comm Svcs	2.89%	\$1,467	\$2.01	52,808	52,808
Housing & Comm Svcs- cashflow				365,383	365,383
Housing & Comm Svcs- cashflow	2.73%	\$1,389	\$1.91	50,000	50,000
TDHCA - HTF (Forgivable)				304,000	304,000
Reserve for Replacement Funds	11.48%	\$5,833	\$8.01	210,000	210,000
Deferred Developer Fees	0.24%	\$122	\$0.17	4,386	0
TOTAL SOURCES				\$1,829,868	\$1,825,482

PER SQ FT	PER UNIT	% of TOTAL
\$40.64	\$29,597	58.37%
0.00	0	0.00%
6.33	4,611	9.09%
14.71	10,716	21.13%
2.10	1,533	3.02%
2.95	2,146	4.23%
2.32	1,689	3.33%
0.00	0	0.00%
0.57	417	0.82%
0.00	0	0.00%
0.00	0	0.00%
\$69.63	\$50,708	100.00%
\$26.10	\$19,005	37.48%

RECOMMENDED	
\$647,291	Developer Fee Available
500,000	\$15,000
52,808	
365,383	% of Dev. Fee Deferred
50,000	0%
210,000	
0	15-Yr Cumulative Cash Flow
\$1.825.482	\$748.026

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Meadow Park Village Apartments, Lockhart, HTF #08335

#### PAYMENT COMPUTATION

Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	2.53

Secondary	\$82,209	Amort	120
Int Rate	6.999%	Subtotal DCR	2.25

Additional	\$82,209	Amort	120
Int Rate	7.00%	Aggregate DCR	1.88

#### RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service
Secondary Debt Service
Additional Debt Service
NET CASH FLOW

\$51,956 45,307 11,454 \$22,665

Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	2.53

Secondary	\$500,000	Amort	193
Int Rate	5.00%	Subtotal DCR	1.35

Additional	\$82,209	Amort	120
Int Rate	7.00%	Aggregate DCR	1.21

#### 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	\$328,488	\$338,343	\$348,493	\$358,948	\$369,716	\$428,602
Secondary Income	2,160	2,225	2,292	2,360	2,431	2,818
Other Support Income:	0	0	0	0	0	0
POTENTIAL GROSS INCOME	330,648	340,567	350,784	361,308	372,147	431,421
Vacancy & Collection Loss	(24,799)	(25,543)	(26,309)	(27,098)	(27,911)	(32,357)
Employee or Other Non-Renta	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$305,849	\$315,025	\$324,476	\$334,210	\$344,236	\$399,064
EXPENSES at 4.00%						
General & Administrative	\$12,910	\$13,426	\$13,963	\$14,522	\$15,103	\$18,375
Management	16,823	17,328	17,848	18,383	18,934	21,950
Payroll & Payroll Tax	33,254	34,584	35,968	37,406	38,902	47,331
Repairs & Maintenance	22,727	23,636	24,581	25,564	26,587	32,347
Utilities	8,210	8,538	8,880	9,235	9,605	11,685
Water, Sewer & Trash	34,763	36,154	37,600	39,104	40,668	49,479
Insurance	10,041	10,442	10,860	11,294	11,746	14,291
Property Tax	0	0	0	0	0	0
Reserve for Replacements	15,553	16,175	16,823	17,495	18,195	22,137
Other	20,188	20,996	21,835	22,709	23,617	28,734
TOTAL EXPENSES	\$174,468	\$181,279	\$188,356	\$195,712	\$203,357	\$246,328
NET OPERATING INCOME	\$131,381	\$133,746	\$136,119	\$138,498	\$140,879	\$152,736
DEBT SERVICE						
First Lien Financing	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956
Second Lien	45,307	45,307	45,307	45,307	45,307	45,307
Other Financing						
NET CASH FLOW	\$34,118	\$36,483	\$38,856	\$41,235	\$43,616	\$55,473
DEBT COVERAGE RATIO	1.35	1.38	1.40	1.42	1.45	1.57

#### MULTIFAMILY COMPARATIVE ANALYSIS

				M	oadow Park	Village Apartm	ents Lockhar			IVE SCENARI	າ		
							•	t, 1111 #00330					
Type of Unit HTF50%	Number 2	Bedrooms 1	No. of Baths	Size in SF 568	Gross Rent Lmt. \$666	\$645	Rent per Month \$1,290		Applicant \$645	Market \$615	Rent per SF \$1.14	Tnt-Pd Util \$68.00	\$69.00
HTF 30%	3	1	1	570	\$400	\$645	\$1,290		\$645	\$615	\$1.14	\$68.00	\$69.00
HTF 50%	3	1	1	570	\$666	\$645	\$1,935		\$645	\$615	\$1.13	\$68.00	\$69.00
HTF 30%	8	2	1	693	\$480	\$734	\$5,872		\$734	\$710	\$1.06	\$86.00	\$74.00
HTF 50%	12	2	1	693	\$800	\$734	\$8,808		\$734	\$710	\$1.06	\$86.00	\$74.00
HTF30%	3	3	1.5	924	\$555	\$909	\$2,727		\$909	\$1,075	\$0.98	\$106.00	\$85.00
HTF50%	3	3	1.5	924	\$924	\$909	\$2,727		\$909	\$1,075	\$0.98	\$106.00	\$85.00
HTF50%	2	4	2	1,129	\$1,031	\$1,040	\$2,080		\$1,040.00	\$1,255	\$0.92	\$121.00	\$96.00
TOTAL:	36		AVERAGE:	728		\$760	\$27,374				\$1.04	\$87.28	\$75.94
INCOME		Total Net	Rentable Sq Ft:	26,218		TDHCA	APPLICANT	Actual 2008	Actual 2007	Actual 2006	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL	L GROSS					\$328,488	\$328,488	\$307,992	\$296,100	\$286,224	Caldwell		7
Secondary I	Income		1	Per Unit Per Month:	\$5.00	2,160	2,160	5,360	6,300	6,794	\$5.00	Per Unit Per Month	
Other Suppo						0	0				\$0.00	Per Unit Per Month	
POTENTIAL						\$330,648	\$330,648	\$313,352	\$302,400	\$293,018			
Vacancy & (				ntial Gross Income:	-7.50%	(24,799)	(16,536)	(16,216)	(13,917)	(5,584)	-5.00%	of Potential Gross	ncome
EFFECTIVE			its or Concess	SIONS		\$305,849	\$314,112	\$297,136	\$288,483	\$287,434			
EXPENSES		IIVOOIVIL	% OF EGI	PER UNIT	PER SQ FT	ψ303,049	ψ514,112	Ψ297,130	Ψ200,403	Ψ201,434	PER SQ FT	PER UNIT	% OF EGI
General & A	_	ve	11.83%	\$1,005	1.38	\$36,185	\$15,141	\$39,229	\$37,805	\$34,225	\$0.58	\$421	4.82%
Managemer		••	5.55%	471	0.65	\$16,965	18,085	17,349	16,823	16,724	0.69	502	5.76%
Payroll & Pa			11.24%	955	1.31	\$34,369	47,459	37,308	34,967	30,833	1.81	1,318	15.11%
Repairs & M			12.74%	1,083	1.49	\$38,979	36,903	35,181	50,897	30,858	1.41	1,025	11.75%
Utilities	naimenance	-	1.58%	134	0.18	\$4,840	10,300	0	8,210	6,309	0.39	286	3.28%
Water, Sew	or & Trach		12.40%	1,053	1.45	\$37,913	38,110	42,694	34,763	36,282	1.45	1.059	12.13%
Property Ins			3.33%	283	0.39	\$10,182	12,000	10,346	10,343	9,857	0.46	333	3.82%
Property Ta		2.6585	0.00%	0	0.00	\$0	0	0	0.0,0.0	0,007	0.00	0	0.00%
Reserve for			5.96%	507	0.70	\$18,240	19,644	18,732	18,228	17,760	0.75	546	6.25%
TDHCA Cor			0.00%	0	0.00	\$0	0	0	0	0	0.00	0	0.00%
Other: Supp	•	300	6 59%	560	0.77	\$20,156	20,188	21,876	19,849	18,744	0.77	561	6.43%
TOTAL EXP			71.22%	\$6,051	\$8.31	\$217,830	\$217,830	\$222,715	\$231,885	\$201,592	\$8.31	\$6,051	69.35%
NET OPER		С	28.78%	\$2,445	\$3.36	\$88,020	\$96,282	\$74,421	\$56,598	\$85.842	\$3.67	\$2.675	30.65%
DEBT SER				4-1.10	70.00	<b>+</b> 555,522	<del>-</del>	<b>4</b> : 1,1-1	<del>,</del> ,	<del>+</del>	40.00	4-,0.0	
GMAC/Capm			16.99%	\$1,443	\$1.98	\$51,956	\$55,250				\$2.11	\$1,535	17.59%
HTF			2.14%	\$181	\$0.25	6,533	6,533				\$0.25	\$181	2.08%
Housing & Co	omm Svcs		3.74%	\$318	\$0.44	11,454	11,454				\$0.44	\$318	3.65%
NET CASH	FLOW		5.91%	\$502	\$0.69	\$18,077	\$23,045				\$0.88	\$640	7.34%
AGGREGATI	E DEBT CC	OVERAGE F	RATIO			1.26	1.31			•			
RECOMMEN	IDED DEBT	COVERAG	GE RATIO			1.24							
CONSTRUC	CTION CO	<u>OST</u>						•					
Descri	ption	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT				PER SQ FT	PER UNIT	% of TOTAL
Acquisition	Cost (site o	r bldg)	58.01%	\$29,597	\$40.64	\$1,065,482	\$1,065,482	,			\$40.64	\$29,597	58.37%
Off-Sites			0.00%	0	0.00	0	0				0.00	0	0.00%
Sitework			9.04%	4,611	6.33	166,000	166,000				6.33	4,611	9.09%
Direct Cons	struction		21.00%	10,716	14.71	385,768	385,768				14.71	10,716	21.13%
Contingency	y	5.00%	1.50%	766	1.05	27,588	55,177				2.10	1,533	3.02%
Contractor's	s Fees	14.00%	4.21%	2,146	2.95	77,247	77,247				2.95	2,146	4.23%
Indirect Cor	nstruction		3.31%	1,689	2.32	60,808	60,808				2.32	1,689	3.33%
Ineligible Co	osts		0.00%	0	0.00	0					0.00	0	0.00%
Developer's	Fees	2.09%	0.82%	417	0.57	15,000	15,000				0.57	417	0.82%
Interim Fina	ancing		0.00%	0	0.00	0					0.00	0	0.00%
Reserves			2.11%	1,076	1.48	38,735					0.00	0	0.00%
TOTAL CO	ST		100.00%	\$51,017	\$70.05	\$1,836,629	\$1,825,482			-	\$69.63	\$50,708	100.00%
Construction	n Cost Rec	ар	35.75%	\$18,239	\$25.04	\$656,603	\$684,192			=	\$26.10	\$19,005	37.48%
SOURCES	OF FUND	S									RECOMMENDED	_	
GMAC/Capm	nark		35.24%	\$17,980	\$24.69	\$647,291	\$647,291				\$647,291	Developer I	ee Available
TDHCA- HTF	=					196,000	196,000				500,000	\$15	
Housing & Co	omm Svcs		2.88%	\$1,467	\$2.01	52,808	52,808				52,808		
Housing & Co	omm Cuco					265 202	265 202				265 202	0/ of Day 5	an Defermed

RECOMMENDED
\$647,291
500,000
52,808
365,383
50,000
0
220,614
533

% of Dev. Fee Deferred 4%

15-Yr Cumulative Cash Flow \$1,836,629 \$281,380

Housing & Comm Svcs- cashflow

Housing & Comm Svcs- cashflow

Reserve for Replacement Funds

TDHCA - HTF (Forgivable)

Deferred Developer Fees

TOTAL SOURCES

365,383

50,000

304,000

210,000

11,147

\$1,836,629

\$1,389

\$5,833

\$310

\$1.91

\$8.01

\$0.43

2.72%

11.43%

0.61%

365,383

50,000

304,000

210,000

\$1,825,482

0

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Meadow Park Village Apartments, Lockhart, HTF #08335 - ALTERNATIVE SCENARIO

#### PAYMENT COMPUTATION

Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	1.69
Secondary	\$196,000	Amort	360
Int Rate	0.000%	Subtotal DCR	1.50
Additional	\$82,209	Amort	120
Int Rate	7.00%	Aggregate DCR	1.26

#### RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service \$51,956 Secondary Debt Service 19,231 Additional Debt Service NET CASH FLOW 11,454 \$5,379

Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	1.69
Secondary	\$500,000	Amort	312
Int Rate	0.00%	Subtotal DCR	1.24

Additional	\$82,209	Amort	120
Int Rate	7.00%	Aggregate DCR	1.07

\$0

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

OME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10
TIAL GROSS RENT	\$328,488	\$338,343	\$348,493	\$358,948	\$369,716	\$428,602
dary Income	2,160	2,225	2,292	2,360	2,431	2,818
Support Income:	0	0	0	0	0	0
TIAL GROSS INCOME	330,648	340,567	350,784	361,308	372,147	431,421
y & Collection Loss	(24,799)	(25,543)	(26,309)	(27,098)	(27,911)	(32,357)
e or Other Non-Rental	0	0	0	0	0	0
TIVE GROSS INCOME	\$305,849	\$315,025	\$324,476	\$334,210	\$344,236	\$399,064
S at 4.00%						
Administrative	\$36,185	\$37,633	\$39,138	\$40,704	\$42,332	\$51,503
nent	16,965	17,474	17,999	18,538	19,095	22,136
Payroll Tax	34,369	35,744	37,174	38,661	40,207	48,918
Maintenance	38,979	40,538	42,159	43,846	45,600	55,479
	4,840	5,033	5,235	5,444	5,662	6,888
ewer & Trash	37,913	39,430	41,007	42,647	44,353	53,962
e	10,182	10,589	11,013	11,453	11,911	14,492
ax	0	0	0	0	0	0
r Replacements	18,240	18,970	19,728	20,518	21,338	25,961
	20,156	20,963	21,801	22,673	23,580	28,689
ENSES	\$217,830	\$226,373	\$235,253	\$244,484	\$254,077	\$308,028
TING INCOME	\$88,020	\$88,652	\$89,222	\$89,726	\$90,159	\$91,036
BT SERVICE						
nancing	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956
n	19,231	19,231	19,231	19,231	19,231	19,231
ng						
LOW	\$16,833	\$17,465	\$18,035	\$18,540	\$18,972	\$19,849
E RATIO	1.24	1.25	1.25	1.26	1.27	1.28



# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division Underwriting Report

REPORT DATE: 04/01/09 PROGRAM: HTF FILE NUMBER: 08335

DEVELOPMENT											
Meadow Park Village Apartments											
Location: 1200 Meadow Park					Re	gion:7					
City: Lockhart County: Caldwell Zip: 78644 X QCT DDA											
Key Attributes: Family, Rehab, Rural, and duplexes											
ALLOCATION											
REQUEST RECOMMENDATION											
TDHCA Program	Amount	Interest	Amort/Term	Amount		Amort/Term					
Housing Trust Fund	\$304,000	forgivable	0/0	7 iiii Gain	interest						
Housing Trust Fund	\$196,000	0.00%	360/360	\$500,000	5.00%	193/193					
		ONDITIO	NIC .								
	C	ONDITIO	NS								
condition of this report. It is req the structure be conducted by requirements of the Texas Asbe 2 Should the terms and rates of t an adjustment to the allocatio	y trained and lice trained and lice estos Health Processed described to the proposed described and lice training trainin	censed as otection Ru lebt chang	bestos abate ules. ge, the trans	ement personne action should b	el working	under the					
	SA	ALIENT ISSU	JES								
	TDHCA:	SET-ASIDES	for LURA								
Income Limit		Rent Limi		Number of l	Jnits						
30% of AMI		30% of AN		14							
50% of AMI		50% of AN	/II	22							
	PROS  The application proposes the rehabilitation of an existing 36 unit/18 duplex property  CONS  The Applicant's expense to income ratio is over the Department's 65% guideline. An expense to										
			increasing e income. How	nt's vulnerability expenses accon wever, the prop all assistance whue.	npanied k erty rece	oy flat rental ives project					
<ul> <li>The Applicant has considerable financial resources</li> </ul>	e experience a	and									

# PREVIOUS UNDERWRITING REPORTS None **DEVELOPMENT TEAM** OWNERSHIP STRUCTURE Meadow Park Village Apartments 36 Units TG 305, Inc.- Owner (100%) a Texas non-profit corporation Executive Director - 0% Gilbert M. Piette Board Members - 0% Beverly Haug, President/Treasurer Frances Martinez, Vice President Euginie A. Baskovitz, Secretary Alice Guinn, Director Nancy Alsop, Director **CONTACT** Contact: Phone: (210) 821-4300 Fax: (210) 821-4303 Gilbert M. Piette Email: gilp@hcscorp.org **KEY PARTICIPANTS**

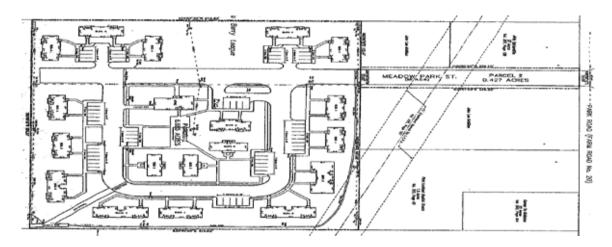
Name	Financial Notes	# Completed Developments
TG 305, Inc.	N/A	N/A
Housing and Community Services, Inc.	N/A	11

#### **IDENTITIES of INTEREST**

 The Applicant, Developer, and, property manager are related entities. These are common relationships for HTC-funded developments.

#### **PROPOSED SITE**

SITE PLAN



#### **BUILDING CONFIGURATION**

Building Type	Duplex					Total
Floors/Stories	1					Buildings
Number	18					18

BR/BA	SF		Number of Duplexes							Total Units	Total SF	
1/1	568	1									2	1,136
1/1	570	3									6	3,420
2/1	693	10									20	13,860
3/1.5	924	3									6	5,544
4/2	1,129	1									2	2,258
Total Numbe	er of Buildings	18									36	26,218

#### Development Plan:

The Applicant provided a Property Condition Assessment reflecting the following scope of work: The proposed rehab project will use money available in the reserve for replacement as well as the funds provided though TDHCA Housing Trust Funds and Housing and Community Services, Inc. to modernize the apartments, complete reserve items, install energy star items, install washer and dryer hookups which were specified but not installed when the property was built. These include installation of microwaves, garbage disposals, dishwashers, vented bathrooms, energy efficient refrigerators and ceiling fans. Replace cabinets, counter tops, kitchen sink and faucet. Install necessary plumbing and paint the kitchen. Replace bathroom vanity and install necessary plumbing. Remove and reclaim existing asphalt with new asphalt.

Two units (5%) will be modified to be fully handicapped accessible and one unit will be both hearing and site impaired compliant.

#### Relocation Plan:

No temporary or permanent off-site relocation will be necessary. Only the two handicapped units will require the residents to relocate elsewhere on the property until the work is completed. Remaining units can be remodeled while the unit is occupied.

SITE ISSUES										
Total Size: 7.12 acres Scattered site? Yes X No Flood Zone: X Within 100-yr floodplain? Yes X No No Zoning: RMD 1 Needs to be re-zoned? Yes X No N/A Comments:  1 RMD (Residential Medium Density) Multifamily is not a permitted use in the RMD district, but is considered a grandfathered site and not a zoning violation.										
		TDHCA SITE INSPECTION	ON							
Inspector: Manufactured Housing Staff  Overall Assessment:  Excellent x Acceptable Questionable Poor Unacceptable  Surrounding Uses:  North: Single Family Residences East: Retail and US 183 beyond  South: Vacant Land and Industrial Park beyond West: Vacant Land										
HIGHLIGHTS of ENVIRONMENTAL REPORTS										
Provider: Astex Environmental Services, Inc.  Date: 7/2/2008  Recognized Environmental Concerns (RECs) and Other Concerns:  The yellow/black mastic underneath the 12 inch floor tile in the laundry room must be classified as asbestos containing and if repair or renovation plans require the removal or disturbance of this material, a Texas licensed Asbestos Abatement Contractor must be called in under the direction of a Texas licensed Asbestos Consultant. (p. 15)  The Texas Asbestos Health Protection Rules (TAHPR) require all abatement projects with ACM greater than 160 square feet or 260 linear feet to be designed (specifications and drawings) by a Texas licensed Asbestos Designer (e.g. Astex Environmental Services) and all projects must be monitored by a Texas Licensed Project Manager/Air Monitor. (p. 15)  In the interim, this material will be managed in place through implementation of a previously prepared Operations and Maintenance Plan (O&M). (p.15)  This report will be conditioned upon receipt, review and acceptance of documentation that a comprehensive asbestos survey conforming to Texas Department of Health (TDH) requirements will be completed and recommendations and protocols followed prior to and during any remodeling or demolition at the site.										
MARKET HIGHLIGHTS										
Contact: B. Di Number of Revisi Primary Market A "The Primary N	vrea (PMA): 8.5. Market Area (PMA) is		dius)	Date: Fax:	7/31/2008 (214) 269-0562					
•	Secondary Market Area (SMA):  "The Secondary Market is considered to be the Caldwell County." (p. 22)									

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PROPOSED	Proposed, under construction & unstabilized comparable developments										
	PMA			SMA							
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units			
None	N/A	0	0	None	N/A	0		0			

INCOME LIMITS									
Caldwell									
% AMI	% AMI 1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons								
50	\$24,900	\$28,450	\$32,000	\$35,550	\$38,400	\$41,250			

	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				
1BR / 50% Rent Limit	50	16	0	66	8	0	12.1%				
2BR / 50% Rent Limit	40	16	0	56	20	0	35.7%				
3BR / 50% Rent Limit	60	16	0	76	6	0	7.9%				
4BR / 50% Rent Limit	53	16	0	69	2	0	2.9%				

	OVERALL DEMAND											
			Target Households		Household Size		Income Eligible		Tenure		Demand	
	PMA DEMAND from TURNOVER											
Market Analyst	p.	44	100%	4,403	100%	4,403	21%	905	40%	365	45%	164
Underwriter			100%	4,513	100%	4,513	45%	2,039	40%	818	45%	368
					PMA	DEMAN	D from	HOUSEH	OLD GI	ROWTH		
Market Analyst	p.	44			100%	190	21%	39	40%	16	100%	16
Underwriter					100%	90	45%	41	40%	16	100%	16

	INCLUSIVE CAPTURE RATE										
Subject Units Unstabilized Comparable (PMA) (25% SMA)							Total Demand (w/25% of SMA)	Inclusive Capture Rate			
Market Analyst	p.	44	36	0	0	36	180	20.0%			
Underwriter			36	0	0	36	385	9.4%			

Both the Market Analyst's and Underwriter's calculation of capture rate are well below the Department's 75% guideline for rural developments.

#### Primary Market Occupancy Rates:

"Published apartment market information is not available for the PMA." (p. 51), but "The subject is currently 97.2% leased with 100% of the units under a HAP contract. Priority will be given to these tenants after completion of the renovations. According to the subject's owner, 100% of the current residents qualify under the proposed affordable income restrictions of 50% of AMI." (p. 40)

#### Absorption Projections:

"Assuming that the current occupancy remains stable until the conclusion of renovations in June 2009, the subject community should achieve stabilization by June 2009." (p. 50)

				RENT ANAL	YSIS (Tenant-Pai	d Net Rents)	
Unit Type (% AMI)		Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract	
1 BR	568 SF	HAP	619	619	\$615	\$619	\$0
1 BR	570 SF	HAP	619	619	\$615	\$619	\$0
2 BR	693 SF	HAP	704	704	\$710	\$704	\$0
3 BR	924 SF	HAP	872	872	\$1,075	\$872	\$0
4 BR	1,129 SF	HAP	998	998	\$1,255	\$998	\$0

#### Market Impact:

"The PMA does not have an adequate supply of new family product, as there is an extremely limited supply of affordable, rental product in the area. New family affordable units in the Lockhart area have been quickly absorbed to full occupancy with waiting lists, as indicated by the occupancy figures in our survey." (p. 51)

#### Comments:

In this developments case where a property is to be rehabilitated which is at stabilized occupancy and

is expected to remain so, the inclusive capture rate is typically not considered a meaningful tool for estimating demand.											
	(	PERATING P	ROFORMA ANALYSIS								
Income:	Number of Revisions:	None	Date of Last Applicant Revision:	N/A							
Applica electrica current	The Applicant's net rents are the current HAP Contract rents. As a result, the Underwriter has used the Applicant's current HAP Contract rents on all 36 of the units. The tenants will be required to pay for the electricity and the gas. The Applicant's vacancy and collection loss estimates are lower than the current underwriting guidelines and the effective gross income assumption is within 5% of the Underwriter's estimate.										
Expense:	Number of Revisions:	None	Date of Last Applicant Revision:	N/A							
the Unactual average	derwriter's estimate of \$4,8 operating history, and oth ge expense per unit based te's of several line items dif	46 per unit, de er sources. Th on 2006 and : fer significant!	e projection of \$6,051 per unit is significerived from the TDHCA database, the context expelicant's estimate per unit seems 2007 operating statements is \$5K per unit seems y from the Underwriter's, including pay higher) and reserve for replacements	development's high given that the nit. The Applicant's roll & payroll tax							
The Applicant has estimated an annual reserve account expense of \$546 per unit. This is higher than the minimum underwriting guideline of \$300 per unit per year for rehabilitation developments, subject to higher amounts if identified by a Physical Condition Assessment. The PCA provided by the Applicant identified \$694K of capital expenses that would be required over a 30 year period. In order to fund the capital expenses that would be required over a 15 year period, the annual reserve for replacement expense required would amount to \$432/unit. The Underwriter used reserve for replacement of \$432/unit/year, which is in line with the Department's guidelines.											
			y tax exemption as a result of being a with a non-profit taxing authority tax e	-							
Underv	oplicant's net operating inconsiter's NOI will be used to	evaluate deb	thin 5% of the Underwriter's estimate. T t service capacity. The TDHCA proform s in a debt coverage ratio above the [	na and the							

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acceptable level. This will be discussed further in the Conclusion section below.

maximum guideline of 1.35. This suggests that the property is able to support additional hard debt. Therefore, the Underwriter has adjusted the terms of the Applicant's request to bring the DCR to an

#### 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 on the TDHCA recommended structure that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION									
	APPRAISED \	VALUE							
Provider: LandAmerica Comm			Date:	8/11/2008					
Number of Revisions: None	Date of Last App	licant Revision:	N/A	<u> </u>					
Land Only: 7.12 acres	\$540,000	As of:	7/16/2008	_					
Existing Buildings: (as-is)	\$1,330,000	As of:	7/16/2008	<u> </u>					
Total Development: (as-is)	\$1,870,000	_ As of:	7/16/2008	_					
	ASSESSED V	'ALUE							
Land Only: 7.12 acres	\$126,970	Tax Year:		2008					
Existing Buildings:	\$1,053,040	Valuation b	y: (	Caldwell CAD					
Total Assessed Value:	\$1,180,010	Tax Rate:		2.6585					
EVIDENCE of PROPERTY CONTROL									
Type: This is a rehab only; therefore, the property is already owned by the Acreage: 7.12  Applicant.									
CONSTRUCTION COST ESTIMATE EVALUATION									
COST SCHEDULE Number of Rev	isions: None	Date of Last A	pplicant Revision	on: N/A					
Acquisition Value:  There will be no transfer of properties. However, the Applicant's development of the sentially the remaining balar as a source of funds in the app	elopment cost schedule nce of the outstanding l	reflects an amo	unt for acquisi	tion that is					
Sitework Cost: Since this is a proposed rehabil	litation the associated si	tework costs are	e minimal. The	Applicant has					
estimated sitework costs of \$4, Property Condition Assessment	•	-							
Direct Construction Cost: The Applicant's direct construct Condition Assessment (PCA). 1			•	ed in the Property					
Contingency & Fees:  The Applicant's contractor's at expenses, and profit are all at contingency exceeds the max costs.	the maximums allowed	by TDHCA guide	elines; howeve	r, the Applicant's					

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#### Conclusion:

The Underwriter's cost schedule was derived from the PCA and information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds.

FINANCING STRUCTURE										
SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A										
Source: TDHCA-HTF Type: Interim and Permanent Financing										
Principal: \$500,000 Interest Rate: 0.0% Fixed Term: N/A months Comments:  The loan is proposed to be a forgivable second lien which would be forgiven after the affordability period.										
SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A										
Source: GMAC Mortgage Type: Permanent Financing										
Principal: \$647,291 Interest Rate: 6.5% x Fixed Amort: 360 months										
Comments:  The original loan amount was \$685,000 which now has a remaining principal balance of \$647,291 with a period remaining period of twenty-six years and four months.										
Source: Housing and Community Services, Inc. Type: Permanent Financing										
Principal: \$52,808 Interest Rate: 6.9990% x Fixed Amort: N/A months  Comments:  The loan originated in December 2003 for \$82,209.45 and now has a remaining balance of \$52,808. It was a Mark-to-Market Capital Recovery Payment to Housing and Community Services, Inc.										
Source: Housing and Community Services, Inc. Type: Permanent Financing										
Principal: \$365,383 Interest Rate: 0.0% x Fixed Amort: N/A months  Comments:  The loan will have a proposed 3rd lien mortgage of \$932,385.26 (Mortgage Restructuring Deed of Trust Note) and interest rate of 1.0%. Payments are made only from cash flow. The loan was originated by HUD on December 26, 2003 representing the restructuring of the existing first lien. The Mortgage Restructuring Deed of Trust Note when discounted to 6% results in a balance of \$365,383.										
Source: Housing and Community Services, Inc. Type: Permanent Financing										
Principal: \$50,000 Interest Rate: 0.0% Fixed Term: N/A months  Comments:										
The amount will be used in conjunction with the approval for the TDHCA Housing Trust Funds. The funds will be repayable from any remaining surplus cash flow.										
Source: TG 305, Inc. Type: Reserve for Replacement Funds										
Principal: \$210,000 Interest Rate: 0.0% Fixed Term: N/A months  Comments:  The funds are available from the mark-to-market thirty year reserve for replacement plan.										

#### **CONCLUSIONS**

#### Recommended Financing Structure:

As stated previously the Underwriter's proforma is used to determine the development's debt service capacity and need for funds. The Applicant has requested a total HTF award of \$500,000 with \$196,000 of that amount payable at 0% interest over 30 years and the remaining \$304K as forgivable. Based on the Underwriter's proforma this proposed financing structure yields a DCR of 1.88 which is significantly higher than the Department's 1.35 maximum guideline, suggesting that the property is able to support additional debt service for this source of funds.

As a result the Underwriter has adjusted the terms of the proposed HTF award to achieve an acceptable DCR of 1.35. Therefore, the Underwriter recommends that the entire \$500K HTF award be structured as a fully repayable loan set at a 5% interest rate and an amortization period of 193 months. The Underwriter's recommended financing structure yields an acceptable DCR consistent with current underwriting guidelines and will enable the Department to be repaid on the full amount of the requested Housing Trust Fund award.

This report assumes the HTF loan for \$500,000 to be superior to the existing Housing & Community Service Loans. Therefore the HTF loan is structured to achieve a 1.35 DCR without consideration of the debt of the Housing & Community Service Loans.

Underwriter:		Date:	April 1, 2009
	Carl Hoover		_
Manager of Real Estate Analysis:		Date:	April 1, 2009
	Raquel Morales		_
Director of Real Estate Analysis:		Date:	April 1, 2009
	Brent Stewart		_

# MULTIFAMILY COMPARATIVE ANALYSIS

# Meadow Park Village Apartments, Lockhart, HTF #08335

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
HTF50%	2	1	1	568	\$666	\$645	\$1,290	\$1.14	\$68.00	\$69.00
HTF 30%	3	1	1	570	\$400	\$645	\$1,935	\$1.13	\$68.00	\$69.00
HTF 50%	3	1	1	570	\$666	\$645	\$1,935	\$1.13	\$68.00	\$69.00
HTF 30%	8	2	1	693	\$480	\$734	\$5,872	\$1.06	\$86.00	\$74.00
HTF 50%	12	2	1	693	\$800	\$734	\$8,808	\$1.06	\$86.00	\$74.00
HTF30%	3	3	1.5	924	\$555	\$909	\$2,727	\$0.98	\$106.00	\$85.00
HTF50%	3	3	1.5	924	\$924	\$909	\$2,727	\$0.98	\$106.00	\$85.00
HTF50%	2	4	2	1,129	\$1,031	\$1,040	\$2,080	\$0.92	\$121.00	\$96.00
TOTAL:	36		AVERAGE:	728		\$760	\$27,374	\$1.04	\$87.28	\$75.94

INCOME	Total Net R	entable Sq Ft:	26,218		TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS F	RENT				\$328,488	\$328,488	Caldwell		7
Secondary Income		Pe	er Unit Per Month:	\$5.00	2,160	2,160	\$5.00	Per Unit Per Month	
Other Support Income:					0	0	\$0.00	Per Unit Per Month	
POTENTIAL GROSS II	NCOME				\$330,648	\$330,648			
Vacancy & Collection Los	SS	% of Potent	ial Gross Income:	-7.50%	(24,799)	(16,536)	-5.00%	of Potential Gross I	ncome
Employee or Other Non-I		ts or Concess	ions		0				
EFFECTIVE GROSS IN	NCOME				\$305,849	\$314,112			
<u>EXPENSES</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		4.22%	\$359	0.49	\$12,910	\$15,141	\$0.58	\$421	4.82%
Management		5.50%	467	0.64	16,823	18,085	0.69	502	5.76%
Payroll & Payroll Tax		10.87%	924	1.27	33,254	47,459	1.81	1,318	15.11%
Repairs & Maintenance		7.43%	631	0.87	22,727	36,903	1.41	1,025	11.75%
Utilities		2.68%	228	0.31	8,210	10,300	0.39	286	3.28%
Water, Sewer, & Trash		11.37%	966	1.33	34,763	38,110	1.45	1,059	12.13%
Property Insurance		3.28%	279	0.38	10,041	12,000	0.46	333	3.82%
Property Tax	2.6585	0.00%	0	0.00	0	0	0.00	0	0.00%
Reserve for Replacemen	ts	5.09%	432	0.59	15,553	19,644	0.75	546	6.25%
TDHCA Compliance Fee	s	0.00%	0	0.00	0	0	0.00	0	0.00%
Other: Supp. Serv.	_	6.60%	561	0.77	20,188	20,188	0.77	561	6.43%
TOTAL EXPENSES		57.04%	\$4,846	\$6.65	\$174,468	\$217,830	\$8.31	\$6,051	69.35%
NET OPERATING INC		42.96%	\$3,649	\$5.01	\$131,381	\$96,282	\$3.67	\$2,675	30.65%
DEBT SERVICE	•								
GMAC/Capmark		16.99%	\$1,443	\$1.98	\$51,956	\$55,250	\$2.11	\$1,535	17.59%
HTF		2.14%	\$181	\$0.25	6,533	6,533	\$0.25	\$181	2.08%
Housing & Comm Svcs		3.74%	\$318	\$0.44	11,454	11,454	\$0.44	\$318	3.65%
NET CASH FLOW	:	20.09%	\$1,707	\$2.34	\$61,438	\$23,045	\$0.88	\$640	7.34%
AGGREGATE DEBT COV	ERAGE R	ATIO			1.88	1.31			
RECOMMENDED DEBT (	COVERAG	E RATIO			1.35				

#### **CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site of	or bldg)	58.23%	\$29,597	\$40.64	\$1,065,482	\$1,065,482	\$40.64	\$29,597	58.37%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		9.07%	4,611	6.33	166,000	166,000	6.33	4,611	9.09%
Direct Construction		21.08%	10,716	14.71	385,768	385,768	14.71	10,716	21.13%
Contingency	5.00%	1.51%	766	1.05	27,588	55,177	2.10	1,533	3.02%
Contractor's Fees	14.00%	4.22%	2,146	2.95	77,247	77,247	2.95	2,146	4.23%
Indirect Construction		3.32%	1,689	2.32	60,808	60,808	2.32	1,689	3.33%
Ineligible Costs		0.00%	0	0.00	0		0.00	0	0.00%
Developer's Fees	2.09%	0.82%	417	0.57	15,000	15,000	0.57	417	0.82%
Interim Financing		0.00%	0	0.00	0		0.00	0	0.00%
Reserves		1.75%	888	1.22	31,974		0.00	0	0.00%
TOTAL COST		100.00%	\$50,830	\$69.79	\$1,829,868	\$1,825,482	\$69.63	\$50,708	100.00%
Construction Cost Red	сар	35.88%	\$18,239	\$25.04	\$656,603	\$684,192	\$26.10	\$19,005	37.48%

Construction Cost Recap	35.88%	\$18,239	\$25.04	\$656,603	\$684,192	\$26.10
SOURCES OF FUNDS						RECOMMENDED
GMAC/Capmark	35.37%	\$17,980	\$24.69	\$647,291	\$647,291	\$647,291
TDHCA- HTF				196,000	196,000	500,000
Housing & Comm Svcs	2.89%	\$1,467	\$2.01	52,808	52,808	52,808
Housing & Comm Svcs- cashflow				365,383	365,383	365,383
Housing & Comm Svcs- cashflow	2.73%	\$1,389	\$1.91	50,000	50,000	50,000
TDHCA - HTF (Forgivable)				304,000	304,000	
Reserve for Replacement Funds	11.48%	\$5,833	\$8.01	210,000	210,000	210,000
Deferred Developer Fees	0.24%	\$122	\$0.17	4,386	0	4,386
TOTAL SOURCES				\$1,829,868	\$1,825,482	\$1,829,868

Developer Fee Available \$15,000 % of Dev. Fee Deferred 29%

\$747,103

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Meadow Park Village Apartments, Lockhart, HTF #08335

#### PAYMENT COMPUTATION

Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	2.53

Secondary	\$82,209	Amort	120
Int Rate	6.999%	Subtotal DCR	2.25

Additional	\$82,209	Amort	120
Int Rate	7.00%	Aggregate DCR	1.88

#### RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service Secondary Debt Service Additional Debt Service NET CASH FLOW

\$51,956	
45,369	
0	
\$34,057	

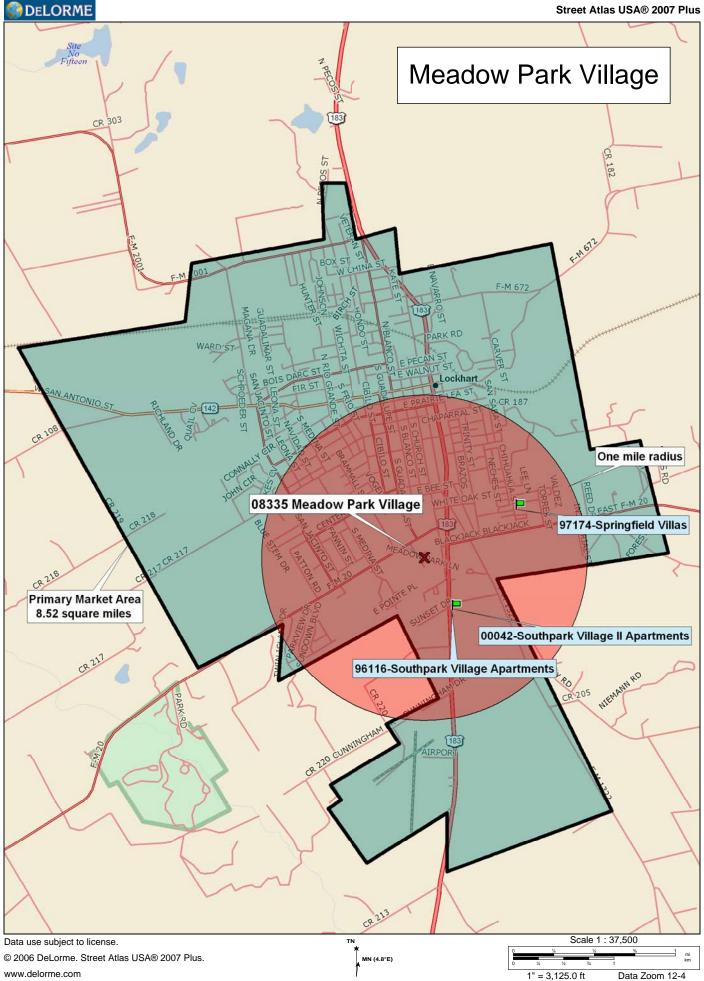
Primary	\$685,000	Amort	360
Int Rate	6.50%	DCR	2.53

Secondary	\$500,000	Amort	193
Int Rate	5.00%	Subtotal DCR	1.35

Additional	\$82,209	Amort	0
Int Rate	7.00%	Aggregate DCR	1.35

#### 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 GR	OSS RENT	\$328,488	\$338,343	\$348,493	\$358,948	\$369,716	\$428,602	\$496,868	\$576,006	\$774,103
Secondary Inco	me	2,160	2,225	2,292	2,360	2,431	2,818	3,267	3,788	5,090
Other Support I	ncome:	0	0	0	0	0	0	0	0	0
POTENTIAL GR	OSS INCOME	330,648	340,567	350,784	361,308	372,147	431,421	500,135	579,793	779,194
Vacancy & Colle	ection Loss	(24,799)	(25,543)	(26,309)	(27,098)	(27,911)	(32,357)	(37,510)	(43,484)	(58,440)
Employee or Ot	her Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GRO	OSS INCOME	\$305,849	\$315,025	\$324,476	\$334,210	\$344,236	\$399,064	\$462,625	\$536,309	\$720,754
EXPENSES at	4.00%									
General & Admi	inistrative	\$12,910	\$13,426	\$13,963	\$14,522	\$15,103	\$18,375	\$22,355	\$27,199	\$40,261
Management		16,823	17,328	17,848	18,383	18,934	21,950	25,446	29,499	39,645
Payroll & Payro	II Tax	33,254	34,584	35,968	37,406	38,902	47,331	57,585	70,061	103,708
Repairs & Main	tenance	22,727	23,636	24,581	25,564	26,587	32,347	39,355	47,881	70,876
Utilities		8,210	8,538	8,880	9,235	9,605	11,685	14,217	17,297	25,604
Water, Sewer &	Trash	34,763	36,154	37,600	39,104	40,668	49,479	60,198	73,240	108,414
Insurance		10,041	10,442	10,860	11,294	11,746	14,291	17,387	21,154	31,313
Property Tax		0	0	0	0	0	0	0	0	0
Reserve for Rep	placements	15,553	16,175	16,823	17,495	18,195	22,137	26,933	32,769	48,506
Other	_	20,188	20,996	21,835	22,709	23,617	28,734	34,959	42,533	62,959
TOTAL EXPENS	ES	\$174,468	\$181,279	\$188,356	\$195,712	\$203,357	\$246,328	\$298,437	\$361,634	\$531,285
NET OPERATIN	G INCOME	\$131,381	\$133,746	\$136,119	\$138,498	\$140,879	\$152,736	\$164,188	\$174,675	\$189,470
DEBT SE	RVICE									
First Lien Financi	ing	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956	\$51,956
Second Lien		45,369	45,369	45,369	45,369	45,369	45,369	45,369	45,369	45,369
Other Financing										
NET CASH FLO	w	\$34,057	\$36,422	\$38,795	\$41,173	\$43,555	\$55,411	\$66,864	\$77,351	\$92,145
DEBT COVERAG	GE RATIO	1.35	1.37	1.40	1.42	1.45	1.57	1.69	1.79	1.95





# Rebuilding Texas: Disaster Recovery from Hurricanes Rita and Katrina

# Hurricane Rita First Supplemental (\$74.5 million) - Public Law 109-148

Referred to Round I, these funds represent the first of two awards to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds are administered by regional Council of Governments.

#### Construction Activities as of March 3, 2010

- 516 single family homes rehabilitated or reconstructed
- 15 single family homes remain to be reconstructed, which will be completed by May 2010.

#### **Financial Summary**

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Drawn
DETCOG	\$6,674,546.00	\$674,361.00	\$6,000,185.00	\$6,674,546.00	100.00%
H-GAC	\$7,015,706.00	\$928,253.75	\$5,314,868.64	\$6,243,122.39	88.99%
SETRPC	\$27,198,536.00	\$3,058,942.18	\$21,791,880.53	\$24,850,822.71	91.37%
Totals	\$40,888,788.00	\$4,661,556.89	\$33,106,934.32	\$37,768,491.28	92.37%

# Hurricanes Rita and Katrina 2<sup>nd</sup> Supplemental (\$428.6 million) - Public Law 109-234

The 2nd Supplemental is referred to as Round II and is the second allocation of CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds also address needs of Katrina evacuees in Houston and Harris County.

#### Construction Activities as of March 3, 2010

#### **Homeowner Program**

- 1,129 homes rehabilitated or reconstructed
- 267 homes currently under construction

#### **Rental Program**

- 1,178 rental units have been rehabilitated or reconstructed
- 960 rental units are currently under construction

#### **Financial Summary**

	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
Homeowner Assistance Program (HAP)	\$ 210,371,273.00	\$ 107,329,237.09	\$ 103,042,035.91	51.02%
Sabine Pass Restoration Program (SPRP)	\$ 12,000,000.00	\$ 7,076,347.04	\$ 4,923,652.96	58.97%
Rental Housing Stock Restoration Program (RHSRP)	\$ 82,779,333.00	\$ 64,149,096.88	\$ 18,630,236.12	77.49%
City of Houston	\$ 41,500,000.00	\$ 29,139,188.88	\$ 12,360,811.12	70.21%
Harris County	\$ 20,000,000.00	\$ 9,776,249.65	\$ 10,223,750.35	48.88%
Restoration of Critical Infrastructure Program (TDRA)	\$ 42,000,000.00	\$ 24,229,123.22	\$ 17,770,876.78	57.69%
State Administrative Funds (Admin Funds)	\$ 19,933,592.00	\$ 9,575,025.84	\$ 10,358,566.16	48.03%
	\$ 428,584,198.00	\$ 251,274,268.60	\$ 177,309,929.40	58.63%

# Rebuilding Texas: Disaster Recovery from Hurricanes Ike and Dolly

# Hurricane Ike and Dolly First Supplemental Appropriation (\$1.3 billion) Public Law 110-329

The Texas Department of Housing and Community Affairs (Department/TDHCA) has awarded \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,613,464 that has been awarded to 18 Subrecipients and \$58,834,914 for rental set-aside.

#### **Summary of Subrecipient Activities**

- Over 80% of these funds are dedicated to assist low-to-moderate income households.
- The 18 CDBG Disaster Recovery awardees include 13 Subrecipients in the Ike impacted region and five in the Dolly impacted region.
- Over 4,700 households are anticipated to be assisted with rehab and reconstruction assistance of owner-occupied housing.
- A dozen buy-outs are anticipated to occur along the upper coast.
- All Subrecipient guidelines will receive final approval by March 31, 2010.
- Subrecipients are beginning to receive approval on project set ups and draws.
- To date, 2 Subrecipients have drawn \$116,020 for start-up expenses, and 15 project set-ups have been approved for assistance under the city of Houston's downpayment assistance program.
- The Department's 6 month benchmarks is approaching, which involves each Subrecipient to identify their pool of applicants and begin eligibility assessments and site specific environmental reviews on a minimum of 10% of applicants.

#### **Summary of Multifamily Activities**

- Over \$58 million has been awarded to 14 multifamily developments in the hurricane impacted area.
- 2,181 rental units are anticipated to be rehabilitated or reconstructed by the Ike awardees; no rental activities were proposed in the Dolly area.

# Rebuilding Texas: Disaster Recovery from Hurricanes Ike and Dolly

# First Supplemental Appropriation (\$1.3 billion) Public Law 110-329

Subrecipient	Allocation	Start Date
Brazos Valley Council of Governments	N/A	
Brazos Valley Affordable Housing Corporation	\$948,929	10/1/2009
Deep East Texas Council of Governments	\$5,931,070	9/11/2009
East Texas Council of Governments	\$415,117	9/11/2009
Houston-Galveston Area Council *	\$11,076,980	9/11/2009
Galveston	\$160,432,233	9/11/2009
Galveston County	\$99,503,498	9/11/2009
Harris County	\$56,277,229	9/1/2009
Houston	\$87,256,565	8/3/2009
Chambers County	\$20,921,582	10/1/2009
Liberty County	\$8,878,923	10/1/2009
Fort Bend County	\$1,582,107	9/11/2009
Montgomery County	\$6,909,237	9/11/2009
Lower Rio Grande Valley Development Council	N/A	
Brownsville	\$1,635,318	10/1/2009
Cameron County	\$3,093,750	9/11/2009
Mission	\$209,638	9/11/2009
Hidalgo County	\$2,000,000	9/11/2009
Willacy County	\$ 541,287	10/1/2009
South East Texas Regional Planning Commission	\$95,000,000	9/11/2009
TOTAL	\$562,613,463	
Rental NOFA	\$58,834,914	All funds awarded Dec 17, 2009
TOTAL HOUSING	\$621,448,377	

# **Emergency Housing Programs**

#### **FEMA Alternative Housing Pilot Program**

The Disaster Recovery Division is responsible for administration of the Federal Emergency Management Agency (FEMA) award of \$16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is multi-faceted; including testing alternative housing types that can be quickly constructed in areas of disaster, exploring housing types that readily accepted in communities and testing the energy efficiency components. The AHPP program provides assistance to those with on-going housing needs due to Hurricane Katrina or Rita. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives 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.

On July 31, 2009, TDHCA issued a notice of contract termination to the Heston Group for failure to provide sufficient responses to the requests outlined in the default notices issued on May 12, 2009 and June 25, 2009. The Department is currently working with the Heston Group as well as with their legal representation to build a transition to close out the contract. As a result of the contract termination, the Department has posted a Request for Proposal (RFP) for a contractor to complete the remaining portion of the program. The response deadline for the RFP has been extended to March 1, 2010 in order to allow more time to coordinate with the City of Houston with regard to the logistics of the group site.

TDHCA staff is working closely with the City of Houston on a group site to address the renter population that relocated from East Texas due to Hurricane Rita. The current proposed group site is under Environmental Review by FEMA's contracted Environmental firm.

On January 5, 2010, FEMA granted TDHCA an extension to the program close date. The end of the program period of performance was extended to July 31, 2012. The new program close date will allow TDHCA time to procure a new contractor to administer the program for the City of Houston group site, as well as allow more time to finalize a project plan, budget, contract, and location for the group site.

# DISASTER RECOVERY DIVISION BOARD REPORT ITEM March 11, 2010

# **REPORT ITEM ONLY**

# Texas Homeowners Assistance Program (THAP) and Sabine Pass Restoration Program

Presentation and report on homes considered and reviewed by the Executive Director for services that exceed municipal requirements of the established cap of \$10,000, to meet municipal requirements as determined by local, state, and federal regulations.

# **BACKGROUND**

APPLICATION			
NUMBER	CITY	REQUIREMENT	TOTAL
1060	Buna	Well (\$8,500), Septic (\$8,000)	\$16,500.00
1421	Broaddus	Well (\$5,850), Septic (\$8,500)	\$14,350.00
1672	Huntington	Well (\$8,500), Septic (\$8,000)	\$16,500.00
2140	Magnolia springs	Well (\$5,692), Septic (\$8,500)	\$14,192.00
5555	Fred	Water Tap & Meter (\$2,035), 100 ft Water Line (\$1,225), Septic (\$8,500)	\$11,760.00
7423	Vidor	Well (\$8,200), Septic (\$6,500)	\$14,700.00
7597	Vidor	Well Repairs (\$2,795), Septic-Drip System (\$11,000)	\$13,795.00
7627	Jasper	Water Connection Fee (\$1,211.83), Water Line-330' (\$2,772), Septic (\$7,350)	\$11,333.83
1162	Newton	Well (\$7,350), Septic (\$7,350)	\$11,333.83
1553	Call	Well (\$7,300), Septic (\$10,000)	\$17,300.00
1609	Buna	Well -Cap 2 Wells (\$11,000), Septic (\$6,500), Backfill (\$1,250)	\$18,750.00
1799	Newton	Well (\$7,350), Septic (\$7,350)	\$14,700.00
1856	Woodville	Survey (\$898.48), Tree Removal (\$3,900), Septic (\$7,750)	\$12,548.48
5812	Burkeville	Tree Removal-3 (\$5,850), Septic (\$7,750)	\$13,600.00
7665	Buna	Well (\$8,200), Septic (\$8,500)	\$16,700.00
3117	Smith	Well (\$5,692), Septic (\$8,500)	\$14,192.00
6380	Burch	Septic-Drip System (\$12,000)	\$12,000.00

APPLICATION NUMBER	CITY	REQUIREMENT	TOTAL
7858	PERKINS	Well (\$5,850), Septic (\$8,500)	\$14,350.00
1040	Buna	Well Repairs (\$2,895), Septic (\$8,500)	\$11,395.00
	PORT	Power Pole Relocation (\$11,492), Off-	
6032	ARTHUR	Street Parking (\$3,500)	\$14,992.38

# DISASTER RECOVERY DIVISION BOARD REPORT ITEM March 11, 2010

# **REPORT ITEM ONLY**

#### Texas Homeowners Assistance Program (THAP) and Sabine Pass Restoration Program

Presentation and report on homes considered and reviewed by the Executive Director for costs exceeding the accessibility cap of \$15,000, to meet disability and HUD 2306.514 requirements as determined by Uniform Federal Accessibility Standards (UFAS) and HUD regulations.

# **BACKGROUND**

APPLICATION			
NUMBER	CITY	REQUIREMENT	TOTAL
		Accesibility Plan (¢12 800)	
7405	Hardin	Accessibility Plan (\$12,800), Accessibility Bundling (\$4,800)	\$17,600.00
7403	Haram	Accessionity bunding (\$4,000)	\$17,000.00
		Accessibility Plan (\$15,000),	
1318	Bon Weir	Accessibility Bundling (\$5,100)	\$20,100.00
		Accessibility Plan (\$7,500)	
1006	Kirbanilla	Accessibility Plan (\$7,500),	¢1F 7F0 00
1996	Kirbyville	Accessibility Bundling (\$8,250)	\$15,750.00
		Accessibility Plan (\$7,850),	
5113	Galveston	Accessibility Bundling (\$9,210)	\$17,060.00
		Accessibility Bundling (\$21,410-Lift	
5147	Crystal Beach	Included)	\$21,410.00
		Accessibility Plan (\$12,950,	
5202	Port Bolivar	Accessibility Bundling (\$7,635)	\$20,585.00
		Accessibility Bundling (\$21,410-Lift	
5294	Gilchrist	Included)	\$21,410.00
		Accessibility Plan (\$12,800),	
8198	BEAUMONT	Accessibility Bundling (\$3,175)	\$15,975.00

# DISASTER RECOVERY DIVISION BOARD REPORT ITEM March 11, 2010

# **REPORT ITEM ONLY**

# Texas Homeowners Assistance Program (THAP) and Sabine Pass Restoration Program

Presentation and report on homes considered and reviewed by the Executive Director for costs exceeding the elevation cap of \$30,000, to meet flood zone requirements as determined by FEMA.

# **BACKGROUND**

APPLICATION			
NUMBER	CITY	Elevation Amount	Over Cap By
5640	Sabine Pass	\$45,000	\$15,000.00
2317	Sabine Pass	\$50,000	\$20,000.00
2432	Sabine Pass	\$45,000	\$15,000.00
5640	Sabine Pass	\$45,000	\$15,000.00

#### MULTIFAMILY FINANCE PRODUCTION DIVISION

### BOARD ACTION REQUEST March 11, 2010

### **Recommended Action**

Approve the requests for amendments as presented.

RESOLVED, that the amendments relating to Applications #02120, Humble Memorial Garden; #04609, Creekside Villas (fka Pleasant Village); and 08233 Heritage Park Vista be and they hereby are approved in the form presented to this meeting;

FURTHER RESOLVED, that the requested amendment to Application #08151 Parkview Terrace be and they are hereby not approved.

#### **Background and Recommendations**

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," 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.

### HTC No. 02120, Humble Memorial Gardens

<u>Summary of Request</u>: A letter of request was submitted for approval of a change in the site plan and bathroom count. The issues to be addressed do not affect the application's Threshold findings or scoring. The development was placed in service in 2004; however, cost certification and issuance of 8609s has not occurred due to unapproved changes in the development plan and unresolved deficiencies, including this amendment. The original developer was removed in 2005. Staff confirmed that the syndicator and lender, Boston Financial, received approval from the Department to install a replacement nonprofit general partner on December 16, 2009.

Staff found the site plan modifications acceptable. Five buildings were built instead of eight buildings as underwritten at application. The change was made to accommodate a pipeline easement that ran across a corner of the site, decreasing the usable land. The easement, new site plans and change in building count are addressed and accepted in an underwriting addendum dated December 27, 2002 prior to construction, but it is not clear that this change was approved by the Board.

Both the original underwriting analyses and the addendum reflected a development of 71 two-bedroom/one-bathroom affordable units and four two-bedroom/two-bathroom market rate units. However, the four market rate units were ultimately built with only one bathroom each. The request letter stated that the change was made to meet the IRS requirement for market rate units to be comparable to the affordable units.

The letter also presents a difference in the common area; however, staff's review indicates that the common area as built is greater than originally proposed. Staff shows the differences in the table below.

Comparison and	Explanation of A	reas Stated at Δr	nlication vs A	reas Certified at	Completion
Cullibalisuli aliu	LADIAHAUUH UI F	ncas Siaica ai Ar	JUNGANUH V.S. A	ובמס כבו ווווכט מנ	COHIDICIOH

Type of Area	Underwritten at Application	As Stated at Completion	Overage
Gross Building Area (GBA)	68,325 Sqft	72,405	5,130 or 7.6%
Net Rentable Area (NRA)	62,055 Sqft	63,330	1,275 or 2.1%
Corridors + Comm &/or Aux Bldgs	6,270 Sqft	9,075	2,805 or 44.7%
Comm &/or Aux Bldgs	3,345 Sqft	3,980	635 or 19.0%
Corridors	2,925 Sqft	5,095	2,170 or 74.2%

The owner is requesting approval of the site plan changes, common area and the reduction in bathrooms in the market rate units. The owner has indicated they have provided additional landscaping and irrigation for the landscaping, after hours access to a fitness center, additional gates, and fencing and a gazebo with a flowerbed.

Owner: Humble Memorial Gardens, Ltd.

General Partner: MMA Financial Humble Memorial Apartments GP, Inc. (controlled

by MuniMae Foundation, Inc. (Nonprofit) replaced the original

nonprofit, Multi-Family Mission Ministries, Inc.

Developer: Multi-Family Mission Ministries, Inc.

Principals/Interested Parties: Boston Financial (formerly MMA Financial)
Syndicator: Boston Financial (formerly MMA Financial)

Permanent Lender: MuniMae Midland, LLC

City/County: Humble/Harris Set-Asides: Nonprofit & Elderly

Type of Area: Urban Region: 6

Type of Development: New Construction Population Served: Elderly Population

Units: 71 (2BR/1Bath) HTC units and 4 (2BR/1Bath) market rate units (as

built)

2003 Allocation: \$366,177 Allocation per HTC Unit: \$5,157

Prior Board Actions: 7/02 – Approved award of tax credits

REA Recommendation: There is no change in the recommended amount of the tax credit

allocation.

**Staff Recommendation:** Staff recommends approving the request.

### HTC No. 04609, Creekside Villas (fka Pleasant Village)

<u>Summary of Request</u>: This development was an acquisition and rehabilitation in Dallas funded with private activity bonds through the Department. The owners of this property are affiliated another property (Trinity Trails (fka Grove Village)) that is located on the same city block, around the corner from this development. The current property failed to meet the two Threshold requirements of having a dishwasher in each unit and having ceiling fans in the living rooms and all bedrooms of each unit.

This development consisted of the rehabilitation of existing units without significant changes in the configuration of the units and there were no dishwashers in the subject property when the rehabilitation commenced. Regarding the requirement to have dishwashers, staff's conversations with the owner indicated a willingness to provide rollaway dishwashers as well as dishwashers under the counter. The owner provided an estimated cost of installation of \$80,000 for the former and \$181,170 for the latter. However, the kitchen space in all unit types is limited and dishwashers would either inconveniently block access to cabinets or would displace cabinets. In either case, the kitchen spaces make dishwashers of questionable benefit. Plans of the kitchen space are provided with the owner's letter of request and supporting documents.

The owner has agreed to provide the ceiling fans as required by Threshold, additional supportive services and wireless internet services as reasonable alternatives for consideration by the Board for the omission of the dishwashers.

The property is under two Housing Assistance Program contracts covering 130 units. In the same manner as the associated development above, this development is required, by the City of Dallas Resolution of Support, to maintain additional supportive services in the amount of \$200 per unit per year for the duration of the affordability period. These supportive services are the services referenced in the owner's letter as additional or enriched supportive services. The owner states that additional staff have been hired to administer the services. The estimated annual value of the additional supportive services is \$74,368 which is \$34,386 more than the annual amount represented in the original application.

Additionally, the owner proposes to provide high speed wireless internet service that would be accessible throughout the property. The internet proposal would give the tenants free wireless internet service for two years and optional wireless service after the second year for ten dollars per month. Other amenities that the owner proposed to compensate for the deficiencies above included a gazebo, service coordinator's office, library, sport court and sand volleyball court. The owner's letter estimated the cost of these items as \$8,975. Plans that show some of these amenities are included in the owner's letter. Staff confirmed that these were additional items that were not originally proposed in the application.

The Department Rules do not include a provision for substitutions of thresholds elements or provide for staff to recommend substitutes for requirements of Threshold. However, staff does believe in this development, the requirement of dishwashers may be more of a disservice to the tenant by removing limited cabinet space in the kitchen in order to install the unit and the additional services and wireless services will provide an improved quality of life overall for the tenants. The 2004 QAP as well as the current QAP include a section regarding the Board's waiver of any one or more of the Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, as

determined by the Board. Since a waiver is not being sought by the owner, no documentation to support such a good cause determination has been provided.

Owner: Pleasant Village Apartments Limited Partnership

General Partner: Walker Guardian LLC

Developers: Guardian Affordable Housing Developers; Walker Bridge LLC

Principals/Interested Parties: Thomas Brenneke and Rob Walker

Syndicator: WNC & Associates

Permanent Lender: U.S. Bank City/County: Dallas/Dallas

Set-Aside: Tax-Exempt Bond Transaction; TDHCA Issuer

Type of Area: Urban Region: 3

Type of Development: Acquisition/Rehabilitation

Population Served: General Population
Units: 200 HTC units
2004 Allocation: \$370,152
Allocation per HTC Unit: \$1,851

Prior Board Actions: 7/04 – Approved award of tax credits

REA Recommendation: Analysis indicates that the changes do not negatively impact the

underwriting of the transaction and a change in the credit amount is

not warranted at this time.

Staff Recommendation: Staff recommends the Board accept the amendment request as

presented by staff.

### HTC No. 08233, Heritage Park Vista (aka 09928, Tax Credit Exchange Program)

Summary of Request: The request related to the tax credit application is to reduce the site from 16.01 acres to 12.745 acres. The reduction involves dedicating to the city a 2.6 acre strip of land along the northern boundary of the site. The remainder of the difference between the original site and the final site was dedicated as right-of-way. The dedications were made during negotiations with the city over plan approval. The change is a material alteration under statute because it would increase the density of the development by over 5%. The density actually would increase by over 20%, from about 9 units per acre to about 11 units per acre. A change in the site plan is a part of the approval requested but, in and of itself, staff deemed the change in the site plan in this case to be insignificant.

The owner stated that the city found the 2.6 acres of land desirable because it would provide access from the development's frontage street to a miles-long bicycle trail that runs in the greenbelt behind the development site, approximately 1,400 feet from the site's frontage on Ray White Road. The owner stated that the city waived \$171,000 in fees in exchange for the dedication. Staff calculated the pro rata value of the 2.6 acres of land from the Department's underwriting analysis as approximately \$230,000. The owner explained that the land dedicated was zoned for commercial use instead of multifamily as the subject site and the historical zoning explained the unusual curving contour of its southern boundary. No timeframe for improving the land for public use was stated.

A supplementary request regarding the financing for the Exchange Program application asks to replace a \$325,000 interim loan from Trinity Victory Family Ministries with other funds. The loan scored one point for Leveraging of Private, State and Federal Resources. The request indicated that circumstances associated with the Exchange Application made the owners unable to close the loan by the deadline specified in the loan commitment and it became unavailable. Although the application would have lost one point, the loss would have made no difference to the tax credit award.

The owner indicated that the land was dedicated because of the wishes of the city and stated the benefit to the development as the provision of park land for the tenant's use. Staff noted that the increase in density still leaves the density of this development relatively low compared to many developments in urban areas. Staff also noted that the dedication will provide a buffer between the subject development and the single homes that are across the 2.6 acres. As noted above, the development still would have received an award as amended. The change would not have affected scoring or threshold and therefore unlike the immediately previous request can be considered to not have violated the Board's Exchange Program Policy.

Owner: Heritage Park Vista Housing Partners, Ltd.

General Partner: NDG Heritage Vista, LLC

Developers: NuRock Development Group, Inc. Rob Hoskins and Sandy Hoskins

Principals/Interested Parties: Rob Hoskins and Sandy Hoskins (owners, developers)

Syndicator: NA-Tax Credit Exchange Program \$10,781,332 requested (\$0.85)

per credit)

Construction: JPMorgan Chase

Permanent Lender: Wachovia Multifamily Capital, Inc.

Other Funding: City of Fort Worth

City/County: Fort Worth/Tarrant

Set-Aside: Tax-Exempt Bond Transaction; TDHCA Issuer

Type of Area: Urban Region: 3

Type of Development: New Construction Population Served: Elderly Population

Units: 135 HTC units and 5 market rate units

2008 Allocation: \$1,106,616 Allocation per HTC Unit: \$8,197

Prior Board Actions: 7/08 – Approved award of tax credits

REA Recommendation: The changes do not affect the recommended Exchange Award.

Staff Recommendation: Staff recommends approving the requests.

#### HTC No. 08151 Parkview Terrace, (aka 09922, Tax Credit Exchange Program)

<u>Summary of Request</u>: The development was proposed as the demolition and reconstruction of 100 units on three sites. Two sites were adjacent to each other though bisected by a street and the third site was a block away. The request is to eliminate two of the sites and to build the whole development on one site with the same number of units and common area as originally proposed. The original land area was 12.57 acres. The amended area would be 8.123 acres.

The applicant has returned their tax credits in order to access Exchange Program funds. The Exchange Program Policy in Board Resolution 09-047 stipulates that "Developments receiving Exchange funds must continue to meet the threshold and scoring requirements as included in the original application or most recent amendment approved by the Board…"

One point of interest about this request was that the original Housing Tax Credit application called for 94 units to be built on the site that is now proposed to be the only site, with six units to be built on one of the two remaining sites and no units on the final site. The Owner considered the request at application but was correctly told by staff that, to meet the requirements of a reconstruction on a scattered site, the number of units replaced on each site could not exceed the number of units demolished on each site.

The owner is making the request to optimize the use of the publicly owned subject land and the public funding that is financing a significant portion of the development costs. The three original sites contained public housing owned by the Housing Authority of the City of Pharr. The housing authority would remain the owner of the land of the tax credit project and would lease the land to the development owner for a nominal fee (\$10 per year for 50 years). The housing authority also is providing relocation vouchers valued at \$594,288 and the city is providing a loan of \$500,000. The applicant stated that using only one of the three original sites would allow the housing authority to reclaim the remaining two sites for the future development of more affordable housing units than the original application proposed. Consistent with the last point, the owner noted that demand for affordable housing has increased since the original application was first conceived.

The owner is asking for the Board to consider the request in perspective of the special economic circumstances and the special measures taken by the Board and the Department in 2008 and in the Exchange Program. In particular, the applicant asked that the Board consider the requested changes in view of the fact that all applications in 2008 that did not receive awards in July of that year were granted forward commitments. The owner has reasoned that if the request is granted, the approval would not be unfair to any other applicant.

The request also includes increasing the common amenities of the development to meet the higher requirement of 12 points instead of nine points that would help address the increased density. To increase the Common Amenities exhibit score, barbeque grills and picnic tables would be added for one point, controlled gate access would be added for one point and two children's playscapes would be added for two points while eliminating the original proposal to install one children's playscape for one point.

Staff has determined that the original application under the new proposal would have decreased the score by 18 points. The application would have scored lower because its original classification as reconstruction of existing units allowed it to score six points on each of two scoring items that were only available to rehabilitation and reconstruction. The definition of

reconstruction required the development to include all sites on which units were to be demolished. This definition would not be met under the amended proposal and the development would be classified as new construction. Having lost the points of two six-point scoring items from the change in definition, the application's score would have differed from the Pre-Application score by more than the five percent limit allowed and the six points scored for the Pre-Application would have been lost, also.

The owner states that the loss of the points does not negatively affect another application; however, there were two pre-applications that scored lower than the subject application and did not move forward. Had the subject application had the correct score during the pre-application period, those applications may have chosen to stay in the process and move forward. Therefore, the conclusion may not be made that the loss of points did not negatively affect another application.

Owner: PHDC Parkview Terrace, Ltd.
General Partner: PHDC Parkview Terrace GP, LLC

Developers: Brownstone Affordable Housing Development, Ltd.

Principals/Interested Parties: Pharr Housing Development Corporation (nonprofit controlled by

PHA); Doak Brown, William L. Brown, Jed Brown, Wil C. Brown

(members of developer)

Syndicator: NA-Tax Credit Exchange Program \$9,489,011 requested (\$0.85 per

credit)

Interim/Permanent Lender: JPMorgan Chase; Housing Authority (\$500,000 loan + \$594,288

relocation vouchers)

City/County: Pharr/Hidalgo Set-Aside: Nonprofit Type of Area: Urban Region: 11

Type of Development: New Construction (Reconstruction)

Population Served: General Population

Units: 100 HTC units including 30 dedicated public housing units

2008 Allocation: \$985,000 Allocation per HTC Unit: \$9,850

Prior Board Actions: 7/08 – Approved award of tax credits

REA Recommendation: The proposed change in the site plan of the development does not

affect the recommended Exchange award, and does not negatively

affect the financial feasibility of the development.

Staff Recommendation: Staff does not recommend approval because the change may

have negatively affected the selection of the application and

because the Exchange Policy dissuades such amendments.



### Memorandum

To: File

From: Rosalio Banuelos, Real Estate Analysis

**cc:** Ben Sheppard, Multifamily Finance Production

**Date:** January 21, 2010

**Re:** Amendment Request for Humble Memorial Gardens, TDHCA #02120

### **Background**

The Development was submitted and approved for an allocation of 9% tax credits in the amount of \$366,177 in 2002. In October 2002, an amendment request addressing an easement and the reduction in the number of buildings from eight to five was submitted, but the request was not fully processed. Construction is complete and the cost certification has been submitted to the Department. In December of 2009, the Department approved a change in general partner and the addition of a special limited partner into the ownership structure of the Development.

#### **Amendment Request**

In a letter dated December 1, 2009, the Owner requested approval for the following changes:

- 1. <u>Common Area</u> The Development was originally approved with 3,345 square feet of common area; however, the Development as-built has 3,980 square feet of common area.
- 2. <u>Number of Buildings</u> The Owner explained that a pipeline easement was discovered after the application was submitted, and as a result, the site plan had to be modified. The original application proposed eight residential buildings, but the Development was constructed with only five buildings. The unit mix was not affected by this change, but the net rentable area increased from 62,055 square feet proposed at application to 63,330 square feet as-built.
- 3. Number of Bathrooms The Development was approved with the 71 tax credit units having one bathroom and the four market rate units having two bathrooms; asbuilt, all 75 units have one bathroom. The Owner explained that this change is due to IRS rules regarding market rate units. The IRS requires that amenities for market rate units in excess of those provided to tax credit units be taken out of eligible basis, and to simplify accounting and avoid a loss of basis, the market rate units were constructed with amenities similar to those of the tax credit units. This reduction in the number of bathrooms did not result in a decrease to the square footage of the units.

The Owner explained that in 2008 the limited partner spent over \$79K in landscaping, landscape irrigation, furniture in the leasing and activity centers, and gates and fencing.

Additionally, the Owner proposes to install a gazebo with benches and flowerbeds as substitutes for the originally proposed development attributes. The Owner anticipates an additional cost of approximately \$10K for the gazebo and accompanying enhancements.

### Conclusion

The cost certification package has been submitted to the Department. The Owner's final costs, as certified by the Owner's CPA, are 6% higher than the Underwriter's cost estimate at application and 8% lower than the Underwriter's updated cost estimate. The Underwriter's analysis indicates that the requested changes do not negatively impact the underwriting of the transaction. No change to the credit recommendation is recommended prior to the completion of the cost certification review process. Of note, since original underwriting the general partner has been replaced, and the limited partner has funded operating deficits and development costs in excess of the equity contributions and permanent loan.

# TEXAS DE RTMENT of HOUSING and COMPLINITY AFFAIRS

MULTI FAMILY CREDIT UNDERWRITING ANALYSIS-ADDENDUM

DATE:

December 27, 2002

PROGRAM:

9% LIHTC

FILE NUMBER:

02120

		DE'	VELOPMENT	NA	ME					
			e Memoria							
		11411101			aruciis					
			APPLICAN	<b>₹T</b>						
Name:	Humble Memor	rial Gardens, Ltd.	Ty <sub>l</sub>	pe:	X For	Profit	Non-Profit		Municipal	Other
Address:	2020 Rocky Fa	lls	Cit	ty:	Richm	ond			State:	TX
Zip:		act: David Muguerza	Ph	one:	(281)	342-52:	52 Fa	ıx:	(281)	232-2684
		PRINCI	PALS of the A	APPL	ICANT					
Name:	Multi-Family N	Mission Ministries, Inc.	(º/	ه): _	.0051	Title:	Mana	ging	General	Partner
Name:	Midland Equity	Corporation	(%	ه): _	99.99	Title:	Initia	l Lim	ited Part	ner
Name:	MGT Support S	Service, L.L.C.	(%	<b>ሬ)</b> : _	.0049	Title:	Co-G	enera	l Partner	
Name:	David Muguerz	za	(%	ه): <u> </u>	N/A	Title:	Presid	dent c	f Manag	ing G.P.
Name:	Margaret Tann		(%	ه): _	N/A	Title:	Pres.	& 100	% owner	of Co-G.P.
		MANAG	ING GENERA	AL P.	ARTNER					
Name:	Multi-Family M	lission Ministries, Inc.	Туј	pe:	For 1	Profit 🔀	Non-Profit		Municipal	Other
Address:	2020 Rocky Fa	lls	Cit	ty:	Richme	ond			State:	TX
Zip:	77469 Cont	act: David Muguerza	Pho	one:	(281)	342-525	52 Fa	x:	— (281) _	232-2684
		.CO-	GENERAL PA	ARTN	1ER					
Name:	MGT Support S		Туг		∑ For i	Profit	Non-Profit		Municipal	Other
Address:	29426 Geneva		Cit	y:	Spring				State:	TX
Zip:	77386 Conta	nct: Margaret Tann	Pho	one:	(281)	363-986	53_			
			•							
			NAFATVI OC	ATIC	c Chairman				n:::::::::::::::::::::::::::::::::::::	
		<u> </u>	PERTY LOC	AIIC	<u>Missississ</u>					
Location:	J.M. Hester Ro	ad, 200 feet east of McKa	ay Drive			[		€CT		DDA
City:	Humble		County:	На	arris				Zip:	77338
			REQUEST							
<u> </u>	<u>Amount</u>	Interest Rate		Am	ortizatio	<u>n</u>			<u>Term</u>	
\$	367,807	N/A			N/A				N/A	
Other Req	uested Terms:	Annual ten-year allocati	ion of low-in	com			its; allo	cates	****	
Proposed U	Jse of Funds:	New construction	Set-Aside:	:	Ge:	neral 🔀	] Eld	derly	$\boxtimes$	Non-Profit

## AS DE

PARTMENT OF HOUSING	G and COMMUNIT	FAIRS
PENITHMEDWOL	TING ANALVSIS	

SITE DESCRIPTION
Size: 5.0 acres 217,800 square feet Zoning/ Permitted Uses: No zoning in Humble
Flood Zone Designation: Zone X Status of Off-Sites: Partially Improved
DESCRIPTION OF IMPROVEMENTS
Total # Rental # Common # of Units: 75 Buildings 5 Area Bldngs 0 Floors 3 Age: 0 yrs Vacant: N/A
Number Bedrooms Bathroom Size in SF
4
Property Type: X Multifamily X SFR Rental X Elderly X Mixed Income X Special Use
LIHTC SYNDICATION
Source: Midland Equity Corporation Contact: Chris Diaz
Additional Information:
APPLICANT EQUITY
Amount: \$291,360 Source: Deferred developer fee
EVIDENCE OF SITE OF PROPERTY CONTROL
bener. Basics 115, I and Rosentian MD, & Gaylor Trustees Related to Development Team Member. 100

#### ADDENDUM

The Commitment Notice dated July 29, 2002 was issued subject to the following condition:

(i) Receipt, review, and acceptance of a revised site plan and building plans reflecting that none of the buildings will have less than four units, or acknowledgement that the three-unit building proposed will be an ineligible building, and a determination from the Department that the remainder of the development qualifies under the QAP.

The Applicant has by letter dated October 9, 2002 requested that the number of buildings be reduced from the original amount of (8) eight to (5) five due to the fact that they have found out since the time of original submission that a 35 foot wide pipeline easement runs across the southwest corner of the subject five acres leaving them with less land to develop on; therefore, to retain the original number of two bedroom units of 75, new building plans will be required increasing the number of units per building. The Applicant has stated that they have hired a new Architect to design these new structures and the building plans and final site plan will not be ready until approximately the end of January 2003.

Based on this information the original condition as stated still remains, but as it has been acknowledged by the Applicant, could be carried forward to the close of the construction loan. The Applicant also provided revised project cost schedule at the request of staff. The revised cost schedule reflects only a few minor shifts in costs but the total budget appears to be unchanged. The revised cost breakdown omitted the final eligible basis calculation, but it appears that its conclusion would be unchanged from the original analysis.

#### RECOMMENDATION

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$366,177 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

#### CONDITIONS

1. Receipt, review, and acceptance of a revised site plan and building plans as proposed by the Applicant.

Underwriter:

Caf Hoover
Director of Credit Underwriting:

Date: December 27, 2002

Date: December 27, 2002

DATE: June 8, 2002 PROGRAM: 9% LIHTC FILE NUMBER: 02120

			DE	VELOPM	ENT NA	ME					
			Humb	le Memo	orial G	ardens					
				APPLIC	CANT						
Name:	Humble Memor	ial C	ardens, Ltd.		Type:	For	Profit	Non-P	rofit	Municipal	Other
Address:	2020 Rocky Fal	ls			City:	Richm	ond			_ State	: <u>TX</u>
Zip:	77469 Conta	ct:	David Muguerza		Phone	(281)	342-52	52	Fax:	(281)	232-2684
			PRINCI	PALS of t	he APP	LICANT					
Name:	Multi-Family M	issio	on Ministries, Inc.		(%):	.0051	Title:	Ma	anaging	General	Partner
Name:	Midland Equity	Cor	poration		(%):	99.99	Title:	Ini	tial Lim	ited Part	ner
Name:	MGT Support S	ervi	ce, L.L.C.		(%):	.0049	Title:	Co	-Genera	1 Partne	r
Name:	David Muguerz	a			(%):	N/A	Title:	Pre	esident o	f Manaş	ging G.P.
Name:	Margaret Tann				(%):	N/A	Title:	Pre	es. & 100	% owner	of Co-G.P.
			MANAC	SING GE	NERAL F	PARTNER					
Name:	Multi-Family M	issic	on Ministries, Inc.		Type:	For	Profit 🔀	Non-P	rofit	Municipal	Other
Address:	2020 Rocky Fal	ls			City:	Richm	ond			State	: TX
Zip:	77469 Conta	ct:	David Muguerza		Phone	: (281)	342-52	52	Fax:	(281)	232-2684
			CO	-GENERA	AL PART	NER					
Name:	MGT Support S	ervi	ces, LLC		Type:	For	Profit	Non-P	rofit	Municipal	Other
Address:	29426 Geneva				City:	Spring	<b>y</b>			State	: TX
Zip:	77386 Conta	ct:	Margaret Tann		Phone	(281)	363-98	63			
			PR.	OPERTY L	OCATION NO.	ON					
Location:	J.M. Hester Ro	ad, 2	200 feet east of McK	Kay Drive	;				QCT		DDA
City:	Humble			County:	H	Iarris				Zip:	77338
•	-			•		-				-	
				REQL	<u>JEST</u>						
	Amount		Interest Rate			nortizatio	on_			Term	
\$	367,807		N/A			N/A				N/A	
Other Req	uested Terms:	An	nual ten-year alloca	tion of lo	w-inco	me housi	ng tax crec	lits			
Proposed	Use of Funds:	Ne	w construction	Set-A	side:	G	eneral [		Elderly	$\boxtimes$	Non-Profit

SITE DESCRIPTION
Size: 5.0 acres 217,800 square feet Zoning/ Permitted Uses: No zoning in Humble
Flood Zone Designation: Zone X Status of Off-Sites: Partially Improved
DESCRIPTION of IMPROVEMENTS
Total #Rental #Common #of Units: 75 Buildings 8 Area Bldngs 0 Floors 3 Age: 0 yrs Vacant: N/A at / /
Number         Bedrooms         Bathroom         Size in SF           71         2         1         825           4         2         2         870
Net Rentable SF: 62,055 Av Un SF: 827 Common Area SF: 5,220 Gross Bldng SF 67,275
Property Type:  ☐ Multifamily ☐ SFR Rental ☐ Elderly ☐ Mixed Income ☐ Special Use
CONSTRUCTION SPECIFICATIONS
STRUCTURAL MATERIALS
Wood frame on a post-tensioned concrete slab on grade, 76% brick veneer/24% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing
APPLIANCES AND INTERIOR FEATURES
Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters
ON-SITE AMENITIES
3,345 SF of common areas with activity room, management offices, laundry facilities, storage and maintenance areas, perimeter fencing with limited access gate
Uncovered Parking: 100 spaces Carports: 0 spaces Garages: 0 spaces
OTHER SOURCES OF FUNDS INTERIM CONSTRUCTION OF GAP FINANCING
Source: Midland Mortgage Investment Corporation Contact: Dan Flick
Principal Amount: \$2,918,815 Interest Rate: Variable, Wall Street Journal prime rate +1%, 6% minimum
Additional Information:
Amortization: N/A yrs Term: 2 yrs Commitment: None Firm Conditional
LONG TERM/PERMANENT FINANCING
Source: Midland Mortgage Investment Corporation Contact: Dan Flick
Principal Amount: \$2,360,000 Interest Rate: Unspecified index + 40 basis points, minimum 6.5%, maximum 9%, estimated & underwritten at 7.75%
Additional Information:
Amortization: 30 yrs Term: 15 yrs Commitment:  None Firm Conditional
Annual Payment: \$202,888 Lien Priority: 1st Commitment Date 2/ 19/ 2002

LIHTC SYNDICATION

Source:	Midlan	nd Equit	y Corp	oration			Contac	et: <u>C</u>	hris Dia	Z		
Address:	33 No	rth Gard	len Av	enue, Su	ite 1200		City:	Clea	arwater			
State:	FL		Zip:	33755	Phone	: (727)	461-4801		Fax:	(727)	443-6067	
Net Proce	eds:	\$2,794	,073		Net Syndic	cation Rate	per \$1.00 of 10-yr l	LIHTC)	76¢	_		
Commitm	ent		None	e 🗆	Firm	⊠ Con	ditional	Date	2/	21/	2002	
Additiona	l Informa	ation:										
					ΔΙ	PPLICANT E	OUITY					
Amount:	\$216,2	982			Source:		developer fe	Δ				
	Ψ210,2				-	- Deferred (	de veloper rev					
					\/\\	ATION INICO	DNAATION					
						<u>ation info</u> Assessed v						
Land:				4,479 (pro -acre parc	rated from	Assess	sment for the	Year of	f:	2001		
Building:			N/A	•	,	—— Valua	tion by:	Harris C	ounty Ap	praisal Dist	rict	
Total Asse	ssed Valu	ue:	\$134	1,479			_					
				EV	IDENCE of	SITE or PRO	OPERTY CON	NTROL				
Type of Si	te Contro	ol: O	ption a	greement								
Contract 1			_	7/	1/ 20	002 Anti	cipated Closi	ing Date	e: ?'	?/ ,	/	
Acquisitio	n Cost:	\$	590,00	0 (	Other Terms	s/Conditions	s <b>:</b>					
Seller:	Eastex 11	19, Paul 1	Rosentl	nal MD, &	Gaylor Trus	stees	Rel	ated to	Developn	nent Team	Member:	No
									_			
N7 :				REVI	-W of PREV	IOUS UNDE	RWRITING F	REPORT	5			
No previ	ous repo	orts.										
						-	NT PLAN DE					
income of buildings	elderly s as follo	housing ows:	g loca	ted in v	western H	umble. T	he develop	oment	is comp	orised of	5 units of mix eight residen	itial
		•			•			edroom	units a	nd the co	mmon use are	as;
	-			_	-	vo-bedrooi • two-bedr		This	huilding	o is an in	eligible build	lino
											ed as an eligi	
	-				-			_			acceptance of	
-	stment to		_	an and b	uilding pl	ans or ack	mowiedgen	nent of	this in	engible b	uilding type i	is a

will also have 975 SF of air conditioned interior corridor space on each floor.

Based on the site plan the apartment buildings are arranged in three groups separated by parking lots, with the community/residential "A" building located near the entrance to the site. The common use areas are located in the central portion of the first floor of the three-story "A" building, and include the management offices, a 690-square foot lobby/multipurpose room, and 765 SF of laundry facilities and storage and mechanical areas. The second and third floors will also have the 765-SF areas for storage and future needs. The "A" building

<u>Supportive Services</u>: The Applicant has contracted with the Center for Christian Counseling of Corpus Christi to provide the following supportive services to tenants: instruction on community-building skills and counseling for seniors. These services will be provided at no cost to tenants. The contract requires the Applicant to provide, furnish, and pay utilities in the community center for provision of the services and to pay \$125 per month for these support services.

<u>Schedule</u>: The Applicant anticipates construction to begin in February of 2003, to be completed and placed in service in August of 2003, and to be substantially leased-up in October of 2003.

#### POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 71 of the units (94% of the total) will be reserved for low-income elderly tenants. One unit (1%) will be reserved for households earning 30% or less of AMGI, 30 units (40%) will be reserved for households earning 40% or less of AMGI, 30 units (40%) will be reserved for households earning 50% or less of AMGI, 10 units (130%) will be reserved for households earning 60% or less of AMGI, and the remaining four units will be offered at market rents.

**Special Needs Set-Asides:** Four units (5%) will be reserved for handicapped/developmentally-disabled tenants.

<u>Compliance Period Extension</u>: The Applicant has elected to extend the compliance period an additional 25 years.

#### **MARKET HIGHLIGHTS**

A market feasibility study dated March 26, 2002 was prepared by Apartment MarketData Research Services, LLC and highlighted the following findings:

<u>Definition of Market/Submarket</u>: "...we utilized boundaries of the trade area located in northern Houston and the City of Humble, Harris County, Texas. This trade area accounts for 167 square miles in northeast Harris County." (p. 31)

<u>Total Local/Submarket Demand for Rental Units</u>: "In the primary market area we have determined that there is a demand for a minimum of 182 elderly rental units per year, based on the household growth analysis." (p. 17)

ANNUAL INCOME-ELIGI	ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY								
	Market	Analyst	Under	writer					
Type of Demand	Units of	% of Total	Units of	% of Total					
	Demand	Demand	Demand	Demand					
Household Growth	64	22%	47	7%					
Resident Turnover	235	78%	717	93%					
TOTAL ANNUAL DEMAND	299	100%	764	100%					

Ref: p. 41

<u>Capture Rate</u>: Calculated by the analyst to be 23.7%. (p. 41) The Underwriter calculated a concentration capture rate of 10% based upon the TDHCA demand model.

Market Rent Comparables: "The competitive submarket supply and demand analysis conducted ... comprised of 3,195 units [in ten projects] within the primary market area (including four properties that are currently in lease-up)...the overall average occupancy is 86.1%. The occupancy rate is reflective of the fact that some of the comparable properties are still in the lease-up process..." (p. 84) None of these properties are elderly properties; in response to the Underwriter's inquiry the analyst stated that "The trade area used for the analysis did not contain any comparable elderly properties, only elderly assisted living or special needs projects." (undated letter received 6/5/02)

	RENT A	ANALYSIS (net	tenant-paid r	ents)	
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
2-Bedroom (30%)	\$332	\$332	\$0	\$783	-\$461
2-Bedroom (40%)	\$466	\$466	\$0	\$783	-\$317
2-Bedroom (50%)	\$600	\$600	\$0	\$783	-\$183
2-Bedroom (60%)	\$734	\$734	\$0	\$783	-\$49
2-Bedroom (MR)	\$771	N/A	N/A	\$783	-\$12

Ref: p. 87

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Submarket Vacancy Rates</u>: "The current occupancy of the market area is 94.9% as a result of ever increasing demand." (p. 79)

**Absorption Projections:** "We estimate that the project could achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy [resulting in a 12-month absorption period]." (p. 76)

**Known Planned Development:** "Currently, there are no other 'senior' projects known to be under construction." (p. 9)

<u>Effect on Existing Housing Stock</u>: "The submarket demand identified can absorb a minimum of 192 'senior' units per year based on our growth analysis without a detrimental economic change to the existing multi-housing conditions within the submarket." (cover letter)

The Underwriter found the market study to be acceptable.

#### SITE and NEIGHBORHOOD CHARACTERISTICS

**Location:** Humble is located in southeast Texas, approximately 18 miles northeast of downtown Houston in Harris County. The site is a rectangularly-shaped parcel located in the western area of the city, approximately one mile from the central business district. The site is situated on the south side of J.M. Hester Road.

**Population:** The estimated 2001 elderly (age 55+) population of the primary market area was 28,737 and is expected to increase by 21% to approximately 34,861 by 2006. Within the primary market area there were estimated by the market analyst to be 19,158 elderly households in 2001 (based on an assumed household size of 1.5 persons).

<u>Adjacent Land Uses</u>: Land uses in the overall area in which the site is located are predominantly residential, with business centers, retail, and recreational areas nearby. Adjacent land uses include:

• North: J. M. Hester Road with commercial beyond

• South: Vacant land

• East: Retail

• West: Vacant land

<u>Site Access</u>: Access to the property is from the east or west along J. M. Hester Road. The development is to have one entry, from J. M. Hester Road. Access to U.S. Highway 59 is 0.3 miles east, which provides connections to all other major roads serving the Humble and Houston areas.

**Public Transportation:** The availability of public transportation is unknown.

**Shopping & Services:** The site is within 1.5 miles of two major grocery/pharmacies and a major shopping mall. A variety of other retail establishments and restaurants as well as schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

<u>Site Inspection Findings</u>: The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

#### HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 1, 2002 was prepared by ARTREX Environmental Services, Inc. and contained the following findings and recommendations:

<u>Findings</u>: "This assessment has revealed no evidence or findings of recognized environmental conditions in connection with the property." (Sec. 8.0)

**Recommendations:** "No further assessment activities [should] be conducted at the subject site." (Sec. 10.0)

#### **OPERATING PROFORMA ANALYSIS**

<u>Income</u>: The Applicant's rent projections are the maximum rents allowed under LIHTC guidelines, and are achievable according to the market analyst. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. The Applicant provided a commitment for an operating subsidy of \$1,200/year from Peaceful Pastures Housing, Inc. for the 30% AMI unit, but did not include this income on their rent schedule or proforma; the Underwriter has included this committed income source.

**Expenses:** The Applicant's estimate of total operating expense is 1% lower than the Underwriter's TDHCA database-derived estimate, an acceptable deviation. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$5.7K lower) and repairs and maintenance (\$12.9K higher). The current Houston metropolitan area utility allowances do not include allowances for water, sewer, or trash collection, so the Underwriter used the Pasadena allowances as proxies for the purpose of estimating these expenses and compared them to IREM data for the region and found them to be roughly consistent.

<u>Conclusion</u>: The Applicant's estimated income is consistent with the Underwriter's expectations and total operating expenses are within 5% of the database-derived estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within an acceptable range of TDHCA underwriting guidelines of 1.10 to 1.25.

#### CONSTRUCTION COST ESTIMATE EVALUATION

<u>Land Value</u>: The site cost of \$590,000 (\$2.71/SF or \$18K/acre), although 438% of the tax assessed value, is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$4,707 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is within 1% of the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

<u>Interim Financing Fees</u>: The Applicant's eligible interim financing costs include only one item, construction loan interest, which on its face appears to be \$2,100 more than one year of fully drawn interest expense. However, no organization fees or other potentially eligible construction loan costs were listed, suggesting they are all in this figure. Therefore no adjustment to the Applicant's eligible basis estimate is made.

<u>Fees</u>: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are set at the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$4,596,355 is used to determine a credit allocation of \$366,177 from this method. This is \$1,630 less than requested due to the Applicant's use of a slightly higher 8.45% applicable percentage rather than the 8.44% being used for this application cycle. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

#### FINANCING STRUCTURE ANALYSIS

The Applicant intends to finance the development with three types of financing from three sources: a conventional interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

Conventional Interim to Permanent Loan: There is a commitment for interim to permanent financing through Midland Mortgage Investment Corporation in the amount of \$2,918,815 during the interim period and \$2,360,000 at conversion to permanent. The commitment letter indicated a term of 24 months for the construction portion and 15 years for the permanent, with a 30-year amortization schedule. The construction loan will bear interest at a variable rate defined as 1% above the Wall Street Journal prime rate, with a minimum rate of 6%. The interest rate for the permanent loan will be fixed at rate lock at 40 basis points over an index rate to be specified by the lender, with a minimum rate of 6.5% and a maximum rate of 9%. The rate is estimated and underwritten at 7.75%.

**LIHTC Syndication:** Midland Equity Corporation has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$2,794,073 based on a syndication factor of 76%. The funds would be disbursed in a three-phased pay-in schedule:

- 1. 60% upon the later of admission to the partnership or closing of the construction loan and land acquisition;
- 2. 20% within 30 days of the later of completion of construction or receipt of the credit and cost certification;
- 3. 20% within 30 days of the later of closing of the permanent mortgage loan, receipt of IRS Forms 8609, 90% physical occupancy for three consecutive months, or achievement of a DCR of at least 1.15 for 90 days.

<u>Deferred Developer's Fees</u>: The Applicant's proposed deferred developer's fees of \$216,282 amount to 36% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted estimate of eligible basis, the LIHTC allocation should not exceed \$366,177 annually for ten years, resulting in syndication proceeds of approximately \$2,782,669. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased slightly to \$227,686, which amounts to approximately 38% of the eligible fee and should be repayable within approximately seven years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee should be available to fund those development cost overruns.

#### REVIEW of ARCHITECTURAL DESIGN

Forty-eight of the units are in one-story eight-plex structures, three are in a one-story three-plex building, and the remaining 24 units are in a three-story, elevator-served building with the community areas and management offices placed in the center of the building between the residential wings. The exterior elevations are simple and attractive, with architectural elements such as ornamental window shutters and French doors. The units have covered patios or balconies and utility closets with hookups for full-size appliances. Units in the one-story buildings have semi-private exterior entries shared with another unit, and the units in the three-story building are entered off an interior breezeway that is shared with seven other units.

#### **IDENTITIES of INTEREST**

The Developer, Multi-Family Mission Ministries, Inc., is also the Managing General Partner. These are common relationships for LIHTC-funded developments. The subsidy used to meet the QAP requirement for selection points for the 30% unit is from another entity, Peaceful Pastures Housing, Inc. for which David Muguerza serves as president. Mr. Murguerza is also the president of Multi-Family Mission Ministries, the 51% Managing General Partner of the Applicant. It is unknown to the Underwriter whether this affiliation meets the letter of the QAP but it would appear to not meet the intention of the requirement which is to not allow funds from related entities to qualify. Therefore, a review and possible reduction in points allocated for deep targeting based upon the interlocking control of officers of the Managing General Partner and the Peaceful Pastures entity is a condition of this report.

#### APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

#### **Financial Highlights:**

- The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- The Managing General Partner, Multi-Family Mission Ministries, Inc., submitted an unaudited financial statement as of February 19, 2002 reporting total assets of \$16.7M and consisting of \$1.3M in cash, \$19K in receivables, \$11.8M in real property, \$897K in machinery, equipment, and fixtures, and \$2.67M in other long term assets, loan costs, and debt reserves. Liabilities totaled \$12.3M, resulting in a net worth of \$4.4M.
- The Co-General Partner, MGT Support Services, LLC, submitted an unaudited financial statement as of February 19, 2002 reporting total assets of \$90K, consisting of \$65K in cash and \$25K in other assets. Liabilities totaled \$80K, resulting in a net worth of \$9.7K.
- Peaceful Pastures Housing, Inc., the provider of the 30% AMI unit operating subsidy, submitted an unaudited financial statement as of April 30, 2002 reporting total assets of \$2.54M and consisting of \$80.3K in cash, \$800 in receivables, \$39.7K in prepaids and deposits, \$447K in dedicated accounts, and \$1.97 in fixed assets (net of depreciation). Liabilities totaled \$2.89M, resulting in a negative net equity of (\$351K). This amount includes \$1.2M in accumulated depreciation, however. Moreover, Peaceful Pastures appears to be a single-asset entity that owns and operates a similar property in Alvin, TX.

#### **Background & Experience:**

- The Applicant is a new entity formed for the purpose of developing the project.
- The Developer and Managing General Partner, Multi-Family Mission Ministries, Inc., listed participation as limited partner, owner, and/or co-general partner on four previous affordable housing developments totaling 366 units since 1978.
- The Co-General Partner, MGT Support Services, LLC, has participated as co-general partner on one prior LIHTC housing developments of 32 units since 2001.
- The Applicant appears to be relying on the development experience of the proposed General Contractor.

#### SUMMARY OF SALIENT RISKS AND ISSUES

None noted.

#### RECOMMENDATION

☑ RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$366,177 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

#### CONDITIONS

- 1. Receipt, review, and acceptance of a revised site plan and building plans reflecting that none of the buildings will have less than four units, or acknowledgement that the three-unit building proposed will be an ineligible building, and a determination from the Department that the remainder of the development qualifies under the QAP;
- 2. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
- 3. Review and possible reduction in score based upon the deep rent skewing subsidy provider, Peaceful Pastures Housing, Inc., having common control as a result of having the same authorized corporate officers.

Credit Underwriting Supervisor:	Jim Anderson	Date:	June 8, 2002
Director of Credit Underwriting:	Tom Gouris	Date:	June 8, 2002

### MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

#### Humble Memorial Gardens, 9% LIHTC #02120

mg (20%) 1		No. of Baths	Size in SF		Net Rent per Unit		Rent per SF	Tnt Pd Util	Wtr, Swr,
TC (30%) 1	2	1	825	\$402	\$332	\$332	\$0.40	\$70.00	\$24.73
TC (40%) 30	2	1	825	536	466	13,980	0.56	70.00	24.73
TC (50%) 30	2	1	825	670	600	18,000	0.73	70.00	24.73
TC (60%) 10	2	1	825	804	734	7,340	0.89	70.00	24.73
MR 4	2	2	870		771	3,084	0.89	70.00	24.73
TOTAL: 75		AVERAGE:	827	\$595	\$570	\$42,736	\$0.69	\$70.00	\$24.73
	otal Net Ren	table Sq Ft:	62,055		TDHCA	APPLICANT			
OTENTIAL GROSS RENT					\$512,832	\$512,832			
Secondary Income		Per	Unit Per Month:	\$10.00	9,000	9,000	\$10.00	Per Unit Per Mor	ith
Other Support Income:	Subsidy fro	om Peaceful	Pastures Hou	sing, Inc.	1,200	0			
POTENTIAL GROSS INCOM	Ξ				\$523,032	\$521,832			
Vacancy & Collection L	oss	% of Potentia	l Gross Income:	-7.50%	(39,227)	(39,132)	-7.50%	of Potential Gro	ss Rent
Employee or Other Non-	Rental Unit	s or Conces	ssions		0	0			
EFFECTIVE GROSS INCOM	Ξ				\$483,805	\$482,700			
EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EG
General & Administrati	ve	3.79%	\$245	\$0.30	\$18,356	\$12,616	\$0.20	\$168	2.61%
Management		5.28%	341	0.41	25,565	22,800	0.37	304	4.72%
Payroll & Payroll Tax		13.56%	875	1.06	65,589	62,000	1.00	827	12.849
Repairs & Maintenance		6.02%	388	0.47	29,132	42,000	0.68	560	8.70%
Utilities		3.32%	214	0.26	16,065	15,500	0.25	207	3.21%
Water, Sewer, & Trash		4.60%	297	0.36	22,257	24,434	0.39	326	5.06%
Property Insurance		2.16%	140	0.17	10,474	10,400	0.17	139	2.15%
Property Tax	2.69622	10.45%	674	0.81	50,554	46,875	0.76	625	9.71%
Reserve for Replacemen		3.10%	200	0.24	15,000	15,000	0.24	200	3.11%
Other: spt svcs, compl		1.40%	90	0.11	6,775	6,775	0.11	90	1.40%
COTAL EXPENSES	. 1665, 56				<b>_</b>				
	-	53.69%	\$3,464	\$4.19	\$259,766	\$258,400	\$4.16	\$3,445	53.53
NET OPERATING INC		46.31%	\$2,987	\$3.61	\$224,038	\$224,300	\$3.61	\$2,991	46.47
DEBT SERVICE First Lien Mortgage		41.94%	\$2,705	\$3.27	\$202,888	\$202,888	\$3.27	\$2,705	42.039
Additional Financing		0.00%	\$2,703	\$0.00	\$202,888	\$202,888 0	\$0.00	\$2,703	0.00%
Additional Financing		0.00%	\$0 \$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	-	4.37%	\$282	\$0.34	\$21,150	\$21,412	\$0.35	\$285	4.44%
		1.570	Ų202	Ų0.31			Ų0.33	<u> </u>	
AGGREGATE DEBT COVERAGE					1.10	1.11			
ALTERNATIVE DEBT COVERAG CONSTRUCTION COST	E RATIO					1.11			
Description	Factor	% of TOTAL	PER UNIT	PER SO FT	TDHCA	APPLICANT	PER SQ FT	PER_UNIT	% of TOT
Acquisition Cost (site	or bldg)	10.96%	\$7,867	\$9.51	\$590,000	\$590,000	\$9.51	\$7,867	10.99%
ff-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		6.56%	4,707	5.69	353,000	353,000	5.69	4,707	6.57%
Direct Construction		52.36%	37,579	45.42	2,818,409	2,806,500	45.23	37,420	52.26
Contingency	2.36%	1.39%	1,000	1.21	75,000	75,000	1.21	1,000	1.40%
General Requiremen	5.98%	3.52%	2,528	3.05	189,570	189,570	3.05	2,528	3.53%
Contractor's G & i	1.99%	1.17%	843	1.02	63,190	63,190	1.02	843	1.18%
Contractor's Prof:	5.98%	3.52%			189,570	189,570	3.05		
	5.98%		2,528	3.05				2,528	3.53%
Indirect Construction		2.51%	1,800	2.18	135,000	135,000	2.18	1,800	2.51%
neligible Expenses		0.65%	467	0.56	35,000	35,000	0.56	467	0.65%
eveloper's G & A	1.96%	1.46%	1,045	1.26	78,389	0	0.00	0	0.00%
eveloper's Profit	13.00%	9.68%	6,948	8.40	521,136	599,525	9.66	7,994	11.16
nterim Financing		3.44%	2,467	2.98	185,000	185,000	2.98	2,467	3.44%
eserves		2.77%	1,987	2.40	149,000	149,000	2.40	1,987	2.77%
OTAL COST	-	100.00%	\$71,764	\$86.73	\$5,382,264	\$5,370,355	\$86.54	\$71,605	100.00
ecap-Hard Construction OURCES OF FUNDS	Costs	68.54%	\$49,183	\$59.44	\$3,688,739	\$3,676,830	\$59.25	\$49,024	68.47%
irst Lien Mortgage		43.85%	\$31,467	\$38.03	\$2,360,000	\$2,360,000	\$2,360,000	1	
dditional Financing		0.00%	\$31,467	\$38.03	\$2,360,000	\$2,360,000	\$2,300,000	1	
JHTC Syndication Procee	ds	51.91%	\$37,254	\$45.03	2,794,073	2,794,073	2,782,669	1	
Deferred Developer Fees	~~				216,282	216,282	227,686	1	
	a Domition 1	4.02%	\$2,884	\$3.49				1	
Additional (excess) Fund	ь кеquired	0.22%	\$159	\$0.19	11,909 \$5,382,264	\$5,370,355	\$5,370,355	4	
TOTAL SOURCES									

#### MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

#### Humble Memorial Gardens, 9% LIHTC #02120

#### DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$41.78	\$2,592,607
Adjustments				
Exterior Wall Finish	6.32%		\$2.64	\$163,853
Elderly	5.00%		2.09	129,630
Roofing			0.00	0
Subfloor			(1.52)	(94,599)
Floor Cover			1.82	112,940
Porches/Balconies	\$28.10	6,589	2.98	185,151
Plumbing	\$585	12	0.11	7,020
Built-In Appliances	\$1,550	75	1.87	116,250
Stairs	\$1,550	4	0.10	6,200
Floor Insulation			0.00	0
Heating/Cooling			1.41	87,498
Corridors	\$41.78	2,925	1.97	122,204
Comm &/or Aux Bldgs	\$41.78	3,345	2.25	139,751
Other: Elevators	\$42,000	2	1.35	84,000
SUBTOTAL			58.86	3,652,504
Current Cost Multiplier	1.04		2.35	146,100
Local Multiplier	0.91		(5.30)	(328,725)
TOTAL DIRECT CONSTRUCTION	COSTS		\$55.92	\$3,469,879
Plans, specs, survy, bld	3.90%		(\$2.18)	(\$135,325)
Interim Construction Inte	3.38%		(1.89)	(117,108)
Contractor's OH & Profit	11.50%		(6.43)	(399,036)
NET DIRECT CONSTRUCTION C	OSTS		\$45.42	\$2,818,409

#### PAYMENT COMPUTATION

Primary	\$2,360,000	Term	360			
Int Rate	7.75%	DCR	1.10			
Secondary	\$0	Term				
Int Rate	0.00%	Subtotal DCR	1.10			
Additional	\$2,794,073	Term				
Int Rate		Aggregate DCR	1.10			
RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:						

Primary Debt Service Secondary Debt Service Additional Debt Service NET CASH FLOW

\$202,888
0
0
\$21,150

Primary	\$2,360,000	Term	360
Int Rate	7.75%	DCR	1.11
Secondary	\$0	Term	0

Int Rate	0.00%	Subtotal DCR	1.11
Additional	\$2,794,073	Term	0
Int Rate	0.00%	Aggregate DCR	1.11

#### 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	\$512,832	\$528,217	\$544,063	\$560,385	\$577,197	\$669,129	\$775,704	\$899,254	\$1,208,522
Secondary Income	9,000	9,270	9,548	9,835	10,130	11,743	13,613	15,782	21,209
Other Support Income: Su	bsi 0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	521,832	537,487	553,612	570,220	587,327	680,872	789,318	915,036	1,229,731
Vacancy & Collection Los	s (39,132)	(40,312)	(41,521)	(42,766)	(44,049)	(51,065)	(59,199)	(68,628)	(92,230)
Employee or Other Non-Re	nta0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$482,700	\$497,175	\$512,091	\$527,453	\$543,277	\$629,807	\$730,119	\$846,408	\$1,137,501
EXPENSES at 4.00%	-								
General & Administrative	\$12,616	\$13,121	\$13,645	\$14,191	\$14,759	\$17,957	\$21,847	\$26,580	\$39,345
Management	22,800	26,271	27,059	27,871	28,707	33,279	38,580	44,725	60,106
Payroll & Payroll Tax	62,000	64,480	67,059	69,742	72,531	88,245	107,364	130,625	193,356
Repairs & Maintenance	42,000	43,680	45,427	47,244	49,134	59,779	72,730	88,488	130,983
Utilities	15,500	16,120	16,765	17,435	18,133	22,061	26,841	32,656	48,339
Water, Sewer & Trash	24,434	25,411	26,428	27,485	28,584	34,777	42,312	51,479	76,201
Insurance	10,400	10,816	11,249	11,699	12,167	14,802	18,009	21,911	32,434
Property Tax	46,875	48,750	50,700	52,728	54,837	66,718	81,172	98,759	146,187
Reserve for Replacements	15,000	15,600	16,224	16,873	17,548	21,350	25,975	31,603	46,780
Other	6,775	7,046	7,328	7,621	7,926	9,643	11,732	14,274	21,129
TOTAL EXPENSES	\$258,400	\$271,295	\$281,884	\$292,889	\$304,326	\$368,612	\$446,563	\$541,098	\$794,861
NET OPERATING INCOME	\$224,300	\$225,880	\$230,207	\$234,564	\$238,951	\$261,195	\$283,556	\$305,310	\$342,641
DEBT SERVICE	•								
First Lien Financing	\$202,888	\$202,888	\$202,888	\$202,888	\$202,888	\$202,888	\$202,888	\$202,888	\$202,888
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	\$21,412	\$22,992	\$27,319	\$31,677	\$36,063	\$58,307	\$80,668	\$102,422	\$139,753
DEBT COVERAGE RATIO	1.11	1.11	1.13	1.16	1.18	1.29	1.40	1.50	1.69

### LIHTC Allocation Calculation - Humble Memorial Gardens, 9% LIHTC #02120

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$590,000	\$590,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$353,000	\$353,000	\$353,000	\$353,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation ha	\$2,806,500	\$2,818,409	\$2,806,500	\$2,818,409
(4) Contractor Fees & General Requirement	ts			
Contractor overhead	\$63,190	\$63,190	\$63,190	\$63,190
Contractor profit	\$189,570	\$189,570	\$189,570	\$189,570
General requirements	\$189,570	\$189,570	\$189,570	\$189,570
(5) Contingencies	\$75,000	\$75,000	\$75,000	\$75,000
(6) Eligible Indirect Fees	\$135,000	\$135,000	\$135,000	\$135,000
(7) Eligible Financing Fees	\$185,000	\$185,000	\$185,000	\$185,000
(8) All Ineligible Costs	\$35,000	\$35,000		
(9) Developer Fees			\$599,525	
Developer overhead		\$78,389		\$78,389
Developer fee	\$599,525	\$521,136		\$521,136
(10) Development Reserves	\$149,000	\$149,000		
TOTAL DEVELOPMENT COSTS	\$5,370,355	\$5,382,264	\$4,596,355	\$4,608,264

Deduct from Basis:			
All grant proceeds used to finance costs in eligib	le basis		
B.M.R. loans used to finance cost in eligible basi			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(	d)(3)]		
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$4,596,355	\$4,608,264
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$4,596,355	\$4,608,264
Applicable Fraction		94.39%	94.39%
TOTAL QUALIFIED BASIS		\$4,338,594	\$4,349,836
Applicable Percentage		8.44%	8.44%
TOTAL AMOUNT OF TAX CREDITS		\$366,177	\$367,126

Syndication Proceeds

0.7599

\$2,782,669

\$2,789,879

## State Street Housing Advisors, L.P.

**Affordable Housing Consulting Services** 

November 10, 2009 Revised - 12/1/2009

Via email to:

Ben.Sheppard@tdhca.state.tx.us

Mr. Ben Sheppard Housing Specialist Texas Department of Housing and Community Affairs 221 East 11<sup>TH</sup> Austin, TX 78701

Re:

**Humble Memorial Gardens - TDHCA #02120** 

Dear Mr. Sheppard,

Taken from the Applicable Fraction Calculation exhibit, this is not the figure underwritten. The "common area" underwritten was 3,345 s.f. and was labeled "Comm and/or Aux Bldgs". The corridor space underwritten was 2,925 s.f., making a total of 6,270 s.f. if both areas were called "common area". In fact, more area was built than was proposed.

This letter serves as a formal request to amend the application for Humble Memorial Gardens. We wish to amend the application as follows:

#### Amendment #1

- Common Area Application 5,000 sq. ft.
- Common Area As built 3,980 sq. ft.

Staff believes this is clubhouse, only.

#### Amendment #2

- Number of Buildings Application 8 buildings
- Number of Buildings As built 5 buildings

#### Amendment #3

- Number of Bathrooms Application 79 bathrooms
- Number of Bathrooms As built 75 bathrooms

The reason for the change requested in amendments #1 and #2 is due to a pipleline easement on the site found after the time of application. The pipeline easement necessitated significant site plan changes including combining buildings and combining the common area into one of the residential buildings. Making the change included making a smaller clubhouse but with the same functional areas for the tenants. No loss in functionality resulted from the slightly smaller common area. A previous amendment related to this pipeline easement was previously approved but the discrepancy in common area and number of buildings was not noticed at the time of submission or approval.

The reduction in bathrooms from 79 to 75 requested in amendment #3 is due to IRS rules regarding market rate units. The second bathroom was removed from each of the four market rate units. The IRS requires that amenities for market rate units in excess of those provided to tax credit units be taken out of basis. Thus to simplify accounting for the development it was decided to make all market rate units amenities similar to their tax credit counterparts and thus avoid any loss of basis. It should be noted that the size of the

units was not reduced and the loss of the bathroom resulted in a larger living area and bedroom space.

The original developer of the development was removed by the limited partner in 2005. In 2008 the limited partner had the management company make over \$79,100 improvements to the property that were not included in the original construction of the property. These improvements included:

- Upgraded landscaping
- Landscape irrigation
- Afterhours access to the fitness center
- Upgraded furniture in the leasing center and activity center
- Additional gates and fencing

In addition to the above property improvements the limited partner is willing to agree to install a gazebo with benches and flowerbeds to help improve the properties marketability. The cost for adding the gazebo and accompanying enhancements is approximately \$10,000.

The improvements listed above as well as the addition of the gazebo are offered as substitutes for the original amenities listed in the application.

Thank you for your assistance. Should you need any additional information please feel to contact me at (214) 346-0707 or jspicer@statestreethousing.com.

Sincerely,

Jeffrey S. Spicer

Attachments:

**Photos** 

Itemized list of improvements

Cc: Eva Clarke

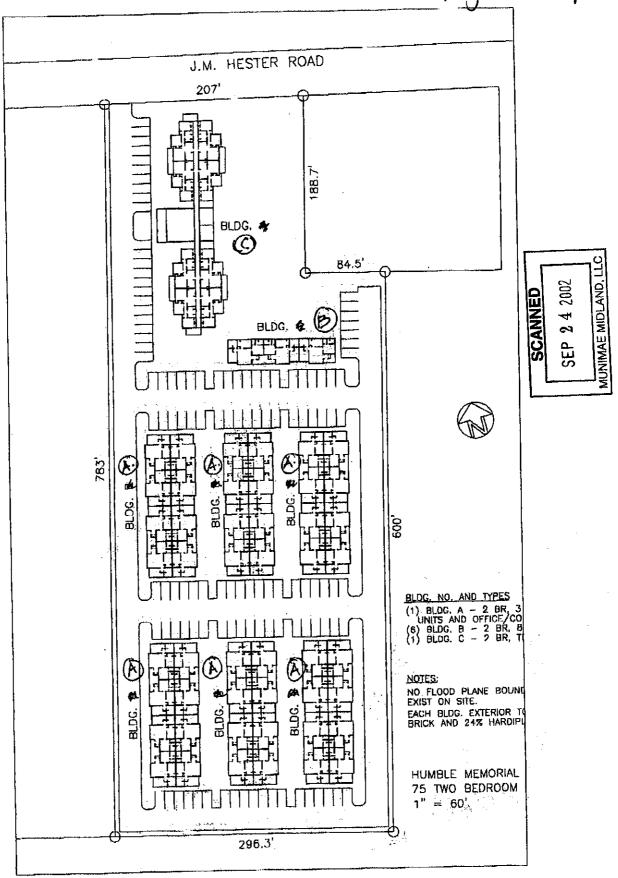
**Eric Bonney** 

# Full perimeter fencing and controlled access gates were required by the application. Mission Housing Management, L.P.

moury of Submitted Capital Repairs								M	ISSION
Property Name Property Address	Humble Gardens 9850 JM Hester							141	AURINGA
City, State	Humble, TX		Original Cost Estimate	Life/Safety Issues	Immediate I Repairs	Total Immediate Repairs	Buildings & Equipment	Deferred Maintenance	To Additio Repa
İtem	Description (what job will be performed)	Bids (list each bid, the amount and contractor name)							•
Sidewalks	install sidewalk between #202 and #205	LKM Services	2,400.00	2,400.00		2,400.00			
Sidewalks	install sidewalk to parking area	LKM Services	2,016,00	2,016.00	u	2,016.00			
Sidewalks Landscaping	demo and install ADA sidewalk and remp finish landscaping design (currently no	LKM Services Texas Environments (incuded in drainage bid)	1,000.00 22,500.00	1,000.00		1,000:00	22,500.00	<u>-</u>	22.50
- canada d	landscaping)	TOTAL CONTINUES CONTINUES CONTINUES DICE.	22,300.03		,	-	22,500.00	····	22,500
Perimeter Fencing	Install 6' cedar lence at south/east sides	Aber Fencing	14,620.00		·		14,620.00	•	14,620
Pedestrian Gates	install wire mesh on two walk thru gates	UNM Services	460.00	· ····································			480,00	<u> </u>	48
Extend Foundation	Brick ledge hanging over foundation – need to extend foundation to brace walfs	LKM Services	2,850.00		2,850.00	2,850,00			
Parking Area	Install 20 additional parking spaces	LKM Services	17040		17,040,0G	17,040.00		<u>,</u>	
Leasing Center Furnishings	furnish leasing center and activity center	no bid as of yet - estimate only	35,000.00	,	<del></del>		20,000.00		20,00
Business Center Computers	install three computer systems (LURA)	no bid as of yet - estimate only	3,000.00				3,000.00	<u> </u>	3,00
1 Filness Center Access	instell after hours access to litness center	no bid as of yet - estimate only	800.00			<u> </u>	500.00		50
2 Imgalion	install irrigation system on property	Texas Environments	18,000.00				18,000,00		18.00
·		ир <u>М</u> .							
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Page 1

originals Heplan

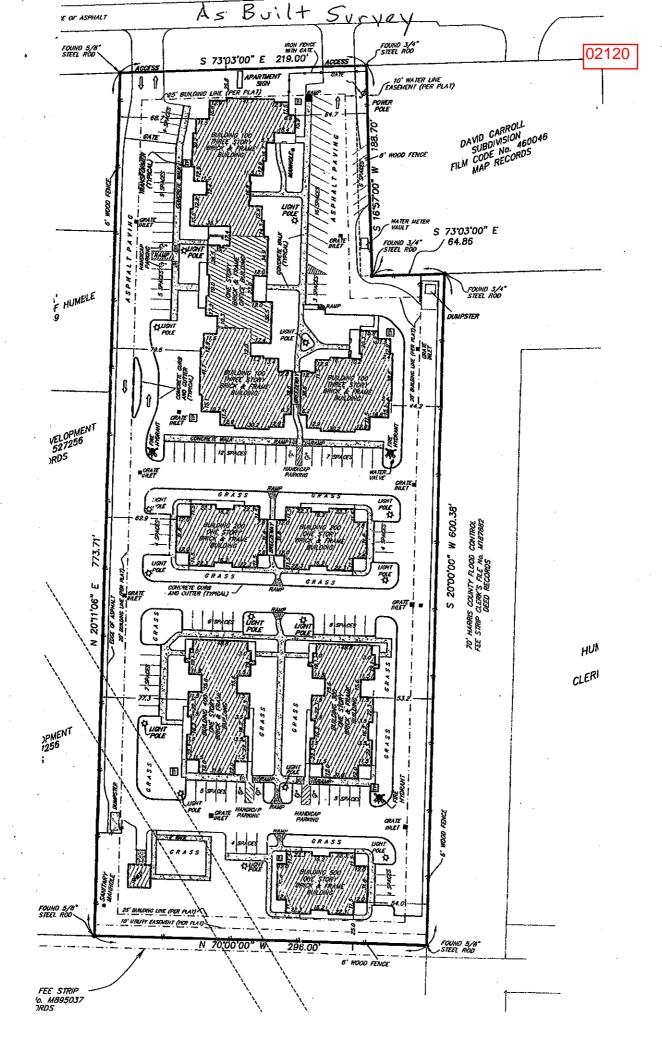


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18013251105

Sent By: WILLIAM JOSEPH ARCHITECTS; ...



# Application

## RENY SCHEDULE (Required for All Rental Development Projects)

The rent and utility limits available at the time the application is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits. The unit mix and net rentable square footages should be consistant with the:
"Populations Served" section of the application, site plan and architectural drawings. Unit types should be entered from smallest to largest based on "# of Bedrooms", then within the same "# of Bedrooms" from lowest to highest "Tenant Paid Rent/Unit".

"Type of Unit" designation should be one or more of the following based on the unit's rent restrictions: Tax Credit (TC50%) or (TC60%), HOME High (HH) or Low (LH), Housing Trust Fund (HTF), 501 (c) (3) Mortgage Revenue Bond (MRB), Community Developement Block Grant (CDBG), Other (OT) (describe any "Other" restrictions on an attached sheet). For

unite fundad m	idar inava tl	dir ona	vogram (CD)	ha "Inno	ma Laval Sa	escrive any mad" chantd	Omer rest	TICUONS O	n an altached	sheet). For
Type of Unit	Income Level Served	# of Units	# of Bed rooms	# of Baths	(Net	Total Net Rentable Sq. Ft.	Gross Rent	Tenant Paid Utility Allow.	Tenant Paid Rent/ Unit	Total Monthly Ren
		(A)	ļ		(8)	/A) /D)	(0)		(C) - (D) =	
TC 30	30%	1	2	1	(B) 825	(A) x (B) 825	(C)	(D)	(E)	(A) x (E)
TC 40	40%	30	2		825		402.402	70	332	332
TC 50	50%	30	2		825		536 <u>536</u>	70	466	13,980
TC 60	60%	10	2	<del>-</del> <del>-</del> -	825	1	1.70670	70	600	18,000
				<del>-</del>	DZU		804804	70	734	7,340
			<del></del>	<del> </del>		0		0	0	-
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Rent Restricte	ed Total	71				58,575			0	39,652
Market Rate		4	2	2	870	3,480			771	3,084
Market Rate						0	1		······································	3,004
Market Rate						0				
Varket Rate						0				
Market Rate						Ō				
Market Rate						O				
Varket Rate T		4				3,480				3,084
mployee/Ow	ner Occup	ied <sup>1</sup>	,			0			200000000000000000000000000000000000000	9,001
otal Units		75				62,055				42,736
Non Rental In			10	oer unit/	month for:	Laundry & V	lendina		AND DESCRIPTION OF THE PERSON	750
Non Rental I				oer unit/	month for:	describe so	urce here			700
· Non Rental Ir	icome Sou	rce #3	- 1	oer unit/	month for:	describe so	urce here			
POTENTIAL	GROSS M	ONTHL	Y INCOM	1E	<del>,</del>				<del></del>	43,486
Provision for \	/acancy &	Collecti	on Loss		, , , , , , , , , , , , , , , , , , , ,	% of Potent	al Gross I	ocome,	0.075	3,261
Rental Conce	ssions								0.070	0,201
EFFECTIVE	GROSS MO	DNTHL	Y INCOM	E						40,225
12 = EFFECT	IVE GROS	S ANN	UAL INC	OME		······································			<del></del>	482,695
Only andor Empl	ntena Özəriyəl									702,000

<sup>1)</sup> Only enter Employee Occupled Units if not included in rent restricted units shown above.

### EXHIBIT 11'A RENT SCHEDULE

**DEVELOPMENT NAME: Humble Memorial Gardens** 

FILE NUMBER: 02120

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%)

501(c)(3) Mortgage Revenue Bond: (MRB)

HOME: High (HH) or Low (LH)

Other: (OT) describe any "Other" restrictions on an attached sheet

Housing Trust Fund: (HTF30%), (HTF60%), (HTF65%)

For units funded under more than one program, the "Income Level Served" should be the most restrictive - for example a LH and TC50% would be "50%".

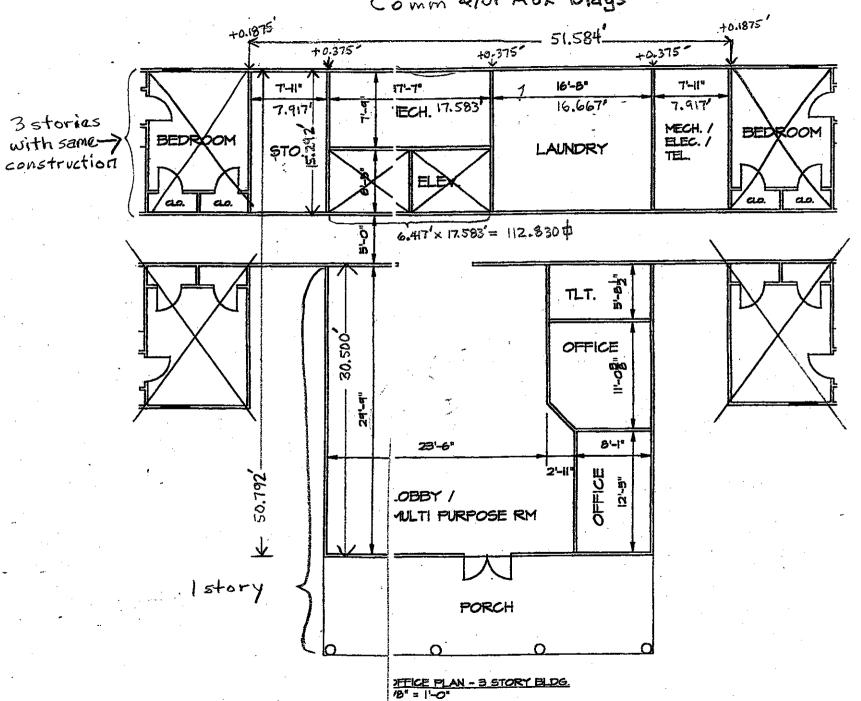
The rent and utility limits available at the time the Cost Certification Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits.

Type of Unit	Income Level Served	# of Units	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.)	Total Net Rentable Sq. Ft.	Gross Rent	Tenant Paid Utility Allow.	Tenant Paid Rent/ Unit	Total Monthly Rent
		(A)			(B)	(A) x (B)	(C)	(D)	(C) - (D) = (E)	(A) x (E)
***************************************						0			0	-
A3 (E1)	50%	13	2	1.00	868	11,284	717	101	616	8,008
A4	60%	7	2	1.00	868	6,076	861	101	760	5,320
B1 B2	30%	1	2	1.00	886	886	430	101	329	329
	40%	6	2	1.00	886	5,316	574	101	473	2,838
B3 C2	50%	2 24	2	1.00	886	1,772	717	101	616	1,232
C2 C3	40% 50%	<u>24</u> 15	2	1.00	822	19,728	574	101	473	11,352
C3	50% 60%	<u>15</u>	<u>2</u>	1.00	822 822	12,330	717	101 101	616 760	9,240
	00%	J		1.00	822	2,466 0	861	101	****************	2,280
			••••••••••			<u>V</u>		************		······
*******************************	************************		***************************************	***************************************		0		***************************************	V O	-
~~~~			·····	<b></b>		——————————————————————————————————————		·····	Ö	······
Rent Restricted	Total	71	n 14 july 76		A CARLO TO A	59,858		Wat a said	70-438-28-705-711	40,599
Market Rate		4	2	1.00	868	3,472		1901000	755	3,020
Market Rate			***************************************			0	的原理系统			
Market Rate		********	***************************************	***************************************	***************************************	Ö			***************************************	**************************************
Market Rate	***************************************		*******	********	*********	0				-
Market Rate	***************************************	***************************************		***************************************		0			***************************************	-
Market Rate	***************************************	***************************************	***************************************	***************************************	***************************************	0			***************************************	-
Market Rate Tota	al	4	evita e e	er ele		3,472				3,020
Employee/Owner	Occupied*			-		0		a program		-
Total Units		75				63,330			Karajania Terap	43,619
+ Non Rental Inco	ome Source #1		\$ 3.89	per unit/ı	nonth for:	application, ns	f, late, pet, an	d breekege	fees	292
+ Non Rental Inco	ome Source #2	***************************************		per unit/r	nonth for:	describe source	ce here			-
+ Non Rental Inco	ome Source #3	*********		per unit/r	nonth for:	describe sourc	e here		٠	+
≈ POTENTIAL G	ROSS MONTHL	Y INCOM	E					<del></del>		43,911
- Provision for Vacancy & Collection Loss % of Potential Gross Income: 4.50%							1,976			
- Rental Concessions										
= EFFECTIVE GROSS MONTHLY INCOME								41,935		
x 12 = EFFECTIV	E GROSS ANN	UAL INC	OME							503,214

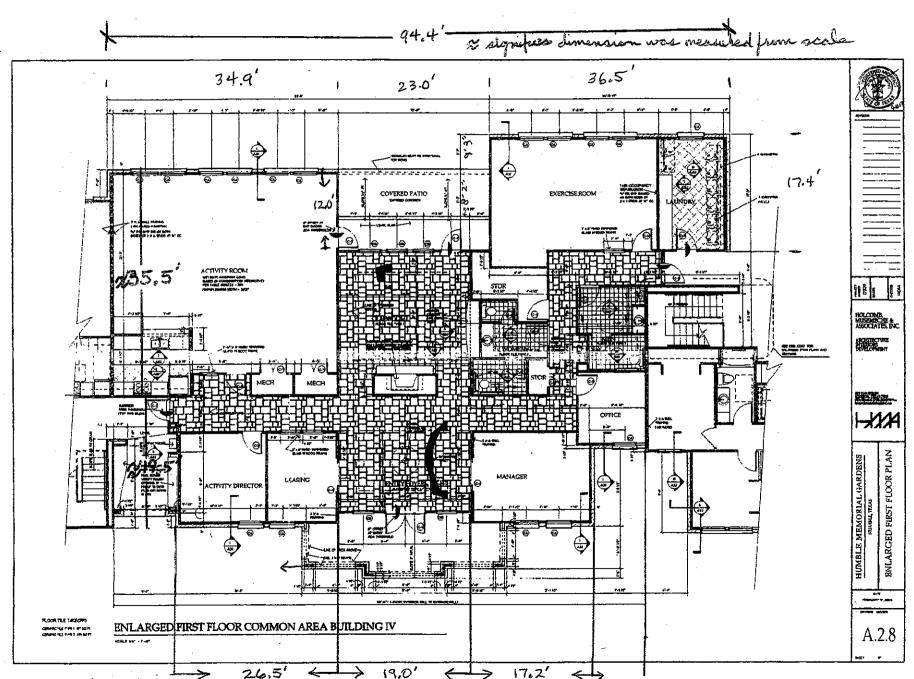
\* Only enter Employee/Owner Occupied Units if not included in rent restricted or market rate units shown above.

300h-1				
40° b 30 50° b 30	E1	868	20	17360
400 60	E1H	868	4	3472
1 - 30	E2	. 822	33	27126
50 % 10	E3	886	9	7974
10		822	9	7398
500 10			75	63330
MRY				

Cost Certification (Effective November 2006) Real Estate Analysis, TDHCA Application with amendment reviewer's notations "Comm & for Aux Bldgs"



The office/ clubhouse by itself is evidently 3,980#



# COST CERT

Some revisions below correct errors. Others make corresponding numbers agree regarding the area described.

EXHIBIT SALT	EVELO/MENT SUI	AMARY WITH ARC SITE	T & CERTIFICATION
DEVELOPMENT NAME:	Hamble Mamorial		FRE HUMBER: 02120
ine enanges, takened up byte	ibii 58 - If tha Dance on	cell did seek excesso excess wait	the Department which acknowledges leathin, sulpait is better with support liven, a Federalisa in iles cas (redit
Ser-Adde: [] Pine-Pen Does this desciopment serve east		[] Ringlifrison Communities 7[] No [2] Yes	Diction (Specific)
LOCATION			
Dorelopment Address: 98	S) Hit Hester		
Či	y: Humide	Comey: Herri	26p: 77338
SITE ATTRIBUTES Total Site Acresses:			
Concus Tines Hombes:	5.0 2403.00	# Units per Acre;	
	******************************	Zeoding Designation/Use: ng muling manicitons [] Ves [] )	K / 2 modificably residential
Side is colliste punistic e distignish Side is winto flavoud Area Bea de IEVEL CPHERIT ATTRIBUTES ( Veretoponcus is: wilding/Vood Configuration danimum # of Plinks;	rehipinest is dissigned as re Beck all that upply Bilder Constitution Differential Residence Li Townhouse	ce ne seknel pleidt. (Ny se () fen villeg dy program nike t () see ( () ketschilberken Conly () i dy jes () se stuiding () see () see () see ()	(I Noquisation & Respiritions on (I Migher - L'Hompies (I Shiple Room Chempion)
7 APPLICATION		PLACED IN SERVICE	
Total # of residential balldings: Potal # of resorceitinish ballding Potal # of union Dures Budding Area (GBA); Har Remald: Area (FBA); Har Remald: Area (FBA); Dunnan area syrang katago;	% 68 62,6	Total & of residential build Total & of vicensyldents) fi Total & of vicina 325 Cinna Unilding Area (CU)	uildings: 6 78 8) 73,405 72,405 63,331
oceanis rouns, seriorning pool hab Middle for use its or for the benefit of B <mark>. Roundle Arms (NNA):</mark> To enable VIII spaces, NA) incomo mobile is	ficials, inc. fronted spirits, the full teletral 25 Mild the service mosel by are notices believes; science(1); el to for dear frontishings, nor de to for dear frontishings, nor de	constant short pad planty: sidera k Julie: 20 festost fir the severa prof to l exister short: Januar sloves, efectival ex 573 trickets players tricky of reck a Dayabomen	ees and effective which the URA include Florg on each spaces are fully exclused and epically housed and cooks for 3 enchanical chools federates, pushing police are other with  TORICA FIRE # 102120  EXHIBIT BA Summary with Anchood's Construction
			OST CEPTE ICATION

Humble Memorial Garden

62,055 + 2,925 + 3,345 =68,325

#### DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ F	T	PBR SF	AMOUNT	
Base Cost 62.055sq.ft.				\$41.78	\$2,592,607	
Adjustments				,		
Exterior Wall Finish	6.32%			\$2.64	\$163,853	
Elderly	5.00%			2.09	129,630	
Roofing				0.00	0	
Subfloor				(1.52)	(94,599)	
Floor Cover				1.82	112,940	
Porches/Balconies	\$28.10	6,589		2.98	185,151	
Plumbing	\$585	12		0.11	7,020	
Built-In Appliances	\$1,550	75		1.87	116,250	
Stairs	\$1,550	4		0.10	6,200	
Floor Insulation				0.00	0	
Heating/Cooling				1.41	87,498	
Corridors	\$41.78	2,925	2,925	1.97	122,204	
Comm &/or Aux Bldgs	\$41.78	3,345	+3,345	2.25	139,751	
Other: Elevators	\$42,000	2	=6,270	1.35	84,000	
SUBTOTAL				58.86	3,652,504	
Current Cost Multiplier	1.04			2.35	146,100	
Local Multiplier	0.91			(5.30)	(328,725)	
TOTAL DIRECT CONSTRUCTION	COSTS			\$55.92	\$3,469,879	
Plans, specs, survy, bld	3.90%			(\$2.18)	(\$135,325)	
Interim Construction Inte	3.38%			(1.89)	(117,108)	
Contractor's OH & Profit	11.50%			(6.43)	(399,036)	
NET DIRECT CONSTRUCTION C	OSTS			\$45.42	\$2,818,409	

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMI

INCOME	a۱	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4
POTENTIAL	OTENTIAL GROSS RENT		\$512,832	\$528,217	\$544,063	\$560,385
Seconda	ry Inco	ome	9,000	9,270	. 9,548	9,835
Other S	upport	Income: Subsi	0	0	0	0
POTENTIAL	GROSS	INCOME	521,832	537,487	553,612	570,220
Vacancy	. & Coll	ection Loss	(39,132)	(40,312)	(41,521)	(42,766)
Employe	e or Ot	her Non-Renta	0	00	<u>0</u>	0
EFFECTIVE	EFFECTIVE GROSS INCOME		\$482,700	\$497,175	\$512,091	\$527,453
			A			



Application Underwriting 6/8/02
02120

4 MRunits 3,4804

62,055\$ total NRA

### MULTIFAMILY FINANCIAL ASSI:

#### Humble Memorial

Gross	Size in SF	No. of Baths	Bedrooms	Number	Type of Unit
\$	825	1	2	1	TC (30%)
	825	1	2	30	TC (40%)
	825	1	2	30	TC (50%)
	825	1	2	10	TC (60%)
	870	2	2	4	MR
					<del></del>
3	827	AVERAGE:		75	TOTAL:

INCOME

Total Net Rentable Sq Ft:

62,055

POTENTIAL GROSS RENT

Secondary Income

Per Unit Per Month:

Other Support Income: Subsidy from Peaceful Pastures Housing, POTENTIAL GROSS INCOME

Vacancy & Collection Loss

% of Potential Gross Income:

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES	% OF EGI	PER UNIT	PER
General & Administrative	3.79%	\$245	\$0
Management	5.28%	341	0.
Payroll & Payroll Tax	13.56%	875	1.
Repairs & Maintenance	6.02%	388	0.
Utilities	3.32%	214	0.
Water, Sewer, & Trash	4.60%	297	0.
Property Insurance	2.16%	140	٠٥.
Property Tax 2.69622	10.45%	674	0.
Reserve for Replacements	3.10%	200	. 0.
Other: spt svcs, compl. fees, se_	1.40%	90	0.
TOTAL EXPENSES	53.69%	\$3,464	\$4
NET OPERATING INC	46.31%	\$2,987	. \$3
DEBT SERVICE			
First Lien Mortgage	41.94%	\$2,705	\$3
Additional Financing	0.00%	\$0	\$0
Additional Financing	७.००%	\$0	\$0
NET CASH FLOW	4.37%	\$282	\$0
AGGREGATE DEBT COVERAGE RATIO			

ALTERNATIVE DEBT COVERAGE RATIO

#### CONSTRUCTION COST

Description	Factor	% of TOTAL	PER_UNIT	PER
Acquisition Cost (site	or bldg)	10.96%	\$7,867	\$9
Off-Sites		0.00%	0	0
Sitework		6.56%	4,707	5
Direct Construction	•	52.36%	37,579	45
Contingency	2.36%	1.39%	1,000	1
General Requiremen	5.98%	3.52%	2,528	3
Contractor's G & i	1.99%	1.17%	843	1
Contractor's Prof:	5.98%	3.52%	2,528	3

cr

## SQUARE FOOTAGE AND APPLICABLE FRACTION CALCULATION

#### A. AREAS INCLUDED IN THE TOTAL DEVELOPMENT AREA

All area calculations should be calculated as the sum of the areas of the floors of the building, measured from the exterior face of exterior studs to the centerline of interior walls or common walls.

Grass Building Area (GBA) GBA includes interior corridors, lobbies, basements, mezzanines, utility chases, and elevator shafts. The GBA includes community rooms, swimming pool bathouses, 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. These spaces are typically heated and cooled by mechanical HVAC systems. The GBA does not include architectural projections, breezeways, exterior terraces, exterior steps, eaves, areas that are not enclosed by permanent exterior walls, or any area that is not covered by a roof. Paved or finished covered areas that are not substantially enclosed by exterior walls on all sides, such as open porches or other unenclosed roofed areas, are also to be excluded from the calculation of GBA.

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 walls of such areas.

Gross Building Area Calculation	# of Units	Sq. Footage	1		
1) -Total Development Area4		70,250	]	A STATE OF THE PERSON NAMED IN COLUMN	incore
2) - Commercial Area		0		•	
3) = Gross Building Area		70,250			
Total Common Area Calculation	# of Units	Sq. Footage	Des	cribe Functions	
a) Employee Occupied Residential Space					
b)+ Owner Occupied Residential Space					
c)+ Clubhouse		5,000 /			
d)+ Supportive service facilities		/			
e)+ Laundries (heated and cooled)		7			
f) + Maintenance shops (heated and cooled)		/			
g)+ Mechanical and storage rooms					
h)+ Other heated and cooled areas.					
4) = Total Common Area		5,000			
Net Rentable Area Calculation	# of Units	Sq. Footage	% of NRA	% of NRA (Sq.	A STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STA
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5) Net Rentable Area <sup>5</sup>	75	65,250			
6) Rent Restricted Rentable Area <sup>6</sup>	71	61,770	95 %	95 %	
a) LIHTC Units	71				
b) HOME Units					
c) Project Based Assisted Units					
d) Other Restricted Units					
7) Market Rate Rentable Area <sup>7</sup>	4	3,480	5 %	5 %	11269
Applicable Fraction (Line 6/ Line 5) The lesse square footage fraction.	er of the unit	fraction or the	95 %	95 %	

 <sup>4 &</sup>quot;Total Development Area" must equal "Commercial Area" + "Total Common Area" + "Net Rentable Area".
 5 "Net Rentable Area" must equal "Rent Restricted Rentable Area" + "Market Rate Rentable Area". Net Rentable Area

does not include Owner/Employee Occupied square footage or units.

6 "Rent Restricted Rentable Area" must equal "Rent Restricted Total" from Section 10. Rent Schedule.

<sup>7 &</sup>quot;Market Rate Rentable Area" must equal "Rent Restricted Total" from Section 10. Rent Schedule.

#### Memorandum

To: File

From: Rosalio Banuelos, Real Estate Analysis

**cc:** Ben Sheppard, Multifamily Finance Production

**Date:** February 12, 2010

**Re:** Amendment Request for Pleasant Village Apartments, TDHCA #04609

#### **Background**

The Development was submitted and approved for an allocation of 4% tax credits in the amount of \$370,152 in 2006. The rehabilitation of the development is complete and the cost certification has been submitted to the Department.

#### **Amendment Request**

In a letter dated February 10, 2010, the Owner requested approval for the following changes:

- 1. Ceiling Fans This amenity, although it was a threshold requirement at application, is not present at the Development. The Owner indicated that the cost of installing ceiling fans would be \$45,000, but the Owner also stated that, due to the fact that all units have landlord-provided heat and air conditioning, tenants benefit the most from the resident services offered as substitute for the ceiling fans. The Owner explained that the Development was staffed above the normal expense for these services and stated that staff also attracts contributions to resident services from other organizations and individuals throughout the greater Dallas area. The Owner indicated that the value for one year of the resident services is estimated to be \$68,090.
- 2. <u>Dishwashers</u> This amenity, although it was a threshold requirement at application, is not present at the Development. The Owner indicated that the cost of providing portable dishwashers would be \$80,000, while the cost for under-counter installation would be \$181,170. As substitutes for the dishwashers, the Owner proposes to provide the following amenities: gazebo, service coordinator office, library (separate from community room), sand volleyball court, and high speed wireless internet. The cost of these amenities is expected to be \$58,975. The Owner proposes to convert an existing space used as storage room in the community building into a service coordinator office and a library. Wireless internet would be provided in collaboration with One Economy Corporation, a nonprofit organization. This service would be provided to residents at no cost for two years and at a cost of \$10 monthly thereafter. The Owner explained that the cost of installing wireless internet is \$50,000 (\$250 per unit), and the ongoing cost is expected to be \$1,200 per month. The Owner also stated that One Economy has

applied for funding to cover the cost of the wireless internet, and announcement of the funding award is expected to occur during 2010.

#### Conclusion

The cost certification has been submitted to the Department. The Owner's total development costs, as certified by the CPA, are within 5% of the Underwriter's estimate at application. Additionally, since this is a rehabilitation development, the Owner's final costs are used in the Underwriter's analysis. The installation of the additional amenities does not affect the underwriting because it is expected that the Owner will secure additional funding to pay for the additional costs. Based on the Underwriter's analysis, the ongoing cost of \$1,200 per month (\$14,400 annually) for the wireless internet does not have a significant impact on the proforma, and after the two years of free service to residents, the Development could generate up to \$24,000 annually from fees for the internet service. Because the other additional resident services are provided by staff at the property, these expenses are already included in the Underwriter's proforma. The Underwriter's analysis indicates that the requested changes do not negatively impact the underwriting of the transaction. A change to the credit recommendation is not warranted at this time (prior to the completion of the cost certification review process).

DATE: July 21, 2006 PROGRAM:  $\frac{MRB}{4\% \text{ HTC}}$ FILE NUMBER:  $\frac{2004-061}{04609}$ 

#### **DEVELOPMENT NAME**

#### Pleasant Village Apartments

APPLICANT										
Name:	Pleasan	nt Village Apartn	nents Limi	ted Partn	ership		Contact:	Dan Ste	effey	
Address:	4380 S.	.W. Macadam A	ve., Suite	380						
City	Portlan	d				5	State:	OR	Zip:	97239-6486
Phone:	(503)	802-3557	Fax:	(503)	802-36	48 1	Email:			
KEY PARTICIPANTS										
Name:	Walker Gardian LLC Title: 19			1% N	1% Managing General Partner of Applicant					
Name:	Walker Bridge LLC Title:			50%	50% Owner of MGP					
Name:	GM Lo	w Income Hous	ing Mgt L	LC	Title:	50%	50% Owner of MGP			
Name:	Rob W	alker			Title:	100%	100% Owner of Walker Bridge			
Name:	Guardian Management LLC			Title:	100% Owner of GM Low income Housing Mgt. LLC.			Housing Mgt.		
Name:	Guardian Holding, Inc. Titl			Title:	100% Owner of Guardian Management LLC				ement LLC	
Name:	Thomas	s B. Brenneke			Title:	100% Owner of Guardian Holding, Inc.			g, Inc.	

PROPERTY LOCATION							
Location:	378 North Jim Miller Road						
City:	Dallas			Zip:	75217		
County:	Dallas	Region:	3 - Dallas	⊠ QC	CT DDA		

		REQUEST		
<u>Program</u>	Amount Inte		<b>Amortization</b>	<u>Term</u>
MRB	1) \$6,000,000	6.00%	30 yrs	18 yrs
HTC	2) \$381,116	N/A	N/A	N/A
<b>Proposed Use of Funds:</b>	Acquisition/rehab	Type:	Multifamily	
Target Population:	Family	Other:	Urban/Exurban	

#### **RECOMMENDATION**

- RECOMMEND APPROVAL OF ISSUANCE OF \$6,000,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE UNDERWRITTEN AT 6.00% AND REPAYMENT TERM OF 15 YEARS WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$370,152 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

#### **CONDITIONS**

- 1. Receipt, review, and acceptance of a building by building breakdown of units in each building and building plans and elevations prior to closing.
- 2. Receipt, review, and acceptance of satisfactory removal of the Mechanic's Lien by Affidavit executed by The Home Depot Supply, Inc. against Pleasant Village Ltd. Partners in the amount of \$4.038.14 filed December 27, 2005.
- 3. Receipt, review, and acceptance by cost certification of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations including removal of mold in unit 1069 and operation and management plans for asbestos and lead based paint existing at this property have been carried out.
- 4. Receipt, review, and acceptance of a commitment from the general contractor to defer fees as necessary to fill a potential gap in permanent financing;
- Receipt, review, and acceptance of a revised project-based rent subsidy indicating HUD's 5. concurrence with anticipating the future increase in HAP rents on all HAP related units prior to cost certification:
- 6. Receipt, review, and acceptance of a revised syndication commitment or agreement that fully discloses the key terms and is consistent with the anticipated sources and uses of funds.
- 7. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit and or allocation amount may be warranted.

## **REVIEW of PREVIOUS UNDERWRITING REPORTS** No previous reports

DEVELOPMENT SPECIFICATIONS								
IMPROVEMENTS								
<b>Total Units:</b> <u>200</u> # <b>Res Bldgs</b> <u>12</u> # <b>Non-Res Bldgs</b> <u>2</u> <b>Age:</b> <u>38</u> yrs <b>Vacant:</b> <u>9%</u> at 5/15/2006								
Net Rentable SF: 181,560 Av Un SF: 908 Common Area SF: 6,700 Gross Bldg SF: 188,260								
STRUCTURAL MATERIALS								
The structure is wood frame on a concrete slab on grade. According to the plans provided in the application the exterior is comprised as follows: 80% brick veneer 15% Plywood/Composite siding, and 5% wood trim. The interior wall surfaces are drywall and the pitched roof is finished with asphalt composite shingles.								
UNIT FEATURES								
The interior flooring will be a combination of carpeting & vinyl flooring. Each unit will include: range & oven, hood & fan, garbage disposal, refrigerator, microwave oven, fiberglass tub/shower, laminated counter tops, central boiler water heating system, and central HVAC boiler chiller and fan coil units.								
ONSITE AMENITIES								
The property does not have a community room but does have a management leasing office and maintenance, & laundry facilities An equipped children's play area is located on the property along with perimeter fencing with limited access gate(s) are planned for the site.  Uncovered Parking: 354 spaces Carports: 0 spaces Garages: 0 spaces								
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION								

**Description:** Grove Village Apartments is a 11.9-unit per acre acquisition and rehabilitation development of 200 units of affordable housing located in southeast Dallas. The development was built in 1968 and is comprised of 12 buildings. In addition to the apartment buildings, there is a separate leasing office and a mechanical/laundry building on site. There are 40 one-bedroom, 120 two-bedroom, and 40 three-bedroom units of varying configurations. The development includes a 4,200-square foot community building and a separate 2,500-square foot laundry building/ maintenance building.

Existing Subsidies: The property currently operates under two (2) HUD Section 8 project-based Housing Assistance Payment (HAP) contracts. The first contract (TX16-L000047) provides project-based rental assistance for 100 one, two, and three bedroom units. The contract was renewed on September 30, 2005 and is expected to be renewed again on September 30, 2006 for an additional year, and the Applicant intends to continue the contract for all 100 units. The second contract (TX16-M000310) provides project-based rental assistance for 30 one, two, and three bedroom units. The contract was renewed on May 1, 2006, and the applicant intends to continue the contract for all 30 units. It is expected that upon completion of the rehabilitation both HAP contracts will be combined into one. In addition, it is expected that the rents will be changed due to the intent of the Applicant to change the property from "all bills paid" to one where the tenants pay for electricity, except for Hot Water (hot water is provided by a central boiler system). The changes will include a utility allowance and possible reduction in rental assistance, however this reduction in rental assistance will be offset by the reduction of the cost of the utilities that the Applicant has been paying, and therefore, reducing the developments total operating expenses. The Applicant has indicated that they will be requesting an increase of 5% based on current market rental rates. For those units covered by a HAP contract, the rents used are those derived from current gross HAP rent less current utility allowances and increased by 5% as requested by the Applicant. For those units not covered by a HAP contract but are still restricted to 60% rents, the Underwriter has used the current market rent plus the utility allowances to determine a current gross HTC rent. The new gross HTC and HAP rents are substantially below the 50% and 60% 2006 HTC rent limits.

Development Plan: The buildings are currently 91% occupied and generally in poor condition. The property condition assessment prepared by Marx/Okubo is dated June 14, 2006 and indicates a total rehab cost of \$4,398,153, which includes all contractor fees. When contractor fees are removed to determine the actual Hard Cost of Construction the total equals that of the Applicant at \$2,967,212. The Applicant has indicated that the property will be completely rehabbed and meters will be installed for individual metering of the electricity. In addition the HVAC boiler, chiller and fan coil units will be replaced, along with all floor covering, window coverings, kitchen and bathroom cabinets, plumbing fixtures, and kitchen appliances are scheduled with the unit restoration and repair. The rehabilitation will be phased to minimize displacement of current residents. The current occupancy of the subject is approximately 91%. The 18 vacant units will be renovated first and existing tenants will be moved into these units to minimize displacement of current residents.

<u>Architectural Review:</u> The building and unit plans are of good design, sufficient size and are comparable to other apartment developments of the same age. They appear to provide acceptable access and storage. The elevations reflect modest buildings with simple fenestration. Receipt, review, and acceptance of a building by building breakdown of units in each building and building plans and elevations prior to closing.

SITE ISSUES							
SITE DESCRIPTION							
Total Size:	16.86 acres	Scattered sites?	☐ Yes ☒ No				
Flood Zone:	Zone X	Within 100-year floodplain?	☐ Yes ☒ No				
Current Zoning:	PD-No. 32	Needs to be re-zoned?	☐ Yes ☒ No ☐ N/A				
SITE and NEIGHBORHOOD CHARACTERISTICS							

**Location:** The site is generally a rectangular-shaped parcel located in the southeast area of Dallas, approximately 10 miles from the central business district. The site is situated on the east side of Jim Miller Road.

#### **Adjacent Land Uses:**

- North: Multifamily developments immediately adjacent;
- South: Douglass Elementary School immediately adjacent and vacant land beyond;
- East: Elam Creek immediately adjacent and vacant land beyond; and

**West:** Jim Miller Road immediately adjacent and single family residences beyond.

**Site Access:** Access to the property is from the north or south along Jim Miller Road. The development has two main entries, both from the north or south from Jim Miller Road. Access to U. S. Highway 175 is less than one mile east, which provides connections to all other major roads serving the Dallas area.

**Public Transportation:** Public transportation to the area is provided by DART (Dallas Area Rapid Transit). The location of the nearest stop is at the intersection of Loop 12 and Jim Miller Road which is approximately 200 yards west of the subject.

Shopping & Services: The site is within five miles of major grocery/pharmacies, shopping centers, a multiscreen theater, library, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

#### **Adverse Site Characteristics:**

Title: Mechanic's Lien Affidavit executed by The Home Depot Supply, Inc. against Pleasant Village Ltd., in the amount of Four Thousand Thirty Eight and 14/100 (\$4,038.14), filed December 27, 2005 recorded in/under County Clerk's No. 200600006899 of the Real Property Records of DALLAS County, Texas. Receipt, review, and acceptance prior to closing of evidence that this Mechanic's Lien has been satisfied and removed from the title report is a condition of this report.

TDHCA SITE INSPECTION							
Inspector:	spector: Manufactured Housing Staff				Date:	05/5/2006	
Overall Assessm	ent:	Excellent	Acceptable Acceptable	Questionable	Poor	Unacceptable	
HIGHLIGHTS OF SOILS & HAZARDOLIS MATERIALS REPORT(S)							

A Phase I Environmental Site Assessment report dated June 13, 2006, was prepared by LandAmerica Assessment Corp. and contained the following findings and recommendations:

#### **Findings:**

- **Noise:** LAC did not identify industrial zones, major highways, active rail lines, civil and military airfields, or other potential sources of excessive noise in close proximity to the Property. A noise study is not recommended for the Property. (p. 22)
- Floodplain: According to the Federal Emergency Management Agency's Flood Insurance Rate Map (FIRM), Community Panel Number 48113C0505 J, effective August 23, 2001, the subject property is located in Zone X. Zone X has been determined to be outside the 500- year floodplain. (p.13)
- Asbestos-Containing Materials (ACM): Asbestos-containing wallboard surfacing, floor tile and floor tile mastic were identified within the apartment units, as well as, asbestos-containing chiller pipe elbow insulation in the boiler room. Due to the good condition of the materials, Aaron & Wright recommended that the asbestos-containing materials be managed-in-place through an Operations and Maintenance (O&M) Program. (p. 16)
- Lead-Based Paint (LBP): Lead based paint (LBP) was found in the second layer of an exterior wall. The second layer of paint was in good condition; however, the first layer, which did not contain LBP, was damaged. Aaron & Wright recommended that the paint be managed-in-place in a LBP O&M program. (p. 16)
- Lead in Drinking Water: The Property is connected to the city water supply provided by the City of Dallas. According to the City of Dallas 2004 Drinking Water Quality Report, the drinking water supplied to the site is within state and federal standards, including lead and copper. (p. 19)
- Mold: Approximately 100 square feet of mold was visually identified in the dining room and two closets adjacent to the bathroom in Unit 1069. Mr. Robert Shelton, Maintenance Supervisor, informed Aaron & Wright that the mold resulted from a plumbing leak from the above unit. Aaron & Wright recommended that the mold be removed.
- Radon: The U.S. Environmental Protection Agency (EPA) currently recommends remedial action levels above 4 pico-Curies per liter (pCi/L). According to available information from the EPA/Texas Residential Radon Survey, radon does not generally occur in the area of the subject property in at

concentrations that are considered to be a significant concern. Radon concentrations from 85 properties in Dallas County, Texas indicated an average of 1.20 picoCuries per liter (pCi/L) placing the subject property in Zone 3. Zone 3 has a predicted average indoor screening level less than 2 pCi/L, which falls below the EPA defined threshold of concern, which is 4.0 pCi/L. Therefore, radon is not considered a significant environmental concern. (p. 21)

- Polychlorinated Biphenyls (PCBs): Older transformers and other electrical equipment could contain polychlorinated biphenyls (PCBs) at a level that subjects them to regulation by the U.S. EPA. PCBs in electrical equipment are controlled by United States Environmental Protection Agency regulations 40 CFR, Part 761. Under the regulations, there are three categories into which electrical equipment can be classified:
  - Less than 50 parts per million (PPM) of PCBs "Non-PCB" transformer
  - 50 ppm-500 ppm "PCB-Contaminated" electrical equipment
  - Greater than 500 ppm "PCB" transformer

LAC observed 14 pad-mounted electrical transformers on the Property. The units are situated outside each apartment building. The units were not labeled as to their PCB status; however, they are owned and operated by TXU Energy, who maintains operational responsibility of the transformers. No indication of staining, leaks or fire damage was observed on or around the bases of these units. (p. 19)

**Recommendations:** Based on the findings of this ESA, LAC recommends the following:

- An O&M program should be developed to manage-in-place the ACM found at the Property. The intent of the O&M program is to minimize the potential exposure of building occupants to airborne asbestos fibers. In addition, prior to any demolition or renovation activities a comprehensive ACM survey is recommended.
- An O&M program should be developed to manage-in-place the LBP found at the Property. The intent of the O&M program is to minimize the potential exposure of building occupants to LBP. In addition, prior to any demolition or renovation activities comprehensive a LBP survey is recommended.
- The Mold, as identified in the Aaron and Wright report, located in Unit 1069, be removed.

Receipt, review, and acceptance prior to the start of construction of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out is a condition of this report.

#### **INCOME SET-ASIDE**

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. To qualify as a Priority 1 Private Activity Bond allocation for a Qualified Residential Rental Project, the Applicant has elected to set-aside 50% of the units with rent and income restrictions at 50% of area median family income and the remaining 50% of the units with rent and income restrictions at 60% of area median family income (§ 1372.0321, Texas Government Code).

MAXIMUM ELIGIBLE INCOMES								
1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons								
60% of AMI	\$27,960	\$31,920	\$35,940	\$39,900	\$43,080	\$46,260		

#### **MARKET HIGHLIGHTS**

A market feasibility study dated May 31, 2006, was prepared by Apartment Market Data Research Services, LLC ("Market Analyst") and highlighted the following findings:

<u>Definition of Primary Market Area (PMA)</u>: "Determination of the primary or defined market of the "PMA" (Primary Market Area or sub-market), and definition of the boundaries of the trade area are based primarily upon local knowledge; in addition to interviews with city officials/planners and local real estate sources such as appraisers, developers, brokers, and agents." "For this analysis we utilized a <u>primary trade area</u> comprising a custom Trade Area." (pg. 39) This trade area encompasses approximately 39.62 square miles and is equivalent to a circle with a radius of 3.55 miles.

**Population:** The estimated 2005 population of the primary market area is 83,646 and is expected to increase

by 1.1% to approximately 84,750 by 2010. Within the primary market area there were estimated to be 22,088 households in 2005.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 4,716 qualified households in the PMA, based on the current estimate of 21,731 households, the projected annual growth rate of -1.6%, renter households estimated at 5.6% of the population, income-qualified households estimated at 21.7%, and an annual renter turnover rate of 64.5 %. (p. 7, 58-59). The Market Analyst used an income band of \$18,000 to \$43,080.

MARKET DEMAND SUMMARY						
Market Analyst Underwriter						
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand		
Household Growth	-60	-2.1%	-32	1.1%		
Resident Turnover	2,940	102.1%	3,042	101.1%		
Other Sources:	N/A	N/A	N/A	N/A		
TOTAL DEMAND	2,880	100%	3,009	100%		

p. 61

The subject development contains 200 units and is currently 91% occupied, with 130 units under a HAP contract. It is likely that the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Market Rent Comparables: The Market Analyst surveyed 6 conventional market comparable apartment projects totaling 1,420 units in the market area. "The Apartment MarketData Report reflects an average rental rate of \$.748/sf for one bedroom units, \$.683/sf for two bedrooms, \$.887/sf for three bedroom units, and \$.718/sf overall." (p. 109).

RENT ANALYSIS (net tenant-paid rents)								
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential			
1-Bedroom (HAP) 50%	\$526	\$571	-\$45	\$545	-\$19			
1-Bedroom (HAP) 60%	\$470	\$696	-\$226	\$545	-\$75			
1-Bedroom (60%)	\$545	\$696	-\$151	\$545	\$0			
2-Bedroom (HAP) 50%	\$601	\$673	-\$72	\$640	-\$39			
2-Bedroom (HAP) 60%	\$578	\$823	-\$245	\$640	-\$62			
2-Bedroom (60%)	\$640	\$846	-\$206	\$640	\$0			
3-Bedroom (HAP) 50%	\$727	\$771	-\$44	\$790	-\$63			
3-Bedroom (HAP) 60%	\$664	\$944	-\$280	\$790	-\$126			
3-Bedroom (60%)	\$790	\$962	-\$322	\$790	\$0			

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Primary Market Occupancy Rates:</u> "With the exception of 30 units that were added to The Falls in 2005, these projects were built in the 1980's. The occupancy rate for the market rate one bedrooms is 82.4%, for the market rate two bedrooms it is 83.3%, the occupancy for the market rate three bedroom units is 88.7%, and the overall average occupancy for the market rate units is 83.0%" (p. 109).

Absorption Projections: "The developer anticipates maintaining 75% physical occupancy during the rehabilitation, which would begin in 2006, and achieving stabilized occupancy by the beginning of 2008. This could be accomplished by rehabilitating units as they are vacated as normal turnover and /or relocating existing residents into renovated units. This would require absorbing approximately 108 units (net) toward the latter part, or upon completion of, the renovations, which seems reasonable to the analyst.... A conservative 10% monthly lease-up rate would be as follows: Lease up of 11 units per month for nine months and 9 units in the 10<sup>th</sup> month for a total of 108 units" (p. 97). These assumptions include both Grove Village, 232 units, and Pleasant Village, 200 units.

**Effect on Existing Housing Stock:** "The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in quality affordable housing in this market since so many of the units in this market are much older, and newer affordable projects have much higher rental rates than the

proposed renovated Grove-Pleasant Village Apartments. The subject will not have a serious effect on the Masters Apartments, Murdeaux Villas or Rosemont at Pemberton Hill since they offer newer quality and amenities that the renovated subject will not offer, such as washer/dryer connections." (p. 97).

<u>Market Study Analysis/Conclusions</u>: The Market study complies with TDHCA market study guidelines, and the Underwriter found the market study to be acceptable.

#### **OPERATING PROFORMA ANALYSIS**

Income There are two (2) HUD HAP contracts containing a total of 130 units of the 200 total units. These contracts specify the rents to be charged but do not specify utility allowances. This is due to the fact that the project currently pays all utilities. During Rehabilitation the units will be converted to individual electrical meters and the tenants will be paying the electric charge with the exception of the charge for Hot Water. (During the rehabilitation the current hot water boiler will be replaced with a new unit.) According to Ms. Gass at Southwest Housing Compliance Corp (Contract Administrator for HUD) the rents will basically stay the same and the utility allowances will reduce the amount of rent collected. The owners will make up for the lost revenue by the reduction in operating expenses due to no longer having to pay the monthly utility charges. The Applicant has indicated that after the rehabilitation is complete they will be requesting an increase of 5% based on current market rental rates. For those units covered by a HAP contract, the rents used are those derived from current gross HAP rent, less current utility allowances, and the 5% increase that will be requested by the Applicant. For those units not covered by a HAP contract but are still restricted to 60% rents, the Underwriter has used the current market rent. The current market rent, was added to the utility allowances, to determine a gross HTC rent. The new gross HTC and HAP rents are substantially below the 50% and 60% 2006 HTC rent limits.

The secondary income is made up of vending income, fees, and other miscellaneous charges. The Applicant is projecting \$6.00 per unit per month. This amount is below the Departments max level of \$15.00 per unit per month. The Applicant used a vacancy and collection loss equal to 9%, which is above the normal 7.5% vacancy factor used by the Department. The Effective Gross Income estimates are within 5% of the Underwriters estimate.

Expenses: The Applicant's total annual operating expense projection at \$4,138 per unit is within 5% of the Underwriter's estimate of \$4,247, derived from actual operating history of the development, the TDHCA database, and third-party data sources. General and Administrative expenses are 19K lower than the TDHCA data base estimates, and Payroll and Payroll Tax expense estimate is 25K higher than the TDHCA data base estimates, Repairs and Maintenance expense estimate is 23K higher than the TDHCA data base estimates, Property Insurance expense estimate is 22K lower than the TDHCA data base estimates, Property Tax expense estimate is 59K lower than the TDHCA data base estimates. This property is going through a change in who pays the utility charges. After the rehabilitation is complete the tenant will be responsible for paying the utility charges. (Electric and gas with the exception of the fuel for the central boiler system.) Therefore, the expense estimate on the part of the Applicant could be somewhat over stated.

<u>Conclusion</u>: The Income, Expense and Net Operating Income line items are all within 5% of the Underwriter's estimates; therefore, the Applicant's NOI will be used to determine the DCR and 30 year proforma.

<u>Long-Term Feasibility</u>: 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 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION								
	APP	RAISED VA	LUE - Septem	ber 16, 2004				
Land Only: (16.86) acres	\$735	5,000		Date of Valua	tion:	09/16/	/2004	
Existing Building(s): "as is	** \$1,9	75,000		Date of Valua	tion:	09/16/	/2004	
Total Development: "as is"	\$2,7	10,000		Date of Valua	tion:	09/16/	/2004	
Appraiser: Tony Lenam Stephen Dul		Firm:	CB Richard Ell	is	City:	Dallas	S	
APPRAISAL ANALYSIS/CONCLUSIONS								
There is no indication required for use in the reperformed by C B Rich Date of Purchase to ditherefore, a current app as of the date of acquisithis property because primary approach used September 2003 for 10 the value attributed to property. The value corrections of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the cont	anderwriting and Ellis date letermine a craisal today wittion. The cuit should sup was the incoruot 19.77 a the existing	analysis. Hed September urrent land would not purrent "as-is port the pune capitalizeres was us buildings in 1710,000 su	fowever, an apprier 16, 2004. The value. The provide a reliable value is most inchase price of ation approach, ed to determine is \$1,975,000 o	raisal was proise dated approperty was land value to mportant in the subject. Three land so the underlying 72.9% of the tact price of \$2.90.	vided laisal wacquire accurate value For tales dang value he total	by the pras utilitied in Control of the substitution at the substitution at the from the from the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitution of the substitu	purchaser, and was zed because of the October 2004, and apport the land cost and underwriting of -is" valuation, the om January 2003 to e land. As a result,	
<b>Land:</b> (16.86) acres	\$625,900		Assessment	for the Year of:	200	06		
Building:	\$1,955,55	0	Valuation by	y: Dallas C	ounty A	Appraisa	al District	
<b>Total Assessed Value:</b>	\$2,581,45	0	Tax Rate:	\$2.9849				
		ASSES	SED VALUE - 2	004				
<b>Land:</b> (16.86) acres	\$625,900		Assessment	for the Year of:	200	04		
<b>Building:</b>	\$227,100		Valuation by	y: Dallas C	ounty A	Appraisa	al District	
<b>Total Assessed Value:</b>	\$853,000		Tax Rate:					
	EVI	DENCE of S	SITE or PROPERT	Y CONTROL				
	Special Warrar 2004	nty Deed(17.	46 acres) Property	currently owr	ned by A	Applica	nt – Closed Oct	
Contract Expiration:	10/27/2004		Va	lid through Bo	ard Date	e?	⊠ Yes □ No	
Acquisition Cost:	\$2,908,664*		Ot	her:				
Seller: Pleasant Villag	ge Apartments,	Ltd.	Re	lated to Develo	pment T	Геат?	☐ Yes ⊠ No	
* The Acquisition cost of that the Applicant's CPA						_		

#### **CONSTRUCTION COST ESTIMATE EVALUATION**

Acquisition Value: The site cost of \$172,519 per acre or \$14,543 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. The Applicant's acquisition cost estimate is slightly overstated based upon the lesser of the sales price minus assessed value or the prorata portion based on the appraised value.

<u>Sitework Cost</u>: Since this is a proposed rehabilitation the associated sitework costs are minimal. The PCA has estimated sitework costs of \$2,898 per unit.

**<u>Direct Construction Cost</u>**: The Applicant's direct construction cost estimate is \$2,967,212 or 32.5% lower

than the \$4,398,153 estimate provided in the Property Condition Assessment (PCA). However, the cost estimate provided by the PCA includes all contractor fees. When these fees are removed and the actual Hard Cost of Construction is determined the Applicant's and PCA costs estimates are both \$2,908,664.

<u>Fees</u>: The Applicant's contractor and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

<u>Conclusion</u>: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since this is an Acquisition/Rehab, the Underwriter's total cost breakdown is used to calculate eligible basis and determine the HTC allocation. As a result, an eligible basis of \$8,560,649 is used to determine a credit allocation of \$370,152 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Underwriter's costs to determine the recommended credit amount.

The Applicant used a higher applicable percentage of 3.62% instead of the current underwriting percentage of 3.56%. This resulted in an increase of credits in the amount of \$10,964. This amount has been adjusted to reflect the lower percentage which equates to \$370,152 in total credits. It should be noted that the Applicant has provided several revisions to the sources and uses over the last few months and days. The most recent of which identify total cost of \$9,968,933 but a revised total of these costs was not provided and in any event is less than the underwriter's costs based upon the PCA report.

	FINANCING STRUCTURE								
CONSTRUCTION AND PERMANENT FINANCING									
Source:	U. S. Bank National Association	Contact:	d A. Castricano n M. Clark						
Principal:	\$6,000,000 <b>Interest Rate:</b> 6.00	0%, fixed, lender's estimate	Amort: 360 months						
<b>Documentation:</b> ☐ Signed ☐ Term Sheet ☐ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application									
TAX CREDIT SYNDICATION									
Source:	WNC & Assoc.	Contact: Patri	ck Day						
<b>Proceeds:</b>	\$2,906,806 Net Syndication Rate:	\$0.77 Anticipated HTC	\$377,507						
Documenta	tion: Signed Term Sheet LOI F	Firm Commitment   Conditional Co	mmitment  Application						
Comments: The above Anticipated Tax Credits are computed using the Syndication Rate and the estimated Net Proceeds from the sale of these credits.									
	C	OTHER							
Amount:	\$1,177,227 <b>Source:</b> 1	05% of the available Deferred Dev	veloper Fee						
	FINANCING ST	RUCTURE ANALYSIS							

## Parmanent Rand Financing: II S. Rank NA is providing bo

Interim to Permanent Bond Financing: U. S. Bank NA is providing both the Construction and Permanent financing for the Subject property. US Bank is to purchase a private placement of non-bank qualified tax-exempt multifamily revenue bonds totaling up to \$6,000,000. The Construction loan period will be 12 months from loan closing plus applicable extensions (option of one, 6-month extension) at an underwriting interest rate of 6.00% with monthly interest only payments. Upon the conversion to the permanent, payments will be monthly principal and interest payments with the principal payments based on a thirty (30) year amortization period with a 15 year term.

The development qualifies as a Priority 1 Private Activity Bond transaction because it is at least 51 percent financed by tax-exempt private activity bonds (§ 1372.0321, Texas Government Code).

<u>HTC Syndication</u>: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. Mr. Patrick Day, Project Manager for WNC & Assoc., explained why the Net Syndication Rate is so low at \$.77. He indicated this is due to the nature of the deal; it is an acquisition/rehabilitation loan of a property that is approximately 35-40 years old. The decision was

made to make this a Public Offering instead of the normal Corporate Offering. It was generally felt that the deal would be scrutinized less as a Public Offering. Mr. Day indicated that because this is a Public Offering they are limited to a Syndication Rate of \$.77. Inconsistencies in the amount of Syndication proceeds have occurred throughout the underwriting process and the proceeds terms and credit amount have never matched with the sources and uses of funds statements provided. Receipt, review, and acceptance of a revised syndication commitment or agreement that fully discloses the key terms and is consistent with the anticipated sources and uses of funds.

<u>Deferred Developer's Fees</u>: The Applicant's proposed deferred developer's fees of \$486,416 amount to 43.6% of the total fees.

<u>Financing Conclusions</u>: The permanent lender requires a 1.15 DCR prior to closing into the permanent loan. The Underwriter's total development cost estimate less the permanent loan of \$6,000,000 indicates the need for \$4,027,395 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$523,038 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$381,116), the gap-driven amount (\$523,038), and eligible basis-derived estimate (\$370,152), the TDHCA eligible basis-derived estimate of \$370,152 is recommended resulting in proceeds of \$2,850,168 based on a syndication rate of .77%.

The Underwriter's recommended financing structure indicates the need for \$1,177,227 in additional permanent funds or \$60,621 above the total Deferred developer's fees available. However, this total amount appears to be repayable from development cashflow within 10 years of stabilized operation. Receipt, review, and acceptance of a commitment from the general contractor to defer fees as necessary to fill a potential gap in permanent financing is a condition of this report.

## DEVELOPMENT TEAM IDENTITIES of INTEREST

• The Applicant, Developer, and property manager are related entities. These are common relationships for HTC-funded developments.

#### APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

#### Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- Guardian Management LLC, 50% owner of the Managing General Partner submitted an unaudited financial statement as of December 2005 reporting total assets of \$9.9M and consisting of \$161K in cash, \$8.7M in receivables, and \$(-570K) in business interests. Liabilities totaled \$6.6M, resulting in a net worth of \$3.3M.
- One of the principals of the General Partner (50%), Mr. Rob Walker, submitted an unaudited financial statement as of April 1, 2006 and is anticipated to be guarantor of the development.
- One of the principals of the General Partner (50%), Mr. Thomas B. Brenneke, submitted an audited financial statement as of December 31, 2005 and is anticipated to be guarantor of the development.

<u>Background & Experience</u>: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

#### **SUMMARY OF SALIENT RISKS AND ISSUES**

- Significant inconsistencies in the application information and commitments provided may affect the financial feasibility of the development
- The property's project-based rent subsidy is subject to Federal funding and may not be renewed as anticipated.
- Receipt, review, and acceptance of a commitment from the related party general contractor to defer fees as necessary to fill a potential gap in permanent financing;
- Receipt, review, and acceptance of a revised project-based rent subsidy indicating HUD's concurrence with anticipating the future increase in HAP rents on all HAP related units prior to closing.

Underwriter:		Date:	July 21, 2006
	Bert Murray		
Director of Real Estate Analysis:		Date:	July 21, 2006
	Tom Gouris		

#### **MULTIFAMILY COMPARATIVE ANALYSIS**

#### Pleasant Village Apartments, Dallas, 4%, 2004-061, 04609

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC (60%)	15	1	1	658	\$748	\$545	\$8,175	\$0.83	\$52.00	\$62.00
TC (60%) HAP #310	5	1	1	658	\$748	\$470	2,352	0.71	\$52.00	\$62.00
TC (50%) HAP #047	20	1	1	658	\$623	526	10,521	0.80	\$52.00	\$62.00
TC (60%)	40	2	1.5	920	\$898	640	25,600	0.70	\$52.00	\$62.00
TC (60%) HAP #310	20	2	1.5	920	\$898	578	11,550	0.63	\$75.00	\$75.00
TC (50%) HAP #047	60	2	1.5	920	\$748	601	36,036	0.65	\$75.00	\$75.00
TC (60%)	15	3	1.5	1,121	\$1,037	790	11,850	0.70	\$75.00	\$75.00
TC (60%) HAP #310	5	3	1.5	1,121	\$1,037	\$664	3,318	0.59	\$93.00	\$88.00
TC (50%) HAP #047	20	3	1.5	1,121	\$864	\$727	14,532	0.65	\$93.00	\$88.00
TOTAL:	200		AVERAGE:	908	\$821	\$620	\$123,934	\$0.68	\$68.05	\$71.43

INCOME	Total Net Re	entable Sq Ft:	181,560		TDHCA	APPLICANT	Co	omptroller's Region	3
POTENTIAL GROSS REN	IT				\$1,487,208	\$1,469,820		IREM Region	Dallas
Secondary Income		Р	er Unit Per Month:	\$6.00	14,400	14,400	\$6.00	Per Unit Per Month	
Other Support Income: (desc	cribe)				0		\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCO	OME				\$1,501,608	\$1,484,220			
Vacancy & Collection Loss			tial Gross Income:	-7.50%	(112,621)	(133,584)	-9.00%	of Potential Gross Inc	come
Employee or Other Non-Ren		oncessions			0				
EFFECTIVE GROSS INCO	OME				\$1,388,987	\$1,350,636			
<u>EXPENSES</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		5.31%	\$369	0.41	\$73,704	\$54,900	\$0.30	\$275	4.06%
Management		5.00%	347	0.38	69,449	81,300	0.45	407	6.02%
Payroll & Payroll Tax		13.47%	935	1.03	187,028	212,519	1.17	1,063	15.73%
Repairs & Maintenance		6.25%	434	0.48	86,809	109,800	0.60	549	8.13%
Utilities		4.72%	328	0.36	65,556	78,000	0.43	390	5.78%
Water, Sewer, & Trash		7.40%	514	0.57	102,792	100,700	0.55	504	7.46%
Property Insurance		4.14%	288	0.32	57,535	35,000	0.19	175	2.59%
Property Tax	2.98486	8.60%	597	0.66	119,394	60,000	0.33	300	4.44%
Reserve for Replacements		4.32%	300	0.33	60,000	70,000	0.39	350	5.18%
Other: compl fees		1.96%	136	0.15	27,200	25,000	0.14	125	1.85%
TOTAL EXPENSES		61.16%	\$4,247	\$4.68	\$849,468	\$827,219	\$4.56	\$4,136	61.25%
NET OPERATING INC		38.84%	\$2,698	\$2.97	\$539,520	\$523,417	\$2.88	\$2,617	38.75%
DEBT SERVICE									
US Bank		31.08%	\$2,158	\$2.38	\$431,676	\$492,743	\$2.71	\$2,464	36.48%
Additional Financing		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
Additional Financing		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH FLOW		7.76%	\$539	\$0.59	\$107,843	\$30,674	\$0.17	\$153	2.27%
AGGREGATE DEBT COVERA	AGE RATIO				1.25	1.06			
RECOMMENDED DEBT COV	ERAGE RAT	ΓΙΟ				1.21			

#### **CONSTRUCTION COST**

<u>Description</u>	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		29.01%	\$14,543	\$16.02	\$2,908,664	\$2,908,664	\$16.02	\$14,543	29.21%
Off-Sites		0.00%	0	0.00	0		0.00	0	0.00%
Sitework		5.78%	2,898	3.19	579,687	579,687	3.19	2,898	5.82%
Direct Construction		29.59%	14,836	16.34	2,967,212	2,967,212	16.34	14,836	29.80%
Contingency	10.00%	3.54%	1,773	1.95	354,690	354,690	1.95	1,773	3.56%
General Req'ts	6.00%	2.12%	1,064	1.17	212,814	212,814	1.17	1,064	2.14%
Contractor's G & A	2.00%	0.71%	355	0.39	70,938	70,938	0.39	355	0.71%
Contractor's Profit	6.00%	2.12%	1,064	1.17	212,814	212,814	1.17	1,064	2.14%
Indirect Construction		3.33%	1,671	1.84	334,261	334,261	1.84	1,671	3.36%
Ineligible Costs		4.89%	2,452	2.70	490,449	490,449	2.70	2,452	4.93%
Developer's G & A	2.00%	1.48%	744	0.82	148,881		0.00	0	0.00%
Developer's Profit	13.00%	9.65%	4,839	5.33	967,726	1,120,536	6.17	5,603	11.25%
Interim Financing		5.90%	2,959	3.26	591,844	591,844	3.26	2,959	5.94%
Reserves		1.87%	937	1.03	187,416	113,026	0.62	565	1.14%
TOTAL COST		100.00%	\$50,137	\$55.23	\$10,027,395	\$9,956,935	\$54.84	\$49,785	100.00%
Construction Cost Recap		43.86%	\$21,991	\$24.22	\$4,398,155	\$4,398,155	\$24.22	\$21,991	44.17%

SOURCES OF FUNDS						RECOMMENDED
US Bank	59.84%	\$30,000	\$33.05	\$6,000,000	\$6,000,000	\$6,000,000
Additional Financing	0.00%	\$0	\$0.00	0		0
HTC Syndication Proceeds (WNC)	27.96%	\$14,016	\$15.44	2,803,285	2,803,285	2,850,168
Deferred Developer Fees	5.90%	\$2,959	\$3.26	591,844	591,844	1,177,227
Additional (Excess) Funds Req'd	6.31%	\$3,161	\$3.48	632,266	561,806	0
TOTAL SOURCES				\$10,027,395	\$9,956,935	\$10,027,395

Developer Fee Available \$1,116,606 % of Dev. Fee Deferred 105% 15-Yr Cumulative Cash Flow \$2,521,927

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

#### Pleasant Village Apartments, Dallas, 4%, 2004-061, 04609

#### PAYMENT COMPUTATION

Primary	\$6,000,000	Amort	360
Int Rate	6.00%	DCR	1.25

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.25

Additional	litional		
Int Rate		Aggregate DCR	1.25

#### RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

\$431 676 Primary Debt Service Secondary Debt Service Additional Debt Service NET CASH FLOW

0 0 \$91,741	Ψ-51,070	ı
91,741	0	1
\$91,741	0	1
	\$91,741	]

Primary	\$6,000,000	Amort	360	
Int Rate	6.00%	DCR	1.21	

Secondary	\$0	Amort	0	
Int Rate	0.00%	Subtotal DCR	1.21	

Additional	\$0	Amort	0	
Int Rate	0.00%	Aggregate DCR	1.21	

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

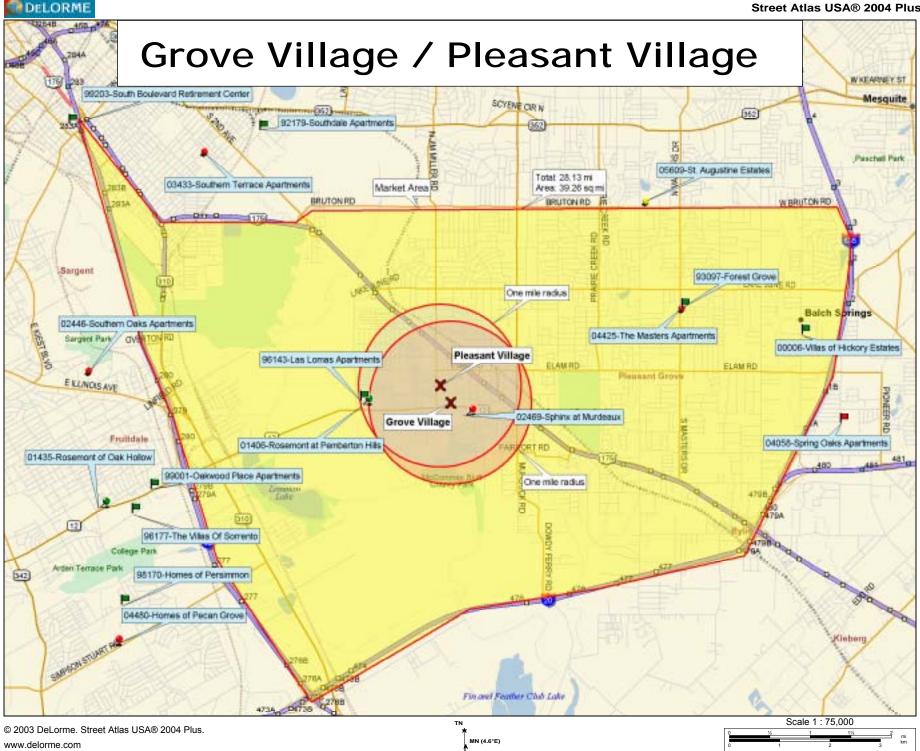
INCOME	at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIA	AL GROSS F	RENT	\$1,469,820	\$1,513,915	\$1,559,332	\$1,606,112	\$1,654,295	\$1,917,782	\$2,223,235	\$2,577,338	\$3,463,727
Secondar	ry Income		14,400	14,832	15,277	15,735	16,207	18,789	21,781	25,250	33,935
Other Su	pport Income	e: (describe)	0	0	0	0	0	0	0	0	0
POTENTIA	AL GROSS I	NCOME	1,484,220	1,528,747	1,574,609	1,621,847	1,670,503	1,936,570	2,245,016	2,602,589	3,497,662
Vacancy	& Collection	Loss	(133,584)	(114,656)	(118,096)	(121,639)	(125,288)	(145,243)	(168,376)	(195,194)	(262,325)
Employee	e or Other N	on-Rental Units or	. 0	0	0	0	0	0	0	0	0
EFFECTIV	/E GROSS I	NCOME	\$1,350,636	\$1,414,091	\$1,456,513	\$1,500,209	\$1,545,215	\$1,791,328	\$2,076,640	\$2,407,395	\$3,235,337
EXPENSE	S at	4.00%									
General 8	& Administra	tive	\$54,900	\$57,096	\$59,380	\$61,755	\$64,225	\$78,140	\$95,069	\$115,666	\$171,214
Managen	nent		81,300	85119.5779	87673.16521	90303.36017	93012.46098	107826.9346	125000.9698	144910.3835	194747.438
Payroll &	Payroll Tax		212,519	221,020	229,861	239,055	248,617	302,481	368,014	447,745	662,773
Repairs 8	& Maintenan	ce	109,800	114,192	118,760	123,510	128,450	156,280	190,138	231,332	342,428
Utilities			78,000	81,120	84,365	87,739	91,249	111,018	135,071	164,334	243,255
Water, Se	ewer & Trash	h	100,700	104,728	108,917	113,274	117,805	143,327	174,380	212,160	314,048
Insurance	е		35,000	36,400	37,856	39,370	40,945	49,816	60,609	73,740	109,153
Property 1	Tax		60,000	62,400	64,896	67,492	70,192	85,399	103,901	126,411	187,119
Reserve t	for Replacer	nents	70,000	72,800	75,712	78,740	81,890	99,632	121,217	147,479	218,306
Other			25,000	26,000	27,040	28,122	29,246	35,583	43,292	52,671	77,966
TOTAL EX	PENSES		\$827,219	\$860,875	\$894,459	\$929,361	\$965,632	\$1,169,502	\$1,416,691	\$1,716,449	\$2,521,009
NET OPER	RATING INC	OME	\$523,417	\$553,215	\$562,054	\$570,848	\$579,583	\$621,825	\$659,948	\$690,945	\$714,328
	DEBT SEF	RVICE									
First Lien F	Financing		\$431,676	\$431,676	\$431,676	\$431,676	\$431,676	\$431,676	\$431,676	\$431,676	\$431,676
Second Lie	en		0	0	0	0	0	0	0	0	0
Other Fina	incing		0	0	0	0	0	0	0	0	0
NET CASH	H FLOW		\$91,741	\$121,539	\$130,378	\$139,172	\$147,906	\$190,149	\$228,272	\$259,269	\$282,652
DEBT COV	VERAGE RA	ATIO	1.21	1.28	1.30	1.32	1.34	1.44	1.53	1.60	1.65

### HTC ALLOCATION ANALYSIS - Pleasant Village Apartments, Dallas, 4%, 2004-061, 04609

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$735,000	\$788,881				
Purchase of buildings	\$2,173,664	\$2,119,783	\$2,173,664	\$2,119,783		
(2) Rehabilitation/New Construction Cost						
On-site work	\$579,687	\$579,687			\$579,687	\$579,687
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$2,967,212	\$2,967,212			\$2,967,212	\$2,967,212
(4) Contractor Fees & General Requirements						
Contractor overhead	\$70,938	\$70,938			\$70,938	\$70,938
Contractor profit	\$212,814	\$212,814			\$212,814	\$212,814
General requirements	\$212,814	\$212,814			\$212,814	\$212,814
(5) Contingencies	\$354,690	\$354,690			\$354,690	\$354,690
(6) Eligible Indirect Fees	\$334,261	\$334,261			\$334,261	\$334,261
(7) Eligible Financing Fees	\$591,844	\$591,844			\$591,844	\$591,844
(8) All Ineligible Costs	\$490,449	\$490,449				
(9) Developer Fees				\$317,967		\$798,639
Developer overhead		\$148,881				
Developer fee	\$1,120,536	\$967,726	\$324,846		\$795,690	
(10) Development Reserves	\$113,026	\$187,416				
TOTAL DEVELOPMENT COSTS	\$9,956,935	\$10,027,395	\$2,498,510	\$2,437,750	\$6,119,950	\$6,122,899
						-
Deduct from Basis:						
All grant proceeds used to finance costs in eligible to	oasis					
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			\$2,498,510	\$2,437,750	\$6,119,950	\$6,122,899
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$2,498,510	\$2,437,750	\$7,955,935	\$7,959,768
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$2,498,510	\$2,437,750	\$7,955,935	\$7,959,768
Applicable Percentage			3.56%	3.56%	3.56%	3.56%
TOTAL AMOUNT OF TAX CREDITS			\$88,947	\$86,784	\$283,231	\$283,368
Syndic	cation Proceeds	0.7700	\$684,891	\$668,236	\$2,180,881	\$2,181,932
Total T	ax Credits (Eligib	ole Basis Method)			\$372,178	\$370,152
	Synd	dication Proceeds			\$2,865,772	\$2,850,168
	Requ	ested Tax Credits			\$381,116	
	•	dication Proceeds			\$2,934,593	
Con	-	Proceeds Needed			\$3,956,935	\$4,027,395
Gal	-	dits (Gap Method)				\$4,027,395 \$523,038
	TOTAL TAX CIEC	uita (Gap MetiiOa)			\$513,888	<b>ψ323,U3</b> δ

1" = 1.18 mi

Data Zoom 11-4





February 15, 2010

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing & Community Affairs
221 east 11<sup>th</sup>
P.O. Box 13941
Austin, TX 78711-3941

RE:

Application Amendment Request, Pleasant Village TDHCA File No. 04609/04609B - CMTS 4199

Dear Mr. Sheppard,

We are pleased to submit final information in support of our request for amendments to our tax credit awards for the following property:

Creekside Villas Apartments (fka Pleasant Village Apartments)
TDHCA File No 04609/04609B - CMTX 4199

<u>Substituting Resident Services and Additional Amenities for Ceiling Fans</u>
Cost of Installing Ceiling Fans - \$45,000

In submitting a request for substituting enhanced Resident Services for ceiling fans, as noted in our prior submissions, we believe we are providing for the most benefit to the property in light of the fact that all units have landlord-provided heat and air conditioning.

The most recent reports to the City of Dallas show the value of resident services at \$74,368.28 for Creekside/Pleasant. We have staffed the property well above normal expense to pay for these services. Staff also attracts valuable contributions to resident services from other organizations and individuals throughout the greater Dallas area, furthering opportunities for positive interactions by residents within the greater Dallas area. The City of Dallas performs monitoring reviews of the property on a periodic basis, reviews are in accordance with Government Auditing Standards and include an examination of social/resident services provided. Owner is required by the City of Dallas to maintain a detailed monthly report documenting time, hours and expenses applied towards resident services, see attached June 2009 summary. The City of Dallas approved Creekside's annual expenses (July 1, 2008 to June 30, 2009) and found that the social service requirement was in compliance with the Dallas City Council Resolution #05-0728, see correspondence August 19, 2009. Note that the minimum value of services necessary to meet City of Dallas standards is \$40,000. As can be seen from the summary below, value and cost of services at Creekside/Pleasant is 185.92% of the required minimum.

710 NORTHWEST 14TH AVENUE, SECOND FLOOR PORTLAND, OREGON 97209 P.O. BOX 5668 PORTLAND, OREGON 97228 T 503.802.3600 F 503.802.3648 TTY 1.800.735.2900







Annual Residential Services Summary of Value and Cost	
Summer Lunches/Snacks and donations	\$42,325.00
Story Time/Kids program/Nutrition Class/Crime Watch/Job Training	\$ 7,107.75
Physical Location Cost	\$ 3,682,20
Out of Pocket Costs	\$ 1,253.33
Employee Cost Allocation	\$20,000.00
TOTAL	\$74,368,28

Substituting Additional Amenities and Wireless High Speed Internet for Dishwashers Cost of providing portable, "roll around", dishwashers at Creekside/Pleasant would be \$80,000. Cost for under-counter installation is estimated at \$181,170.

Our decision to seek an amendment regarding dishwashers at Creekside/Pleasant was made after final review of the available under the counter cabinet space at the property. We concluded that installation of dishwashers would eliminate a significant amount of the under counter cabinet space.

Our amendment proposal includes:

The conversion of an existing 16' x 29' space (formerly used for owner's storage) into a 10' x 16' Service Coordinator office and an 18' x 16' Library (see attached current and proposed floor plans).

Further, we propose to add a 10' x 10' Gazebo and install a 42' x 71' area equipped with sand Volleyball Court. These items total 5 additional earned points if scored by the application standards.

Gazebo (1 point)	Cost: \$ 1,875
A service coordinator office (1 point)	Cost: \$ 1,040
Library (separate from the community room) (1 point)	Cost: \$ 1,105
Sport Court (with sand Volleyball Court) (2 points)	Cost: \$ 4,955
	Total \$ 8,975

See attached site plan locating the Volleyball Court & Gazebo

Please note included in the existing 57'  $\times$  67' non-residential building at Creekside/Pleasant we included the rehabilitation of a 29'  $\times$  50' Community Room (including a Business Center with computer and Fax) in our base rehabilitation budget. The 16'  $\times$  29' owner's storage space referenced above has not previously been used by Community Room activities. The provision of Community Room space is in excess of TDHCA Threshold Requirements and was not offered as an amenity in our initial L1HTC application.

Computer Lines/Phone Jacks are available in all bedrooms. However, we anticipate providing high speed wireless internet in collaboration with One Economy Corporation, a global nonprofit organization that uses innovative approaches to deliver the power of technology and information to low-income people, giving them valuable tools for building better lives. This will enable residents to access the internet from any location on the property, including living and bedroom areas. The wireless internet service, including Internet Service Provider charges, will be provided

Page 2 of 3 Mr. Ben Sheppard January 20, 2010 TDHCA File # 04609

Submitted with letter dated February 15.



at no cost to residents for two years and at a cost of \$10 per month per dwelling unit thereafter, see attached cost comparison.

The cost of installing wireless internet is \$250 per unit. Maintenance of the wireless network costs \$2 per month and the ISP cost is typically about \$4. For 200 units installation will cost \$50,000 and ongoing cost will be about \$1,200 per month. One Economy has applied for funding to pay for the wireless service at this property. Announcement of the funding award is expected on or before July 1<sup>st</sup>, 2010. Should the property not be awarded funding, owner guarantees installation of wireless internet will be completed before end of year 2010.

#### Conclusion

The initial scope of work proposed for Creekside/Pleasant has been completed at a total of \$5,051,718. All funds allocated in the budget for rehabilitation – the full \$5.05 million – were expended prior to encountering the misunderstandings about accessibility and discussions of amendments for other items. Any costs for additional work is being handled by the contributions of the owner/developer and any outside assistance the owner/developer can secure.

In summary, we have extended extraordinary effort to rescue this property from the years of neglect and disinvestment that preceded our acquisition. Resident families are well served by the increased security and the myriad resident services offerings. We are seeking approval of requested amendments while providing what we believe are superior amenities as substitutes. We look forward to your approval of our requests and greatly appreciate TDHCA's staff in helping us clarify requirements and protocol.

Sincerely,

J. Daniel Steffey

√ice President, Development

Co:

Kimbal Thompson Roxana Hammock June-09

#### Resident Services Values

<u>Va</u>	lue/each	Reason	Quantity	Multiplier	To	otal Value	Service Provider
\$	500.00 2.20	Donations Summer Lunch	Numerous Items 100 Lunches per day	1 Time 23 Davs	\$ \$	500.00 5.060.00	World Vision Dallas Central Ministries
\$	1.25	Summer Snack	100 Snacks per day	23 Days	\$	2,875,00	Dallas Central Ministries

\$ 8,435.00 TOTAL

#### Resident Services Values

Total Hours	Reason	Quantity	Multiplier		Grand Total	Who Volunteered
1	Attitudes and Attires	2 Staff 1 Visit	17.55	\$	35,10	Attitudes and Attires
4	A A sortmin	4 Staff 1 Visit	17.55	\$	70.20	Dallas Police Department
5	Bible Study	1 Staff 5 Visit	17.55	\$	87:75	Church of First Gospel
4	Saturday Day Camp	6 Staff 2 Visit	17,55	s	210.60	Care Center Ministry
3	Resident BBQ	6 Staff 1 Visit	17,55	\$	140.40	Care Center Ministres

\$ 544.05 TOTAL

#### **Out Of Pocket Costs**

-				Grand	
Value	Reason	Portion	Form	Total	Who Paid
\$ 150.00	Activity Funding	all	Cash	\$ 150.00	Guardian Management
	•				•

150.00 TOTAL

#### Physical Location Costs

				now		Granc	
	Válue	Reason	Portion	Deducted		Total	Who Paid
\$	12.35	Waste/Trash	1/205 lh	205 Units	\$	12.35	Guardian Management
\$	201.72	Electricity	1/60 th	15 bldg, 1/2 use, 1/2 use	3	201.72	Guardian Management
. \$	6.82	Water/Sewer	1/410th	205 Units then 1/2 of amount	\$ "	6.82	Guardian Management
\$	9.69	Gas	1/410lh	205 Units then 1/2 of amount	3	9.69	Guardian Management
\$	80,13	Internet	1/2.	Office/Activity Bill 50%	\$	80.13	Guardian Management
\$	25.00	Telephone	1/2,	1/2 of Allotment for Phone	. \$	25.00	Guardian Management
					\$	335.71 TO	TAL

\$ 8,920.71 June 2009 Total



August 19, 2009

Dan Seffey Guardian Management LL 710 Northwest 14<sup>th</sup> Ave, Second Floor Portland, Oregon 97209

Dear Mr. Seffey:

The City of Dallas Housing Department conducted a monitoring review of the Creekside Villas Apartments, 378 N. Jim Miller Road, Dallas, Texas 75217 and Trinity Trails Apartments, 7203 South Loop 12, Dallas, Texas 75217 on August 6, 2009. The reviews were required as a result of loans to Pleasant Village Limited Partnership and Grove Village Limited Partnership from Texas Department of Housing and Community Affairs (TDHCA). The loans were provided for the rehabilitation of 200 multifamily housing units and 234 multifamily units. The City's staff interviewed Tim Austin, resident services director.

Our reviews were performed in accordance with the Government Auditing Standards (Yellow Book, 1994 Revision) as promulgated by the Comptroller General of the United States. The reviews were performed to insure compliance with the provisions of the "Regulatory Agreement and Declaration of Restrictive Covenants" (Regulatory Agreement) and the City's requirements for renting affordable units to eligible very low-income persons/households and providing appropriate social services to the property's residents.

The review included an examination of the social services provided to insure that they meet the requirements as outlined in the Regulatory Agreement and Dallas City Council Resolution #05-0728 and that related expenditures reported for the period of June 1, 2008 to May 31, 2009 for Creekside Villas Apartments, and the period of August 1, 2008 to July 31, 2009 for Trinity Trails Apartments are appropriate and properly substantiated.

#### CONCLUSION:

The Social Service requirement for the Creekside Villas Apartments is in compliance with the Dallas City Council Resolution #05-0728.

Dan Seffey August 19, 2009 Page 2

The Social Service requirement for the Trinity Trails Apartments is in compliance with the Dallas city Council Resolution #05-0723.

Monitoring reviews will be performed periodically to insure ongoing compliance with the Regulatory Agreement and City of Dallas requirements for social service programs and expenditure reports.

In accordance with the Dallas City Council Resolution #04-0764 the fee for providing the monitoring service for the above referenced project and completing and issuing the attached Monitoring Report is \$500 for each property. Your checks dated February 5, 2009, have been received as payment for the 2009 reviews.

We would like to thank you and especially your staff for the assistance provided during the monitoring reviews. If you feel that you need some technical assistance or direction in complying with requirements, please contact Mary Jane Ligon at (214) 670-4872. If you have other questions, please contact me at (214) 670-3619.

Sincerely,

Bernadette M. Mitchell, Assistant Director

Housing Department

Enclosures (2)

cc: Tim Austin

Mary Jane Ligon

#### Creekside Villas Apartments Monitoring Report August 18, 2009

#### **GENERAL**

The City of Dallas Housing Department staff, Mary Jane Ligon, Dallas Housing Finance Corporation, performed a monitoring review of Creekside Villas Apartments on August 6, 2009. The review was performed in accordance with the Government Auditing Standards (Yellow Book, 1994 Revision) as promulgated by the Comptroller General of the United States. The period of this review, June 1, 2008 to May 31, 2009, requires that a minimal amount of \$40,000 be spent on providing social services; one half that amount (\$20,000) may come from approved in-kind contributions. Our examination would not necessarily reveal all errors or weaknesses that may exist.

#### **OBJECTIVES**

Our objectives were to determine that:

- Creekside Villas Apartments conducts a survey to determine the needs and interests of the residents,
- Creekside Villas Apartments is providing appropriate social services for the property's residents, and
- Creekside Villas Apartments is providing the amount required for social services expenditures.

#### SCOPE OF EXAMINATION

To accomplish our objectives we:

- interviewed Tim Austin, Resident Services Director, to determine what social services are provided and that the services meet the requirements of the Regulatory Agreement, the City of Dallas social services policy, and to assure that surveys would be conducted periodically (with lease renewals, if not before).
- conducted a site visit to view amenities assigned to social services: computer lab, after school childcare facility, and community room.

Creekside Villas Apartments Monitoring Report August 18, 2009 Page 2

#### SOCIAL SERVICES PROVISION ASSESSMENT

The after school program at Creekside Villas Apartments meets two week days during the school year from 3:30 to 5:30.

Other regular activities that are presented by non profit or volunteer groups include:

- Dallas Central Ministries provided lunches and snacks for 100 residents for 23 days in July and 19 days in August, 2008.
- World Vision Storefront provides \$500 each month in home supplies for the residents.
- Mosaic Family Services presented a drug prevention workshop for kids from July to November 2008,
- The Dallas Police Department presented monthly crime watch meetings throughout the review period.
- The Dallas County Health Fair Bus visited with information in November.
- The Texas A & M Extension Service presented classes on cooking and nutrition from July to September, 2008.
- The Dallas Public Library presented story time 12 visits in July and August.
- Staples presented job training in July, 2008.
- Church of First Gospel met monthly for Bible Study in 2009.
- Care Center Ministry presented Saturday Day Camp March through May, 2009.

#### SOCIAL SERVICES EXPENDITURE REPORT

The maximum allotment for the salary of the social service director is ½ of the total expenditure requirement, \$20,000, which is \$1,666.67 on the monthly basis. The monthly expense for the physical location was calculated to be \$306.85, totaling \$3,682.20 annually. Out of pocket costs for the property for the review period totaled: \$1,253.33. The total for the property's direct expense: \$24,935.53.

Pleasant Village Apartments Monitoring Report September 23, 2008 Page 3

The total for volunteer hours, based on the State of Texas valuation for volunteer time, \$17.55, is reported to be \$7,107.75. In kind donations of goods and services included 200 meals and snacks provided to residents and totaled \$42,325. The reported total for and goods, services, and volunteer hours: \$49,432.75.

The combined total for Creekside Villas expenditure and In-Kind services is \$74,368.28 for the review period.

It is determined that the property has met the requirement for social services expenditures for the initial period, June 1, 2008 to May 31, 2009.

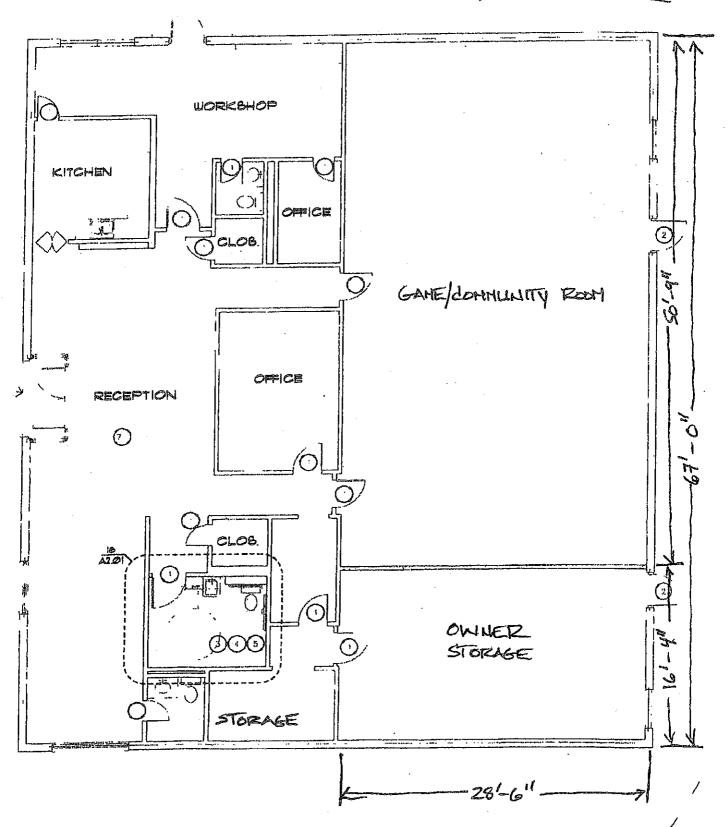
#### **CONCERN**

Periodic surveys of resident interest in current and future planned programs should be conducted to assure that the program is meeting the needs of the residents effectively. The results of the survey should be analyzed to determine if new programs should be introduced to serve current need.

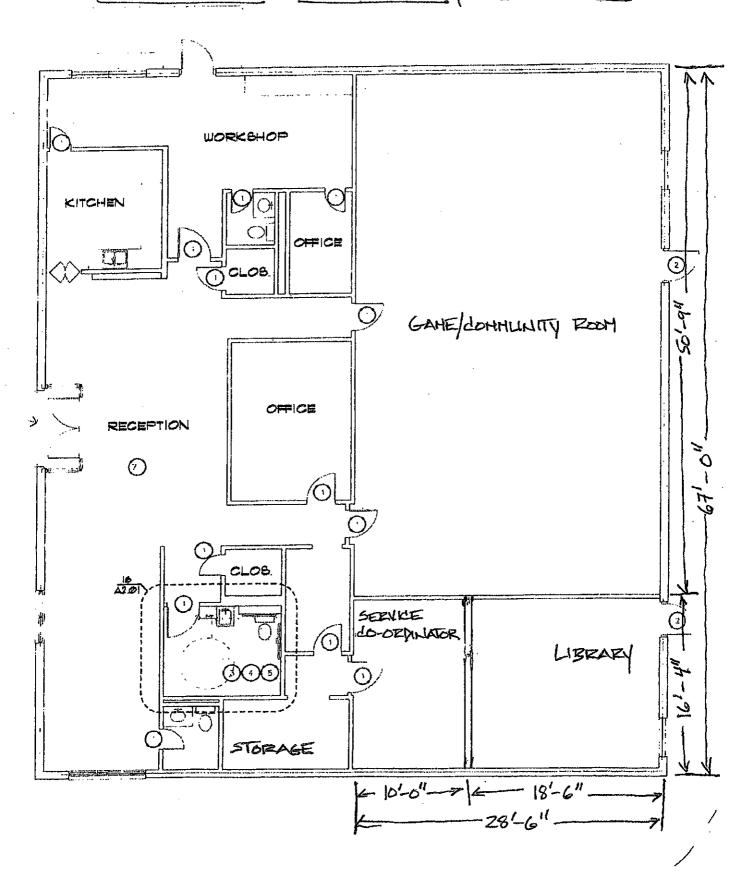
#### **CONCLUSION**

The social service requirement is in compliance with Dallas City Council Resolution #04-0784.

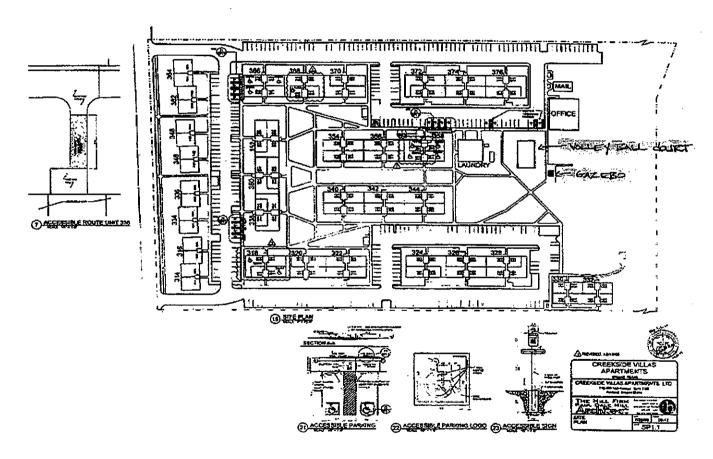
## EXISTING COMMUNITY BUILDING



# PROPOSED COMMUNITY BULLING



# Pleasant Village/Creekside Villas TDHCA File No: 04609/04609B SITE PLAN



**Volleyball Court & Gazebo Location** 

#### Internet Provider Cost Comparison

Cost to Consumer

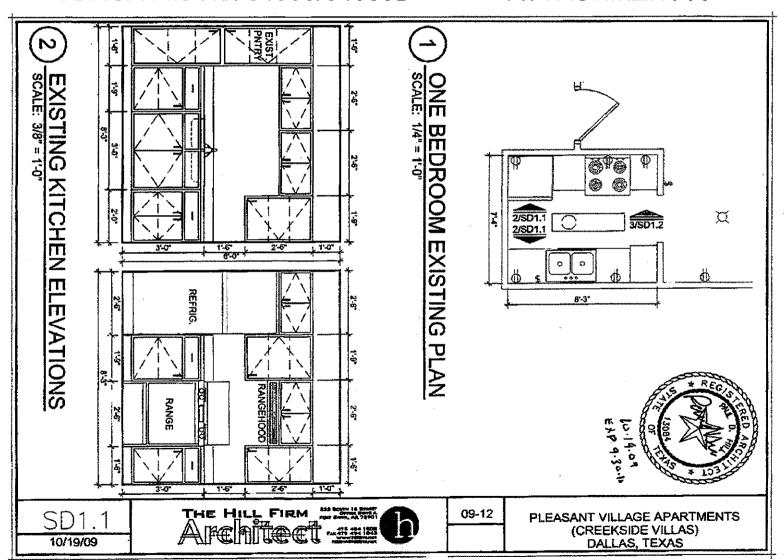
							mer
Provider	Plans	Monthly Price	Installation Charge		1st year	2nd Year	3rd Year
AT&T	AT&T High Speed Internet Direct basics	\$19.95	Standard installation and modem \$75.00 and up	1 year contractual obligation	\$314.40	\$239.40	\$239.40
Time Warner	Road Runner Lite	\$29.99	Standard installation existing outlet \$39.99 (1 product)	1 year contractual obligation	\$399.87	\$359.88	\$359.88
One Economy		First 2 years free of charge. The third and subsequent year approx. \$10.00 monthly charge			\$0.00	\$0.00	\$120.00

<sup>\*</sup>Please note the One Economy includes 2 years of network monitoring and maintenance for each property

## Pleasant Village/Creekside Villas

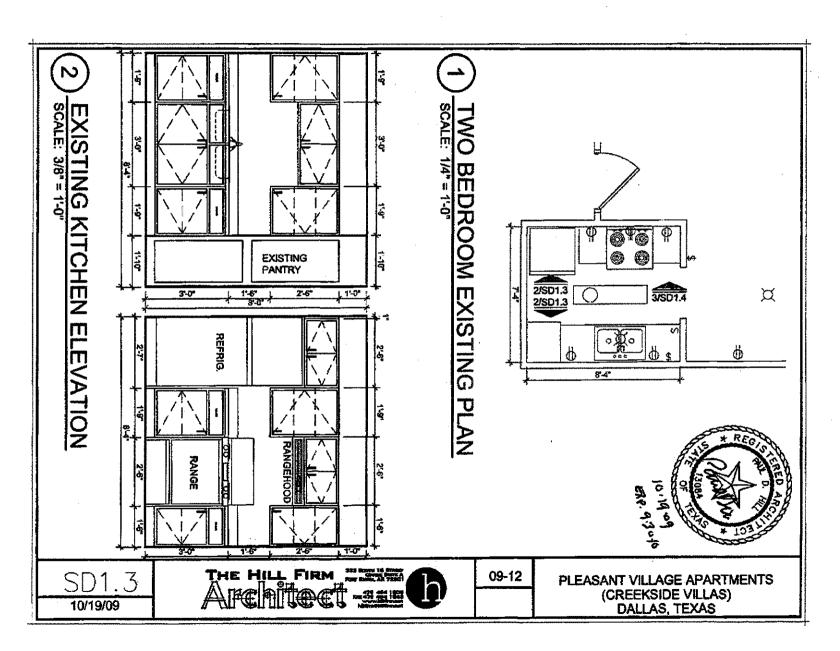
TDHCA File No: 04609/04609B

ATTACHMENT A



## Pleasant Village/Creekside Villas

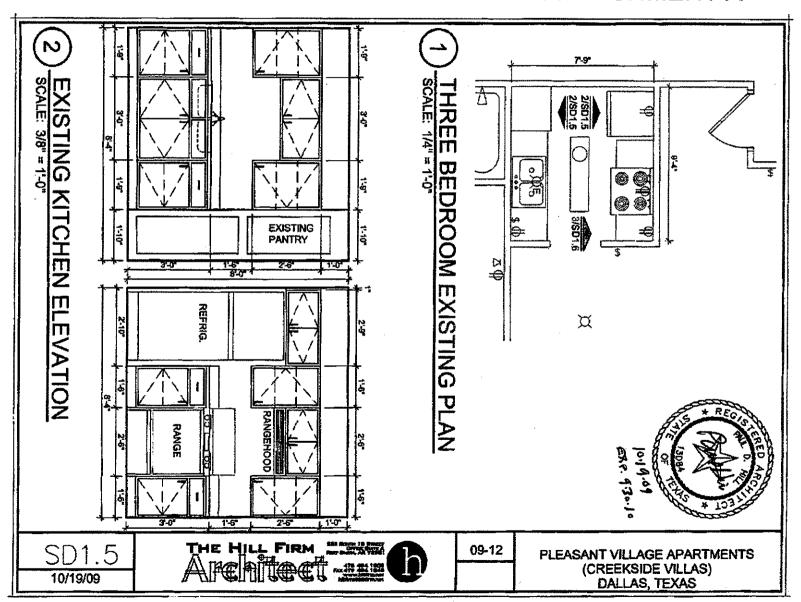
TDHCA File No: 04609/04609B ATTACHMENT A



## Pleasant Village/Creekside Villas

TDHCA File No: 04609/04609B

**ATTACHMENT A** 



# Pleasant Village/Creekside Villas TDHCA File No: 04609/04609B **ATTACHMENT A**

# Installation Preparation - Enclosure







Provide at least 27" in front of the dishwasher to allow the dishwasher door to open fully. Refer to

### Memorandum

To: File

**From:** Thomas Cavanagh, Real Estate Analysis

**cc:** Ben Sheppard, Multifamily Finance Production

**Date:** February 12, 2010

Re: Amendment Request for Heritage Park Vista, TDHCA #09928 / 08233

### **Background**

### Allocation

The Development was submitted and approved for an allocation of 9% tax credits in the amount of \$1,106,616 in 2008. The Development also received an additional credit allocation in the amount of \$161,776 as a result of the 10% increase in construction costs for 2007 and 2008 9% HTC developments approved by the Board in November of 2008. These credits were returned under the Tax Credit Exchange Program and the Owner received an award of Exchange funds in the amount of \$10,707,151.

### *Original Site Plan*

The original development plan consisted of an irregularly-shaped 16.01 acre site. All proposed improvements were shown to be planned on the eastern half of the site, with a large area at the west end left undeveloped. The original underwriting report indicates the Owner's intent to restrict the entire site under the HTC LURA, and that the entire acquisition cost was therefore included in the development cost.

### Original Financing Plan

The financing plan underwritten with the Exchange application included a proposed \$325,000 interim construction loan from Trinity Victory Family Ministries.

### **Amendment Request**

In a letter dated December 29, 2009, the Owner requested approval for a change to the original application to reduce the land area of the development site as a result of dedicating 2.6 acres to the City of Fort Worth for a park.

Additionally, in a letter dated February 10, 2010, the Owner requested approval of an amendment to its application for Exchange Funds, removing the loan from Trinity Victory Family Ministries as a source of funds for the development of the Property.

### Analysis

### Revised Site Plan

The Owner provided a revised site plan showing the proposed 2.606 acre dedication as an irregular narrow strip along the northern boundary. The development site is identified as 12.745 acres. The remaining 0.684 acres is shown as an approximately 40-ft. right of way ("R.O.W.") dedication along the eastern boundary. As stated above, the original plan included a large undeveloped area at the west end of the site. As revised, the actual improvement area extends farther to the west to compensate for the area lost to the park dedication. Exact dimensions of the improvement area are not given, but the revised site plan appears to use approximately the same area as the original. The unit mix and net rentable area have not changed from what was underwritten for the Exchange application. The Owner has indicated that the development cost schedule underwritten for the Exchange application reflected the development as currently proposed.

Land acquisition costs are not included in eligible basis. However, when total development costs include acquisition costs for excess land, there is the potential that the excess cost can increase the gap in financing and thereby avoid a situation where the tax credit allocation might otherwise be limited by the gap method of determining tax credits. In this case, if the acquisition cost is pro rated to reflect only the currently proposed site area, the recommended Exchange funds are not limited by the gap method.

### Change in Financing Plan

With the amendment request letter dated February 10, 2010, the Owner provided revised summary of sources and uses, financing narrative, and financing participants exhibits. The \$325,000 interim construction loan has been removed, and replaced by additional Exchange proceeds being drawn during the construction phase. The Owner's development cost schedule, as underwritten for the Exchange application, includes \$170,000 in eligible interim interest; this amount is less than one year of fully drawn interest on the primary construction loan. This means the interest on the \$325,000 interim construction loan was not being considered in the underwriting, so the removal of this loan has no effect on the award recommendation.

### Correction to Previous Underwriting Report

However, in reviewing the transaction, the Underwriter has identified an error in the recommended financing structure from the Exchange application. The Applicant's proposed permanent financing carried an interest rate higher than 8%. The underwriting report for the Exchange application states that, based on Exchange Program policy, the recommended permanent debt amount was adjusted "based on an interest rate of 8% and an amount necessary to achieve a 1.25 DCR". This was calculated with a 35-year amortization period, equal to that of the proposed debt. But the Exchange policy stipulates "permanent financing with a 30 year amortization and 8% interest rate based on a 1.25 debt coverage ratio."

Therefore, the current analysis includes a 30-year amortization period on the recommended first lien financing, consistent with the Exchange policy. The Underwriter's recommended financing structure for the Exchange application included an increase in the permanent debt amount, from the Applicant's proposed \$3,850,000 to \$3,925,000, resulting from the decrease in the assumed interest rate. This caused a reduction in the recommended deferred developer fee, and did not affect the Exchange award.

If the debt had been adjusted to a 30-year amortization in accordance with the Exchange policy, the recommended debt amount would have been reduced to \$3,796,739, and the recommended deferred developer fee would have been increased to 1,827,741. This amount is less than the total proposed developer fee, and the pro forma analysis indicates sufficient cash flow to repay the fee within 15 years. Therefore, the adjustment to the recommended amortization period does not affect the recommended Exchange award.

### Conclusion

Real Estate Analysis has reviewed the Owner's revised application information. While the total site area is reduced, the unit mix and net rentable area are not affected. The area of actual site improvements appears to be approximately unchanged, and the Owner has stated that the development costs underwritten for the Exchange application reflected the development as currently proposed. Therefore, the dedication of 2.606 acres of parkland, and the resulting reconfiguration of the development, does not negatively impact the underwriting of the transaction.

Additional Exchange funds can be drawn during construction to replace the previously listed interim construction loan from Trinity Victory Family Ministries. The removal of this loan does not impact eligible basis or total development cost. Therefore, the removal of the interim construction loan does not negatively impact the underwriting of the transaction.

The Underwriter's recommended financing structure has been changed to reflect a decrease in the recommended permanent debt amount to \$3,796,739, and an increase in the recommended deferred developer fee to 1,827,741. This adjustment does not affect the recommended Exchange award.

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### MULTIFAMILY COMPARATIVE ANALYSIS

### Heritage Park Vista, Fort Worth, Tax Credit Exchange / 9% HTC #09928/08233

						1							
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 30% 22	1	1	722	\$371	291					\$6,402	\$0.40	\$80.00	\$11.00
TC 50% 7	1	1	722	\$618	538					\$3,766	\$0.75	\$80.00	\$11.00
TC 60% 40 MR 1	1	1	722 722	\$742	662 810					\$26,480 \$810	\$0.92 \$1.12	\$80.00 \$80.00	\$11.00 \$11.00
MR 1 TC 30% 13	2	1	948	\$445	348					\$4,524	\$0.37	\$97.00	\$11.00
TC 50% 13	2	1	948	\$742	645					\$9,030	\$0.68	\$97.00	\$11.00
TC 60% 39	2	1	948	\$891	794					\$30,966	\$0.84	\$97.00	\$11.00
MR 4	2	1	948	φοστ	960					\$3,840	\$1.01	\$97.00	\$11.00
TOTAL: 140		AVERAGE:	835		\$613					\$85,818	\$0.73	\$88.50	\$11.00
											******	4	4
INCOME	Total Net F	Rentable Sq Ft:	116,900		TDHCA Amendment	TDHCA-Exchange	TDHCA - UW	APPLICATION	APPLICANT- Exchange	APPLICANT Amendment	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS		Contable Oq I t.	110,500	l	\$1.029.816	\$1.029.816	\$1,081,752	\$1,060,788	\$1,030,464	\$1.030.464	Tarrant	Dallas	3
Secondary Income		F	er Unit Per Month	\$15.00	25,200	25,200	25,200	25,200	16,800	16,800	\$10.00	Per Unit Per Month	
Other Support Income:	Washer/Dry	er rentals, cal	ole/phone/inte	rnet	30,000	30,000	0	40,320	66,360	66,360	\$39.50	Per Unit Per Month	
POTENTIAL GROSS	INCOME				\$1,085,016	\$1,085,016	\$1,106,952	\$1,126,308	\$1,113,624	\$1,113,624			
Vacancy & Collection Lo	oss	% of Poter	ntial Gross Income	-7.50%	(81,376)	(81,376)	(83,021)	(84,468)	(83,520)	(83,520)	-7.50%	of Potential Gross I	ncome
Employee or Other Non		ts or Concess	ions		0	0	0	0	0	0			
EFFECTIVE GROSS	INCOME				\$1,003,640	\$1,003,640	\$1,023,931	\$1,041,840	\$1,030,104	\$1,030,104			
EXPENSES		% OF EGI	PER UNIT	PER SQ FT	<b>*</b> 4 0 00 00 00	0.40.005	<b>A</b> == 0= 4	<b>A</b> =0 =00	<b>A</b> =4 =00	<b>A</b> =4 =00	PER SQ FT	PER UNIT	% OF EGI
General & Administrativ	re	4.25%	\$304	0.36	\$42,625	\$42,625	\$55,954	\$50,700	\$51,700	\$51,700	\$0.44	\$369	5.02%
Management		4.12%	295	0.35	41,320	41,320	51,197	52,092	41,204	41,204	0.35	294	4.00%
Payroll & Payroll Tax		13.38%	959	1.15	134,255	134,255	142,125	138,000	132,000	132,000	1.13	943	12.81%
Repairs & Maintenance		7.13%	511	0.61	71,516	71,516	72,202	66,800	66,800	66,800	0.57	477	6.48%
Utilities		3.20%	230	0.28	32,163	32,163	32,130	45,000	45,000	45,000	0.38	321	4.37%
Water, Sewer, & Trash		2.34%	168	0.20	23,487	23,487	23,520	60,000	60,000	60,000	0.51	429	5.82%
Property Insurance		3.23%	231	0.28	32,396	32,396	34,293	34,000	34,000	34,000	0.29	243	3.30%
Property Tax	2.990867	11.68%	837	1.00	117,242	117,242	119,644	97,500	100,000	100,000	0.86	714	9.71%
Reserve for Replaceme		3.49%	250	0.30	35,000	35,000	35,000	35,000	35,000	35,000	0.30	250	3.40%
TDHCA Compliance Fe		0.56%	40	0.05	5,600	5,600	5,600	4,200	4,200	4,200	0.04	30	0.41%
TCEP Asset Oversight F		0.70%	50	0.06	7,000	7,000	0	0	40.000	40.000	0.00	0	0.00%
Other: Support Services TOTAL EXPENSES	s, Cable	4.18% 58.25%	300	0.36	42,000 \$584,603	42,000 \$584,603	12,000 \$583,665	12,000 \$595,292	42,000 \$611,904	42,000 \$611,904	0.36	300 \$4,371	4.08%
NET OPERATING INC	_	41.75%	\$4,176 \$2,993	\$5.00 \$3.58	\$419,037	\$419,037	\$440,265	\$446,548	\$418,200	\$418,200	\$5.23 \$3.58	\$2,987	59.40% 40.60%
DEBT SERVICE		41./5%	\$2,993	\$3.30	φ419,037	φ419,037	ψ440,203	ψ440,340	\$410,200	\$410,200	\$3.36	\$2,907	40.00%
Wells Fargo First Lien Mo	ortanan	35.30%	\$2,531	\$3.03	\$354,284	\$354,284	\$385,179	\$388,859	\$356,446	\$356,446	\$3.05	\$2,546	34.60%
Additional Financing	urgage	0.00%	\$2,551	\$0.00	9334,204	0	φ363,179 0	φ300,039 0	\$330,440 0	\$330,440 0	\$0.00	\$2,546	0.00%
Additional Financing		0.00%	\$0 \$0	\$0.00	0	0	0	0	0	0	\$0.00	\$0	0.00%
NET CASH FLOW		6.45%	\$463	\$0.00	\$64,752	\$64,752	\$55,087	\$57,689	\$61,754	\$61,754	\$0.53	\$441	5.99%
AGGREGATE DEBT CO	VEDACE D		φ <del>4</del> 03	\$0.55			1.14		1.17	1.17	<b>\$0.53</b>	φ441	3.33 /6
RECOMMENDED DEBT					1.18	1.18	1.14	1.15	1.17	1.25			
CONSTRUCTION CO		LIKATIO					1.10	l l	1.25	1.23			
CONSTRUCTION CO	<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>			ĺ	TDHCA	TDHCA			APPLICANT	APPLICANT			
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	Amendment	Amendment	TDHCA - UW	APPLICATION	Amendment	Amendment	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or		8.98%	\$10,092	\$12.09	\$1,412,935	\$1,412,935	\$1,410,000	\$1,410,000	\$1,412,935	\$1,412,935	\$12.09	\$10,092	8.65%
Off-Sites		0.42%	475	0.57	66,542	66,542	0	0	66,542	66,542	0.57	475	0.41%
Sitework		7.86%	8,837	10.58	1,237,230	1,237,230	1,250,000	1,250,000	1,237,230	1,237,230	10.58	8,837	7.58%
Direct Construction		46.76%	52,548	62.93	7,356,676	7,356,676	6,985,421	6,994,000	7,975,824	7,975,824	68.23	56,970	48.84%
Contingency	5.00%	2.73%	3,069	3.68	429,695	429,695	411,771	412,200	460,650	460,650	3.94	3,290	2.82%
Contractor's Fees	14.00%	7.65%	8,594	10.29	1,203,147	1,203,147	1,152,959	1,154,160	1,289,750	1,289,750	11.03	9,213	7.90%
Indirect Construction		8.61%	9,671	11.58	1,354,000	1,354,000	1,454,000	1,454,000	1,354,000	1,354,000	11.58	9,671	8.29%
Ineligible Costs		0.75%	841	1.01	117,700	117,700	728,353	728,353	117,700	117,700	1.01	841	0.72%
Developer's Fees	15.00%	11.38%	12,794	15.32	1,791,112	1,791,112	1,803,021	1,821,000	1,902,000	1,902,000	16.27	13,586	11.65%
Interim Financing		2.29%	2,571	3.08	360,000	360,000	765,988	464,000	360,000	360,000	3.08	2,571	2.20%
Reserves		2.57%	2,886	3.46	403,984	403,984	144,175	0	155,000	155,000	1.33	1,107	0.95%
TOTAL COST		100.00%	\$112,379	\$134.59	\$15,733,021	\$15,733,021	\$16,105,686	\$15,687,713	\$16,331,631	\$16,331,631	\$139.71	\$116,655	100.00%
+ 10% Increase							0	\$824,400					
Total Cost							16,105,686	16,512,113					
Construction Cost Reca	ар	65.00%	\$73,048	\$87.48	\$10,226,748					\$10,963,454	\$93.78	\$78,310	67.13%
SOURCES OF FUND	s										RECOMMENDED		
Wells Fargo First Lien Mo		24.47%	\$27,500	\$32.93	\$3,850,000	\$3,850,000	\$5,000,000	\$5,000,000	\$3,850,000	\$3,850,000	\$3,796,739	Developer F	ee Available
Additional Financing	-3-3-	0.00%	\$0	\$0.00	0	0	0	0	0	0	0	\$1,90	
Tax Credit Exchange Pr	rogram	68.06%	\$76,480	\$91.59	10,707,151	10,707,151	0		10,707,151	10,707,151	10,707,151	1	
HTC Syndication Proceed	-	0.00%	\$0	\$0.00	0	0	9,570,452	9,570,452	. ,	. ,		% of Dev. F	ee Deferred
Deferred Developer Fees		11.28%	\$12,675	\$15.18	1,774,480	1,774,480	1,419,248	1,419,248	1,774,480	1,774,480	1,827,741		6%
Additional (Excess) Fund		-3.80%	(\$4,276)	(\$5.12)	(598,610)	(598,610)	115,986	824,400	0	0	0	15-Yr Cumulat	
TOTAL SOURCES	4 •	2.3070	(+ :,-10)	(++· 1-)	\$15,733,021	\$15,733,021	\$15,989,700	\$16,814,100	\$16,331,631	\$16,331,631	\$16,331,631	\$1,91	
. 5 1712 55511025					ψ10,100,021	ψ10,100,021	ψ10,000,100	ψ10,017,100	ψ 10,001,001	ψ10,001,001	ψ10,001,001	Ψ1,91	0,7 70

### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Heritage Park Vista, Fort Worth, Tax Credit Exchange / 9% HTC #09928/08233

### DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.59	\$6,497,956
Adjustments				
Exterior Wall Finish	2.40%		\$1.33	\$155,951
Elderly	3.00%		1.67	194,939
9-Ft. Ceilings	3.30%		1.83	214,433
Roofing			0.00	0
Subfloor			(0.30)	(35,070)
Floor Cover			2.38	278,222
Breezeways/Balconies	\$24.79	41,501	8.80	1,028,810
Plumbing Fixtures	\$835	0	0.00	0
Rough-ins	\$410	280	0.98	114,800
Built-In Appliances	\$1,800	140	2.16	252,000
Exterior Stairs	\$1,875	16	0.26	30,000
Elevators	\$35,400	2	0.61	70,800
Heating/Cooling			3.58	419,000
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$55.59	6,388	3.04	355,081
Other: fire sprinkler	\$2.15	116,900	3.22	376,000
SUBTOTAL			85.14	9,952,920
Current Cost Multiplier	1.01		0.85	99,529
Local Multiplier	0.90		(8.51)	(995,292
TOTAL DIRECT CONSTRU	CTION COST	rs	\$77.48	\$9,057,157
Plans, specs, survy, bld prm	3.90%		(\$3.02)	(\$353,229
Interim Construction Interes	3.38%		(2.61)	(305,679
Contractor's OH & Profit	11.50%		(8.91)	(1,041,573
NET DIRECT CONSTRUCT	ION COSTS		\$62.93	\$7,356,676

### PAYMENT COMPUTATION

Primary	\$3,850,000	Amort	420
Int Rate	8.77%	DCR	1.18
Secondary	\$0	Amort	

Additional	\$0	Amort	
Int Rate		Aggregate DCR	1.18

# RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

\$334,309
0
0
\$83,890

Primary	\$3,796,739	Amort	360
Int Rate	8.00%	DCR	1.25

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.25

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME	at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIA	AL GRO	SS RENT	\$1,030,464	\$1,061,378	\$1,093,219	\$1,126,016	\$1,159,796
Secondar	y Incom	е	16,800	17,304	17,823	18,358	18,909
Other Sup	pport Inc	come: Washer	66,360	68,351	70,401	72,513	74,689
POTENTIA	AL GRO	SS INCOME	1,113,624	1,147,033	1,181,444	1,216,887	1,253,394
Vacancy	& Collec	tion Loss	(83,520)	(86,027)	(88,608)	(91,267)	(94,005)
Employee	or Othe	er Non-Rental	0	0	0	0	0
EFFECTIV	E GRO	SS INCOME	\$1,030,104	\$1,061,005	\$1,092,835	\$1,125,620	\$1,159,389
EXPENSE	S at	4.00%					
General 8	& Admin	istrative	\$51,700	\$53,768	\$55,919	\$58,155	\$60,482
Managem	nent		41,204	42,440	43,713	45,025	46,375
Payroll &	Payroll	Tax	132,000	137,280	142,771	148,482	154,421
Repairs 8	k Mainte	nance	66,800	69,472	72,251	75,141	78,147
Utilities			45,000	46,800	48,672	50,619	52,644
Water, Se	ewer & T	rash	60,000	62,400	64,896	67,492	70,192
Insurance	9		34,000	35,360	36,774	38,245	39,775
Property '	Tax		100,000	104,000	108,160	112,486	116,986
Reserve t	for Repla	acements	35,000	36,400	37,856	39,370	40,945
TDHCA C	Compliar	nce Fee	4,200	4,368	4,543	4,724	4,913
TCAP As	set Ove	rsight Fee	0	0	0	0	0
Other			42,000	43,680	45,427	47,244	49,134
TOTAL EX	PENSE	s	\$611,904	\$635,968	\$660,982	\$686,985	\$714,014
NET OPER	RATING	INCOME	\$418,200	\$425,037	\$431,853	\$438,636	\$445,375
DE	BT SER	VICE					
First Lien F	inancin	g	\$334,309	\$334,309	\$334,309	\$334,309	\$334,309
Second Lie	en		0	0	0	0	0
Other Fina	ncing		0	0	0	0	0
NET CASH	H FLOW		\$83,890	\$90,728	\$97,543	\$104,326	\$111,066
DEBT COV	/ERAGE	RATIO	1.25	1.27	1.29	1.31	1.33

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,344,522	\$1,558,669	\$1,806,925	\$2,428,356
21,920	25,412	29,459	39,590
86,585	100,375	116,363	156,382
1,453,027	1,684,456	1,952,746	2,624,328
(108,977)	(126,334)	(146,456)	(196,825)
0	0	0	0
\$1,344,050	\$1,558,122	\$1,806,290	\$2,427,503
\$73,585	\$89,528	\$108,924	\$161,234
53,762	62,325	72,251	97,100
187,877	228,581	278,104	411,662
95,077	115,676	140,738	208,326
64,049	77,925	94,808	140,339
85,399	103,901	126,411	187,119
48,393	58,877	71,633	106,034
142,331	173,168	210,685	311,865
49,816	60,609	73,740	109,153
5,978	7,273	8,849	13,098
0	0	0	0
59,779	72,730	88,488	130,983
\$866,046	\$1,050,593	\$1,274,630	\$1,876,914
\$478,004	\$507,529	\$531,660	\$550,589
\$334,309	\$334,309	\$334,309	\$334,309
0	0	0	0
0	0	0	0
\$143,694	\$173,220	\$197,351	\$216,279
1.43	1.52	1.59	1.65

# HTC ALLOCATION ANALYSIS -Heritage Park Vista, Fort Worth, Tax Credit Exchange / 9% HTC #09928/08233

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,412,935	\$1,412,935		
Purchase of buildings	. , ,	, , ,		
Off-Site Improvements	\$66,542	\$66,542		
Sitework	\$1,237,230	\$1,237,230	\$1,237,230	\$1,237,230
Construction Hard Costs	\$7,975,824	\$7,356,676	\$7,975,824	\$7,356,676
Contractor Fees	\$1,289,750	\$1,203,147	\$1,289,750	\$1,203,147
Contingencies	\$460,650	\$429,695	\$460,650	\$429,695
Eligible Indirect Fees	\$1,354,000	\$1,354,000	\$1,354,000	\$1,354,000
Eligible Financing Fees	\$360,000	\$360,000	\$360,000	\$360,000
All Ineligible Costs	\$117,700	\$117,700		
Developer Fees			\$1,901,618	
Developer Fees	\$1,902,000	\$1,791,112		\$1,791,112
Development Reserves	\$155,000	\$403,984		
TOTAL DEVELOPMENT COSTS	\$16,331,631	\$15,733,021	\$14,579,072	\$13,731,860
Deduct from Basis:				
	a a a i a			
All grant proceeds used to finance costs in eligible to	Dasis			
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	1/1			
Historic Credits (on residential portion only)	71]			
TOTAL ELIGIBLE BASIS			\$14,579,072	\$13,731,860
High Cost Area Adjustment			100%	100%
TOTAL ADJUSTED BASIS			\$14,579,072	\$13,731,860
Applicable Fraction			96.14%	96.14%
TOTAL QUALIFIED BASIS			\$14,016,113	\$13,201,616
Applicable Percentage			9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$1,261,450	\$1,188,145
	Syndication Proceeds	0.8500	\$10,722,326	\$10,099,236
	Total Tax Credits (Eligi	ble Basis Method)	\$1,261,450	\$1,188,145
	Synd	dication Proceeds	\$10,722,326	\$10,099,236
	Previously Awarded	Tax Credits - Total	\$1,268,392	
	Synd	dication Proceeds	\$10,781,332	
	Gap of Syndication	Proceeds Needed	\$12,534,892	
	Total Tax Cre	dits (Gap Method)	\$1,474,693	
	<u>-</u>	Funds Requested	\$10,707,151	
	Amount of Credits Re	turned (Applicant)	\$1,268,392	
	Exchange l	Funds Requested	\$10,707,151	

**Amount of Credits Necessary to Support Request** 

\$1,259,665



### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division

Underwriting Report - Tax Credit Exchange / 9% HTC ADDENDUM

Development Name:	Heritage Park Vista	Date:	December 28, 2009
Address:	8500 Ray White Road	FILE NUMBER:	09928/08233
City:	Fort Worth	Population:	Elderly
County:	Tarrant	Activity:	New Construction

	Award Amount	Exchange Price	Credits Exchanged
Request:	\$10,707,151	\$0.85	\$1,268,392
Recommendation:	\$10,707,151	\$0.85	\$1,259,665

The recommended Tax Credit Exchange award amount was based on the Applicant's requested award amount. Although all of the previously awarded tax credits will be returned (\$1,268,392), only \$1,259,665 in credits are needed to support the requested Exchange award at an Exchange rate of \$0.85.

### **Conditions to Recommendation**

- 1 Receipt, review, and acceptance, by closing, of an updated construction loan commitment from Trinity Victory Family Ministries.
- 2 Receipt, review, and acceptance, prior to execution of the Written Agreement, of Department approval for the omission of the originally proposed garages.
- 3 Should the terms and rates of the proposed financing change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
- 4 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.

Property Summary					
# Units	140	Acreage:	16.01		
Year Built	N/A	Units/Acre:	8.74		
Current Occupancy	100%	Flood Zone:	Yes		
Number Buildings	6	Zoning:	C & CF		
Units/Building	23.33	Stabilized DCR:	1.25		

The Applicant is now requesting to change the financing structure, including the return of the entire housing tax credit allocation for Tax Credit Exchange Program (Exchange) funds. The Subject development has qualified for a tax credit exchange price of \$0.85, by committing to provide an additional 20% of the units as 30% units.

TDHCA SET-ASIDES for LURA						
Income Limit	Rent Limit	Number of Units				
30% of AMI	30% of AMI	35				
50% of AMI	50% of AMI	21				
60% of AMI	60% of AMI	79				

### Salient Issues

None

### **Operating Pro Forma**

Rents based on: Current 2009 HTC program gross rent limits & PHA utility allowances as of January 1, 2009. For market rate units, the Underwriter's analysis reflects the market study rents, rather than the lower rents reflected by the Applicant.

The Applicant's pro forma does not include secondary income from garages as indicated at original application, because garages are no longer being provided (see additional discussion in Use of Funds section below). Additionally, secondary income from cable/phone/internet exceeds the pass-through expense estimated at \$30,000 annually. The Underwriter's analysis includes income from cable/phone/internet, but has limited this income to the amount of the associated expense, \$30,000. The Applicant has also included additional secondary income from washer/dryer rentals, which was not included in Underwriter's estimate in accordance with REA rules. Per REA Rules, the Underwriter's estimate of secondary income has been limited to a maximum of \$15/unit/month (exclusive of the pass-through cable TV/internet/phone income).

Exchange Asset Oversight Fee: The Underwriter's estimate includes an Exchange Asset Oversight Fee of \$50/unit/year, which the Applicant's estimate does not. If the fee was included in the Applicant's estimate, the Applicant's total expenses would not be within 5% of the Underwriter's, and the Applicant's DCR would fall to 1.15.

The inclusion of the additional 30% units reduced income, by 1% and reduced NOI by 6%.

The Applicant's submitted pro forma meets current Department guidelines with regard to the DCR limit. The underwriting 30-year pro forma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with 2008 REA Rules and TDHCA guidelines.

### **Uses of Funds/Scope of Work**

Direct construction costs pursuant to the Underwriter's current estimate, derived from Marshall & Swift and construction bigs provided by the Applicant total \$7,356,676.

The Applicant's total development costs decreased by \$180,482 from the 10% cost increase approved by the Board in November 2008.

Change in Scope: Since the original underwriting, the applicant has removed the garages from the development plan. Both the Applicant's and Underwriter's cost estimates reflect this change. The change does not materially affect the underwriting of the development. As of this date, the Applicant has not submitted an amendment request to remove the garages. While this change has not been approved, the underwriting reflects the current plans for the development without garages. Receipt of Department approval for the omission of garages prior to the execution of the Written Agreement is a condition of this report.

The Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$382 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

The Applicant's revised cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis because the Applicant's total revised development cost is within 5% of the Underwriter's estimate.

An eligible basis of \$14,579,072 supports annual tax credits of \$1,261,450.

### Source of Funds

Wachovia provided a proposal letter for a construction loan in the amount of \$3,850,000 set at LIBOR plus 3%, with a floor of 5% for 24 months. The Fort Worth Housing Finance Corporation will provide interim financing in the amount of \$800,000 loan at AFR for 24 months. Additionally, Trinity Victory Family Ministries will provide interim financing in the amount of \$325,000 at a rate equal to 90 day LIBOR plus 2% for 24 months.

Wachovia provided a proposal letter for permanent financing in the amount of \$3,850,000 at an interest rate equal to the 10 year Treasury rate plus 532 basis points, resulting in an underwriting rate of 8.77%.

The Exchange Program Policy states: "The amount of Exchange funds that may be requested and awarded is limited to the lesser of: eligible basis as defined by Section 42 of the Internal Revenue Code, unless otherwise allowed by written U. S. Treasury Department guidance; the amount necessary to support the total development cost less any committed permanent financing or permanent financing with a 30 year amortization and 8% interest rate based on a 1.25 debt coverage ratio on Net Income (as further defined in 10 TAC § 1.32, the Department's Real Estate Analysis Rules) and other sources of funds including previously identified sources of funds; or the amount of total credit allocated to the development times 10 times the Credit Price Ceiling."

The Underwriter does not consider the submitted proposal letter to meet the requirement for "committed permanent financing" as intended under the Policy.

Therefore, pursuant to the Policy, the recommended financing structure assumes permanent financing based on an interest rate of 8% and an amount necessary to achieve a 1.25 DCR, \$3,925,000. The increase in the assumed serviceable debt does not affect the Exchange award.

If the proposal letter was considered to meet the requirement for "committed permanent financing", use of the terms of the proposal letter would not result in a change to the recommended Exchange award.

	Unique Program Requirements Reviewed							
0	None							
		Underwriting Assum	otions/Limiting Cor	nditions				
0	above. This report sh	of the report that are mate rould be read in conjunction ginally proposed developr	on with the original	underwriting report for				
	Underwriter:	Jeannie Arellano	Date:	December 28, 2009	,			
	Manager of Real Estate Analysis:	e Audrey Martin	Date:	December 28, 2009				
	Director of Real Estate Analysis:	Brent Stewart	Date:	December 28, 2009				

### MULTIFAMILY COMPARATIVE ANALYSIS

### Heritage Park Vista, Fort Worth, Tax Credit Exchange / 9% HTC #09928/08233

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 30%	22	1	1	722	\$371	291	\$291	\$6,402	\$0.40	\$80.00	\$11.00
TC 50%	7	1	1	722	\$618	538	\$538	\$3,766	\$0.75	\$80.00	\$11.00
TC 60%	40	1	1	722	\$742	662	\$662	\$26,480	\$0.92	\$80.00	\$11.00
MR	1	1	1	722		810	\$0	\$810	\$1.12	\$80.00	\$11.00
TC 30%	13	2	1	948	\$445	348	\$348	\$4,524	\$0.37	\$97.00	\$11.00
TC 50%	14	2	1	948	\$742	645	\$645	\$9,030	\$0.68	\$97.00	\$11.00
TC 60%	39	2	1	948	\$891	794	\$794	\$30,966	\$0.84	\$97.00	\$11.00
MR	4	2	1	948		960	\$0	\$3,840	\$1.01	\$97.00	\$11.00
TOTAL:	140		AVERAGE:	835		\$613	_	\$85,818	\$0.73	\$88.50	\$11.00

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INCOME Total N	et Rentable Sq Ft:	116,900		TDHCA-Exchange	TDHCA - UW	APPLICATION	APPLICANT- Exchange	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				\$1,029,816	\$1,081,752	\$1,060,788	\$1,030,464	Tarrant	Dallas	3
Secondary Income	P	Per Unit Per Month:	\$15.00	25,200	25,200	25,200	16,800	\$10.00	Per Unit Per Month	1
Other Support Income: Washer/	-	ole/phone/intern	et	30,000	0	40,320	66,360	\$39.50	Per Unit Per Month	ı
POTENTIAL GROSS INCOM				\$1,085,016	\$1,106,952	\$1,126,308	\$1,113,624			
Vacancy & Collection Loss		ntial Gross Income:	-7.50%	(81,376)	(83,021)	(84,468)	(83,520)	-7.50%	of Potential Gross	Income
Employee or Other Non-Rental I EFFECTIVE GROSS INCOM		ions		\$1,003,640	0 \$1,023,931	\$1,041,840	\$1,030,104			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT	\$1,003,640	\$1,023,931	\$1,041,640	\$1,030,104	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.25%	\$304	0.36	\$42,625	\$55,954	\$50.700	\$51,700	\$0.44	\$369	5.02%
Management	4.12%	295	0.35	41,320	51,197	52,092	41,204	0.35	294	4.00%
Payroll & Payroll Tax	13.38%	959	1.15	134,255	142,125	138,000	132,000	1.13	943	12.81%
Repairs & Maintenance	7.13%	511	0.61	71,516	72,202	66,800	66,800	0.57	477	6.48%
Utilities	3.20%	230	0.28	32,163	32,130	45,000	45,000	0.38	321	4.37%
Water, Sewer, & Trash	2.34%	168	0.20	23,487	23,520	60,000	60,000	0.51	429	5.82%
Property Insurance	3.23%	231	0.28	32,396	34,293	34,000	34,000	0.29	243	3.30%
Property Tax 2.99086	7 11.68%	837	1.00	117,242	119,644	97,500	100,000	0.86	714	9.71%
Reserve for Replacements	3.49%	250	0.30	35,000	35,000	35,000	35,000	0.30	250	3.40%
TDHCA Compliance Fees	0.56%	40	0.05	5,600	5,600	4,200	4,200	0.04	30	0.41%
TCEP Asset Oversight Fees	0.70%	50	0.06	7,000	0	0		0.00	0	0.00%
Other: Support Services, Cable	4.18%	300	0.36	42,000	12,000	12,000	42,000	0.36	300	4.08%
TOTAL EXPENSES	58.25%	\$4,176	\$5.00	\$584,603	\$583,665	\$595,292	\$611,904	\$5.23	\$4,371	59.40%
NET OPERATING INC	41.75%	\$2,993	\$3.58	\$419,037	\$440,265	\$446,548	\$418,200	\$3.58	\$2,987	40.60%
DEBT SERVICE										
Wells Fargo First Lien Mortgage	35.30%	\$2,531	\$3.03	\$354,284	\$385,179	\$388,859	\$356,446	\$3.05	\$2,546	34.60%
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	6.45%	\$463	\$0.55	\$64,752	\$55,087	\$57,689	\$61,754	\$0.53	\$441	5.99%
	DATIO									
AGGREGATE DEBT COVERAGE				1.18	1.14	1.15	1.17			
RECOMMENDED DEBT COVER				1.18	1.14 1.16	1.15	1.17			
				1.18		1.15	1.25			
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor	AGE RATIO	PER UNIT	PER SQ FT	TDHCA-Exchange	1.16 TDHCA - UW	APPLICATION	1.25  APPLICANT- Exchange	PER SQ FT	<u>PER UNIT</u>	% of TOTAL
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor  Acquisition Cost (site or bldg)	AGE RATIO	<u>PER UNIT</u> \$10,092	PER SQ FT \$12.09	TDHCA-Exchange \$1,412,935	1.16 TDHCA - UW \$1,410,000	APPLICATION \$1,410,000	APPLICANT- Exchange \$1,412,935	<u>PER SQ FT</u> \$12.09	<u>PER UNIT</u> \$10,092	% of TOTAL 8.65%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor	AGE RATIO			TDHCA-Exchange \$1,412,935 66,542	1.16 TDHCA - UW \$1,410,000 0	<b>APPLICATION</b> \$1,410,000 0	1.25  APPLICANT- Exchange \$1,412,935 66,542			
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Eactor  Acquisition Cost (site or bldg)  Off-Sites  Sitework	% of TOTAL 8.98% 0.42% 7.86%	\$10,092 475 8,837	\$12.09 0.57 10.58	TDHCA-Exchange \$1,412,935 66,542 1,237,230	1.16 TDHCA - UW \$1,410,000 0 1,250,000	<b>APPLICATION</b> \$1,410,000 0 1,250,000	1.25  APPLICANT- Exchange \$1,412,935 66,542 1,237,230	\$12.09 0.57 10.58	\$10,092 475 8,837	8.65%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Eactor  Acquisition Cost (site or bldg)  Off-Sites  Sitework  Direct Construction	% of TOTAL 8.98% 0.42% 7.86% 46.76%	\$10,092 475 8,837 52,548	\$12.09 0.57 10.58 62.93	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676	1.16 TDHCA - UW \$1,410,000 0 1,250,000 6,985,421	APPLICATION \$1,410,000 0 1,250,000 6,994,000	1.25  APPLICANT- Exchange \$1,412,935 66,542 1,237,230 7,975,824	\$12.09 0.57 10.58 68.23	\$10,092 475 8,837 56,970	8.65% 0.41% 7.58% 48.84%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Eactor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00%	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73%	\$10,092 475 8,837 52,548 3,069	\$12.09 0.57 10.58 62.93 3.68	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695	1.16 TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200	1.25  APPLICANT- Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650	\$12.09 0.57 10.58 68.23 3.94	\$10,092 475 8,837 56,970 3,290	8.65% 0.41% 7.58% 48.84% 2.82%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73%	\$10,092 475 8,837 52,548 3,069 8,594	\$12.09 0.57 10.58 62.93 3.68 10.29	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160	1.25  APPLICANT- Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750	\$12.09 0.57 10.58 68.23 3.94 11.03	\$10,092 475 8,837 56,970 3,290 9,213	8.65% 0.41% 7.58% 48.84% 2.82% 7.90%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction	% of TOTAL 8,98% 0.42% 7.86% 46.76% 2.73% 5.7.65% 8.61%	\$10,092 475 8,837 52,548 3,069 8,594 9,671	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000	\$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58	\$10,092 475 8,837 56,970 3,290 9,213 9,671	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs	% of TOTAL 8,98% 0,42% 7,86% 46,76% 2,73% 5,7,65% 8,61% 0,75%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009	% of TOTAL 8,98% 0,42% 7,86% 46,76% 2,73% 5,7,65% 8,61% 0,75% 5,11,38%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing	% of TOTAL 8,98% 0,42% 7,86% 46,76% 2,73% 6,7,65% 8,61% 0,75% 6,11,38% 2,29%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 9.7.65% 8.61% 0.75% 9.11.38% 2.29% 2.57%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0	1,25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST	% of TOTAL 8,98% 0,42% 7,86% 46,76% 2,73% 6,7,65% 8,61% 0,75% 6,11,38% 2,29%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 9.7.65% 8.61% 0.75% 9.11.38% 2.29% 2.57%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713	1,25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 9.7.65% 8.61% 0.75% 9.11.38% 2.29% 2.57%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713	1,25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.755% 8.61% 0.75% 0.11.38% 2.29% 2.57% 100.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713	1,25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap SOURCES OF FUNDS	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.7.65% 8.61% 0.75% 11.38% 2.29% 2.57% 100.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686 0 16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713 \$824,400 16,512,113	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95% 100.00%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.755% 8.61% 0.75% 0.11.38% 2.29% 2.57% 100.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713	1,25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap SOURCES OF FUNDS Wells Fargo First Lien Mortgage	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.765% 8.61% 0.75% 0.11.38% 2.29% 2.57% 100.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379 \$73,048	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021 \$10,226,748	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686 0 16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713 \$824,400 16,512,113	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631  \$10,963,454 \$3,850,000	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71 \$93.78  RECOMMENDED \$3,925,000	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95% 100.00%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor  Acquisition Cost (site or bldg)  Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap SOURCES OF FUNDS  Wells Fargo First Lien Mortgage Additional Financing	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.765% 8.61% 0.75% 0.11.38% 2.29% 2.57% 100.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379 \$73,048	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59 \$87.48	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021 \$10,226,748 \$3,850,000 0	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686 0 16,105,686	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713 \$824,400 16,512,113	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631  \$10,963,454 \$3,850,000 0	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71  \$93.78  RECOMMENDED \$3,925,000 0	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95% 100.00%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor  Acquisition Cost (site or bldg)  Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap SOURCES OF FUNDS  Wells Fargo First Lien Mortgage Additional Financing Tax Credit Exchange Program	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.765% 8.61% 0.75% 0.11.38% 2.29% 2.57% 100.00% 65.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379 \$73,048 \$27,500 \$0 \$76,480	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59 \$87.48 \$32.93 \$0.00 \$91.59	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021 \$10,226,748 \$3,850,000 0 10,707,151	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686  0 16,105,686 \$5,000,000 0	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713 \$824,400 16,512,113	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631  \$10,963,454 \$3,850,000 0	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71  \$93.78  RECOMMENDED \$3,925,000 0	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655  \$78,310  Developer F \$1,900 % of Dev. F	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95% 100.00%
RECOMMENDED DEBT COVER  CONSTRUCTION COST  Description Factor  Acquisition Cost (site or bldg)  Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap SOURCES OF FUNDS  Wells Fargo First Lien Mortgage Additional Financing Tax Credit Exchange Program HTC Syndication Proceeds	% of TOTAL 8.98% 0.42% 7.86% 46.76% 2.73% 0.765% 8.61% 0.75% 0.11.38% 2.29% 2.57% 100.00% 65.00%	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379 \$73,048 \$27,500 \$0 \$76,480 \$0	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59  \$87.48  \$32.93 \$0.00 \$91.59 \$0.00	TDHCA-Exchange \$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021  \$10,226,748  \$3,850,000 0 10,707,151 0	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686 0 16,105,686 \$5,000,000 0 0 9,570,452	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713 \$824,400 16,512,113 \$5,000,000 0	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631  \$10,963,454 \$3,850,000 0 10,707,151	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71  \$93.78  **RECOMMENDED** \$3,925,000 0 10,707,151	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655  \$78,310  Developer F \$1,900 % of Dev. F	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95% 100.00%
Description Eactor Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency 5.00% Contractor's Fees 14.009 Indirect Construction Ineligible Costs Developer's Fees 15.009 Interim Financing Reserves TOTAL COST + 10% Increase Total Cost Construction Cost Recap SOURCES OF FUNDS Wells Fargo First Lien Mortgage Additional Financing Tax Credit Exchange Program HTC Syndication Proceeds Deferred Developer Fees	**STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STATIO**  **STAT	\$10,092 475 8,837 52,548 3,069 8,594 9,671 841 12,794 2,571 2,886 \$112,379 \$73,048 \$27,500 \$0 \$76,480 \$0 \$12,675	\$12.09 0.57 10.58 62.93 3.68 10.29 11.58 1.01 15.32 3.08 3.46 \$134.59  \$87.48  \$32.93 \$0.00 \$91.59 \$0.00 \$15.18	\$1,412,935 66,542 1,237,230 7,356,676 429,695 1,203,147 1,354,000 117,700 1,791,112 360,000 403,984 \$15,733,021 \$10,226,748 \$3,850,000 0 10,707,151 0 1,774,480	1.16  TDHCA - UW \$1,410,000 0 1,250,000 6,985,421 411,771 1,152,959 1,454,000 728,353 1,803,021 765,988 144,175 \$16,105,686 0 16,105,686 \$5,000,000 0 0 9,570,452 1,419,248	APPLICATION \$1,410,000 0 1,250,000 6,994,000 412,200 1,154,160 1,454,000 728,353 1,821,000 464,000 0 \$15,687,713 \$824,400 16,512,113 \$5,000,000 0 9,570,452 1,419,248	1.25  APPLICANT-Exchange \$1,412,935 66,542 1,237,230 7,975,824 460,650 1,289,750 1,354,000 117,700 1,902,000 360,000 155,000 \$16,331,631  \$10,963,454 \$3,850,000 0 10,707,151	\$12.09 0.57 10.58 68.23 3.94 11.03 11.58 1.01 16.27 3.08 1.33 \$139.71  \$93.78  RECOMMENDED \$3,925,000 0 10,707,151	\$10,092 475 8,837 56,970 3,290 9,213 9,671 841 13,586 2,571 1,107 \$116,655  \$78,310  Developer F \$1,90 % of Dev. F 88 15-Yr Cumula	8.65% 0.41% 7.58% 48.84% 2.82% 7.90% 8.29% 0.72% 11.65% 2.20% 0.95% 100.00%

### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

### Heritage Park Vista, Fort Worth, Tax Credit Exchange / 9% HTC #09928/08233

### DIRECT CONSTRUCTION COST ESTIMATE

### Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.59	\$6,497,956
Adjustments				
Exterior Wall Finish	2.40%		\$1.33	\$155,951
Elderly	3.00%		1.67	194,939
9-Ft. Ceilings	3.30%		1.83	214,433
Roofing			0.00	0
Subfloor			(0.30)	(35,070)
Floor Cover			2.38	278,222
Breezeways/Balconies	\$24.79	41,501	8.80	1,028,810
Plumbing Fixtures	\$835	0	0.00	0
Rough-ins	\$410	280	0.98	114,800
Built-In Appliances	\$1,800	140	2.16	252,000
Exterior Stairs	\$1,875	16	0.26	30,000
Elevators	\$35,400	2	0.61	70,800
Heating/Cooling			3.58	419,000
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$55.59	6,388	3.04	355,081
Other: fire sprinkler	\$2.15	116,900	3.22	376,000
SUBTOTAL			85.14	9,952,920
Current Cost Multiplier	1.01		0.85	99,529
Local Multiplier	0.90		(8.51)	(995,292)
TOTAL DIRECT CONSTRUC	CTION COST	S	\$77.48	\$9,057,157
Plans, specs, survy, bld prm	3.90%		(\$3.02)	(\$353,229)
Interim Construction Interest	3.38%		(2.61)	(305,679)
Contractor's OH & Profit	11.50%		(8.91)	(1,041,573)
NET DIRECT CONSTRUCTI	ON COSTS		\$62.93	\$7,356,676

### PAYMENT COMPUTATION

Primary	\$3,850,000	Amort	420
Int Rate	8.77%	DCR	1.18
Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.18
Additional	\$0	Amort	
Int Rate		Aggregate DCP	1 18

# RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	\$334,533
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$83,667

Primary	\$3,925,000	Amort	420
Int Rate	8.00%	DCR	1.25

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.25

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME	at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIA	L GRO	SS RENT	\$1,030,464	\$1,061,378	\$1,093,219	\$1,126,016	\$1,159,796
Secondar	y Incon	ne	16,800	17,304	17,823	18,358	18,909
Other Sup	port In	come: Washer	66,360	68,351	70,401	72,513	74,689
POTENTIA	L GRO	SS INCOME	1,113,624	1,147,033	1,181,444	1,216,887	1,253,394
Vacancy 8	& Colle	ction Loss	(83,520)	(86,027)	(88,608)	(91,267)	(94,005)
Employee	or Oth	er Non-Rental	0	0	0	0	0
EFFECTIV	E GRO	SS INCOME	\$1,030,104	\$1,061,005	\$1,092,835	\$1,125,620	\$1,159,389
EXPENSES	S at	4.00%					
General &	Admir	nistrative	\$51,700	\$53,768	\$55,919	\$58,155	\$60,482
Managem	ent		41,204	42,440	43,713	45,025	46,375
Payroll &	Payroll	Tax	132,000	137,280	142,771	148,482	154,421
Repairs &	Mainte	enance	66,800	69,472	72,251	75,141	78,147
Utilities			45,000	46,800	48,672	50,619	52,644
Water, Se	wer &	Trash	60,000	62,400	64,896	67,492	70,192
Insurance			34,000	35,360	36,774	38,245	39,775
Property 7	Гах		100,000	104,000	108,160	112,486	116,986
Reserve f	or Repl	lacements	35,000	36,400	37,856	39,370	40,945
TDHCA C	omplia	nce Fee	4,200	4,368	4,543	4,724	4,913
TCAP Ass	set Ove	ersight Fee	0	0	0	0	0
Other			42,000	43,680	45,427	47,244	49,134
TOTAL EX	PENSE	S	\$611,904	\$635,968	\$660,982	\$686,985	\$714,014
NET OPER	RATING	INCOME	\$418,200	\$425,037	\$431,853	\$438,636	\$445,375
DE	BT SE	RVICE					
First Lien F	inancir	ng	\$334,533	\$334,533	\$334,533	\$334,533	\$334,533
Second Lie	n		0	0	0	0	0
Other Finar	ncing		0	0	0	0	0
NET CASH	FLOW	1	\$83,667	\$90,504	\$97,320	\$104,103	\$110,842
DEBT COV	/ERAG	E RATIO	1.25	1.27	1.29	1.31	1.33

YEAR 10	YEAR 15	YEAR 20	YEAR 30	
\$1,344,522	\$1,558,669	\$1,806,925	\$2,428,356	
21,920	25,412	29,459	39,590	
86,585	100,375	116,363	156,382	
1,453,027	1,684,456	1,952,746	2,624,328	
(108,977)	(126,334)	(146,456)	(196,825)	
0	0	0	0	
\$1,344,050	\$1,558,122	\$1,806,290	\$2,427,503	
\$73,585	\$89,528	\$108,924	\$161,234	
53,762	62,325	72,251	97,100	
187,877	228,581	278,104	411,662	
95,077	115,676	140,738	208,326	
64,049	77,925	94,808	140,339	
85,399	103,901	126,411	187,119	
48,393	58,877	71,633	106,034	
142,331	173,168	210,685	311,865	
49,816	60,609	73,740	109,153	
5,978	7,273	8,849	13,098	
0	0	0	0	
59,779	72,730	88,488	130,983	
\$866,046	\$1,050,593	\$1,274,630	\$1,876,914	
\$478,004	\$507,529	\$531,660	\$550,589	
\$334,533	\$334,533	\$334,533	\$334,533	
0	0	0	0	
0	0	0	0	
\$143,471	\$172,997	\$197,127	\$216,056	
1.43	1.52	1.59	1.65	

# HTC ALLOCATION ANALYSIS -Heritage Park Vista, Fort Worth, Tax Credit Exchange / 9% HTC #09928/08233

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW	
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	
Acquisition Cost					
Purchase of land	\$1,412,935	\$1,412,935			
Purchase of buildings					
Off-Site Improvements	\$66,542	\$66,542			
Sitework	\$1,237,230	\$1,237,230	\$1,237,230	\$1,237,230	
Construction Hard Costs	\$7,975,824	\$7,356,676	\$7,975,824	\$7,356,676	
Contractor Fees	\$1,289,750	\$1,203,147	\$1,289,750	\$1,203,147	
Contingencies	\$460,650	\$429,695	\$460,650	\$429,695	
Eligible Indirect Fees	\$1,354,000	\$1,354,000	\$1,354,000	\$1,354,000	
Eligible Financing Fees	\$360,000	\$360,000	\$360,000	\$360,000	
All Ineligible Costs	\$117,700	\$117,700			
Developer Fees			\$1,901,618		
Developer Fees	\$1,902,000	\$1,791,112		\$1,791,112	
Development Reserves	\$155,000	\$403,984			
TOTAL DEVELOPMENT COSTS	\$16,331,631	\$15,733,021	\$14,579,072	\$13,731,860	
Deduct from Basis:					
All grant proceeds used to finance costs in eligible ba	asis				
B M R I loans used to finance cost in eligible basis				·	

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	\$14,579,072	\$13,731,860
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$14,579,072	\$13,731,860
Applicable Fraction	96.14%	96.14%
TOTAL QUALIFIED BASIS	\$14,016,113	\$13,201,616
Applicable Percentage	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS	\$1,261,450	\$1,188,145

Syndication Proceeds	0.8500	\$10,722,326	\$10,099,236
Total Tax Credits (Eligible Basis	s Method)	\$1,261,450	\$1,188,145
Syndication	Proceeds	\$10,722,326	\$10,099,236
Previously Awarded Tax Cred	lits - Total	\$1,268,392	
Syndication	Proceeds	\$10,781,332	
Gap of Syndication Proceed	ls Needed	\$12,406,631	
Total Tax Credits (Gap	p Method)	\$1,459,604	
Exchange Funds F	Requested	\$10,707,151	
Amount of Credits Returned (A	Applicant)	\$1,268,392	
Exchange Funds R	equested	\$10,707,151	
unt of Credits Necessary to Support	t Request	\$1,259,665	



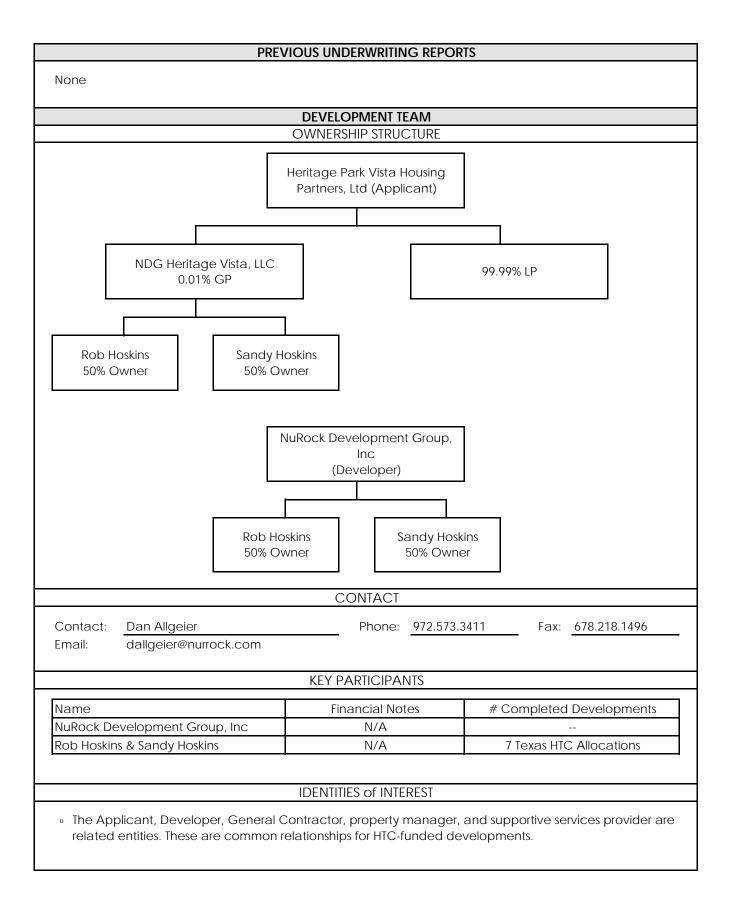
### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division **Underwriting Report** 

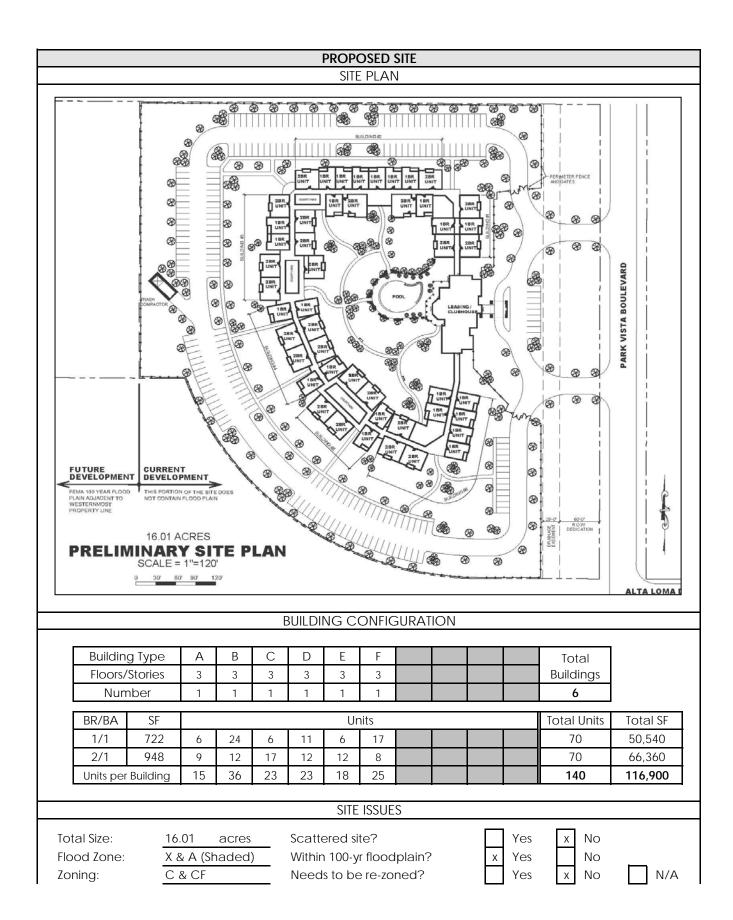
REPORT DATE: 06/26/08 PROGRAM: 9% HTC FILE NUMBER: 08233

	DEVELOPMENT									
Heritage Park Vista										
Location:	8500 Ray White Road					Re	egion: 3			
City: Fort W	/orth	County: Tarrar	76248	QCI	DDA					
Key Attribute	Key Attributes: Multifamily, Elderly, Urban, New Construction									
ALLOCATION										
TDHCA Prog	ıram	Amount	REQUEST Interest	Amort/Term	Amount	1	Amort/Term			
_	Credit (Annual)	\$1,126,048		,	\$1,106,616					
			0							
		С	ONDITIO	<u>NS</u>						
developr  2 Receipt, recomme  3 Receipt, Restrictio  4 Receipt, not more  5 Should th	<ol> <li>Receipt, review, and acceptance, by carryover, of information regarding any potential adverse affects of the existing tenancy in common agreements listed in Schedule B of the title commitment on the development or operation of the proposed multifamily property.</li> <li>Receipt, review, and acceptance, by cost certification, of a noise study and evidence that all recommendations of said study have been fully implemented.</li> <li>Receipt, review, and acceptance by cost certification of an executed and recorded Land Use Restriction Agreement (LURA) restricting all 16.01 acres for the proposed development.</li> <li>Receipt, review, and acceptance, by carryover, of updated loan and equity commitments which are not more than 30 days old.</li> <li>Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.</li> </ol>									
		SA	LIENT ISS	UES			_			
				for LURA						
	Income Limit		Rent Lim		Number of I	Units	4			
	30% of AMI 50% of AMI		80% of A <i>l</i> 50% of A <i>l</i>		7 49					
	60% of AMI		50% of A <i>l</i>		79					
'	PROS	•		•	CONS		•			
the maxi	et Rents are significar mum 60% tax credit re that the subject units	ents which		than a fract	inal credit price ion of one cent veloper fee wo	t, all else e	equal, the			

- households a significant savings over other comparable properties in the market.
- amount repayable within 15 years and the transaction would not meet the REA rules for feasibility.



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### Comments: The Applicant currently has 16.01 acres under contract. Only the eastern half of the site is planned for development according to the site plan submitted and based on correspondence with the Applicant. While the site plan indicates that the eastern portion will be used for future development, the Applicant indicates that the entire site will be restricted under the LURA and has claimed the acquisition cost for the entire 16.01 acres in the cost schedule. As such, any desire to pursue development of the eastern portion of the site will require TDHCA Board action to release that acreage from the LURA. Additionally, the entire acquisition cost is being fully claimed as part of the subject development and should the developer pursue a phase II in the future, the transaction may be underwritten with no acquisition cost. Only a small portion (no more than 10,00SF) of the westernmost portion of the site is located within the 100 year floodplain. Based upon the siteplan submitted, no residential structures are planned within several hundred feet of this area and it is unlikely that the floodplain will affect the planned development unless significant changes to the development plan are made. Should such changes be made, further review may be required and the Applicant would be required to meet 2008 QAP quidelines for development within the 100 year floodplain. Of note, the Applicant indicated that no part of the site was within the 100 year floodplain. TDHCA SITE INSPECTION Inspector: Manufactured Housing Date: 4/7/2008 Overall Assessment: Excellent Questionable Poor Unacceptable Acceptable Surrounding Uses: North: residential /vacant land East: Park Vista Blvd / residential South: commercial construction site vacant/residential/Creek West: HIGHLIGHTS of ENVIRONMENTAL REPORTS Provider: GEE Consultants, Inc Date: 3/24/2008 Recognized Environmental Concerns (RECs) and Other Concerns: • The ESA states, "Due to the proximity of Tarrant Parkway to the subject site, there is a potential for noise to impact the site. At this time, GEE Consultants believes the best course of action is to give HUD the discretion to decide if it would like the client to proceed with a noise study" (p. 7). Comments: Based on the documentation submitted by the Applicant, it does not appear that HUD will be directly involved in the transaction and would not have the opportunity to review the potential need for a noise study. The REA rules indicate that HUD's noise guidelines should be used in making a recommendation regarding noise. The Department's use of HUD noise survey guidelines as a benchmark may have led the ESA provider to conclude that HUD would be involved. However, the ESA provider clearly indicates that noise could impact the site. Therefore, receipt, review, and acceptance, by cost certification, of a noise study and evidence that all recommendations of said study have been fully implemented is a condition of this report. **MARKET HIGHLIGHTS** Provider: Ipser & Associates, Inc Date: 3/6/2008 Contact: Ed Ipser Phone: 817.927.2838 Fax: 817.927.0032

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Number of Revisions:

none

Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 68.59 square miles (4.67 miles radius)

"The primary market area is defined as the 31 Census Tract area in north Fort Worth. The area is bound on the north by Keller-Hicks Road and Big Bear Creek, on the east by FM 1938, Precinct Line Road, Campus Drive, Airport Freeway, Loop 820 and Booth Calloway Road, on the south by SH 183, and on the west by Deen Road, The Burlington Northern and Santa Fe railroad line, Blue Mound Road, an unnamed creek, Western Center Blvd. and IH 35W" (p. 2-3). The Analyst estimates the 2008 population to be 233,748.

### Secondary Market Area (SMA):

### None defined

PROPOSED,	PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS											
	PMA			SMA								
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units				
Aventine Tarrant Parkway*	Aventine Tarrant Parkway* 04435 240 0 N/A											

<sup>\*</sup> Aventine Tarrant Parkway is a family development and therefore not considered a direct comparable

	INCOME LIMITS										
	Tarrant										
% AMI	AMI 1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons										
30	\$13,600	\$15,500	\$17,450	\$19,400	\$20,950	\$22,500					
50	\$22,600	\$25,850	\$29,050	\$32,300	\$34,900	\$37,450					
60	\$27,120	\$31,020	\$34,860	\$38,760	\$41,880	\$44,940					

	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/30% Rent Limit	31	4	0	35	4	0	11%				
1 BR/50% Rent Limit	45	7	0	52	25	0	48%				
1 BR/60% Rent Limit	51	9	0	60	40	0	67%				
2 BR/30% Rent Limit	37	4	0	41	3	0	7%				
2 BR/50% Rent Limit	54	9	0	63	24	0	38%				
2 BR/60% Rent Limit	69	13	0	82	39	0	48%				

OVERALL DEMAND												
				arget useholds	Household Size		Income Eligible		Tenure		Demand	
PMA DEMAND from TURNOVER												
Market Analyst	p.	N-1A	N/A	19,568	100%	19,568	26%	5,146	15%	757	30%	228
Underwriter			N/A	20,580	100%	20,580	22%	4,554	15%	670	30%	202
					PMA	A DEMAN	D from	HOUSEH	OLD GI	ROWTH		
Market Analyst	p.	N-1A			100%	1,012	26%	266	15%	39	100%	39
Underwriter					100%	1,011	22%	224	15%	33	100%	33

INCLUSIVE CAPTURE RATE											
	Subject Units		Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate					
Market Analyst p. N-1A	135	0	0	135	267	50.59%					
Underwriter	135	0	0	135	234	57.59%					

### Primary Market Occupancy Rates:

"The subject's proposed location in Census Tract 1139.14 is not a qualified census tract. The two HTC elderly complexes within the market area have a combined occupancy of 99.8% (one vacancy in 513 units). One of the HTC family complexes has 93.8% physical occupancy and 95.8% economic occupancy. The second HTC family complex refused to provide current occupancy, but had reported 96.3% physical occupancy and 100% leased occupancy in March 2007. Several conventional projects, including the HTC family projects would not (or as they claim, could not) divulge the number of elderly tenants. However, a few indicated that they had some elderly tenants such as approximately 50 at one location and more than 10 at another location" (p. 3-7).

### **Absorption Projections:**

"Average absorption for the subject is estimated at 12 to 15 units per month, and it is expected that an 9 to 11 month lease-up period will be required to achieve 92.5% occupancy of the 129 units. Absorption could be accelerated by the acceptance of Section 8 Vouchers. The Existing Section 8 Program is administered by the Fort Worth Housing Authority, with 100% of the 4,793 allocated vouchers are issued. Currently, about 5,000 names are on the Section 8 waiting list (10% to 15% of which are elderly), which had been opened and then closed January 31, 2008. Some elderly tenants could be expected to relocate from multi-family complexes in throughout Fort Worth or the surrounding communities in northeast Tarrant County" (p. 3-6).

	RENT ANALYSIS (Tenant-Paid Net Rents)										
Unit Type (% AMI)		Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market					
1 BR	722 SF	30%	\$276	\$283	\$810	\$283	\$527				
1 BR	722 SF	50%	\$514	\$525	\$810	\$525	\$285				
1 BR	722 SF	60%	\$633	\$646	\$810	\$646	\$164				
1 BR	722 SF	MR	\$650		\$810	\$650	\$160				
2 BR	948 SF	30%	\$330	\$339	\$960	\$339	\$621				
2 BR	948 SF	50%	\$616	\$629	\$960	\$629	\$331				
2 BR	948 SF	60%	\$759	\$774	\$960	\$774	\$186				
2 BR	948 SF	MR	\$775		\$960	\$775	\$185				

### Market Impact:

"The overall high occupancy with high rent rates, including both the family as well as elderly HTC projects indicates the need for affordable housing. Several projects that had offered concessions in March 2007 have dropped the specials and made rent adjustments resulting in increases, although small, at most complexes" (p. 3-7).

### Comments:

The market study was performed in accordance with the Department's guidelines and provides sufficient information on which to base a funding recommendation. The inclusive capture rates calculated by the Market Analyst and Underwriter are below Department's 75% threshold for elderly transactions.

### Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with section 1.32(i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 10 units per square mile which is less than the 1,432 units per square mile limit and a Primary Market Area concentration of 139 units per square mile which is less than the 1,000 units per square mile limit. Therefore, the proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

Income: Number of Revisions: Date of Last Applicant Revision: N/A  The Applicant has estimated rents based on the 2007 gross program rents less applicable utility allowances maintained by the Fort Worth Housing Authority. The Underwriter has used updated 2008 gross program rent limits loss applicable utility allowances. According to the Market Applyet, these not								
allowances maintained by the Fort Worth Housing Authority. The Underwriter has used updated 2008								
The Applicant's estimates of secondary income and vacancy and collection loss are in line with Department guidelines and are also reflected by the Underwriter. The Applicant has also included \$40K in income from garage rentals. The Applicant provided no support for this source of income and it has therefore not been included by the Underwriter. The Applicant's effective gross income estimate is within 5% of the Underwriter's estimate.								
Expense: Number of Revisions: 1 Date of Last Applicant Revision: 4/3/2008								
The Applicant's expense estimate of \$4,252 per unit is within 5% of the Underwriter's estimate of \$4,169 per unit derived from the TDHCA database, IREM data, and other sources. However, several of the Applicant's estimates of specific line items differ significantly from the Underwriter's, including: utilities (\$13K higher); water, sewer and trash (\$36K higher); property tax (\$22K lower); and TDHCA compliance fees (\$30 per unit rather than actual of \$40 per unit). The Applicant has proposed a utility structure with tenants paying for all electric, water, and sewer costs and the Underwriter has accounted for this structure which generally results in lower water and sewer costs bourn by the owner. However, the Applicant's estimate appears to be in line with a more typical utility structure with the owner paying water and sewer costs. This may account for the significant difference in estimates.								
Conclusion:  The Applicant's estimates of effective gross income, total operating expense, and net operating income are each within 5% of the Underwriter's estimates; therefore, the Applicant's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The Applicant's DCR is within the parameters defined in the Department's current guidelines.								
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.								
ACQUISITION INFORMATION								
ASSESSED VALUE  Land Only: N/A acres \$1,046,093 Tax Year: 2007  Existing Buildings: N/A Valuation by: Tarrant CAD  Total Assessed Value: \$1,046,093 Tax Rate: 2.848677								
EVIDENCE of PROPERTY CONTROL								
Type: Standard Contract for Sale and Purchase Acreage: 16.01  Contract Expiration: 0/20/2009 Valid Through Board Date?								
Contract Expiration: 9/30/2008 Valid Through Board Date? x Yes No								
Acquisition Cost: \$1,410,000 Other:  Seller: Fort Worth North Park Baptist Church Related to Development Team? Yes x No								

TITLE

### Comments:

Schedule B of the title commitment submitted by the Applicant reflects several items regarding "tenancy in common agreements" involving Quadrant North Tarrant Partners, First Savings Bank, and Lazy F Inc. The purpose and any potential affect on the development of the site are not clear from the summary provided in the title commitment. The Underwriter has requested additional information regarding these items from the Applicant, but has not received a response prior to completion of this report. As such, receipt, review, and acceptance, by carryover, of information regarding any potential adverse affects of the existing tenancy in common agreements listed in Schedule B of the title commitment on the development or operation of the proposed multifamily property is a condition of this report.

### **CONSTRUCTION COST ESTIMATE EVALUATION**

COST SCHEDULE	Number of Revisions:	1	Date of Last Applicant Revision:	4/16/2008

### Acquisition Value:

The Applicant has provided a contract for the purchase of 16.01 acres for \$88,070 per acre or \$10,071 per unit. The transaction appears to be arms-length and, therefore, the purchase price is assumed to be reasonable. As previously discussed, only the eastern half of the 16.01 acres is being developed; however, the Applicant indicated their intention to restrict the entire 16.012 acres in the Department's Land Use Restriction Agreement (LURA). The Applicant has claimed the acquisition cost for the entire acreage in the development cost schedule. Therefore, receipt, review, and acceptance of an executed and recorded Land Use Restriction Agreement (LURA) restricting all 16.01 acres for the proposed development is a condition of this report.

### Sitework Cost:

The Applicant's revised sitework estimate is below the Department's threshold; therefore, no further documentation is required.

### **Direct Construction Cost:**

The Applicant's revised direct construction cost estimate is 0.12% or \$8.5K below the Underwriter's Marshall and Swift derived direct construction cost estimate. Of note, the Applicant will collect rent from garages that will be provided to tenants as an optional amenity. The Applicant has appropriately excluded the cost to construct said garages from eligible basis.

### Impact Fees:

The Applicant's revised development cost schedule reflects \$550K in impact fees associated with the development of the proposed property, which is significantly higher than impact fees generally reviewed by the Underwriter. Upon request, the Applicant provided additional documentation to support this estimate, including: City estimate of park impact fees for another property located near the subject and documentation of the proposed transportation fees. Additionally, the Underwriter reviewed the water and sewer impact fee schedule available on the City of Fort Worth website. The Applicant's estimate appears to be reasonable based on this additional information, but any difference in the estimated and actual fees will be reconciled at cost certification.

### Interim Interest Expense:

The Applicant has claimed eligible interim interest expense in excess of the Department's limit of one year's fully drawn interest on any construction financing. As such, the Underwriter has shifted the excess interest expense, \$184,153, to ineligible costs.

### Contingency & Fees:

As a result of the misallocation of eligible costs described above, the Applicant's eligible developer fee now exceeds the Department's 15% maximum by \$16,448. The Underwriter has shifted this excess to ineligible costs which results in a comparable reduction in eligible basis.

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### 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 \$13,834,900 supports annual tax credits of \$1,106,616. 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 note that the Applicant utilized a higher per unit applicable fraction rather than the lesser square footage applicable fraction required. This had the effect of reducing the recommended credit amount by \$3,386 in addition to the reductions based upon the eligible basis adjustments discussed above.

FINANCING STRUCTURE
SOURCES & USES Number of Revisions: none Date of Last Applicant Revision: N/A
Source: City of Fort Worth Type: Interim Financing
Principal: \$800,000 Interest Rate: 4.31% Fixed Term: 30 months  Comments:  The Applicant has indicated their intent to apply for an \$800,000 construction loan at AFR from the City of Fort Worth. The Underwriter has used the April 2008 AFR for underwriting.
Source: Trinity Victory Family Ministries Type: Interim Financing
Principal: \$350,000 Interest Rate: 4.54% Fixed Term: 24 months  Comments:  The Applicant has provided a commitment for this source indicating a rate equal to the 90-day LIBOR plus 2%. The Underwriter has used April 2008 LIBOR for underwriting.
Source: Wells Fargo Type: Interim to Permanent Financing
Principal: \$5,000,000 Interest Rate: 6.65% x Fixed Amort: 360 months  Comments:  Lender will require \$250 per unit per year in reserves for replacement.
Source: Boston Capital Type: Syndication
Proceeds: \$9,570,452 Syndication Rate: 85% Anticipated HTC: \$1,126,048 Comments:  Should the final credit price decrease by more than one cent, all else equal, the gap in financing would increase and the resulting deferred developer fee would not be repayable within the required 15 years. Alternatively, the credit price can increase to \$0.995 before the gap in financing decreases to a level that could warrant an adjustment to the recommended credit amount.
Amount: \$1,419,248 Type: Deferred Developer Fees
Market Uncertainty:  The financial market for tax credit developments from both a loan and equity perspective are in their

The financial market for tax credit developments from both a loan and equity perspective are in their greatest period of uncertainty since the early 1990's and fluctuations in pricing and private funding are expected to continue to occur. The Underwriter has evaluated the pricing flexibility independently for credits and interest rates under which this development could continue to be considered financially feasible. Because of the significant number of potential scenarios, the Underwriter has not modeled the potential impact of movement on both interest rates and equity pricing occurring at the same time.

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Due to the uncertainty in the market and the potential for such movement in both equity pricing and interest rates, this report is conditioned upon updated loan and equity commitments at the submission of carryover. Should the revised commitments reflect changes in the anticipated permanent interest rate(s) and equity price, a re-evaluation of the financial feasibility of the transaction should be conducted.

### **CONCLUSIONS**

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$5,000,000 indicates the need for \$10,989,700 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,293,035 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$1,126,048), the gap-driven amount (\$1,293,035), and eligible basis-derived estimate (\$1,106,616), the eligible basis-derived estimate of \$1,106,616 is recommended resulting in proceeds of \$9,405,299 based on a syndication rate of 85%.

The Underwriter's recommended financing structure indicates the need for \$1,584,401 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Underwriter:		Date:	June 26, 2008
	Cameron Dorsey		
Reviewing Underwriter:		Date:	June 26, 2008
	Raquel Morales		
Director of Real Estate Analysis:		Date:	June 26, 2008
	Tom Gouris		

### MULTIFAMILY COMPARATIVE ANALYSIS

Heritage Park Vista, Fort Worth, 9% HTC #08233										
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	Trash
TC 30%	4	1	1	722	\$363	\$283	\$1,132	\$0.39	\$80.00	\$11.00
TC 50%	25	1	1	722	\$605	\$525	\$13,125	\$0.73	\$80.00	\$11.00
TC 60%	40	1	1	722	\$726	\$646	\$25,840	\$0.89	\$80.00	\$11.00
MR	1	1	1	722		\$650	\$650	\$0.90	\$80.00	\$11.00
TC 30%	3	2	1	948	\$436	\$339	\$1,017	\$0.36	\$97.00	\$11.00
TC 50%	24	2	1	948	\$726	\$629	\$15,096	\$0.66	\$97.00	\$11.00
TC 60%	39	2	1	948	\$871	\$774	\$30,186	\$0.82	\$97.00	\$11.00
MR	4	2	1	948		\$775	\$3,100	\$0.82	\$97.00	\$11.00
TOTAL:	140		AVERAGE:	835		\$644	\$90,146	\$0.77	\$88.50	\$11.00
INCOME	u 00000		Rentable Sq Ft:	<u>116,900</u>		TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGIO
POTENTIA		KENI			Ø45.00	\$1,081,752	\$1,060,788	Tarrant	Fort Worth	3
Secondary		Carana		Per Unit Per Month:	\$15.00	25,200	25,200	\$15.00	Per Unit Per Month	
POTENTIA	oort Income:	•				\$1,106,952	40,320 \$1,126,308	\$24.00	Per Unit Per Month	
	Collection L		% of Pote	ntial Gross Income:	-7.50%	(83,021)	(84,468)	-7.50%	of Potential Gross I	ncome
•			its or Concess			0	0			
EFFECTIV						\$1,023,931	\$1,041,840			
<b>EXPENSE</b>	<u>s</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General &	Administrati	ve	5.46%	\$400	0.48	\$55,954	\$50,700	\$0.43	\$362	4.87%
Manageme	ent		5.00%	366	0.44	51,197	52,092	0.45	372	5.00%
Payroll & P	ayroll Tax		13.88%	1,015	1.22	142,125	138,000	1.18	986	13.25%
Repairs & I	Maintenance	Э	7.05%	516	0.62	72,202	66.800	0.57	477	6.41%
Utilities			3.14%	230	0.27	32,130	45,000	0.38	321	4.32%
Water Sev	ver, & Trash		2.30%	168	0.20	23,520	60.000	0.51	429	5.76%
Property In			3.35%	245	0.29	34.293	34,000	0.29	243	3.26%
Property Ta		2.848677	11.68%	855	1.02	119,644	97,500	0.83	696	9.36%
	r Replaceme		3.42%	250	0.30	35,000	35,000	0.30	250	3.36%
	mpliance Fe		0.55%	40	0.05	5,600	4,200	0.04	30	0.40%
	port Service		1.17%	86	0.10	12,000	12,000	0.10	86	1.15%
TOTAL EX	•	:5	57.00%	\$4,169	\$4.99	\$583,665	\$595,292	\$5.09	\$4,252	57.14%
NET OPER		C	43.00%	\$3,145	\$3.77	\$440,265	\$446,548	\$3.82	\$3,190	42.86%
DEBT SER		C	43.00%	φ3,143	\$3.77	ψ440,203	ψ++0,0+0	φ3.62	φ3,190	42.00 //
Wells Fargo			37.62%	\$2,751	\$3.29	\$385,179	\$388,859	\$3.33	\$2,778	37.32%
Additional Fi			0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Fi	•		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH			5.38%	\$393	\$0.47	\$55,087	\$57,689	\$0.49	\$412	5.54%
AGGREGAT		\\EB\CE		φοσο	ψυ.+1		. ,	ψ0.43	Ψ12	0.0470
RECOMME						1.14	1.15 1.16			
CONSTRU			DE NATIO				1.10			
Descr		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition		·	8.75%		\$12.06	\$1,410,000	\$1,410,000	\$12.06	· · · · · · · · · · · · · · · · · · ·	8.82%
Off-Sites	COSt (site of	n blug)		\$10,071 0		\$1,410,000	\$1,410,000		\$10,071	
			0.00%		0.00			0.00	0	0.00%
Sitework	etruction		7.76%	8,929	10.69	1,250,000 6,985,421	1,250,000	10.69	8,929	7.82%
Direct Cons		E 000/	43.37%	49,896	59.76		6,994,000	59.83	49,957	43.74%
Contingend	•	5.00%	2.56%	2,941	3.52	411,771	412,200	3.53	2,944	2.58%
Contractor		14.00%	7.16%	8,235	9.86	1,152,959	1,154,160	9.87	8,244	7.22%
Indirect Co			9.03%	10,386	12.44	1,454,000	1,454,000	12.44	10,386	9.09%
Ineligible C			4.52%	5,203	6.23	728,353	728,353	6.23	5,203	4.56%
Developer's		15.00%	11.19%	12,879	15.42	1,803,021	1,821,000	15.58	13,007	11.39%
Interim Fina	ancing		4.76%	5,471	6.55	765,988	765,988	6.55	5,471	4.79%
Reserves			0.90%	1,030	1.23	144,175	0	0.00	0	0.00%
TOTAL CC			100.00%	\$115,041	\$137.77	\$16,105,686	\$15,989,700	\$136.78	\$114,212	100.00%
Construction		•	60.85%	\$70,001	\$83.83	\$9,800,151	\$9,810,360	\$83.92	\$70,074	61.35%
SOURCES	OF FUND	<u>s</u>						RECOMMENDED	1	
Wells Fargo	First Lien		31.04%	\$35,714	\$42.77	\$5,000,000	\$5,000,000	\$5,000,000	Developer F	ee Available
Additional Fi	•		0.00%	\$0	\$0.00	0	0	0	\$1,80	4,552
Poston Coni	HOLLITO For	.14	EO 400/	***	004.07	0.570.452	0.570.452	0.405.200	I	

Boston Capital HTC Equity

Deferred Developer Fees

TOTAL SOURCES

Additional (Excess) Funds Req'd

59.42%

0.72%

\$68,360

\$10,137

\$828

\$81.87

\$12.14

\$0.99

9,570,452

1,419,248

\$16,105,686

115,986

9,570,452

1,419,248

\$15,989,700

9,405,299

1,584,401

\$15,989,700

0

% of Dev. Fee Deferred

88%

15-Yr Cumulative Cash Flow

\$1,713,412

### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Heritage Park Vista, Fort Worth, 9% HTC #08233

### **DIRECT CONSTRUCTION COST ESTIMATE**

Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.59	\$6,497,956
Adjustments				
Exterior Wall Finish	2.40%	9% \$1.33		\$155,951
Elderly	3.00%		1.67	194,939
9-Ft. Ceilings	3.30%		1.83	214,433
Roofing			0.00	0
Subfloor			(0.82)	(96,248)
Floor Cover			2.43	284,067
Breezeways/Balconies	\$24.79	41,501	8.80	1,028,810
Plumbing Fixtures	\$805	0	0.00	0
Rough-ins	\$400	280	0.96	112,000
Built-In Appliances	\$1,850	140	2.22	259,000
Exterior Stairs	\$1,800	16	0.25	28,800
Elevators	\$35,400	2	0.61	70,800
Heating/Cooling			1.90	222,110
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$55.59	6,388	3.04	355,081
Other: fire sprinkler	\$1.95	116,900	1.95	227,955
SUBTOTAL			81.74	9,555,653
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.90		(8.17)	(955,565)
TOTAL DIRECT CONSTRU	S	\$73.57	\$8,600,087	
Plans, specs, survy, bld prm	3.90%		(\$2.87)	(\$335,403)
Interim Construction Interest	3.38%		(2.48)	(290,253)
Contractor's OH & Profit	11.50%		(8.46)	(989,010)
NET DIRECT CONSTRUCT	ION COSTS		\$59.76	\$6,985,421

### PAYMENT COMPUTATION

Primary	\$5,000,000	Amort	360
Int Rate	6.65%	DCR	1.14
·			
Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.14
Additional		Amort	
Int Rate		Aggregate DCR	1.14

# RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

	\$385,179
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$61,369

Primary	\$5,000,000	Amort	360
Int Rate	6.65%	DCR	1.16

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.16

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

### 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	\$1,060,788	\$1,092,612	\$1,125,390	\$1,159,152	\$1,193,926	\$1,384,088	\$1,604,537	\$1,860,098	\$2,499,816
Secondary Income	25,200	25,956	26,735	27,537	28,363	32,880	38,117	44,188	59,385
Other Support Income: Garaç	ge 40,320	41,530	42,775	44,059	45,381	52,608	60,988	70,701	95,017
POTENTIAL GROSS INCOME	1,126,308	1,160,097	1,194,900	1,230,747	1,267,670	1,469,576	1,703,642	1,974,988	2,654,219
Vacancy & Collection Loss	(84,468)	(87,007)	(89,618)	(92,306)	(95,075)	(110,218)	(127,773)	(148,124)	(199,066)
Employee or Other Non-Renta	al 0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,041,840	\$1,073,090	\$1,105,283	\$1,138,441	\$1,172,594	\$1,359,358	\$1,575,869	\$1,826,864	\$2,455,152
EXPENSES at 4.00%									
General & Administrative	\$50,700	\$52,728	\$54,837	\$57,031	\$59,312	\$72,162	\$87,796	\$106,817	\$158,116
Management	52,092	53,654	55,264	56,922	58,629	67,968	78,793	91,343	122,757
Payroll & Payroll Tax	138,000	143,520	149,261	155,231	161,440	196,417	238,971	290,745	430,374
Repairs & Maintenance	66,800	69,472	72,251	75,141	78,147	95,077	115,676	140,738	208,326
Utilities	45,000	46,800	48,672	50,619	52,644	64,049	77,925	94,808	140,339
Water, Sewer & Trash	60,000	62,400	64,896	67,492	70,192	85,399	103,901	126,411	187,119
Insurance	34,000	35,360	36,774	38,245	39,775	48,393	58,877	71,633	106,034
Property Tax	97,500	101,400	105,456	109,674	114,061	138,773	168,838	205,418	304,069
Reserve for Replacements	35,000	36,400	37,856	39,370	40,945	49,816	60,609	73,740	109,153
Other	16,200	16,848	17,522	18,223	18,952	23,058	28,053	34,131	50,522
TOTAL EXPENSES	\$595,292	\$618,582	\$642,789	\$667,948	\$694,097	\$841,111	\$1,019,440	\$1,235,783	\$1,816,808
NET OPERATING INCOME	\$446,548	\$454,508	\$462,494	\$470,493	\$478,498	\$518,248	\$556,429	\$591,081	\$638,344
DEBT SERVICE									
First Lien Financing	\$385,179	\$385,179	\$385,179	\$385,179	\$385,179	\$385,179	\$385,179	\$385,179	\$385,179
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	\$61,369	\$69,329	\$77,315	\$85,314	\$93,319	\$133,069	\$171,250	\$205,902	\$253,165
DEBT COVERAGE RATIO	1.16	1.18	1.20	1.22	1.24	1.35	1.44	1.53	1.66

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW	
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	
Acquisition Cost					
Purchase of land	\$1,410,000	\$1,410,000			
Purchase of buildings					
Off-Site Improvements					
Sitework	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	
Construction Hard Costs	\$6,994,000	\$6,985,421	\$6,994,000	\$6,985,421	
Contractor Fees	\$1,154,160	\$1,152,959	\$1,154,160	\$1,152,959	
Contingencies	\$412,200	\$411,771	\$412,200	\$411,771	
Eligible Indirect Fees	\$1,454,000	\$1,454,000	\$1,454,000	\$1,454,000	
Eligible Financing Fees	\$765,988	\$765,988	\$765,988	\$765,988	
All Ineligible Costs	\$728,353	\$728,353			
Developer Fees			\$1,804,552		
Developer Fees	\$1,821,000	\$1,803,021		\$1,803,021	
Development Reserves		\$144,175			
TOTAL DEVELOPMENT COSTS	\$15,989,700	\$16,105,686	\$13,834,900	\$13,823,159	

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	\$13,834,900	\$13,823,159
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$13,834,900	\$13,823,159
Applicable Fraction	96.14%	96.14%
TOTAL QUALIFIED BASIS	\$13,300,676	\$13,289,389
Applicable Percentage	8.32%	8.32%
TOTAL AMOUNT OF TAX CREDITS	\$1,106,616	\$1,105,677

Syndication Proceeds 0.8499 \$9,405,299 \$9,397,317

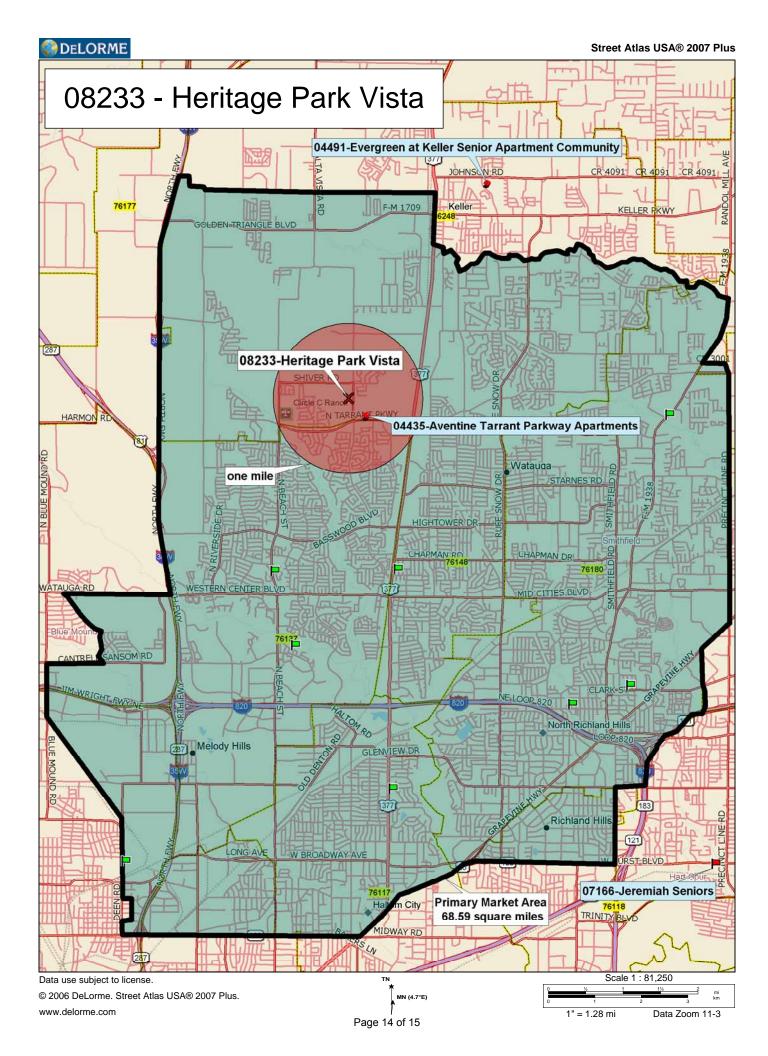
Total Tax Credits (Eligible Basis Method) \$1,106,616 \$1,105,677

Syndication Proceeds \$9,405,299 \$9,397,317

Requested Tax Credits \$1,126,048 Syndication Proceeds \$9,570,452

Gap of Syndication Proceeds Needed \$10,989,700

Total Tax Credits (Gap Method) \$1,293,035

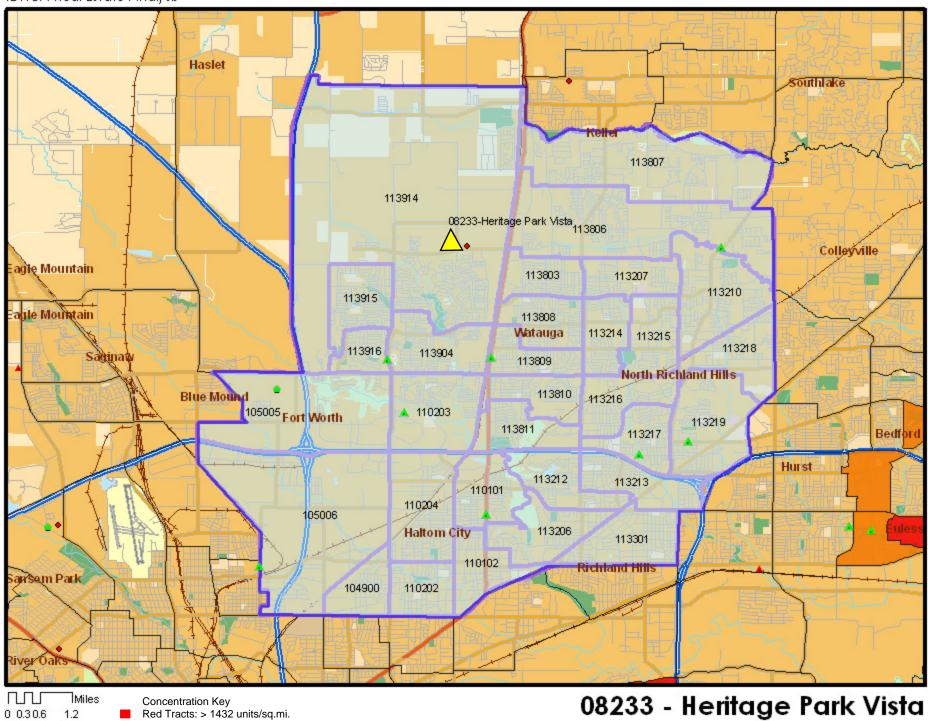


0.30.6

1.2

Red Tracts: > 1432 units/sq.mi.

Orange Tracts: 1000 to 1432 units/sq.mi.





# 580 Decker Drive **Suite** 208 **Irving**, Texas 75062 Phone 972-573-3400 **Fax** 678-218-1496

February 12, 2009

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701-2410

Re:

Heritage Park Vista TDHCA # 08233/09928

Dear Mr. Sheppard:

Heritage Park Vista Housing Partners, Ltd. requests an amendment to our application for housing tax credit for a proposed revision in the site for Heritage Park Vista, TDHCA #08233/09928, a 140 unit senior development at 8500 Ray White Road in Fort Worth.

We request Agency approval to dedicate 2.6 acres of the 16 acre site to the City of Fort Worth for a park. The City has requested this park land dedication - in fact we were told during the platting process that they were going to insist on it. There is an existing bike path or linear park that is several miles long adjacent to our property on the west. The City wants this portion of our site dedicated as a park because it is one of the few safe and practical access points to the bike paths. After the property is dedicated, the City ordinances require that the land be used for park or open space uses or utilities and streets for park and open space use only. Heritage Park Vista will not provide any improvements to this park land.

In return for this land dedication, the City is willing to waive about \$172,000 in park impact fees. This savings in park impact fees does not change our application, application for additional credits, or application for Exchange funds (#09928) as the City has increased transportation impact fees to offset any savings in park impact fees. This reduction in impact fees was considered by underwriting in their analysis of this transaction. The land's value is probably more than the savings in impact fees.

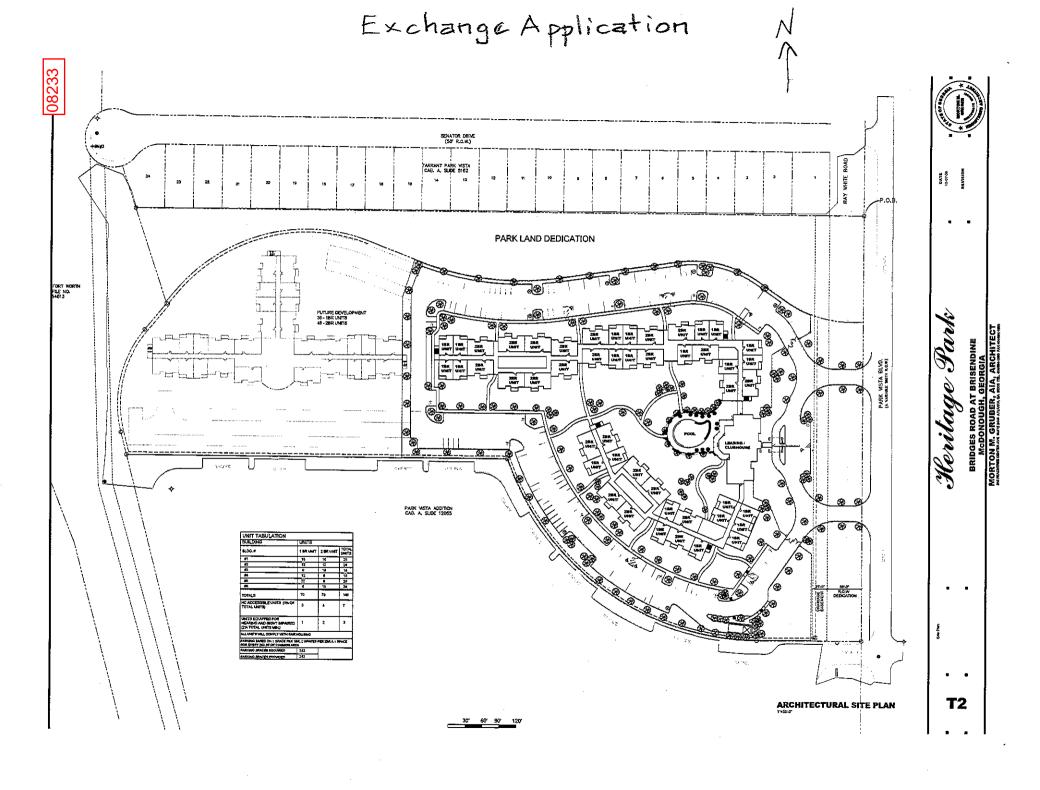
You might question why the boundary line between the development site and the park is curved. This is because the land use plan and zoning is different for these two tracts. Our site is zoned medium density multifamily while the park dedication is zoned "C" commercial but limited to some particular uses like a day care center or church. It would have been acceptable to build multifamily support facilities, parking and drives on this tract as well.

Per the posted "Process and Requirements for Obtaining Approval", the following documents are enclosed:

- 1. The above "Explanation by Applicant"
- 2. A check for \$2,500.
- 3. The following documents to help explain this amendment request are attached:
  - A. Site plan
  - B. Legal description
  - C. Plat
  - D. Aerial photo
  - E. Email from the City of Fort Worth parks department explaining that the dedication can only be used for park or open spaces

Sincerely,

Daniel Allgeier, Vice President NuRock Development

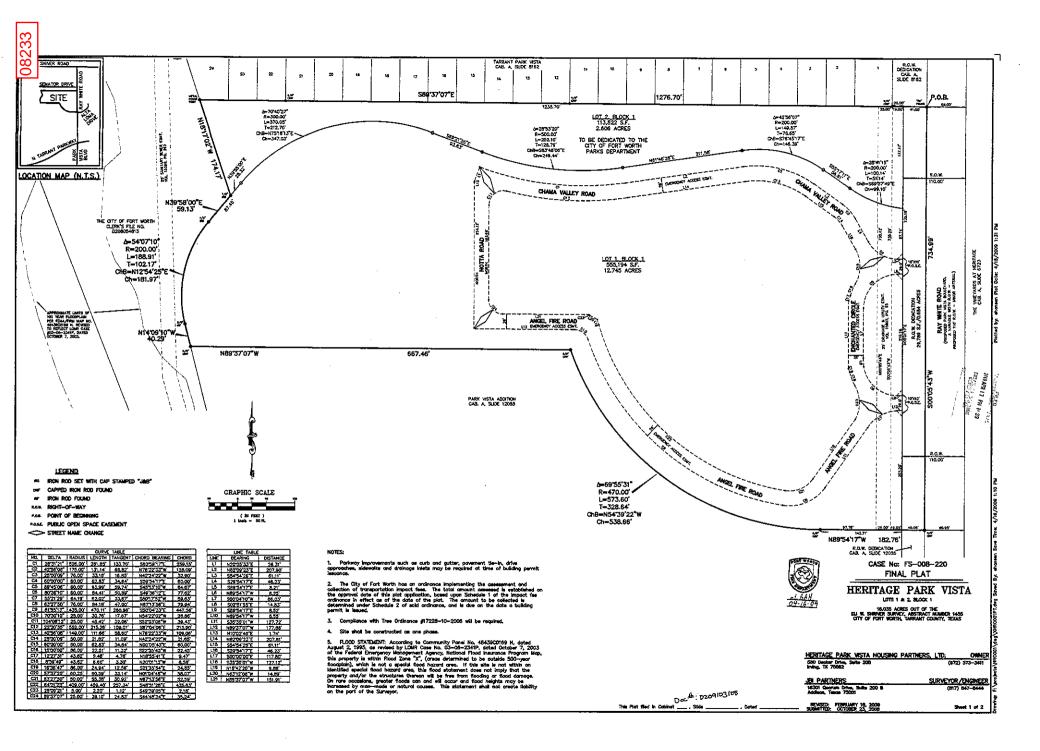


UNIT TABUL	ATION					
BUILDING	UNITS			1 99/	201111111111111111111111111111111111111	
BLDG. #	1 BR UNIT	2 BR UNIT	TOTAL			N
#1	6	8	15	PART UNIT UNIT UNIT UNIT UNIT UNIT UNIT UNI	18ER 18ER 12ER 2EER USET USET USET USET USET USET USET USET	
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•		•		Park Vista Boulevard Fort Worth, Texas	2-27-08 REVISION	E -

# MORTON M. GRUBER, AIA, ARCHITECT 245 PEACHTREE CENTER AVE., SUITE 2445 ATLANTA, GA 30303-1224 TEL. 404/596-1880 FAX 404/584-1895

## LEGAL DESCRIPTION HERITAGE PARK VISTA

All of Lot 1, Block 1, Heritage Park Vista Addition, City of Fort Worth, Tarrant County, Texas, containing 12.745 acres.



### 08233

### Ben Sheppard

From: Dan Allgeier [dallgeier@nurock.com]

Sent: Thursday, February 11, 2010 3:43 PM

To: Sheppard Ben; Ms. Meyer Robbye

Subject: Fwd: Heritage Park Vista Addition - Ray White Blvd north of Tarrant Parkway

**FYI** 

Sent from my iPhone Dan Allgeier NuRock

### Begin forwarded message:

From: "Joseph, Germaine V." < Germaine. Joseph@fortworthgov.org>

**Date:** February 11, 2010 3:31:03 PM CST **To:** 'Dan Allgeier' < <u>dallgeier@nurock.com</u>>

Cc: "Creek, David" < David.Creek@fortworthgov.org >, "McElhany, Joel"

< Joel. McElhany@fortworthgov.org>

Subject: RE: Heritage Park Vista Addition - Ray White Blvd north of Tarrant

**Parkway** 

Mr. Allgeier,

In response to your inquiry, once the City Council votes to accept the subject park, and the deed recorded at the court house, it will officially be designated as a public park for public recreation/open space. There is language in the warranty deed (provided by the City) designating the land for public recreation/open space as noted below.

"...(collectively, the "Property") for public recreation or open space purposes or any other public purpose consistent with the development of the subject property for public recreation or open space land, including the construction of streets, sewers, utilities or other use for the public benefit."

Should you need additional information, please don't hesitate to call upon me.

Sincerely,

Germaine Joseph

City of Fort Worth
Parks & Community Services Department
4200 South Freeway, Suite 2200
Fort Worth, TX 76115

Ph: (817) 392-5710 Fx: (817) 392-5724

From: Dan Allgeier [mailto:dallgeier@nurock.com]

Sent: Tuesday, February 09, 2010 4:19 PM

To: Joseph, Germaine V.

Subject: Heritage Park Vista Addition - Ray White Blvd north of Tarrant Parkway

08233

Heritage Park Vista Housing Partners is dedicating 2.6 acres of the 16 acre subdivision Heritage Park Vista Addition to the City of Fort Worth for park land. Financial partners in this venture want assurance that after dedication this tract can only be used as park land. Can you provide either a letter or response to this email providing that assurance?

Dan Allgeier Vice President NuRock Development 580 Decker Drive Suite 208 Irving, TX 75062 (972) 573-3411 direct fax (678) 218-1496 mobile (214) 277-4839

08233

TID-008 Howite as Book Wish								
UR-008-xxx- Heritage Park Vista								
CD TINIO								
CP UNIT			UNDERSERVED					
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G: 1 E :: 17 ::			CC	COUNCIL DISTRICT				
Single-Family Units				PARK PLANNING				
Multi-Family Units	140	, <u>.</u>	PA	PARK SERVICE DIST				
Land value per Acre	\$88,070.00			ESTIMATED				
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Population generated by new	0.280							
development (in thousands):	0.200							
Additional Neighborhood				Minimum Neighborhood land				
Park land need for new	0.700			dedication requirement is 5 acres, therefore <i>Fees-In-Lieu of</i>				
population:	$\mid$ 0.700 acre	S		Neighborhood Park Land Dedication				
Additional Community Park				are due Minimum	Neighb	orhood land		
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Amount equal to CP Lan	\$92,477	3.50	L 05	x	\$88,070,00			
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TOTAL FEE-IN-LIEU O	\$192,292,78		n a 4 a a					
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COMMENTS: BASE FEE SHEET								
NP/CP FEES-IN-LIEU OF LAND								

P:\PLANNING\PARK PLAT REVIEW MATERIALS\PLAT FEE COVER SHEETS FOR PLAT FILES\FEES-IN-LIEU OF PARKLAND ESTIMATES\UR-008-xxx- Heritage Park Vista.doc

City park fee w/o the dedication\_



580 Decker Drive ♦ Suite 208 ♦ Irving, Texas 75062 Phone 972-573-3400 ♦ Fax 678-218-1496

April 7, 2009

Mr Germaine Joseph City of Fort Worth Parks & Community Service Department 4200 South Freeway, Suite 2200 Fort Worth, Texas 76115 Via Federal Express – 7974 8358 0240

Re:

Heritage Park Vista

Park land dedication

Dear Mr Joseph:

In order to file our plat of the Heritage Park Vista Addition, we have enclosed these documents for your review and a check in the amount of \$21,000 for the park improvement fees

- Draft Warranty Deed. We will supply a legal description of the tract later.
- Draft Environmental Statement

Please provide your release for our plat and any comments on these park land dedication documents.

Sincerely,

Daniel Allgeier, Vice President

NuRock Development

Extension 2151

dallgeier@nurock com

cc:

Eric Hansen - JBI Partners, Inc

Rob Hoskins - NuRock Companies



Locke Lord Bissell & Liddell LL Attorneys & Counselors

100 Congress, Suite 300 Austin, TX 78701 Telephone: 512-305-4700 Fax: 512-305-4800 www.lockelord.com

Cynthia L. Bast Direct Telephone: 512-305-4707 Direct Fax: 512-391-4707

cbast@lockelord.com

February 10, 2010

Ms. Robbye Meyer Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701

Re:

**Amendment Request** 

Heritage Park Vista in Fort Worth, Texas

TDHCA No. 09928

# Dear Robbye:

We represent Heritage Park Vista Housing Partners, Ltd. (the "Partnership"), which proposes to develop Heritage Park Vista in Fort Worth, Texas (the "Property"). The Partnership received an award of \$10,707,151 of Section 1602 Exchange Funds under the American Reinvestment and Recovery Act. In its application for Exchange Funds, the Partnership indicated there would be a \$325,000 interim loan from Trinity Victory Family Ministries (the "Loan"). Lender's condition to making this Loan was that the funds be drawn on or before October 31, 2009. Because the Partnership was unable to close the Loan by that date (due, in part, to delays associated with the award of Exchange Funds), the Loan is no longer available.

# **Amendment Request**

The Partnership requests approval of an amendment to its application for Exchange Funds, removing the Loan as a source of funds for the development of the Property. Because the Loan was intended to be an interim source, the Partnership believes the omission of the Loan will have no financial impact on the development of the Property. Further, the loss of any points associated with the Partnership's receipt of the Loan would not have impacted the Partnership's receipt of the Exchange Funds.

As requested by Audrey Martin, we have enclosed the following revised pages to the Partnership's application for Exchange Funds:

Summary Sources and Uses of Funds

Financing Narrative

Financing Participants

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco, Washington DC

Ms. Robbye Meyer February 10, 2010 Page 2

# Conclusion

Please provide approval for the request presented herein. A check in the amount of \$2,500, payable to TDHCA, has been provided previously.

Sincerely,

Cynthia L. Bast

# **Attachments**

cc:

Rob Hoskins Dan Allgeier (*Partnership*)

Ben Sheppard Audrey Martin Tom Cavanagh (TDHCA)

Mark Gould, Esq.

# Memorandum

To: File

**From:** Thomas Cavanagh, Real Estate Analysis

**cc:** Ben Sheppard, Multifamily Finance Production

**Date:** February 12, 2010

Re: Amendment Request for Parkview Terrace, TDHCA #09922 / 08151

# **Background**

### Allocation

The Development was submitted and approved for an allocation of 9% tax credits in the amount of \$985,000 in 2008. The Development also received an additional credit allocation in the amount of \$132,413 as a result of the 10% increase in construction costs for 2007 and 2008 9% HTC developments approved by the Board in November of 2008. These credits were returned under the Tax Credit Exchange Program and the Applicant received an award of Exchange funds in the amount of \$9,498,011.

### *Original Site Plan*

The original development plan consisted of the demolition of 100 existing public housing units on three scattered sites, and the construction of 100 new multifamily units. Ninety-four of the proposed units were to be located on one primary site; the remaining 6 units were to be located on one of the two secondary sites.

# **Amendment Request**

In a letter dated January 25, 2010, the Applicant requested approval for a change to the original application to consolidate all 100 proposed new units on the primary site. A revised site plan was provided. The request letter states, "The land is effectively being contributed to the development via a 50-year ground lease at a rate of \$10 per year; therefore the reduction in the land area does not impact the overall development costs."

# **Analysis**

Since all new construction is now proposed on a single site, the Applicant's development costs have been reduced to account for the previously contemplated demolition on the secondary sites. The Applicant submitted a revised development cost schedule with demolition costs reduced from \$600,000 to \$360,000, representing the cost to demolish only the 54 units located on the primary site. The Applicant indicated that non-demolition site work costs would not be

affected because the only site work cost anticipated for the secondary site was associated with the single building to be constructed there, and the relocation of that building to the primary site does not negate those costs.

The sources of funds have also been revised to reduce the amount of the construction loan, and the amount of the Pharr Housing Development Corporation Loan ("PHDC"). A term sheet for a construction loan from Chase, which expires March 31, 2010, was provided in connection with the Tax Credit Exchange application for a loan of up to \$4,000,000. The Applicant has confirmed that the amount of the loan anticipated to be used has decreased to \$2,000,000 at the same terms previously proposed. This decreased the amount of interim interest includable in eligible basis; however, this reduction is immaterial to the recommended Exchange award.

The Applicant also provided a revised loan commitment from the Pharr Housing Development Corporation. The original financing structure included a cash flow loan from PHDC in the amount of \$500,000 accruing interest at the prime rate for a 30-year term. The loan amount has been reduced to \$260,000 and the interest rate has changed from floating at prime to a fixed interest rate at 5.0%.

# Conclusion

The revised underwriting estimate for total cost is within 5% of the Applicant's total cost, so the recommended financing structure is based on the Applicant's cost schedule, as it was at the previous underwriting. The reduction in eligible basis associated with the reduced construction loan and the decrease in total costs associated with the decreased demolition costs has no effect on the recommended Exchange award. The reduction in total cost is balanced by a reduction in the loan from PHDC. Since the PHDC loan is repayable only from available cash flow, the change has no affect on the development debt coverage ratio. And since the loan amount is reduced, and cash flow is unchanged, the ability to repay the loan is enhanced.

The proposed change in the scope of the development does not affect the recommended Exchange award, and does not negatively affect the financial feasibility of the development.

### MULTIFAMILY COMPARATIVE ANALYSIS

### Parkview Terrace, Pharr, Tax Credit Exchange / 9% HTC #09922/08151

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 30% PH	4	1	1	750	\$256	100					\$400	\$0.13	\$63.50	\$46.50
TC 30%	5	1	1	750	\$256	193					\$963	\$0.26	\$63.50	\$46.50
TC 50% PH	5	1	1	750	\$427	100					\$500	\$0.13	\$63.50	\$46.50
TC 60%	14	1	1	750	\$513	450					\$6,293	\$0.60	\$63.50	\$46.50
TC 30% PH TC 50% PH	3 9	2	1	980 980	\$308 \$512	125 125					\$375 \$1,125	\$0.13 \$0.13	\$80.00 \$80.00	\$50.50 \$50.50
TC 30% PH	6	2	1.5	980	\$308	228					\$1,368	\$0.13	\$80.00	\$50.50
TC 60%	26	2	1.5	980	\$615	535					\$13,910	\$0.55	\$80.00	\$50.50
TC 30% PH	1	3	2	1,150	\$356	150					\$150	\$0.13	\$95.50	\$54.00
TC 30%	6	3	2	1,150	\$356	261					\$1,563	\$0.23	\$95.50	\$54.00
TC 50% PH	8	3	2	1,150	\$592	150					\$1,200	\$0.13	\$95.50	\$54.00
TC 60%	13	3	2	1,150	\$711	616					\$8,002	\$0.54	\$95.50	\$54.00
TOTAL:	100		AVERAGE:	963		\$358					\$35,848	\$0.37	\$79.72	\$50.36
						TDHCA				APPLICANT	APPLICANT			
INCOME			Rentable Sq Ft	96,320		Amendment	TDHCA Exchange	TDHCA - UW	APPLICATION	Exchange	Amendment	COUNTY	IREM REGION	COMPT. REGION
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Other Support POTENTIAL			ig Operating S	Subsidy		53,662 \$495,838	53,662 \$495,838	50,840 \$536,666	66,504 \$552,216	57,996 \$499,944	57,996 \$499,944	\$48.33	Per Unit Per Month	1
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Employee or 0						0	0	0	( ,,	(- /- /- /- /-	(= //			
EFFECTIVE	GROSS IN	NCOME				\$469,807	\$469,807	\$508,491	\$510,804	\$462,444	\$462,444			
<u>EXPENSES</u>			% OF EGI	PER UNIT	PER SQ FT	1						PER SQ FT	PER UNIT	% OF EGI
General & Ad			5.73%	\$269	0.28	\$26,904	\$26,904	\$31,937	\$32,900	\$31,300	\$31,300	\$0.32	\$313	6.77%
Management			5.00%	235	0.24	23,490	23,490	25,425	25,540	23,122	23,122	0.24	231	5.00%
Payroll & Pay			19.83%	932	0.97	93,170	93,170	98,606	91,412	94,360	94,360	0.98	944	20.40%
Repairs & Ma	aintenance		10.71%	503	0.52	50,317	50,317	44,253	51,600	54,600	54,600	0.57	546	11.81%
Utilities			5.09%	239	0.25	23,916	23,916	16,158	18,000	17,400	17,400	0.18	174	3.76%
Water, Sewer			7.30%	343	0.36	34,301 30,778	34,301 30,778	34,416 29,471	67,200 18,000	42,000 24,000	42,000 24,000	0.44	420 240	9.08%
Property Insu	irance		6.55%	308	0.32	30,778	30,778	29,471	10,000			0.25		5.19%
Property Tax Reserve for R	Panlacaman	Exempt	0.00% 5.32%	0 250	0.00 0.26	25,000	25,000	25,000	26,500	25,000	25,000	0.00 0.26	0 250	0.00% 5.41%
TDHCA Comp	-		0.85%	40	0.26	4,000	4,000	4,000	4,000	4,000	4,000	0.26	40	0.86%
TCEP Asset (			1.06%	50	0.05	5,000	5,000	4,000	4,000	4,000	4,000	0.00	0	0.00%
Other: Supp.	-			120	0.12	11,997	11,997	10,200	10,200	11,997	11,997	0.12	120	2.59%
TOTAL EXPE		,,g	70.00%	\$3,289	\$3.41	\$328,874	\$328,874	\$319,465	\$345,362	\$327,779	\$327,779	\$3.40	\$3,278	70.88%
NET OPERA	TING INC		30.00%	\$1,409	\$1.46	\$140,933	\$140,933	\$189,025	\$165,442	\$134,665	\$134,665	\$1.40	\$1,347	29.12%
DEBT SERV	ICE													
JPMorgan Cha	ase Bank, N.	A.	23.63%	\$1,110	\$1.15	\$110,993	\$110,993	\$125,859	\$125,859	\$110,993	\$110,993	\$1.15	\$1,110	24.00%
Pharr HA- Relo	ocation Vou	chers	0.00%	\$0	\$0.00	0	0	0				\$0.00	\$0	0.00%
Additional Fina	ancing		0.00%	\$0	\$0.00	0	0	0				\$0.00	\$0	0.00%
NET CASH F	FLOW		6.37%	\$299	\$0.31	\$29,940	\$29,940	\$63,167	\$39,583	\$23,672	\$23,672	\$0.25	\$237	5.12%
AGGREGATE	DEBT COV	ERAGE RA	TIO			1.27	1.27	1.50	1.31	1.21	1.21			
RECOMMEND			RATIO					1.35		1.25	1.25			
CONSTRUC	TION COS	<u> </u>							1			li		
Descrip	otion	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA Amendment	TDHCA Exchange	TDHCA - UW	APPLICATION	APPLICANT Exchange	APPLICANT Amendment	PER SQ FT	PER UNIT	% of TOTAL
Acquisition C			0.00%	\$0	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	0.00%
Off-Sites	2001 (0110 01 1	nag)	0.00%	0	0.00	0	0	0	ΨΟ	0	0	0.00	0	0.00%
Sitework			8.01%	8,895	9.23	889,500	889,500	889,500	889,500	889,500	889,500	9.23	8,895	7.68%
Direct Constr	ruction		46.90%	52,097	54.09	5,209,657	5,209,657	4,981,338	4,863,000	5,392,456	5,392,456	55.98	53,925	46.57%
Contingency		5.00%	2.75%	3,050	3.17	304,958	304,958	287,625	287,625	314,098	314,098	3.26	3,141	2.71%
Contractor's I	Fees	14.00%	7.69%	8,539	8.87	853,882	853,882	805,350	805,350	879,473	879,473	9.13	8,795	7.60%
Indirect Cons	struction		5.33%	5,925	6.15	592,500	592,500	645,500	645,500	592,500	592,500	6.15	5,925	5.12%
Ineligible Cos	sts		13.42%	14,904	15.47	1,490,409	1,625,409	1,436,038	1,436,038	1,625,409	1,490,409	15.47	14,904	12.87%
Developer's F	Fees	15.00%	11.08%	12,302	12.77	1,230,171	1,245,921	1,188,005	1,188,005	1,278,551	1,278,551	13.27	12,786	11.04%
Interim Finan	ncing		3.16%	3,506	3.64	350,644	455,644	429,055	429,055	455,644	350,644	3.64	3,506	3.03%
Reserves			1.67%	1,852	1.92	185,190	185,190	190,350	217,500	391,874	391,874	4.07	3,919	3.38%
TOTAL COS	T		100.00%	\$111,069	\$115.31	\$11,106,911	\$11,362,661	\$10,852,761	\$10,761,573	\$11,819,505	\$11,579,505	\$120.22	\$115,795	100.00%
+ 10% Increas	se							0	, ,					
Total Cost								10,852,761	11,336,823					
Construction			65.35%	\$72,580	\$75.35	\$7,257,997					\$7,475,527	\$77.61	\$74,755	64.56%
SOURCES C	OF FUNDS											RECOMMENDED	1	
JPMorgan Cha			9.90%	\$11,000	\$11.42	\$1,100,000	\$1,100,000	\$1,500,000	\$1,500,000	\$1,100,000	\$1,100,000	\$1,223,283	1	ee Available
Pharr HA- Relo			5.35%	\$5,943	\$6.17	594,288	594,288	594,288	594,288	594,288	594,288	594,288	\$1,26	2,801
Tax Credit Exc	_	-	85.51%	\$94,980 \$0	\$98.61 \$0.00	9,498,011	9,498,011	8 273 173	8 273 173	9,498,011	9,498,011	9,498,011	% of Dev. F	

0.00%

1.15%

2.34%

-1.91%

\$0

\$1,272

\$2,600

\$0.00

\$1.32

\$2.70

127,206

260,000

(212,594)

\$11,366,911

HTC Syndication Proceeds

Deferred Developer Fees

Pharr Housing Authority

TOTAL SOURCES

Additional (Excess) Funds Req'd

0

127,207

500,000

43,155

\$11,862,661

8,273,173

394,112

91,188

\$10,852,761

8,273,173

394,112

575,250

\$11,336,823

127,207

500,000

\$11,819,505

127,206

260,000

\$11,579,505

3,923

260,000

\$11,579,505

% of Dev. Fee Deferred

0%

15-Yr Cumulative Cash Flow

\$492,462

### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Parkview Terrace, Pharr, Tax Credit Exchange / 9% HTC #09922/08151

#### DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook Average Quality Townhome Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$63.87	\$6,151,708
Adjustments				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	3.00%		1.92	184,551
Roofing			0.00	0
Subfloor			(0.37)	(35,157
Floor Cover			3.22	310,420
Breezeways/Balconies	\$32.28	11,160	3.74	360,189
Plumbing Fixtures	\$1,000	(52)	(0.54)	(52,000
Rough-ins	\$435	100	0.45	43,500
Built-In Appliances	\$2,500	100	2.60	250,000
Interior Stairs	\$1,575	60	0.98	94,500
Enclosed Corridors	\$53.95		0.00	0
Heating/Cooling			1.83	176,266
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$74.25	3,061	2.36	227,279
Other: fire sprinkler	\$2.15	96,320	2.15	207,088
SUBTOTAL			82.21	7,918,344
Current Cost Multiplier	1.01		0.82	79,183
Local Multiplier	0.80		(16.44)	(1,583,669
TOTAL DIRECT CONSTRUCT	TION COSTS		\$66.59	\$6,413,859
Plans, specs, survy, bld prmts	3.90%		(\$2.60)	(\$250,141
Interim Construction Interest	3.38%		(2.25)	(216,468
Contractor's OH & Profit	11.50%		(7.66)	(737,594
NET DIRECT CONSTRUCTIO	N COSTS		\$54.09	\$5,209,657

#### PAYMENT COMPUTATION

Primary	\$1,100,000	Amort	360
Int Rate	9.50%	DCR	1.27
Secondary	\$0	Amort	0
Secondary Int Rate	\$0 0.00%	Amort Subtotal DCR	0 1.27

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.27

# RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

 Primary Debt Service
 \$107,712

 Secondary Debt Service
 0

 Additional Debt Service
 0

 NET CASH FLOW
 \$26,952

Primary	\$1,223,283	Amort	360
Int Rate	8.00%	DCR	1.25

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.25

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

# OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$429,948	\$438,547	\$447,318	\$456,264	\$465,390
Secondary Income	12,000	12,240	12,485	12,734	12,989
Other Support Income: Public Hou	57,996	59,156	60,339	61,546	62,777
POTENTIAL GROSS INCOME	499,944	509,943	520,142	530,545	541,155
Vacancy & Collection Loss	(37,500)	(26,772)	(27,307)	(27,854)	(28,411)
Employee or Other Non-Rental Ur	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$462,444	\$483,171	\$492,834	\$502,691	\$512,745
EXPENSES at 3.00%					
General & Administrative	\$31,300	\$32,239	\$33,206	\$34,202	\$35,228
Management	23,122	24,159	24,642	25,135	25,637
Payroll & Payroll Tax	94,360	97,191	100,107	103,110	106,203
Repairs & Maintenance	54,600	56,238	57,925	59,663	61,453
Utilities	17,400	17,922	18,460	19,013	19,584
Water, Sewer & Trash	42,000	43,260	44,558	45,895	47,271
Insurance	24,000	24,720	25,462	26,225	27,012
Property Tax	0	0	0	0	0
Reserve for Replacements	25,000	25,750	26,523	27,318	28,138
TDHCA Compliance Fee	4,000	4,120	4,244	4,371	4,502
TCAP Asset Oversight Fee	0	0	0	0	0
Other	11,997	12,357	12,728	13,109	13,503
TOTAL EXPENSES	\$327,779	\$337,955	\$347,853	\$358,042	\$368,532
NET OPERATING INCOME	\$134,665	\$145,215	\$144,982	\$144,649	\$144,213
DEBT SERVICE					
First Lien Financing	\$107,712	\$107,712	\$107,712	\$107,712	\$107,712
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$26,952	\$37,503	\$37,270	\$36,937	\$36,501
DEBT COVERAGE RATIO	1.25	1.35	1.35	1.34	1.34

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$513,828	\$567,307	\$626,353	\$763,521
14,341	15,834	17,482	21,310
69,311	76,524	84,489	102,992
597,479	659,665	728,324	887,823
(31,368)	(34,632)	(38,237)	(46,611)
0	0	0	0
\$566,112	\$625,033	\$690,087	\$841,212
\$40,839	\$47,344	\$54,885	\$73,761
28,306	31,252	34,505	42,061
123,118	142,728	165,461	222,366
71,241	82,587	95,741	128,668
22,703	26,319	30,511	41,004
54,800	63,529	73,647	98,976
31,315	36,302	42,084	56,558
0	0	0	0
32,619	37,815	43,838	58,914
5,219	6,050	7,014	9,426
0	0	0	0
15,653	18,147	21,037	28,272
\$425,814	\$492,073	\$568,723	\$760,005
\$140,298	\$132,960	\$121,364	\$81,207
\$107,712	\$107,712	\$107,712	\$107,712
0	0	0	0
0	0	0	0
\$32,585	\$25,248	\$13,652	(\$26,505)
1.30	1.23	1.13	0.75

# HTC ALLOCATION ANALYSIS -Parkview Terrace, Pharr, Tax Credit Exchange / 9% HTC #09922/08151

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
Acquisition Cost		_		
Purchase of land				
Purchase of buildings				
Off-Site Improvements				
Sitework	\$889,500	\$889,500	\$889,500	\$889,500
Construction Hard Costs	\$5,392,456	\$5,209,657	\$5,392,456	\$5,209,657
Contractor Fees	\$879,473	\$853,882	\$879,473	\$853,882
Contingencies	\$314,098	\$304,958	\$314,098	\$304,958
Eligible Indirect Fees	\$592,500	\$592,500	\$592,500	\$592,500
Eligible Financing Fees	\$350,644	\$350,644	\$350,644	\$350,644
All Ineligible Costs	\$1,490,409	\$1,490,409		
Developer Fees			\$1,262,801	
Developer Fees	\$1,278,551	\$1,230,171		\$1,230,171
Development Reserves	\$391,874	\$185,190	Ī	
TOTAL DEVELOPMENT COSTS	\$11,579,505	\$11,106,911	\$9,681,471	\$9,431,312
Deduct from Basis:		1	Ţ	
All grant proceeds used to finance costs in elig	ible basis			
B.M.R. loans used to finance cost in eligible ba	sis			
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42	(d)(3)]			
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$9,681,471	\$9,431,312
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$12,585,913	\$12,260,706
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$12,585,913	\$12,260,706
Applicable Percentage			9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$1,132,732	\$1,103,463
	Syndication Proceeds	0.8500	\$9,628,223	\$9,379,440
	Syndication i roceeus	0.0300	ψ3,020,223	ψ3,373,440
	Total Tax Credits (Eligib	ole Basis Method)	\$1,132,732	\$1,103,463
		dication Proceeds	\$9,628,223	\$9,379,440
	•	F		
	Previously Awarded 1	-	\$1,117,413	
	\$9,498,011			
	Synd			
	Gap of Syndication		\$9,501,934	

**Exchange Funds Requested** 

**Amount of Credits Returned (Applicant)** 

\$9,498,011

\$1,117,413



### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division

printed: 12/15/09

Underwriting Report - Tax Credit Exchange / 9% HTC ADDENDUM

Development Name:	Parkview Terrace	Date:	December 15, 2009
Address:	211 W. Audrey Street	FILE NUMBER:	09922/08151
City:	Pharr	Population:	Family
County:	Hidalgo	Activity:	Reconstruction

	Award Amount	Exchange Price	Credits Exchanged
Request:	\$9,498,011	\$0.85	\$1,117,413
Recommendation:	\$9,498,011	\$0.85	\$1,117,413

The recommended Tax Credit Exchange award amount was calculated using the previously awarded housing tax credit allocation.

# **Conditions to Recommendation**

- 1 Should the terms and rates of the proposed financing change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
- 2 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.

Property Summary					
# Units	100	Acreage:	12.57		
Year Built	N/A	Units/Acre:	7.96		
Current Occupancy	0%	Flood Zone:	В		
Number Buildings	20	Zoning:	R-2		
Units/Building	5	Stabilized DCR:	1.25		

The Applicant is now requesting to change the financing structure, including the return of the entire housing tax credit allocation for Tax Credit Exchange Program (Exchange) funds. The Subject development has qualified for a tax credit exchange price of \$0.85 by committing to provide an additional 20% of the units as 30% units.

TDHCA SET-ASIDES for LURA				
Income Limit	Rent Limit	Number of Units		
30% of AMI	30% of AMI	25		
50% of AMI	50% of AMI	22		
60% of AMI	60% of AMI	53		

### Salient Issues

Both the Underwriter's pro forma and the Applicant's pro forma reflect an expense to income ratio above 65%. Under current guidelines, the development would be considered infeasible since only 30% of the total units in the development are public housing units. However, this development received an allocation in 2008, and based on the 2008 guidelines, the development is exempt from this requirement.

# **Operating Pro Forma**

For non public housing units, rents are based on current 2009 HTC program gross rent limits & PHA utility allowances as of July 2009. Of note, utility allowances have increased by \$20, 26, and \$31.50 for one-bedroom, two-bedroom, and three-bedroom units, respectively, since the previous underwriting. The tenants of the public housing units will pay rents up to 30% of their income. Additionally, the Pharr Housing Authority will pay an operating subsidy for the operating expenses of these units.

Tax Credit Exchange Program Asset Oversight Fee: The Underwriter's estimate includes an Exchange Asset Oversight Fee of \$50/unit/year, which the Applicant's estimate does not. If the fee was included in the Applicant's estimate, the Applicant's total expenses would still be within 5% of the Underwriter's, and the Applicant's DCR would fall to 1.17. However, the Applicant's net operating income would not be within 5% of the Underwriter's estimate if the fee was included in the Applicant's estimate.

As a result of the changes in the tax credit rent limits, utility allowances, and rent targeting since the previous underwriting, effective gross income decreased by 9%, and NOI decreased by 19%.

The Applicant's year one pro forma will be used to determine the development's debt capacity because the Applicant's effective gross income, expenses, and net operating income are within 5% of the Underwriter's estimates.

The Applicant's submitted pro forma does meet current Department guidelines with regard to the DCR limit.

# Uses of Funds/Scope of Work

Since the previous underwriting, the Applicant and the Housing Authority of the City of Pharr have extended the Contract for Lease until December 31, 2009.

Direct construction costs pursuant to the Underwriter's current Marshall & Swift -derived estimate total \$5,209.657.

The Applicant's total development costs increased by \$482,682 over the 10% cost increase approved by the Board in November 2008.

**Significant Direct Cost Changes**: The Applicant's estimate increased by \$529,456 since the previous underwriting.

**Reserves**: The Applicant provided lender confirmation for an additional ACC Reserve equal to two years of operating subsidy payments. The Underwriter's estimate does not include this reserve in addition to the standard operating reserve allowed under the REA guidelines.

Other Costs: The development cost schedule includes \$614k of tenant relocation costs.

The Applicant's revised cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis because the Applicant's total revised development cost is within 5% of the Underwriter's estimate.

An eligible basis of \$9,802,221 supports annual tax credits of \$1,146,860.

#### Source of Funds

The exchange price of \$0.85 is \$0.11 higher than the syndication rate utilized during the most recent underwriting, resulting in an increase in proceeds created by the tax credit allocation.

In addition to the \$594,288 in Housing Choice Vouchers for tenant relocation assistance, the Pharr Housing Authority will provide a \$500,000 loan to be repaid from available cash flow in 30 years. Interest will accrue at the Wall Street Journal Prime Rate at closing. The pro forma analysis indicates insufficient cash flow to allow repayment of this loan; however, cash flow combined with the projected residual value of the property in year 30 appear to be sufficient to repay the loan.

JPMorgan Chase Bank will provide interim financing in the amount of \$4,000,000. The interim loan will have an interest rate of 30-day LIBOR (with a LIBOR floor rate of 2.75%) plus a 325 basis point spread floating. The term sheet identifies a 6.00% indicative rate as of September 9, 2009.

The Applicant provided a term sheet from JPMorgan Chase Bank for permanent financing in the amount of \$1,100,000 with a 30 year amortization and an 18 year term. The permanent loan will have an interest rate fixed at a spread over the 10 year U.S. Treasury, and an indicative rate of 9.50% as of September 9, 2009 is stated in the term sheet.

The Exchange Program Policy states: "The amount of Exchange funds that may be requested and awarded is limited to the lesser of: eligible basis as defined by Section 42 of the Internal Revenue Code, unless otherwise allowed by written U. S. Treasury Department guidance; the amount necessary to support the total development cost less any committed permanent financing or permanent financing with a 30 year amortization and 8% interest rate based on a 1.25 debt coverage ratio on Net Income (as further defined in 10 TAC § 1.32, the Department's Real Estate Analysis Rules) and other sources of funds including previously identified sources of funds; or the amount of total credit allocated to the development times 10 times the Credit Price Ceiling."

If the term sheet was considered to meet the requirement for "committed permanent financing", use of the terms of the term sheet would result in a recommended Exchange award equal to the Applicant's request. However, the Underwriter does not consider the submitted term sheet to meet the requirement for "committed permanent financing" as intended under the Policy.

Therefore, pursuant to the Policy, the recommended financing structure assumes permanent financing based on an interest rate of 8% and an amount necessary to achieve a 1.25 DCR (\$1,223,283). This increase in the assumed permanent debt results in a recommended Exchange award of \$9,498,011, which is equal to the Applicant's request.

Should the actual permanent debt equal the amount reflected in the application, there is ample developer fee that could be deferred to fill the resulting gap in sources of funds.

Based on the recommended financing structure, \$3,923 of the developer fee is expected to be deferred, and it appears that this amount can be repaid within one year of stabilized operations.

#### **Underwriting Assumptions/Limiting Conditions** Only those portions of the report that are materially affected by the proposed changes are discussed above. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure. Underwriter: Rosalio Banuelos 15-Dec-09 Date: Manager of Real Estate Analysis: Audrey Martin Date: 15-Dec-09 Director of Real Estate Analysis: Brent Stewart Date: 15-Dec-09

#### MULTIFAMILY COMPARATIVE ANALYSIS

#### Parkview Terrace, Pharr, Tax Credit Exchange / 9% HTC #09922/08151

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 30% PH 4	1	1	750	\$256	100			\$400	\$0.13	\$63.50	\$46.50
TC 30% 5	1	1	750	\$256	193			\$963	\$0.26	\$63.50	\$46.50
TC 50% PH 5	1	1	750	\$427	100			\$500	\$0.13	\$63.50	\$46.50
TC 60% 14	1	1	750	\$513	450			\$6,293	\$0.60	\$63.50	\$46.5
C 30% PH 3	2	1	980	\$308	125			\$375	\$0.13	\$80.00	\$50.5
C 50% PH 9	2	1	980	\$512	125			\$1,125	\$0.13	\$80.00	\$50.5
C 30% 6	2	1.5	980	\$308	228			\$1,368	\$0.23	\$80.00	\$50.5
C 60% 26	2	1.5	980	\$615	535			\$13,910	\$0.55	\$80.00	\$50.5
C 30% PH 1	3	2	1,150	\$356	150			\$150	\$0.33	\$95.50	\$54.0
rc 30% 6	3	2	1,150	\$356	261			\$1,563	\$0.23	\$95.50	\$54.0
rc 50% PH 8	3	2	1,150	\$592	150			\$1,200	\$0.13	\$95.50	\$54.0
TC 60% 13	3	2	1,150	\$711	616			\$8,002	\$0.54	\$95.50	\$54.0
TOTAL: 100		AVERAGE:	963		\$358			\$35,848	\$0.37	\$79.72	\$50.3
								APPLICANT-			
ICOME	Total Net R	tentable Sq Ft:	96,320		TDHCA-Exchange	TDHCA - UW	APPLICATION	Exchange	COUNTY	IREM REGION	COMPT. R
OTENTIAL GROSS REI	NΤ				\$430,176	\$480,546	\$480,432	\$429,948	Hidalgo		11
Secondary Income		F	Per Unit Per Month:	\$10.00	12,000	5,280	5,280	12,000	\$10.00	Per Unit Per Month	
Other Support Income: Pub	lic Housin	g Operating S	Subsidy		53,662	50,840	66,504	57,996	\$48.33	Per Unit Per Month	
OTENTIAL GROSS INC	OME				\$495,838	\$536,666	\$552,216	\$499,944			
/acancy & Collection Loss		% of Pote	ntial Gross Income:	-5.25%	(26,031)	(28,175)	(41,412)	(37,500)	-7.50%	of Potential Gross I	ncome
Employee or Other Non-Re	ntal Units	or Concessio	ns		0	0					
FFECTIVE GROSS INC	OME				\$469,807	\$508,491	\$510,804	\$462,444			
XPENSES		% OF EGI	PER UNIT	PER SQ FT	,	,	,	. , .	PER SQ FT	PER UNIT	% OF
<u></u>					\$26,904	\$31,937	\$32,900	\$31,300	·		
General & Administrative		5.73%	\$269	0.28					\$0.32	\$313	6.77
Management		5.00%	235	0.24	23,490	25,425	25,540	23,122	0.24	231	5.00
Payroll & Payroll Tax		19.83%	932	0.97	93,170	98,606	91,412	94,360	0.98	944	20.40
Repairs & Maintenance		10.71%	503	0.52	50,317	44,253	51,600	54,600	0.57	546	11.81
Jtilities		5.09%	239	0.25	23,916	16,158	18,000	17,400	0.18	174	3.76
Vater, Sewer, & Trash		7.30%	343	0.36	34,301	34,416	67,200	42,000	0.44	420	9.08
		6.55%			30,778	29,471	18,000	24,000		240	
Property Insurance			308	0.32		, i	· ·	-	0.25		5.19
Property Tax	Exempt	0.00%	0	0.00	0	0	10	0	0.00	0	0.00
Reserve for Replacements		5.32%	250	0.26	25,000	25,000	26,500	25,000	0.26	250	5.41
TDHCA Compliance Fees		0.85%	40	0.04	4,000	4,000	4,000	4,000	0.04	40	0.86
TCEP Asset Oversight Fee	s	1.06%	50	0.05	5,000				0.00	0	0.00
Other: Supp. Serv., Securit			120	0.12	11,997	10,200	10,200	11,997	0.12	120	2.59
OTAL EXPENSES	y, wigt. Oo	70.00%	\$3,289	\$3.41	\$328,874	\$319,465	\$345,362	\$327,779	\$3.40	\$3,278	70.88
					1 1	·					
ET OPERATING INC	:	30.00%	\$1,409	\$1.46	\$140,933	\$189,025	\$165,442	\$134,665	\$1.40	\$1,347	29.12
EBT SERVICE											
PMorgan Chase Bank, N.A		23.63%	\$1,110	\$1.15	\$110,993	\$125,859	\$125,859	\$110,993	\$1.15	\$1,110	24.00
harr HA- Relocation Vouch	ers	0.00%	\$0	\$0.00	0	0			\$0.00	\$0	0.00
dditional Financing		0.00%	\$0	\$0.00	0	0			\$0.00	\$0	0.00
ET CASH FLOW	•	6.37%	\$299	\$0.31	\$29,940	\$63,167	\$39,583	\$23,672	\$0.25	\$237	5.12
	:		\$299	φυ.31				. ,	\$0.25	\$237	5.12
GGREGATE DEBT COVE					1.27	1.50	1.31	1.21			
ECOMMENDED DEBT CO ONSTRUCTION COST	VERAGE	RATIO			l	1.35		1.25			
ONSTRUCTION COST								APPLICANT-			
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-Exchange	TDHCA - UW	APPLICATION	Exchange	PER SQ FT	PER UNIT	% of TO
equisition Cost (site or bldg	3)	0.00%	\$0	\$0.00	\$0	\$0	\$0	\$0	\$0.00	\$0	0.00
ff-Sites		0.00%	0	0.00	0	0		0	0.00	0	0.00
							000 500				
tework		7.83%	8,895	9.23	889,500	889,500	889,500	889,500	9.23	8,895	7.53
irect Construction		45.85%	52,097	54.09	5,209,657	4,981,338	4,863,000	5,392,456	55.98	53,925	45.62
ontingency	5.00%	2.68%	3,050	3.17	304,958	287,625	287,625	314,098	3.26	3,141	2.66
ontractor's Fees	14.00%	7.51%	8,539	8.87	853,882	805,350	805,350	879,473	9.13	8,795	7.44
direct Construction		5.21%	5,925	6.15	592,500	645,500	645,500	592,500	6.15	5,925	5.01
eligible Costs		14.30%	16,254	16.88	1,625,409	1,436,038	1,436,038	1,625,409	16.88	16,254	13.7
•	1E 000'					, ,					
eveloper's Fees	15.00%	10.97%	12,459	12.94	1,245,921	1,188,005	1,188,005	1,278,551	13.27	12,786	10.82
terim Financing		4.01%	4,556	4.73	455,644	429,055	429,055	455,644	4.73	4,556	3.86
eserves		1.63%	1,852	1.92	185,190	190,350	217,500	391,874	4.07	3,919	3.32
OTAL COST		100.00%	\$113,627	\$117.97	\$11,362,661	\$10,852,761	\$10,761,573	\$11,819,505	\$122.71	\$118,195	100.0
10% Increase	:					0	\$575,250	, ,			
otal Cost			ATO = -	¢==	67.057.005	10,852,761	11,336,823	67 177		<b>6</b>	
onstruction Cost Recap		63.88%	\$72,580	\$75.35	\$7,257,997			\$7,475,527	\$77.61	\$74,755	63.2
OURCES OF FUNDS									RECOMMENDED		
PMorgan Chase Bank, N.A.		9.68%	\$11,000	\$11.42	\$1,100,000	\$1,500,000	\$1,500,000	\$1,100,000	\$1,223,283	Developer F	ee Availal
narr HA- Relocation Vouch		5.23%	\$5,943	\$6.17	594,288	594,288	594,288	594,288	594,288	\$1,27	
							J34,200			φ1,27	۱ کی,
ax Credit Exchange Prog	ram	83.59%	\$94,980	\$98.61	9,498,011	0		9,498,011	9,498,011		
TC Syndication Proceeds		0.00%	\$0	\$0.00	0	8,273,173	8,273,173			% of Dev. F	ee Deferre
eferred Developer Fees		1.12%	\$1,272	\$1.32	127,207	394,112	394,112	127,207	3,923	0	%
arr Housing Authority		4.40%	\$5,000	\$5.19	500,000			500,000	500,000		
dditional (Excess) Funds R		0.38%	\$432	\$0.45	43.155	91.188	575.250	(1)	0	15-Yr Cumula	ino Co-t

43,155

\$11,862,661

Additional (Excess) Funds Req'd

TOTAL SOURCES

0.38%

\$432

\$0.45

91,188

575,250

\$11,336,823

(1)

\$11,819,505 \$11,819,505

15-Yr Cumulative Cash Flow

\$492,462

# MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Parkview Terrace, Pharr, Tax Credit Exchange / 9% HTC #09922/08151

#### DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook Average Quality Townhome Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$63.87	\$6,151,708
Adjustments				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	3.00%		1.92	184,551
Roofing			0.00	0
Subfloor			(0.37)	(35,157)
Floor Cover			3.22	310,420
Breezeways/Balconies	\$32.28	11,160	3.74	360,189
Plumbing Fixtures	\$1,000	(52)	(0.54)	(52,000)
Rough-ins	\$435	100	0.45	43,500
Built-In Appliances	\$2,500	100	2.60	250,000
Interior Stairs	\$1,575	60	0.98	94,500
Enclosed Corridors	\$53.95		0.00	0
Heating/Cooling			1.83	176,266
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$74.25	3,061	2.36	227,279
Other: fire sprinkler	\$2.15	96,320	2.15	207,088
SUBTOTAL			82.21	7,918,344
Current Cost Multiplier	1.01		0.82	79,183
Local Multiplier	0.80		(16.44)	(1,583,669)
TOTAL DIRECT CONSTRUCTION COSTS			\$66.59	\$6,413,859
Plans, specs, survy, bld prmts	3.90%		(\$2.60)	(\$250,141)
Interim Construction Interest	3.38%		(2.25)	(216,468)
Contractor's OH & Profit	11.50%		(7.66)	(737,594)
NET DIRECT CONSTRUCTION	N COSTS		\$54.09	\$5,209,657

### PAYMENT COMPUTATION

Primary	\$1,100,000	Amort	360
Int Rate	9.50%	DCR	1.27
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.27
Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.27

# RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary	\$1,223,283	\$1,223,283 Amort	
Int Rate	8.00%	DCR	1.25
Cocondon	60	Amort	0

			_
Int Rate	0.00%	Subtotal DCR	1.25

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$429,948	\$438,547	\$447,318	\$456,264	\$465,390
Secondary Income	12,000	12,240	12,485	12,734	12,989
Other Support Income: Public Hou	57,996	59,156	60,339	61,546	62,777
POTENTIAL GROSS INCOME	499,944	509,943	520,142	530,545	541,155
Vacancy & Collection Loss	(37,500)	(26,772)	(27,307)	(27,854)	(28,411)
Employee or Other Non-Rental Ur	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$462,444	\$483,171	\$492,834	\$502,691	\$512,745
EXPENSES at 3.00%					
General & Administrative	\$31,300	\$32,239	\$33,206	\$34,202	\$35,228
Management	23,122	24,159	24,642	25,135	25,637
Payroll & Payroll Tax	94,360	97,191	100,107	103,110	106,203
Repairs & Maintenance	54,600	56,238	57,925	59,663	61,453
Utilities	17,400	17,922	18,460	19,013	19,584
Water, Sewer & Trash	42,000	43,260	44,558	45,895	47,271
Insurance	24,000	24,720	25,462	26,225	27,012
Property Tax	0	0	0	0	0
Reserve for Replacements	25,000	25,750	26,523	27,318	28,138
TDHCA Compliance Fee	4,000	4,120	4,244	4,371	4,502
TCAP Asset Oversight Fee	0	0	0	0	0
Other	11,997	12,357	12,728	13,109	13,503
TOTAL EXPENSES	\$327,779	\$337,955	\$347,853	\$358,042	\$368,532
NET OPERATING INCOME	\$134,665	\$145,215	\$144,982	\$144,649	\$144,213
DEBT SERVICE					
First Lien Financing	\$107,712	\$107,712	\$107,712	\$107,712	\$107,712
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$26,952	\$37,503	\$37,270	\$36,937	\$36,501
DEBT COVERAGE RATIO	1.25	1.35	1.35	1.34	1.34

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$513,828	\$567,307	\$626,353	\$763,521
14,341	15,834	17,482	21,310
69,311	76,524	84,489	102,992
597,479	659,665	728,324	887,823
(31,368)	(34,632)	(38,237)	(46,611)
0	0	0	0
\$566,112	\$625,033	\$690,087	\$841,212
\$40,839	\$47,344	\$54,885	\$73,761
28,306	31,252	34,505	42,061
123,118	142,728	165,461	222,366
71,241	82,587	95,741	128,668
22,703	26,319	30,511	41,004
54,800	63,529	73,647	98,976
31,315	36,302	42,084	56,558
0	0	0	0
32,619	37,815	43,838	58,914
5,219	6,050	7,014	9,426
0	0	0	0
15,653	18,147	21,037	28,272
\$425,814	\$492,073	\$568,723	\$760,005
\$140,298	\$132,960	\$121,364	\$81,207
\$107,712	\$107,712	\$107,712	\$107,712
0	0	0	0
0	0	0	0
\$32,585	\$25,248	\$13,652	(\$26,505)
1.30	1.23	1.13	0.75

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
Acquisition Cost				
Purchase of land				
Purchase of buildings				
Off-Site Improvements				
Sitework	\$889,500	\$889,500	\$889,500	\$889,500
Construction Hard Costs	\$5,392,456	\$5,209,657	\$5,392,456	\$5,209,657
Contractor Fees	\$879,473	\$853,882	\$879,473	\$853,882
Contingencies	\$314,098	\$304,958	\$314,098	\$304,958
Eligible Indirect Fees	\$592,500	\$592,500	\$592,500	\$592,500
Eligible Financing Fees	\$455,644	\$455,644	\$455,644	\$455,644
All Ineligible Costs	\$1,625,409	\$1,625,409		
Developer Fees			\$1,278,551	
Developer Fees	\$1,278,551	\$1,245,921	-	\$1,245,921
Development Reserves	\$391,874	\$185,190		
TOTAL DEVELOPMENT COSTS	\$11,819,505	\$11,362,661	\$9,802,221	\$9,552,062

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	\$9,802,221	\$9,552,062
High Cost Area Adjustment	130%	130%
TOTAL ADJUSTED BASIS	\$12,742,888	\$12,417,681
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$12,742,888	\$12,417,681
Applicable Percentage	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS	\$1,146,860	\$1,117,591

**Syndication Proceeds** 0.8500 \$9,748,309 \$9,499,526 **Total Tax Credits (Eligible Basis Method)** \$1,146,860 \$1,117,591 \$9,748,309 **Syndication Proceeds** \$9,499,526 **Previously Awarded Tax Credits - Total** \$1,117,413 **Syndication Proceeds** \$9,498,011 **Gap of Syndication Proceeds Needed** \$9,501,934 **Total Tax Credits (Gap Method)** \$1,117,875 \$9,498,011 **Exchange Funds Requested Amount of Credits Returned (Applicant)** \$1,117,413



# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division Underwriting Report

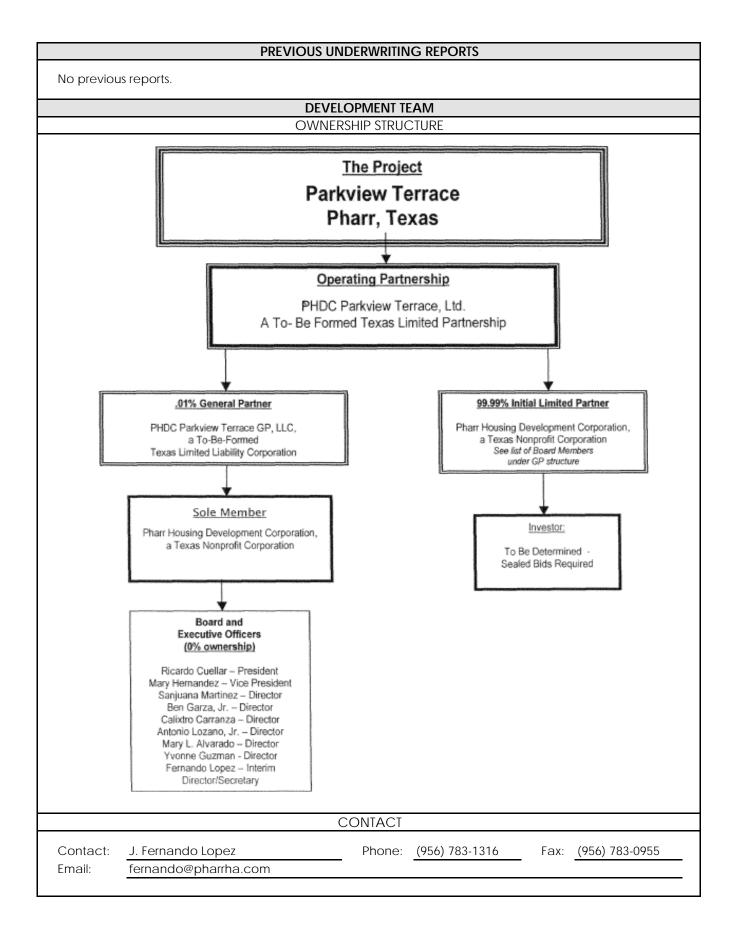
REPORT DATE: 07/22/08	REPORT DATE: 07/22/08 PROGRAM: HTC 9% FILE NUMBER: <b>08151</b>									
	DI	EVELOPM	ENT							
	Park	kview Tei	race							
Location: 211 W. Audrey Street					Re	egion: 11				
City: Pharr	County: Hida	lgo	Zip:	78577	QC	T X DDA				
Key Attributes: Family, Urban, F	Reconstruction	1								
	А	LLOCATION	ON							
		REQUEST		RECON	ИMENDA	TION				
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	t Amort/Term				
Housing Tax Credit (Annual)	\$985,000			\$985,000						
	C	CONDITIO	NS							
Receipt, review, and acceptal zoning of the site for the use as	-	itment, of	documentat	ion verifying the	e approp	oriate re-				
2 Receipt, review, and acceptal recommendations regarding a (inclusive of any recommenda	isbestos and a	ny subseq	uent environr	mental report re	ecomme	endations				
3 Receipt, review, and acceptal housing operating subsidy for 3	-		, of HUD app	roval of the pro	pposed p	oublic				
<ol> <li>Receipt, review, and acceptain not more than 30 days old.</li> </ol>	nce, by carryo	ver, of upo	dated loan a	nd equity comr	mitments	which are				
5 Should the terms and rates of t evaluated and an adjustment		-		_	action sh	ould be re-				

# SALIENT ISSUES

	TDHCA SET-ASIDES for LURA						
Income Limit	Rent Limit	Number of Units					
30% of AMI	30% of AMI	5					
50% of AMI	50% of AMI	35					
60% of AMI	60% of AMI	60					

PROS CONS

- This is the reconstruction of a 40 year old affordable housing development.
- The re-development of this property will result in the elimination of 70 public housing units (PHU's).
- The development relies upon the project based rental assistance to maintain feasibility with an expense to income ratio significantly over 65%.
   The public housing subsidy will offset the impact of volatile expenses on 30% of the units.

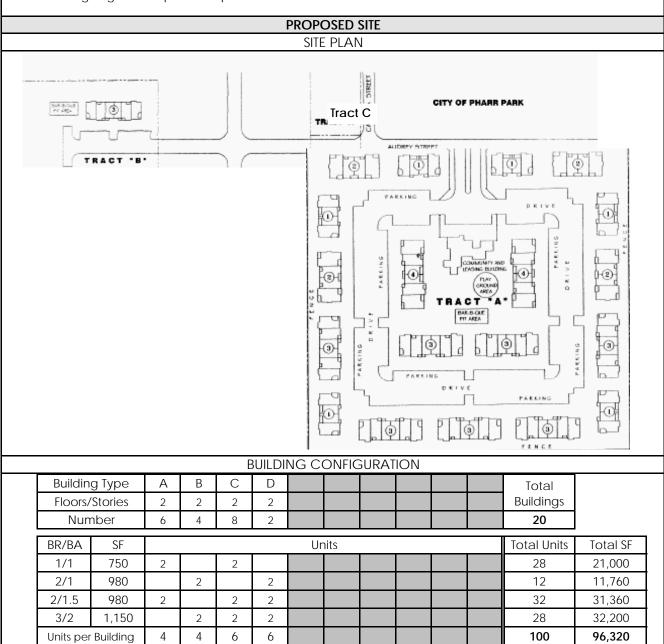


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	KEY PARTICIPANTS	
Name	Financial Status	# Completed Developments
Pharr Housing Development Corp.	N/A	3
Brownstone Affordable Housing, Ltd.	N/A	6
Three B Ventures, Inc.	N/A	6
J. Fernando Lopez	N/A	3
William Brown	N/A	6
Doak Brown	N/A	6

# **IDENTITIES of INTEREST**

- The Applicant, Developer, General Contractor, and Architect are related entities. These are common relationships for HTC-funded developments.
- The current owner is regarded as a related party due to the proposed long-term lease of the site and the on-going related partnership interest.



# Reconstruction: The subject site currently has a 40+ year old 100 unit Public Housing Complex which will be demolished and reconstructed. The existing units were constructed with federal funds, and the demolition and reconstruction will be approved by HUD. The Applicant has proposed demolition of the existing structures and construction of 20 new residential buildings each with four to six one and two story townhome units. The outer units of all 20 proposed buildings will be the one story units. Thirty (30) of the 100 units will be public housing units (PHU's) that will be receiving an operating subsidy. The Applicant has an Operating Subsidy Agreement that states the Applicant will enter into a Regulatory and Operating Agreement with the Pharr Housing Authority. The operating subsidies for the public housing units will commence upon completion of the public housing units and the term will be for 40 years. The displaced families will be provided vouchers for relocation from either a new allocation from HUD, or from the Housing Authority's current voucher allocation (no HUD approval required). The Applicant has included the value of this in-kind assistance as a use of funds in the development cost schedule and as a source of funds. Relocation Plan: Families occupying the 100 units to be demolished will be provided a notice of HUD approval of the demolition, their need to relocate, and relocation and other assistance available. The Housing Authority will make available public housing units that may be vacant at the time of relocation, and to the extent necessary, the Housing Authority will coordinate relocation with Housing Authorities in adjoining and nearby cities and the Hidalgo County Housing Authority. Residents will be reimbursed for actual and reasonable relocation expenses. SITE ISSUES Total Size: 12.57 acres Scattered site? Yes No В Flood Zone: Within 100-yr floodplain? Yes No R-2 Zoning: Needs to be re-zoned? N/A Yes No Comments: The subject site is currently zoned R-2, Two Family Residential District; however, the Applicant has applied for a zoning change to R-4, High Density Multi-Family Residential District. The zoning change will allow a town home or apartment complex within the city's requirements. Receipt, review, and acceptance by commitment, of documentation verifying the appropriate re-zoning of the site for the use as planned is a condition of this report. The site is divided into three (3) tracts. Tract A is the main tract and is located along Audrey Street, south of the Victor Garcia Municipal Park. Tract B is located just west of Tract A and is separated by private single family residences. Tract C is located along Camellia Street, west of the Victor Garcia Municipal Park. Accessibility to Tracts A&B is from W. Audrey Street and Tract C is accessible from Camellia Street and Polk Avenue. Tract C does not appear to have any improvements planned for it. TDHCA SITE INSPECTION

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Questionable

East:

West:

4/29/2008

Unacceptable

Date:

Poor

**Businesses and Offices** 

Single Family Residences

Inspector: ORCA Staff

Acceptable

Victor Garcia Municipal Park

Single Family Residences

Overall Assessment:

Excellent

Surrounding Uses: Tract A:

North:

South:

	Tract B:										
	North:	Church				East:	Single Fa	mily Resic	dences		
	South:	Single Famil	y Residen	ces		West:		oped Lan			
			-			•		•			
	Tract C:										
	North:	Single Famil	y Residen	ces		East:	Victor Ga	arcia Mur	nicipal Pa	ark	
	South:	Tract A of Su	ubject Pro	perty		•	Church				
						•					
			HI	GHLIGHT	S of ENV	IRONMEN	tal repor	RTS			
Pro	vider:	Astex Enviro	nmental	Services, I	nc.			Da	ite: <u>2/</u>	5/20	08
Re	cognize	d Environmen	ital Conce	erns (RECs	s) and Ot	her Conce	rns:				
	_	ing to the ESA						ormed by	the insp	ecto	r and that
		on the age of		•			_				•
		Is were noted									
		spect buildin	-								tection
		AHPR) a Texas hensive asbe					.) musi be c	called to 0	Conduct	а	
	compre	TICTISIVE ASDC	3103 301 00	y Or tric s	abject sitt	c (p. 10).					
	Regardi	ng Lead Base	ed Paint, t	he ESA sta	ates that	testing for I	_BP was no	t part of tl	he Scope	e of V	Vork. A
		nendation reg					•				
		review, and		-			ommenda	tion regai	rding lea	d ba	sed paint
	from the	e ESA provide	r is a cond	ition of ti	nis report.						
Сс	mments	:									
		, review, and									
		nendations re	-		-			•			
		e of any reco	mmenda	tions rega	arding lea	ad based p	aint) have	been car	ried out,	is a c	condition
	of this re	eport.									
					MARKEI	HIGHLIGH	15				
Pro	vider:	The Gerald	A. Teel Co	ompany,	Inc.			Da	ite: 3/	27/20	800
Сс	ntact:	Tim Treadwa	ау			Phone: (	713) 467-58	58	Fax: (7	13) 4	67-0704
Nu	mber of	Revisions:	None	Da	ite of Last	Applicant	Revision:	N/A			
Drin	mary Ma	ırket Area (PN	4A)·	31 22 car	ıaro milos	(3.16 mile	radius)				
ГШ	-	nary market a	•			•	•	surrounc	ling area	ıs inc	cludina
		f McAllen and									
		1000, 482150									
	4821501	2700, 482150	21801, 482	215021802	2.						
Sec	condary	Market Area	(SMA):								
	•	condary mark		be the ac	diournina	communiti	es neiahba	rina Phari	r. includir	מ מכ	ortions of
		n, Mission, Edir					_		,	.9 1	
			<u> </u>				, ,				
		PROPOSED	, under c	ONSTRUC	CTION & L	JNSTABILIZE	D COMPAR	RABLE DEV	/ELOPME	NTS	
			PMA					SMA			
		Name	File #	Total	Comp	Na	me	File #	Total		Comp
				Units	Units	110		"	Units	25%	Units
		Village Apts	#05074	56	0			N/A			
	Sunse	et Terrace	#07183	100	0			, .			

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### Comments:

The Alamo Village and Sunset Terrace Apartments listed above are located in the PMA of the subject property; however, the units are not included in the capture rate calculations because Alamo Village is an acquisition/rehabilitation development that was over 98% occupied before its renovations and Sunset Terrace was a reconstruction development that already had tenants before its reconstruction.

	INCOME LIMITS									
			Hidalgo							
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons				
30	\$9,500	\$10,850	\$12,200	\$13,550	\$14,650	\$15,700				
50	\$15,800	\$18,100	\$20,350	\$22,600	\$24,400	\$26,200				
60	\$18,960	\$21,720	\$24,420	\$27,120	\$29,280	\$31,440				

	MA	ARKET AN	ALYST'S PA	AA DEMAND	by UNIT TYPE		
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1BR/30%	145	10	0	155	1	0	0.65%
2BR/30%	99	14	0	113	2	0	1.77%
3BR/30%	121	6	0	127	2	0	1.57%
1BR/50%	118	46	0	164	8	0	4.88%
2BR/50%	147	1	0	148	20	0	13.51%
3BR/50%	144	10	0	154	7	0	4.55%
1BR/60%	131	0	0	131	19	0	14.50%
2BR/60%	117	3	0	120	22	0	18.33%
3BR/60%	152	5	0	157	19	0	12.10%

	OVERALL DEMAND											
			arget seholds	House	ehold Size	Incom	ne Eligible	T€	enure	De	mand	
						PMA DEMAND from TURNOVER				R		
Market Analyst	p.	Add	100%	27,419	86%	23,690	46%	10,826	32%	3,464	55%	1,905
Underwriter			100%	27,451	86%	23,718	32%	7,552	32%	2,417	55%	1,329
					PMA	a Deman	D from	HOUSEH	OLD G	ROWTH		
Market Analyst	p.	Add			86%	934	46%	427	32%	137	86%	117
Underwriter					86%	912	32%	251	32%	80	100%	80

	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.	100	0	0	100	2,023	4.94%		
Underwriter	100	0	0	100	1,409	7.09%		

### Comments:

An inclusive capture rate was also calculated using HISTA Data information with the resulting rate being 36%. This capture rate is beyond the Department's acceptable rate of 25%; however, this method is not being used by the Underwriter for making a recommendation, the traditional method is being used to make a recommendation. Additionally, the property is currently occupied and it is likely that a significant number of the existing tenants will choose to live at the property after completion of the reconstruction. Therefore, the capture rate in this case is less significant.

### Primary Market Occupancy Rates:

"Occupancies are stabilized in the data sample, with the existing product that was surveyed reporting occupancy levels ranging from 57% to 98%, with an average of just over 87%; however, the five stabilized projects show an average of 94%." (p. 97)

### Absorption Projections:

"Absorption has been examined in various scenarios, with a projected rate of about 5 to 7 units per month if available for lease up at this time." (p. 97)

			YSIS (Tenant-Pai	d Net Rents)			
Ur	Unit Type (% AMI)		Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR	750 SF	30%/PHU	\$100	\$201	\$665	\$100	\$565
1 BR	750 SF	50%/PHU	\$100	\$308	\$665	\$100	\$565
1 BR	750 SF	60%	\$446	\$446	\$665	\$446	\$219
2 BR	980 SF	30%/PHU	\$125	\$240	\$770	\$125	\$645
2 BR	980 SF	50%/PHU	\$125	\$436	\$770	\$125	\$645
2 BR	980 SF	50%	\$436	\$436	\$785	\$436	\$349
2 BR	980 SF	60%	\$534	\$534	\$785	\$534	\$251
3 BR	1,150 SF	30%/PHU	\$150	\$276	\$925	\$150	\$775
3 BR	1,150 SF	50%/PHU	\$150	\$502	\$925	\$150	\$775
3 BR	1,150 SF	60%	\$616	\$616	\$925	\$616	\$309

#### Market Impact:

"....there is an abundance of older, outdated product in the market, which is not performing as well as the newer high grade product. This is not unexpected, as much of the product is older, and less desirable than the newer more modern product. It is probable that the newer replacement product will likely still continue to pull tenants out of the aging old product in declining locations." (p. 96)

### Comment:

The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

### Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with section 1.32 (i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 71 units per square mile which is less than the 1,432 units per square mile limit and a Primary Market Area concentration of 95 units per square mile which is less than the 1,000 units per square mile limit. Therefore, the proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

**OPERATING PROFORMA ANALYSIS** 

Income:	Number of Revisions:	none	Date of Last Applicant Revision:	N/A
rents co Authori require will be Underv	ollected per unit calculate ity of the City of Pharr) fro ed to pay all electrical cos considered public housing vriter has set the developr	ed by subtract m the 2008 ho ts. The remaini g units (PHUs). I ment's public h	hat 70% of the units are tax credit using tenant-paid utilities (as maintainusing tax credit program rent limits. ng 30 units (inclusive of all units affour order to more accurately estimate nousing unit rents, based on the averance and the averance and the automore accurater or the averance and the automore and the automore and the automore and the automore and the automore and the automore and the automore and the automore and the automore and the automore and the automore and the automore and the automore are accurately and the automore and the automore and the automore are accurately and the automore and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately automore accurately and automore accurately and automore accurately and automore accurately and automore accurately and automore accurately accurately and automore accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately accurately	ned by the Housing Tenants will be rdable at 30% of AMI) te income, the erage income for

This section intentionally left blank.

On the 30 public housing units discussed above, the Pharr Housing Authority has executed an Operating Subsidy Agreement whereby they have agreed to pay an annual operating subsidy equal to the difference between operating expenses for the units and the amount of rent for tenants earning less than 60% of Area Media Family Income (AMFI), but in no event can it exceed the operating subsidy paid to the Housing Authority by HUD. In calculating income, the subsidy will be equal to the public housing units prorated share of expenses less the tenant contribution and no debt can be serviced by the public housing units.

The Applicant's secondary income and vacancy and collection loss reflect current TDHCA underwriting guidelines. However, the Underwriter anticipates that the PHUs will operate at an occupancy level of 100%. Therefore, the Underwriter's estimate of vacancy and collection loss has been changed to reflect a standard rate of 7.5% of potential gross income only for the units that will not operate as Public Housing Units. This change results in a total vacancy and collection loss rate of 5.25% of the development's potential gross income. Despite these differences, the Applicant's estimate of effective gross income is within 5% of the Underwriter's estimate.

Expense:	Number of Revisions:	none	Date of Last Applicant Revision: N/A	

The Applicant's total annual operating expense projection at \$3,454 per unit is not within 5% of the Underwriter's estimate of \$3,195, derived from the TDHCA database, and third-party data sources. The Applicant's budget shows water, sewer & trash to be \$33K higher, and property insurance to be \$11K lower when compared to the database averages.

The Underwriter is assuming the 100% property tax exemption as proposed by the Applicant. This will be achieved through a long-term lease of the property for 50 years by the Applicant from the Pharr Housing Authority. The Applicant has estimated nominal annual property taxes of \$10 as a result of the proposed ownership structure and ground lease of the property.

#### Conclusion:

The Applicant's estimates of total operating expense and net operating income are not within 5% of the Underwriter's; therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter's Year One proforma results in a debt coverage ratio above the Department's 1.35 maximum. Therefore, the recommended financing structure reflects an increase 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 and revised annual debt service estimate were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow for the Department's 15 year minimum. It should also be noted that both the Applicant and Underwriter's proforma reflect a high expense to income ratio, and the Applicant's estimate at 67.71% is above the 65% maximum guideline in 10TAC §1.32(i)(4); however the rule allows for mitigation of this concern in the form of an ongoing operating subsidy. Therefore with the proposed operating subsidy, the operating proforma is acceptable.

		ACQUISITION IN		
		ASSESSED	VALUE	
Land Only:	12.6 acres	\$930,442	Tax Year:	2007
Existing Building	gs:	\$5,048,210	Valuation by:	Hidalgo CAD
Total Assessed	Value:	\$5,978,652	Tax Rate:	2.73152

EVIDENCE of PROPERTY CONTROL							
Type: Contract for Lease Acreage: 12.6							
Contract Expiration: 3/1/2009 Valid Through Board Date? X Yes No							
Lease Costs: \$10 per year (50 years) Other: This will be a long-term lease.							
Owner: Housing Authority of Pharr Related to Development Team? X Yes No							
CONSTRUCTION COST ESTIMATE EVALUATION							
COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 4/23/2008							
Acquisition Value:  The Applicant will lease the subject property from the Housing Authority of the City of Pharr under a fifty (50) year ground lease at the rate of \$10 per year. The Pharr Housing Authority is an affiliate of the general partner. This lease will allow the Applicant to derive the benefits of a 100% property tax exemption for the operation of this affordable housing development. Neither the Applicant nor the Underwriter has included any acquisition cost in the total development cost.							
Sitework Cost:							
The Applicant's claimed sitework costs of \$8,895 per unit under eligible basis are within current Department guidelines. This is an unusually high amount for a reconstruction on a site that has been previously developed; however, the Applicant provided substantiation by a third party architect although they were not required to do so based upon the amount claimed for site work cost under eligible basis. It should be noted, that the Applicant did however estimate a demolition cost of \$350,000 in site work cost, but this item was allocated to the ineligible cost line item by both the Applicant and the Underwriter.							
Direct Construction Cost:							
The Applicant's direct construction cost is \$118K or 2% lower than the Underwriter's Marshall and Swift Residential Cost Handbook-derived estimate.							
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 \$9,108,035 supports annual tax credits of \$985,125. 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 Number of Revisions: 1 Date of Last Applicant Revision: 4/23/2008							
Source: PNC Bank Type: Interim to Permanent Financing							
Interim:         \$1,500,000         Interest Rate:         7.5%         X         Fixed         Term:         24         months           Permanent:         \$1,500,000         Interest Rate:         7.5%         X         Fixed         Term:         360         months							
Source: PNC Bank Type: Interim Financing							
Principal: \$4,200,000 Interest Rate: 7.5% Fixed Amort: 24 months							
Comments:  Terms of the loan are a floating rate to be determined at Underwriting (underwritten at 7.5%), a 1.5% origination fee, and a 24-month term. The final loan amount is to be based on 85% of the MAI Appraised Value, including the tax credits.							

Source:	Pharr Housing Autho	Type:	Relocation Vouchers			
Principal:	\$594,288	Conditions:				
Comments	:					
residing allocation approva responsi vouche	at Parkview Terrace. on of vouchers from Hal required). As these ble for their relocation r assistance represents	vill provide vouchers to pro The 100 displaced familie UD, or from the Housing A families are current Public In and housing during the p Is an "in-kind contribution t pment Cost." (Application	s will be produthority's cually thousing resolutions the posteriod the poot the development.	vided vouchers from rrent voucher allocat sidents, the Project O roject is under develo opment and will prov	either a tion (no wner is opmen	a new O HUD ot. This
Source:	PNC Multifamily Cap	pital	Туре:	Syndication		
Proceeds:	\$8,273,173	Syndication Rate:	84%	Anticipated HTC:	\$	985,000
Comments	:					
amount the fina	of deferred develope ncial feasibility of the c all deferred develope	credit pricing, it should be er fee , and any decrease deal. Alternatively, should r fees would be eliminated	below \$0.74 the final cre	49 per credit dollar m edit price increase to	ay jeo more t	pardize than
Amount:	\$394,112		Туре:	Deferred Developer	Fees	
Market Und	ertainty.					

#### Market Uncertainty:

The financial market for tax credit developments from both a loan and equity perspective are in their greatest period of uncertainty since the early 1990's and fluctuations in pricing and private funding are expected to continue to occur. The Underwriter has evaluated the pricing flexibility independently for credits and interest rates under which this development could continue to be considered financially feasible. Because of the significant number of potential scenarios, the Underwriter has not modeled the potential impact of movement on both interest rates and equity pricing occurring at the same time.

Due to the uncertainty in the market and the potential for such movement in both equity pricing and interest rates, this report is conditioned upon updated loan and equity commitments at the submission of carryover. Should the revised commitments reflect changes in the anticipated permanent interest rate(s) and equity price, a re-evaluation of the financial feasibility of the transaction should be conducted.

### **CONCLUSIONS**

#### Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio above the Department's maximum guideline of 1.35 excluding any debt service for the public housing units. The underwriting analysis assumes an increase in the permanent loan amount to \$1,667,289 based on the terms reflected in the application materials. As a result, the development's gap in financing will decrease.

The Applicant's total development cost estimate less the adjusted permanent loan of \$1,667,289 and inkind donation of \$594,288 indicates the need for \$8,499,996 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,012,005 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$985,000), the gap-driven amount (\$1,012,005), and eligible basis-derived estimate (\$985,125), the Applicant's request of \$985,000 is recommended.

The Underwriter's recommended financing structure indicates the need for \$226,823 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within five years of stabilized operation.

Underwriter:		Date:	July 22, 2008
	D. Burrell	_	
Reviewing Underwriter:		Date:	July 22, 2008
	Diamond Unique Thompson	_	
Director of Real Estate Analysis:		Date:	July 22, 2008
	Tom Gouris	_	

# MULTIFAMILY COMPARATIVE ANALYSIS

	Parkview Terrace, Pharr, HTC 9% #08151									
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
TC30/PHU	1	1	1	750	\$245	\$100	\$100	\$0.13	\$43.50	\$26.75
TC50/PHU	8	1	1	750	\$408	\$100	\$800	\$0.13	\$43.50	\$26.75
TC60	19	1	1	750	\$490	\$447	\$8,484	\$0.60	\$43.50	\$26.75
TC30/PHU	2	2	1	980	\$295	\$125	\$250	\$0.13	\$54.00	\$28.75
TC50/PHU	10	2	1	980	\$490	\$125	\$1,250	\$0.13	\$54.00	\$28.75
TC50	10	2	1.5	980	\$490	\$436	\$4,360	\$0.44	\$54.00	\$28.75
TC60	22	2	1.5	980	\$588	\$534	\$11,748	\$0.54	\$54.00	\$28.75
TC30/PHU	2	3	2	1,150	\$340	\$150	\$300	\$0.13	\$64.00	\$30.50
TC50/PHU	7	3	2	1,150	\$566	\$150	\$1,050	\$0.13	\$64.00	\$30.50
TC60	19	3	2	1,150	\$680	\$616	\$11,704	\$0.54	\$64.00	\$30.50
TOTAL:	100		AVERAGE:	963		\$400	\$40,046	\$0.42	\$53.86	\$28.68
NCOME		Total Net	Rentable Sq Ft:	96,320	Ī	TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIA	L GROSS	RENT			T T	\$480,546	\$480,432	Hidalgo		11
Secondary	Income		Р	er Unit Per Month:	\$4.40	5,280	5,280	\$4.40	Per Unit Per Month	
Other Supp	ort Income	: Public Hou	sing Operating	Subsidy		50,840	66,504	\$55.42	Per Unit Per Month	
POTENTIA	L GROSS	INCOME				\$536,666	\$552,216			
						(				

POTENTIAL GROSS RENT				\$480,546	\$480,432	Hidalgo		11
Secondary Income	P	er Unit Per Month:	\$4.40	5,280	5,280	\$4.40	Per Unit Per Month	
Other Support Income: Public Hous	ing Operatino	g Subsidy		50,840	66,504	\$55.42	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$536,666	\$552,216			
Vacancy & Collection Loss	% of Potent	tial Gross Income:	-5.25%	(28,175)	(41,412)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Unit	s or Concess	sions		0				
EFFECTIVE GROSS INCOME				\$508,491	\$510,804			
<u>EXPENSES</u>	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.28%	\$319	0.33	\$31,937	\$32,900	\$0.34	\$329	6.44%
Management	5.00%	254	0.26	25,425	25,540	0.27	255	5.00%
Payroll & Payroll Tax	19.39%	986	1.02	98,606	91,412	0.95	914	17.90%
Repairs & Maintenance	8.70%	443	0.46	44,253	51,600	0.54	516	10.10%
Utilities	3.18%	162	0.17	16,158	18,000	0.19	180	3.52%
Water, Sewer, & Trash	6.77%	344	0.36	34,416	67,200	0.70	672	13.16%
Property Insurance	5.80%	295	0.31	29,471	18,000	0.19	180	3.52%
Property Tax 2.73152	0.00%	0	0.00	0	10	0.00	0	0.00%
Reserve for Replacements	4.92%	250	0.26	25,000	26,500	0.28	265	5.19%
TDHCA Compliance Fees	0.79%	40	0.04	4,000	4,000	0.04	40	0.78%
Other: Supportive Services, Securi	2.01%	102	0.11	10,200	10,200	0.11	102	2.00%
TOTAL EXPENSES	62.83%	\$3,195	\$3.32	\$319,465	\$345,362	\$3.59	\$3,454	67.61%
NET OPERATING INC	37.17%	\$1,890	\$1.96	\$189,025	\$165,442	\$1.72	\$1,654	32.39%
DEBT SERVICE								
PNC Bank	24.75%	\$1,259	\$1.31	\$125,859	\$125,859	\$1.31	\$1,259	24.64%
Additional Financing	0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH FLOW	12.42%	\$632	\$0.66	\$63,167	\$39,583	\$0.41	\$396	7.75%
AGGREGATE DEBT COVERAGE R	ATIO			1.50	1.31			
RECOMMENDED DEBT COVERAG	E RATIO			1.35				

# CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site of	or bldg)	0.00%	\$0	\$0.00	\$0	\$0	\$0.00	\$0	0.00%
Off-Sites		0.00%	0	0.00	0		0.00	0	0.00%
Sitework		8.20%	8,895	9.23	889,500	889,500	9.23	8,895	8.27%
Direct Construction		45.90%	49,813	51.72	4,981,338	4,863,000	50.49	48,630	45.19%
Contingency	4.90%	2.65%	2,876	2.99	287,625	287,625	2.99	2,876	2.67%
Contractor's Fees	13.72%	7.42%	8,054	8.36	805,350	805,350	8.36	8,054	7.48%
Indirect Construction		5.95%	6,455	6.70	645,500	645,500	6.70	6,455	6.00%
Ineligible Costs		13.23%	14,360	14.91	1,436,038	1,436,038	14.91	14,360	13.34%
Developer's Fees	14.78%	10.95%	11,880	12.33	1,188,005	1,188,005	12.33	11,880	11.04%
Interim Financing		3.95%	4,291	4.45	429,055	429,055	4.45	4,291	3.99%
Reserves		1.75%	1,903	1.98	190,350	217,500	2.26	2,175	2.02%
TOTAL COST		100.00%	\$108,528	\$112.67	\$10,852,761	\$10,761,573	\$111.73	\$107,616	100.00%
Construction Cost Red	ар	64.17%	\$69,638	\$72.30	\$6,963,813	\$6,845,475	\$71.07	\$68,455	63.61%

SOURCES OF FUNDS						RECOMMENDED
PNC Bank	13.82%	\$15,000	\$15.57	\$1,500,000	\$1,500,000	\$1,667,289
Additional Financing	0.00%	\$0	\$0.00	0	0	0
Pharr HA- Relocation Vouchers	5.48%	\$5,943	\$6.17	594,288	594,288	594,288
HTC Syndication Proceeds	76.23%	\$82,732	\$85.89	8,273,173	8,273,173	8,273,173
Deferred Developer Fees	3.63%	\$3,941	\$4.09	394,112	394,112	226,823
Additional (Excess) Funds Req'd	0.84%	\$912	\$0.95	91,188	0	0
TOTAL SOURCES				\$10,852,761	\$10,761,573	\$10,761,573

Developer Fee Available \$1,188,005

% of Dev. Fee Deferred 19%

15-Yr Cumulative Cash Flow \$1,129,496

# MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Parkview Terrace, Pharr, HTC 9% #08151

### **DIRECT CONSTRUCTION COST ESTIMATE**

Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$62.32	\$6,002,741
Adjustments				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	3.00%		1.87	180,082
Roofing			0.00	0
Subfloor			(1.24)	(118,955)
Floor Cover			3.13	301,231
Breezeways/Balconies	\$31.31	11,160	3.63	349,364
Plumbing Fixtures	\$965	(120)	(1.20)	(115,800)
Rough-ins	\$425	100	0.44	42,500
Built-In Appliances	\$2,425	100	2.52	242,500
Interior Stairs	\$1,575	60	0.98	94,500
Enclosed Corridors	\$52.40		0.00	0
Heating/Cooling			1.90	183,008
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$72.63	3,061	2.31	222,320
Other: fire sprinkler	\$1.95	96,320	1.95	187,824
SUBTOTAL			78.61	7,571,315
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.81		(14.94)	(1,438,550)
TOTAL DIRECT CONSTRU	CTION COST	S	\$63.67	\$6,132,765
Plans, specs, survy, bld prm	3.90%		(\$2.48)	(\$239,178)
Interim Construction Interest	3.38%		(2.15)	(206,981)
Contractor's OH & Profit	11.50%		(7.32)	(705,268)
NET DIRECT CONSTRUCT	ION COSTS		\$51.72	\$4,981,338

# PAYMENT COMPUTATION

Primary	\$1,500,000	Amort	360
Int Rate	7.50%	DCR	1.50
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.50
Additional	\$8,273,173	Amort	0
Int Rate	0.00%	Aggregate DCR	1.50

# RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$139,895
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$49,130

Primary	\$1,667,289	Amort	360
Int Rate	7.50%	DCR	1.35

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.35

Additional	\$8,273,173	\$8,273,173 Amort	
Int Rate	0.00%	Aggregate DCR	1.35

# 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		\$480,546	\$494,962	\$509,811	\$525,106	\$540,859	\$627,004	\$726,869	\$842,640	\$1,132,438
Secondary Income		5,280	5,438	5,602	5,770	5,943	6,889	7,986	9,259	12,443
Other Support	t Income: Public F	50,840	52,803	54,843	56,963	59,165	80,964	107,792	140,741	233,102
POTENTIAL G	ROSS INCOME	536,666	553,204	570,256	587,838	605,966	714,857	842,647	992,640	1,377,983
Vacancy & Co	ollection Loss	(28,175)	(29,043)	(29,938)	(30,861)	(31,813)	(37,530)	(44,239)	(52,114)	(72,344)
Employee or 0	Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GI	ROSS INCOME	\$508,491	\$524,161	\$540,318	\$556,976	\$574,153	\$677,327	\$798,408	\$940,526	\$1,305,639
EXPENSES at	4.00%									
General & Adı	ministrative	\$31,937	\$33,214	\$34,543	\$35,925	\$37,362	\$45,456	\$55,305	\$67,286	\$99,600
Management		25,425	26,208	27,016	27,849	28,708	33,866	39,920	47,026	65,282
Payroll & Payr	roll Tax	98,606	102,551	106,653	110,919	115,355	140,348	170,754	207,749	307,519
Repairs & Mai	intenance	44,253	46,023	47,864	49,778	51,769	62,985	76,631	93,233	138,008
Utilities		16,158	16,804	17,476	18,176	18,903	22,998	27,980	34,042	50,391
Water, Sewer	& Trash	34,416	35,793	37,224	38,713	40,262	48,985	59,597	72,509	107,332
Insurance		29,471	30,650	31,876	33,151	34,477	41,947	51,034	62,091	91,910
Property Tax		0	0	0	0	0	0	0	0	0
Reserve for R	eplacements	25,000	26,000	27,040	28,122	29,246	35,583	43,292	52,671	77,966
Other	_	14,200	14,768	15,359	15,973	16,612	20,211	24,590	29,917	44,285
TOTAL EXPEN	ISES	\$319,465	\$332,011	\$345,051	\$358,605	\$372,694	\$452,378	\$549,104	\$666,526	\$982,293
NET OPERATI	NG INCOME	\$189,025	\$192,150	\$195,267	\$198,371	\$201,459	\$224,949	\$249,304	\$274,000	\$323,346
DEBT S	SERVICE									-
First Lien Finar	ncing	\$139,895	\$139,895	\$139,895	\$139,895	\$139,895	\$139,895	\$139,895	\$139,895	\$139,895
Second Lien		0	0	0	0	0	0	0	0	0
Other Financing	g	0	0	0	0	0	0	0	0	0
NET CASH FLO	DW WC	\$49,130	\$52,255	\$55,372	\$58,476	\$61,564	\$85,053	\$109,409	\$134,105	\$183,451
DEBT COVER	AGE RATIO	1.35	1.37	1.40	1.42	1.44	1.61	1.78	1.96	2.31

HTC ALLOCATION ANALYSIS -Parkview Terrace, Pharr, HTC 9% #08151					
	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW	
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	
Acquisition Cost					
Purchase of land					
Purchase of buildings					
Off-Site Improvements	_				
Sitework	\$889,500	\$889,500	\$889,500	\$889,500	
Construction Hard Costs	\$4,863,000	\$4,981,338	\$4,863,000	\$4,981,338	
Contractor Fees	\$805,350	\$805,350	\$805,350	\$805,350	
Contingencies	\$287,625	\$287,625	\$287,625	\$287,625	
Eligible Indirect Fees	\$645,500	\$645,500	\$645,500	\$645,500	
Eligible Financing Fees	\$429,055	\$429,055	\$429,055	\$429,055	
All Ineligible Costs	\$1,436,038	\$1,436,038			
Developer Fees	Developer Fees \$1,188,005				
Developer Fees	\$1,188,005	\$1,188,005		\$1,188,005	
Development Reserves	\$217,500	\$190,350			
TOTAL DEVELOPMENT COSTS	\$10,761,573	\$10,852,761	\$9,108,035	\$9,226,373	

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	\$9,108,035	\$9,226,373
High Cost Area Adjustment	130%	130%
TOTAL ADJUSTED BASIS	\$11,840,445	\$11,994,285
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$11,840,445	\$11,994,285
Applicable Percentage	8.32%	8.32%
TOTAL AMOUNT OF TAX CREDITS	\$985,125	\$997,925

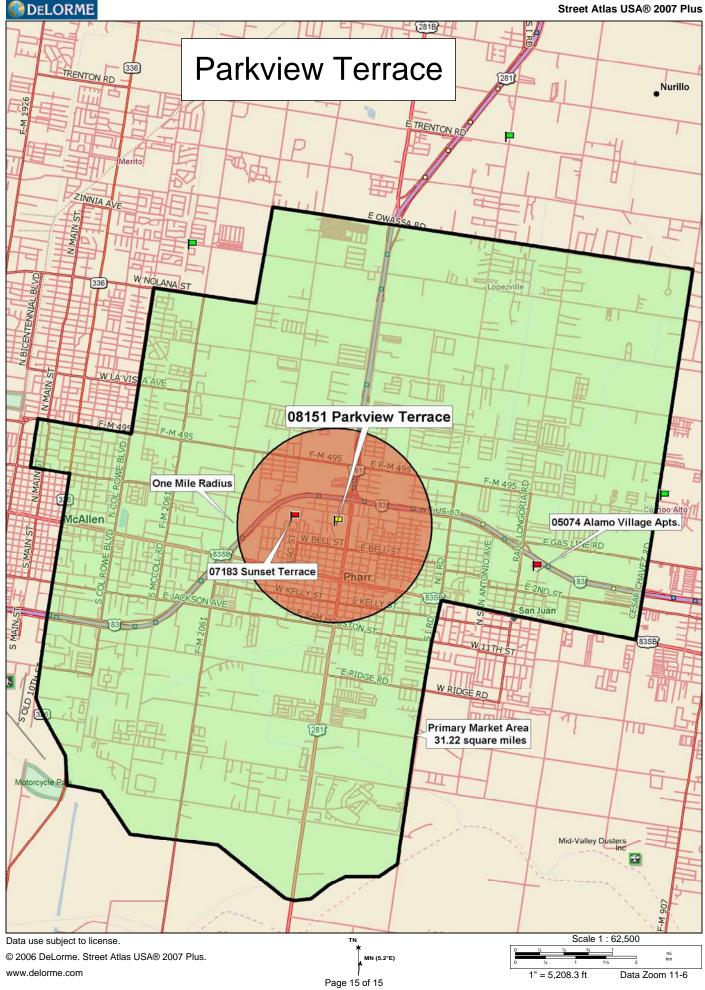
Syndication Proceeds 0.8399 \$8,274,223 \$8,381,728

Total Tax Credits (Eligible Basis Method) \$985,125 \$997,925 Syndication Proceeds \$8,274,223 \$8,381,728

> Requested Tax Credits \$985,000 Syndication Proceeds \$8,273,173

Gap of Syndication Proceeds Needed \$8,499,996

Total Tax Credits (Gap Method) \$1,012,005





6517 Mapleridge Houston, TX. 77081 T. 713.432.7727 F. 713.432.0120

February 1, 2010

Mr. Ben Sheppard Multifamily Finance Division Texas Department of Housing and Community Affairs P.O. Box 13941 Austin, Texas 78711-3941

Re:

Request for Amendment to HTC #08151 and Exchange #09922 Parkview Terrace, Pharr, Texas

### Dear Ben:

On behalf of the applicant's owner, Pharr Housing Development Corporation, and as the developer, I am writing to request the Department's consideration of an amendment to the development land area. The Parkview Terrace application involves the demolition of 100 public housing units and complete reconstruction of 100 new housing units on two scattered sites. We request an amendment to reduce the land area to one development site totaling 8.123 acres with no change to the number of residential units or total number of buildings.

# Impact to Application:

- (1) The reduction in land area would result in the loss of 18 points under the Selection Criteria as follows:
  - 6 points for Volume 4 Tab 10: Reconstruction
  - 6 points for Volume 4 Tab 12: Use of Existing Housing as Part of Community Revitalization Plan (amended project changes from "reconstruction" definition to "new construction")
  - 6 points for Volume 4 Tab 13: Pre-Application

In the 2008 tax credit application cycle, in order to be considered reconstruction, the applicant had to rebuild at least one unit on each site where the demolished units were located. Additionally, the development land area had to include all of the area where the demolished land units came from, regardless of whether or not that area was being used for the new development. This results in a large portion of excess undeveloped land falling under the LURA for Parkview Terrace if this amendment request is not granted.

(2) The removal of "scattered sites" necessitates a change in the Volume 3, Tab 1 Part C: Common Amenities. A total of 100 units on one site requires 12 points to meet threshold as compared to the original application requirement of 9 points for the scattered site tract. Additional amenities have been selected (see enclosed) to restore the application to the full threshold point value appropriate to the amendment request.

(3) The land is effectively being contributed to the development via a 50-year Ground Lease at a rate of \$10 per year; therefore the reduction in the land area does not impact the overall development costs. Additionally, since there is no change in the number of units being built, there is no impact to the underwriting analysis for this development. All costs remain the same.

What effects would this change have on other applicants?

Region 11 received only two competitive "urban allocation" applications in 2008 and overall was underfunded at the time of final development awards. The loss of the points in connection with the amendment request would <u>not</u> have had a detrimental effect upon the award of Housing Tax Credits to Parkview Terrace in the competitive round. Additionally, in the 2008 tax credit cycle, every applicant who was on the waiting list received a forward commitment. Thus, other applicants cannot claim that had our development not received the reconstruction points, they would have been funded since every applicant who did not receive an original allocation was ultimately awarded a forward commitment.

# Request Justification:

Phar Housing Development Corporation ("PHDC") is a public facility corporation of the Pharr Housing Authority. PHDC is the sole member of the development owner. This application has been awarded exchange funds, and we are proceeding with the exchange closing.

Please understand, we did not find out until after our preapplication was filed that staff was going to interpret the Rehabilitation definition in such a way as to prevent an applicant from demolishing units on a noncontiguous site and counting those demolished units from the noncontiguous site as part of the new development units. Additionally, it is also important to note in 2008 the QAP changed to prevent applicants from replacing more units than were demolished and still be considered reconstruction. Reluctantly, two years ago the Housing Authority weighed moving forward with the application to replace the old existing housing with new badly needed energy efficient units, thus committing the entire land area to application; versus forgoing the ability to move forward with their housing revitalization efforts. At that time, the Housing Authority chose the replacement housing as the priority. However, given the change in the economic climate over the past two years, demand for affordable housing is increasing. As a result the Pharr Housing Authority and PHDC would like to utilize the excess land, which would otherwise remain vacant under the current HTC application to build additional affordable housing. It would not make sense to have this very valuable land sit undeveloped when it could be used for additional affordable housing. TDHCA and the Pharr Housing Authority share the common mission of providing additional affordable housing opportunities. Releasing these excess tracts from the Parkview Terrace application makes sense in terms of TDHCA and the Pharr Housing Authority achieving their primary mission of additional affordable housing opportunities.

We believe allowing all 100 units to be located on the main development site would actually be more beneficial to the residents by allowing all the tenants to be closer to the development clubhouse which is where most of the tenant services will be offered. The QAP states that the Board may vote to reject an amendment if the amendment materially alters the Development in a negative manner or would have adversely affected the selection of the Application. Clearly, if

this application had scored lower, it still would have received an allocation, and we are of the opinion that if this amendment is approved, it will actually benefit this development as opposed to affecting in a negative manner for the reasons mentioned above. Therefore, we respectfully request the release of these tracts described herein from the Parkview Terrace application, and permission to build all 100 units on the main Development Site.

Enclosed for your review are the original and proposed site plans, explanatory application documents as well as a check in the amount of \$2,500.00 for the required amendment fee. If you have questions or need additional information please contact me at (713) 705-3507.

Sincerely,

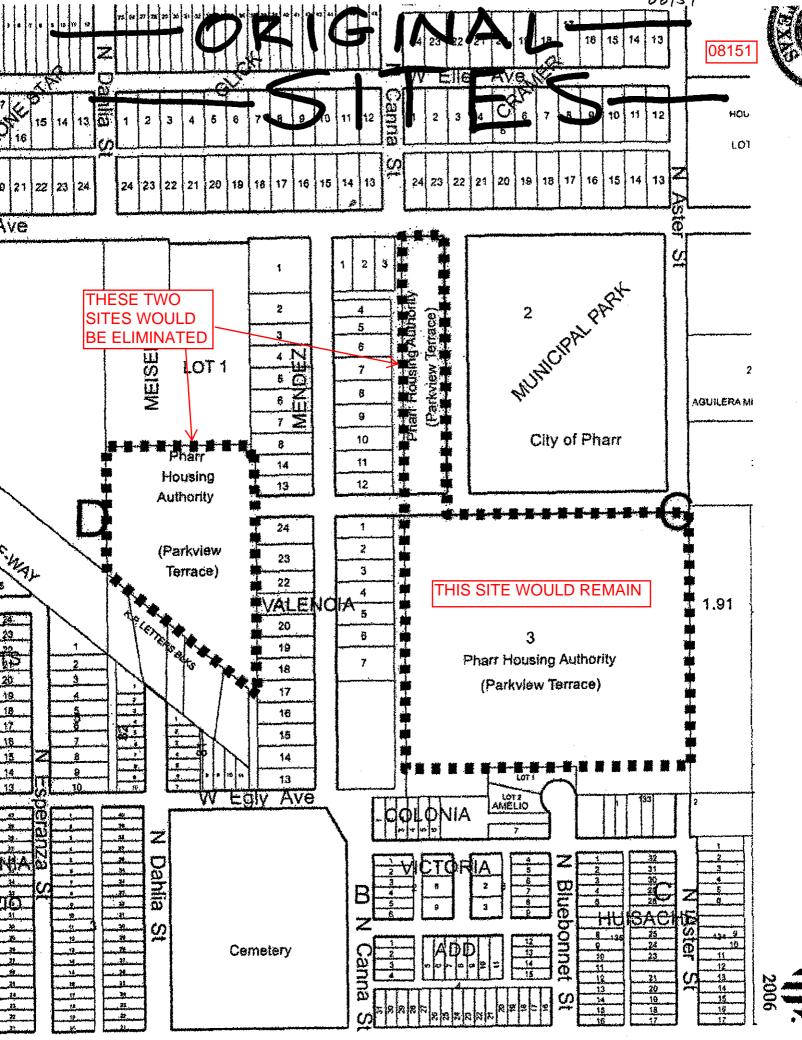
BROWNSTONE AFFORDABLE HOUSING, LTD.

BY: THREE B VENTURES, INC., ITS GENERAL PARTNER

BY:

Doak Brown, Vice President

enclosures



# Volume 4, Tab 1 APPLICANT SELF SCORE

Instructions: Complete the following form and indicate all points requested for this Application. All evidence as required by §50.9(i) of the 2008 QAP must be submitted as outlined in the Application Submission Procedures Manual.

Note: Points other than points under §\$50.9(i)(2) and (6) will only be awarded if requested. If points are not requested, but documentation is provided to substantiate points for a particular scoring item, points will not be awarded.

§50.9(i)	ASPM Tab#	Point Category	Points equested
(1)	2	Financial Feasibility of the Development (28 Points)	28
(2)		Quantifiable Community Participation (Points Not Requested in Self Score)	N/A
(3)	3	The Income Levels of Tenants of the Development (22 Point Maximum)	22
(4)(A)	4	The Size of the Units (Development Characteristics) (6 Points)	6
(4)(B)	4	The Quality of the Units (Development Characteristics) (14 Points Maximum)	14
(5)	5	The Commitment of Development Funding by Local Political Subdivisions (18 Points Maximum)	18
(6)		The Level of Community Support from State Representative or State Senator (Points Not Requested in Self Score)	N/A
(7)	6	The Rent Levels of the Units (12 Points Maximum)	12
(8)	7.	The Cost of the Development by Square Foot (Development Characteristics) (10 Points)	<u>10</u>
(9)	8	The Services to be Provided to Tenants of the Development (8 Points Maximum)	8
(10)	9	Declared Disaster Areas (7 Points)	7
(11)	10	Rehabilitation, (which includes reconstruction) or Adaptive Reuse (6 Points).	6
(12)	11	Housing Needs Characteristics (6 Points Maximum)	4
(13)	12	Development Includes the Use of Existing Housing as part of a Community Revitalization Plan (Development Characteristics) (6 Points)	6 9
(14)	13	Pre-Application Participation Incentive Points (6 Points)	<b>6</b>
(15)	14	Economic Development Initiatives (4 Points)	4
(16)	15	Development Location (4 Points)	4
(17)	N/A	Development Location in Non-Urban Areas (6 Points)	<u>6</u>
(18)	16	Demonstration of Community Support other than Quantifiable Community Participation (To be awarded points, points must be requested by checking the box, but points are not added into Total Points Requested)	×
(19)	17	Developments in Census Tracts with No Other Existing Same Type Developments Supported by Tax Credits (6 Points)	Q
(20)	18	Tenant Populations with Special Housing Needs (4 Points)	4
(21)	19	Length of Affordability Period (4 Points Maximum)	4
(22)(A)	20	Site Characteristics (4 Points)	4
(22)(B)	20	Negative Site Features (Maximum of -5 Points)	<del>                                     </del>
(23)	N/A	Development Size (3 Points)	Q
(24)	21	Qualified Census Tracts with Revitalization (1 Point)	<u>0</u>
(25)	22	Sponsor Characteristics (2 Points)	2
(26)	23	Developments Intended for Eventual Tenant Ownership - Right of First Refusal (1 Point)	





(27)	24	Leveraging of Private, State, and Federal Resources (1 Point)	1
(28)	25	Third-Party Funding Commitment Outside of Qualified Census Tracts (1 Point)	Q
(29)	26	Scoring Criteria Imposing Penalties (-5 Points for each extension under Part A and -3 Points for each removal under Part B)	Q
	Tr	OTAL POINTS REQUESTED - Do not add points for §§50.9(i)(2), (6), or (18)	177



(NOTE: with the exception of TRDO-USDA Applications, must score a minimum of 111 points to be eligible for an allocation of Housing Tax Credits. Points added or deducted pursuant to §§50.9(i)(2) and (6) are not included in this calculation.)

I acknowledge that this form may not be re-submitted to the Department without a specific request for a revised form from the Department. I also acknowledge that pursuant to the 2008 QAP, any documentation submitted to the Department after Application submission in response to a Deficiency Notice could affect eligibility for points, to the extent that the review of Administrative Deficiency documentation alters the score assigned to the Application.

ßу:

Signature of Applicant/Owner

18.08

its: Interim Executive Director of the Sole Member of the General

Partner

### PART C. COMMON AMENITIES (ALL PROGRAMS THRESHOLD)

#### Complete Part 1 and Part 2.

#### Part 1. Common Amenities Threshold.

All Developments must meet at least the minimum threshold of points. These points are not associated with the selection criteria points. The amenities selected must be made available for the benefit of all tenants. If fees in addition to rent are charged for amenities reserved for an individual tenant's use, then the amenity may not be included among those provided to complete this exhibit. Developments must provide a minimum number of common amenities in relation to the Development size being proposed. The amenities selected must be selected from Part 2 of this form and made available for the benefit of all tenants.

Developments proposing Rehabilitation (excluding Reconstruction) or proposing Single Room Occupancy will receive 1.5 points for each point item.

Applications for non-contiguous scattered site housing, including New Construction, Reconstruction, Rehabilitation, and single-family design, will have the threshold test applied based on the number of Units per individual site, and must submit a separate certification for each individual site under control by the Applicant.

Any future changes in these amenities, or substitution of these amenities, must be approved by the Department in accordance with §50.17(d) of the QAP and may result in a decrease in awarded credits if the substitution or change includes a decrease in cost, or in the cancellation of a Commitment Notice or Carryover Allocation if all of the Common Amenities claimed are no longer met.

(Ch	eck the appropriate box);
	Total Units are less than 13, 0 points are required to meet Threshold for Single Room Occupancy Developments and 1
	point is required for all other Developments.
圂	Total Units are between 13 and 24, 1 point is required to meet Threshold.  Total Units are between 25 and 40, 3 points are required to meet Threshold.  Total Units are between 41 and 76, 6 points are required to meet Threshold.  Total Units are between 77 and 99, 9 points are required to meet Threshold.
図	Total Units are between 25 and 40, 3 points are required to meet Threshold.
8	Total Units are between 41 and 76, 6 points are required to meet Threshold.
<b>20</b>	Total Units are between 77 and 99, 9 points are required to meet Threshold. (2009) WW. Appli Castron
3	Total Units are perveen 100 and 149, 12 points are required to meet Threshold \( \tag{7.10}
161	A COMPONING A GODE MACH TO A SHELL TO DOMES AND LEGITING TO THE GODE A BLESHOOT.
	Total Units are 200 or more, 18 points are required to meet Threshold.

Tract "A"
Land out of Lots 2 & 3
Block "C"

Bv:

Signature of Applicant/Owner

25.08

Its: Inerim Ex. Director of the Sole Member of the General Partner

(Continued Certification Next Page)

#### Part 2.

Amenities for selection include those items listed below. Both Developments designed for families and Qualified Elderly Developments can earn points for providing each identified amenity. All amenities must meet accessibility standards as further described in §50.9(h)(4)(D), (F) and (G) of the QAP. An Application can only count an amenity once, therefore combined functions (a library which is part of a community room) only count under one category. Spaces for activities must be sized appropriately to serve the anticipated population.

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ADD 300	ect All That Apply:  Accessible walking/jogging path separate from a sidewalk (1 point)  Barbecue grills and picnic tables – at least one for every 50 Units (1 point)  Community Dining Room with full or warming kitchen (3 points)  Community laundry room with at least one front-loading washer (1 point)  Community Theater Room equipped with a 52 inch or larger screen with surround sound equipment; DVD player; and theater seating (3 points)  Controlled gate acces (1 point)
> <u>\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tint{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tint{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tin}\text{\text{\text{\text{\text{\ti}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}</u>	Covered pavilion that includes barbecue grills and tables (2 points)  Enclosed sun porch or covered community porch/patio (2 points)  Equipped and functioning business center or equipped computer learning center with 1 computer for every 30 units proposed in the Application, 1 printer for every 3 computers (with a minimum of 1 printer), and 1 fax machine (2 points)
	Full perimeter fencing (2 points)  Furnished and staffed Children's Activity Center (3 points)  Furnished Community room (1 point)  Furnished fitness center equipped with a minimum of two of the following fitness equipment options with at least one option per every 40 units or partial increment of 40 units: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multi-functional weight bench, sauna, stair climber, etc. The maximum number of equipment options required for any Development, regardless of number of Units, shall be five (2 points)
	Gazebo with sitting area (1 point)  Green Building (for example, evaporative coolers, passive solar heating/cooling, water conserving fixtures, collected water (at least 50%) for irrigation purposes, sub-metered electric meters, exceed Energy Star standards, photovoltaic panels for electricity and design and wiring for the use of such panels, construction waste management, provide recycle service, water permeable walkways and parking areas, or other Department approved items). (3 points)  Health Screening Room (1 point)
DELETE,	Horseshoe pit, putting green or shuffleboard court (1 point) Hot Tub/Jacuzzi Spa (1 point) Library with accessible sitting areas (separate from the community room) (1 point) One children's Playscape equipped for 5 to 12 year olds or one Tot Local point) Secured Entry (elevator buildings only) (1 point) Senior Activity Room (Arts and Crafts, etc.) (2 points)
ADD III	Service Coordinator Office in addition to leasing offices (1 point)  Swimming pool (3 points)  Two Children's Playscapes equipped for 5 to 12 year olds, two Tot Lots, or one of each (2 points)  Sport Court (Tennis, Basketball or Volleyball) (2 points)  Tract "A"  Scattered Site, the address of the site:
Ву	Block "C"
C	ongunal Application = 9 points mendment = 12 points
A	mendment = 12 points

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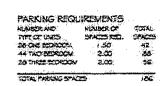
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BROWNSTONE
ARCHITECTS & PLANNERS
6517 MAPLERIDGE HOUSTON, TX 77081
(713) 432-7727

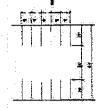
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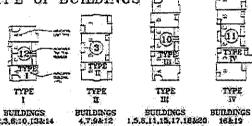
CITY OF PHARR PARK

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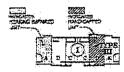
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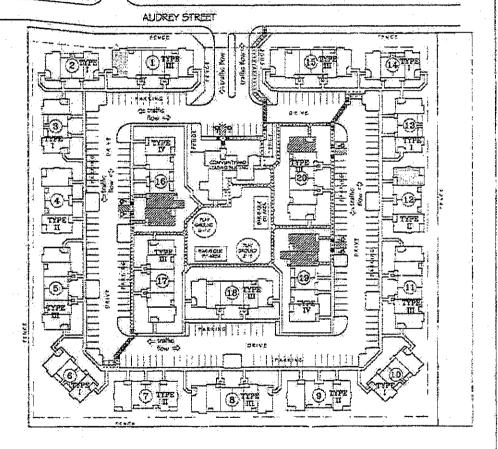
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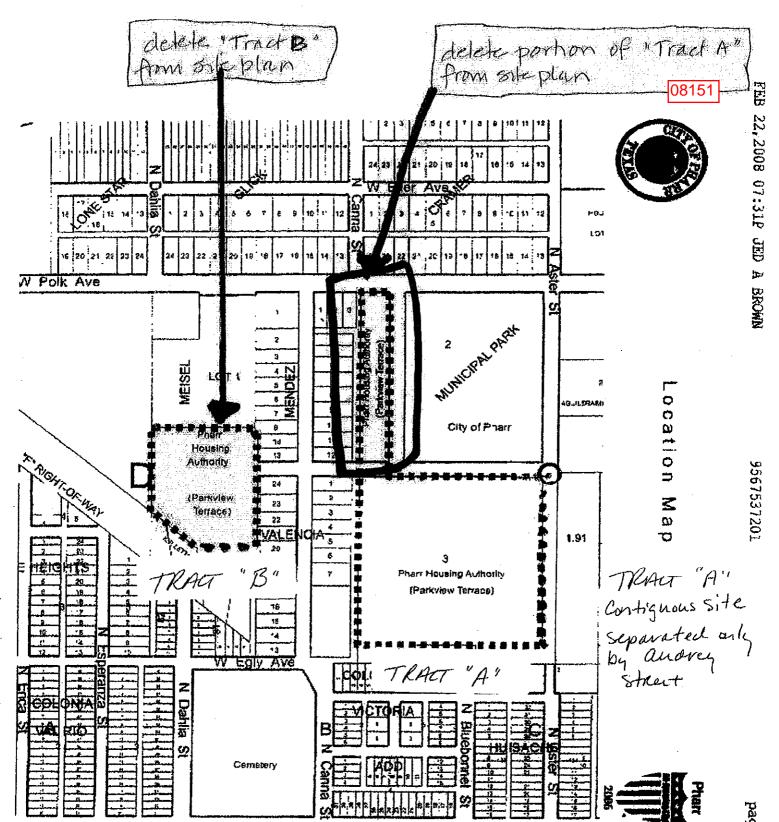


BROWNSTONE
ARCHITECTS & PLANNIES, INC.
637 MAPLEBROOD (713) 452-7727

(i) ARKVIEW TERRAI APARTMENTS Phair, Texas \_

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R. Gutierrez Engineering Corp. • 130 E. Park Ave. • Pharr, Tx. • (956) 782-2557

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R.Gutierrez Eng. Corp. • 130 E. Park Ave. • (956) 782-2557

### application exhibit

08151

#### Volume 4, Tab 10 Rehabilitation, Reconstruction, or Adaptive Reuse

The Application proposes:

Solely Rehabilitation (includes reconstruction) — the improvement or modification of an Existing Residential Development (Any Development Site which contains 4 or more existing residential Units at the time the Volume I is submitted to the Department) through alteration, incidental addition or enhancement. Includes the demolition of an Exiting Residential Development and the reconstruction of a Development on the Development Site, but does not include Adaptive Reuse. Rehabilitation includes repairs necessary to correct the results of deferred maintenance, the replacement of principal fixtures and components, improvements to increase the use of energy, and the installation of security devices. Reconstruction includes the demolition of one or more residential buildings in an Existing Residential Development and the reconstruction of the Units on the Development Site. Developments proposing Adaptive Reuse or proposing to increase the total number of Units in the Existing Residential Development are not considered reconstruction.

Solely Adaptive Reuse – the renovation or rehabilitation of an existing non-residential building or structure (e.g., school, warehouse, office, hospital, etc.), including physical alterations that modify the building's previous or original intended use. If any Units are built outside the original building, footprint, the Development will be considered New Construction.

I certify that this information is true and correct:

By:

Signature of Applicant/Owner

lts:

Interim Executive Director of the Sole Member of the General Partner application exhibit

08151

#### Volume 4, Tab 12 Use of Existing Housing as Part of a Community Revitalization Plan

08151

The proposed Application is for:

Rehabilitation (includes reconstruction) — the improvement or modification of an Existing Residential Development (Any Development Site which contains 4 or more existing residential Units at the time the Volume I is submitted to the Department) through alteration, incidental addition or enhancement. Includes the demolition of an Exiting Residential Development and the reconstruction of a Development on the Development Site, but does not include Adaptive Reuse. Rehabilitation includes repairs necessary to correct the results of deferred maintenance, the replacement of principal fixtures and components, improvements to increase the use of energy, and the installation of security devices. Reconstruction includes the demolition of one or more residential buildings in an Existing Residential Development and the reconstruction of the Units on the Development Site. Developments proposing Adaptive Reuse or proposing to increase the total number of Units in the Existing Residential Development are not considered reconstruction.

Attach a copy of the Community Revitalization Plan and provide the following information.

Name of the Community Revitalization Plan(s): Resolution No. 2007-06

Is an ordinance or resolution showing adoption attached? Yes No

If no, page number of the plan where adoption is mentioned:

Page number(s) of the plan that mentions the targeting of specific geographic areas for revitalization and development of residential developments:  $\underline{\mathbf{1}}$ 

\*Attach a letter from the governing body stating that the Development Site is located within this targeted development area.

Page number(s) of the plan that mentions that the Rehabilitation or reconstruction is part of the plan: 1

\*If the Community Revitalization Plan references any other documents or plans, the referenced documents must also be provided, and an outline describing how the individual plans combine to target a specific geographic area for revitalization and development of residential developments must be provided.

08151

#### RESOLUTION NO. 2007-06

A RESOLUTION ESTABLISHING A COMMUNITY REVITALIZATION PLAN OF PUBLIC HOUSING OF THE HOUSING AUTHORITY OF THE CITY OF PHARR INCLUDING THE PUBLIC HOUSING DEVELOPMENTS KNOWN AS SUNSET TERRACE AND PARKVIEW TERRACE

WHEREAS, the City of Pharr, by and through its Board of Commissioners (hereinafter referred to as the "City"), has identified a critical need to revitalize areas of the City that are in despair, particularly public housing developments that are in need of redevelopment by comprehensive rehabilitation and modernization or that are obsolete and need to be demolished and replaced in whole or in part, on-site or off-site, and

WHEREAS, the City will benefit from promoting and supporting such community revitalization efforts by the Housing Authority of the City of Phair (the "Housing Authority") and their developer partner(s); and

WHEREAS, the City agrees to support and work with the Housing Authority and their developer partner(s) to comprehensively redevelop public housing, demolish obsolete public housing, and replace demolished units on-site or off-site with new housing using innovative methods, including public private partnerships and affordable housing developments with renters of mixed incomes supported by tax credits;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS THAT:

- The City declares the proposed demolition of the public housing development known as Sunset Terrace, located at 920 W. Villegas Street, Pharr, Texas 78577, and the proposed demolition of the public housing development known as Parkview Terrace, located at 211 W. Audrey, Pharr, Texas 78577, to be part of its community revitalization plan.
- As part of the City's community revitalization plan, the City supports the
  replacement of the demolished public housing developments shown on the
  map attached hereto as Exhibit "A" with new affordable housing
  developments financed by housing tax credits.
- 3. The City supports the application to the Texas Department of Housing and Community Affairs for an allocation of 2007 low income housing tax credits for Sunset Terrace, and the City supports fiture applications to the Texas Department of Housing and Community Affairs for Parkview Terrace for future allocations of tax credits so that the City's community revitalization goals for new affordable housing can be achieved.

1

- 4. The City welcomes the cooperation of the Housing Authority and their developer partner(s) in the City's community revitalization plan.
- The Mayor and City Manager are authorized to take any reasonable and necessary action to implement the direction and intention of this resolution and community revitalization plan.

CONSIDERED, PASSED, APPROVED AND SIGNED this 20th day of February, 2007, at a regular meeting of the Board of Commissioners of the City of Pharr, Texas, at which a quorum was present and which was held in accordance with Chapter 551 of the Texas Covernment Code.

Signed this 20th day of February, 2007

Allest:

Alda V. Montova, City Clark

TY OF PHARB, TRXAS

sepuldo "Polo" Palacios, Jr.

Mayor

08151

#### Volume 4, Tab 13 Pre-Application Certification

Applicants may qualify for 6 points for qualifying under this exhibit. Select the appropriate box for points applied for:

Pre-Application Certification: Applicants that submitted a Pre-Application during the Pre-Application Acceptance Period and meet the requirements below will receive 6 points if they are awarded by the Department an Application score that is not more than 5% greater or less than the number of points awarded by the Department at Pre-Application, with the exclusion of points for support and opposition under subsections (i)(2), (i)(6), and (i)(18) of the QAP.

I (We) affirm that this Application is eligible for the Pre-Application points as confirmed by each item below:

- The site under control in the Application is for the identical Development Site, or a reduced portion of the Development Site as the proposed Development Site under control in the Pre-Application;
- This Application has met the Pre-Application Threshold Criteria as determined by the Department;
- The Development is serving the same target population (family, elderly or Intergenerational Housing) as in the Pre-Application;
- The Development is the same Set-Asides (Set-Asides can be dropped between Pre-Application and Application, but no Set-Asides may be added).

I (We) now elect, with the submission of this Application, the following option as it relates to the Department's processing of this Application (select only one):

- OPTION A: The Pre-Application points for this Application was over 5% lower than our total points applied for in this Application, and we want to still receive the 6 Pre-Application points Therefore, I (We) request the 6 Pre-Application points and direct the Department to cap the Application score at no greater than the 5% increase regardless of the total points accumulated in the scoring evaluation.
- OPTION B: The Pre-Application points for this Application was over 5% lower than our total points applied for in this Application, and we would rather loose the 6 pre-app points and keep our current score request (which does not include a request for 6 pre-Application points). Therefore, I (We) request that the Pre-Application points be forfeited and that the Department evaluate the Application as requested in the self-scoring sheet.

By:

Signature of Applicant/Owner

2.25.08

Date

Interim Executive Director of the Sole Member of the General Partner

Allocation Information for Reg  ** Upon further investigation b This pre-application was previ	y staff, it was determined	that pursuan	t to statute p	re-application	on 081	47. N	Allocation lorthside I in the "/	Apartmen	ts must compete i		\$1,792,170 let-Aside.
Pre-Applications Submitted in Regi	on 11: Urban	Status: A=Aw	arded, P≃Pend	ing						···········	
08151 11 P Parkview Terrace	211 W. Audrey	Pharr	Urban		100	100	General	\$990,846	J. Fernando Lopez (956) 783-1316		173 PA
	W. Side of Breyfogle Rd, S. of Esperanza Ave.	Palmview	Urban)		132	132	General :	\$1,200,000	Alyssa Carpenter (512) 789-1295		(173) PA
08247 11 P La Hacienda Apts	3569 W. Business Hwy 83	Harlingen	Urban		54	∙54	General	\$450,000	Saleem Jafar (972) 701-5550		170 PA
08158 11 P Villas at Beaumont	2200 Beaumont Ave.	McAllen	Urban		36	36	Elderly	\$376,345	Joe Saenz (956) 686-3951		(165) PA
08131 11 P Camino Del Sol	Old Port Isabel Rd.	Brownsville	Urban		72	72	Elderly	\$500,000	Ofelia Elizondo (713) 522-4141		162 PA
	gan ganalah tahundi mencan salaman sadaran mencan sadahan sasaran bahasa	names sales dilitate threat to		Total:	394	3 <b>94</b>	·	\$3,517,191 	MANUAL SERVICE SERVICE SERVICE SERVICE		
				Total:	950	950		\$5,059,204			
1 = Status of Award Abbreviation: D 2 = Allocation: Rural Regional Alloca	Development Previously Awards	ed 2008 Housing	g Tax Credits=A	, Pending/ No	n-Awar	ded A	pplications	≖P			Page 26 of 3
2 - Aliocation, Rural Regional Alioca	usda=Usda, Nonprofit=NP.	ion Only USDA ann	lications propos	ing New Con	struction	are r	eflected or "At-Risk" l	this log.		Thursda	y, February 07, 200

Housing Credit Ceiling that must be allocated regionally. The remaining 15% must be allocated under the At-Risk Set-Aside and must be deducted from the State Housing Credit Ceiling prior to the

<sub>2</sub> Set-Asides <sup>3</sup> LI Total Target <sup>4</sup> Credit

# S-subject N-noapplication was submitted

application of the regional allocation formula.

Construction<sup>5</sup> Adjusted <sup>6</sup>

# None at this time

#### MULTIFAMILY FINANCE DIVISION BOARD ACTION REQUEST March 11, 2010

#### **Recommended Action**

Approve the extension of deadlines for the Housing Tax Credit Exchange Program.

WHEREAS, the Board adopted a Housing Tax Credit Exchange Policy on July 30 2009 to implement the Exchange Program authorized under the American Recovery and Reinvestment Act of 2009 (the Act), and

WHEREAS, due to delays in developing legal documents to be used in conjunction with the program, the Board extended the deadline for closing at the November 9, 2009 meeting to March 31, 2010, and

WHEREAS, the Department has closed eight of 86 Developments originally awarded funds, and

WHEREAS, the Board recognizes the urgency of closing these developments and completing construction in furtherance of the goals of the Policy and the Act.

It is hereby:

RESOLVED, that upon written request and remittance of a \$2,500 extension request fee prior to the current deadline, an applicant may be granted up to 60 days additional time, beyond the deadlines already established.

#### **Background**

At the November 2009 meeting, the Board set all Exchange program closing deadlines to March 31, 2010. The 10% Test and Substantial Construction deadlines for 2007 and 2008 application were set for May 31, 2010 and 2009 applications would have the usual 10% Test and Substantial Construction deadlines according to the Qualified Allocation Plan and Rules.

Eight of the 86 original Exchange Program awardees have closed on their financing. Twenty-six more developments anticipate closing by the March 31 deadline however 29 awardees have already asked for an extension of the deadline and 22 others have neither, indicated an anticipated closing or requested an extension. While the initial extension previously provided can be attributed to delays by the Department in making available final legal documents, the current delays most often have been attributed to the lack of conventional construction and permanent financing to fill the 20 to 30% gap in sources of funds required to complete these developments. In addition, many of the 2009 tax credit awardees originally anticipated a tax credit closing deadline of June 1 and may have been

more accustomed to the later deadline of recent years. A list of the Exchange Program applicants is attached. Staff is proposing that only applicants that request the extension and pay the extension request fee prior to March 31, 2010 be granted a 60 day extension of the closing deadline and that the 10% Test, Substantial Construction, and Placed in Service Deadlines each be extended 60 days to July 31, 2010, July 31, 2010 and July 31, 2011 respectively.

The Department has until January 2012 to expend all of the \$589M in funds that have been accessed through the exchange of tax credit authority with the Treasury. Any unexpended funds by that date will return to the Treasury and therefore awardees who are unable to move forward must be replaced quickly in order to provide an opportunity for the next applicant to be able to use the funds. All of the requests from 2007 and 2008 tax credit recipients were awarded Exchange funds but there is a waiting list of 2009 tax credit recipients who were not able to be funded due to the 40% limit on the amount of 2009 tax credits that could be exchanged. Should current Exchange awardees not be able to move forward their Exchange dollars would be allocated to another credit recipient whose credits would then be made available to the 2010 tax credit application pool to the extent they are made available prior to the end of 2010.

Exchange	2007	2008	Development Name	Requested Extension
09901	07095	08951	Las Palmas Gardens Apartments	
09902	07103	08924	Oak Tree Village	
09903	07173	08903	West End Baptist Manor Apartments	
09904	07174	08904	LULAC Hacienda Apartments	
09905	07178	08905	Aurrora Meadows	Yes
09906	07194	08932	377 Villas	
09907	07203	08908	Melbourne Apartments	
09909	07227	08916	Champion Home at La Joya	Yes
09910	07246	08917	Lexington Square	. 65
09911	07258	08918	Trinity Garden Apartment Homes	
09912	07300	08922	Wentworth Apartments	Yes
09913	07303	08096	Villas on Raiford	Yes
09914	07000	08091	StoneLeaf at Dalhart	163
09915		08101	Jackson Village Retirement Center	
09916		08128	Mid-Towne Apartments	Yes
09917		08129	Alta Vista Apartments	Yes
09918		08135	Gardens at Clearwater	103
09919		08140	Premier on Woodfair	
09920		08142	Anson Park Seniors	
09921		08150	Oak Manor/Oak Village Apartments	Yes
09922		08150	Parkview Terrace	Yes
09923		08151	Villas at Beaumont	163
09924		08176	Maeghan Pointe	Yes
09925		08182	Suncrest Apartments	163
09926		08198	Highland Manor	
09927		08207	Carpenter's Point	
09928		08233	Heritage Park Vista	Yes
09929		08235	Buena Vida Senior Village	Yes
09930		08253	Creekside Villas Senior Village	res
09931		08253	Montgomery Meadows Phase II	
09932		08257	Constitution Court	
09934		08257	Harris Manor Apartments	Yes
			Lake View Apartment Homes	Yes
09936 09937		08262 08264	Cambridge Crossing	res
		08294		
09938 09939			Stardust Village	
09940		08295 08297	Vista Bonita Apartments St. Charles Place	
				Voc
09941 09942		08298	Residences at Stalcup	Yes
		08299	Southern View Apartments	
09943		08302	Leona Apartments	
09944		08303	Heritage Square	
09945		08304	Park Place Apartments	Voc
09946			Cedar Street Apartments	Yes
09947			Mineral Wells Pioneer Crossing	V
09948			Park Ridge Apartments	Yes
09949			Hampton Villages	
09951			Canyons Retirement Community	Yes
09952			Villages at Snyder	Yes
09953			Gholson Hotel	
09955			Oakwood Apartments	

Exchange	2007	2008	Development Name	Requested Extension
09957			Woodland Park at Decatur	
09958			Crestmoor Park South Apartments	
09961			Lincoln Terrace	
09963			Hacienda Del Sol	
09965			Peachtree Seniors	Yes
09966			Turner Street Apartments	Yes
09967			Millie Street Apartments	Yes
09968			Arbor Pines Apartment Homes	Yes
09970			Lufkin Pioneer Crossing for Seniors	Yes
09971			Stone Hearst Seniors	Yes
09973			Senior Villages at Huntsville	Yes
09974			Courtwood Apts	Yes
09976			Trebah Village	
09977			Chelsea Senior Community	
09978			Floral Gardens	Yes
09981			Casa Brazoria	Yes
09982			Sierra Meadows	
09983			Brazos Bend Villa	Yes
09986			Greenhouse Place	Yes
09987			Heritage Crossing	Yes
09990			San Gabriel Crossing	Yes
09992			Northgate Apts and Rhomberg Apts	Yes
09993			Malibu Apartments	
09994			Holland House Apartments	
09995			Village Place Apartments	
09996			Whispering Oaks Apartments	
09997			Autumn Villas	
09998			Prairie Village Apartments	
09999			Cherrywood Apartments	Yes
09350			Tremont Apartment Homes	Yes
09351			Tierra Pointe	Yes
09352			Heights at Corral	Yes
09353			Hyatt Manor I and II Apartments	Yes
09354			Arrowsmith Apartments	
09356			Legacy Villas	Yes
09357			Weslaco Hills Apartments	

#### HOME PROGRAM DIVISION BOARD ACTION REQUEST

March 11, 2010

#### **Recommended Action**

Approve a Round 3 application cycle for the Tax Credit Assistance Program ("TCAP") funds remaining after allocation to Round 1 and Round 2 applicants.

WHEREAS, the Board approved the TCAP Plan, Policy and Policy Supplement on May 21, 2009 and clarified the Policy on October 15, 2009 to allow for the allocation and award of \$148,354,769 in TCAP funds, and

WHEREAS, all of the applicants from two previous rounds have withdrawn or been satisfied and there remains a balance of funds that could be awarded by the state so long as they can be disbursed by February 16, 2012 and there remains a pool of eligible applicants that have not completed their cost certification or previously requested either TCAP or Exchange Program funds

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized and empowered, for and on behalf of this Department, to publish and hold a Round 3 application cycle for the allocation of TCAP Funds remaining after allocation to Round 1 and Round 2 applicants as presented in this meeting.

#### **Background**

The American Recovery and Reinvestment Act of 2009 provides for dedicated funds to assist in the development of properties that had been awarded low income housing tax credits ("LIHTCs") between October 1, 2006, and September 30, 2009. These funds were issued through the U.S. Department of Housing and Urban Development (HUD). HUD provided the State of Texas, through the Department, \$148,354,769 in TCAP funds. These funds are to be used to help provide additional financing at a level determined by the State to create jobs and provide affordable housing. All of the funds must be expended or returned to HUD by February 16, 2012. The Department must also disburse 75% of the entire allocation by February 16, 2011. The Department has already met the February 16, 2010 75% commitment deadline.

The TCAP Policy and Policy Supplement provided for two application rounds. Round 1 Applications for developments with Award of LIHTC's made in 2007 or 2008 were accepted from June 15, 2009 through July 17, 2009 and Round 2 Applications for developments with Award of LIHTC's made in 2009 were accepted from August 3, 2009 through October 1, 2009. The following provides a summary of the results from both rounds.

Table 1. TCAP Round 1 and Round 2 Funding Status as of March 4, 2010

	Round 1	Round 2	Total
<b>Submitted Applications</b>	57	46	103
<b>Total Requested</b>	\$211,828,645	\$154,503,894	\$366,332,539
Active Applications	26	23	49
Total Awards	\$73,938,595	\$65,590,410	\$139,529,005

As the table reflects, the TCAP was initially over-subscribed. However, subsequent withdrawals of applications and resizing of some remaining TCAP Awards based on the Department's program policy and underwriting criteria resulted in the current status of an under-subscribed TCAP. There remains approximately \$8.8M in uncommitted TCAP funds. This figure may continue to increase as applications drop-out or TCAP awards are resized based on outside investor and lender requirements. To date \$118M (79%) has been committed and five (5) transactions have closed with \$2.5M drawn and disbursed.

The existing TCAP Policy (Board Resolution 09-043) outlines eligibility, priority, affordability, repayment, ownership and asset management. An existing Policy Supplement outlines threshold criteria, selection criteria, details regarding application submission, review process, and guidelines for contract administration and asset management. Round 3 TCAP Applicants will be required to adhere to both the Governing Board Policy and Policy Supplement. In order to ensure timely delivery of the funds and prevent delays caused in the first rounds by applicants applying for multiple but exclusive sources of funds, staff would emphasize and request the board affirm and make clear that:

- Developments with an Exchange Program award may not apply for TCAP Funds;
- Developments with a Round 1 or Round 2 TCAP Award may not apply for Round 3 TCAP Funds:
- Developments that have submitted a cost certification to the Department may not apply for Round 3 TCAP Funds;
- The Round 3 application cycle will use the same application materials as the prior rounds and be an open first come first serve cycle starting on March 25, 2010 and closing on April 26, 2010.
- All applications received on the same day will be prioritized: first, to regions of the state that did not received applications in the prior rounds; then, to regions of the state that were undersubscribed based upon the original RAF and the allocations to date; and, finally, to all regions of the state.
- Where ties exist based upon the submission date and locational priority, the scoring criteria included in the Policy and Policy Supplement will be implemented.

As of October 15, 2009, sixty-one (61) developments meet the requirements listed above. Attached is a list of developments that may qualify for a Round 3 TCAP application cycle. At this time, staff does not anticipate a Round 4. However, if a fourth application round becomes necessary, a roundtable to provide for stakeholder input will convene prior to any further substantive recommendations to the Board regarding this policy.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS Low Income Housing Tax Credit Developments DRAFT Potential Round 3 TCAP Applicants

TDHCA#	Program Type	Board Approval	Development Name	Project City	Project County	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served
07114	9% HTC	07/30/07	Washington Village Apartments	Wichita Falls	Wichita	\$877,338	96	96	General
07149	9% HTC	07/30/07	Residences at Eastland	Fort Worth	Tarrant	\$1,200,000	146	140	General
07164	9% HTC	10/11/07	Covington Townhomes	Texarkana	Bowie	\$1,200,000	126	126	General
07166	9% HTC	07/30/07	Jeremiah Seniors	Hurst	Tarrant	\$989,447	135	135	Elderly
07192	9% HTC	10/11/07	Historic Lofts of Waco High	Waco	McLennan	\$1,031,581	104	104	General
07204	9% HTC	07/30/07	Notting Hill Gate Apartments	Missouri City	Harris	\$1,093,000	108	108	Elderly
07210	9% HTC	07/30/07	New Hope Housing at Bray's Crossing	Houston	Harris	\$680,321	149	149	General
07223	9% HTC	07/30/07	Shady Oaks Apartments	Georgetown	Williamson	\$369,110	60	60	General
07234	9% HTC	07/30/07	Tuscany Park at Buda	Buda	Hays	\$1,200,000	176	170	General
07249	9% HTC	07/30/07	Bluffs Landing Senior Village	Round Rock	Williamson	\$1,189,481	144	144	Elderly
07257	9% HTC	10/11/07	Orange Palm Garden Apt Homes	Orange	Orange	\$809,338	76	76	Elderly
07282	9% HTC	07/30/07	Palermo	Midland	Midland	\$904,473	136	130	General
07291	9% HTC	07/30/07	Cypress Creek at Reed Road	Houston	Harris	\$1,199,797	132	126	General
07309	9% HTC	07/30/07	Glenwood Trails	Deer Park	Harris	\$942,176	114	114	General
07403	4% HTC	03/20/07	Amelia Parc Senior Apartments	Fort Worth	Tarrant	\$738,472	196	196	Elderly
07409	4% HTC	04/12/07	Home Towne at Matador Ranch	Fort Worth	Tarrant	\$575,046	198	198	Elderly
07412	4% HTC	06/28/07	Mansions at Hastings Green	Houston	Harris	\$937,247	230	230	General
07413	4% HTC	05/10/07	Mansions at Hastings Green Seniors	Houston	Harris	\$940,796	252	252	Elderly
07415	4% HTC	07/12/07	Costa Vizcaya	Houston	Harris	\$1,087,975	252	252	General
07444	4% HTC	08/23/07	HomeTowne on Bellfort	Houston	Fort Bend	\$781,100	210	210	Elderly
07452	4% HTC	10/11/07	<b>Enclave Gardens Apartments</b>	San Antonio	Bexar	\$601,737	228	228	General
07457	4%HTC	12/20/07	Wyndham Park Apartments	Baytown	Harris	\$740,829	184	184	Elderly
07602	4% HTC	03/20/07	Villas of Mesquite Creek	Mesquite	Dallas	\$715,386	252	252	General
07619	4% HTC	07/12/07	Costa Rialto	Houston	Harris	\$942,498	216	216	General
08092	9% HTC	08/23/07	Key West Village Phase II	Odessa	Ector	\$237,938	36	36	Elderly
08093	9% HTC	08/23/07	San Juan Square II	San Antonio	Bexar	\$1,200,000	144	138	General
08106	9% HTC	7/31/08	Brookhollow Manor	Brookshire	Waller	\$204,759	48	48	General
08128	9% HTC	7/31/08	Mid-Towne Apartments	Tomball	Harris	\$280,619	54	54	General
08145	9% HTC	11/13/08	Oasis at the Park	Corpus Christi	Nueces	\$291,222	80	80	General
08161	9% HTC	11/13/08	Canutillo Palms	El Paso	El Paso	\$1,200,000	172	172	General
08163	9% HTC	7/31/08	San Elizario Palms	San Elizario	El Paso	\$748,456	80	80	General
08185	9% HTC	11/13/08	Historic Lofts of Palestine	Palestine	Anderson	\$647,682	65	65	General
08195	9% HTC	7/31/08	Chateau Village Apartments	Houston	Harris	\$1,093,892	150	150	General
08200	9% HTC	7/31/08	Ingram Square Apartments	San Antonio	Bexar	\$752,115	120	120	General

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS Low Income Housing Tax Credit Developments DRAFT Potential Round 3 TCAP Applicants

TDHCA	# Program Type	Board Approval	Development Name	Project City	Project County	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served
08216	9% HTC	7/31/08	Chisum Trail Apartments	Sanger	Denton	\$133,940	40	40	General
08223	9% HTC	7/31/08	Evergreen at The Colony	The Colony	Denton	\$1,200,000	145	145	Elderly
08232	9% HTC	7/31/08	Sakowitz Apartments	Houston	Harris	\$740,419	166	166	General
08251	9% HTC	7/31/08	HomeTowne on Wayside	Houston	Harris	\$950,000	128	123	Elderly
08262	9% HTC	7/31/08	Towne Center Apartment Homes	Tyler	Smith	\$1,150,000	140	134	Elderly
08269	9% HTC	11/13/08	Darson Marie Terrace	San Antonio	Bexar	\$571,824	57	54	Elderly
08401	4% HTC	01/31/08	Artisan At San Pedro Creek	San Antonio	Bexar	\$1,149,825	252	252	General
08402	4%HTC	05/08/08	Mansions at Moses Lake	Texas City	Galveston	\$838,687	240	240	Elderly
08413	4% HTC	9/4/08	City View Apartment Homes	San Antonio	Bexar	\$318,785	245	61	General
08417	4% HTC	9/4/08	Seville Row Apartments	Beaumont	Jefferson	\$288,807	90	90	Elderly
08602	4%HTC	06/26/08	Costa Ibiza	Houston	Harris	\$879,252	216	216	General
08613	4%HTC	06/26/08	Addison Park Apartments	Arlington	Tarrant	\$620,571	224	224	General
09007	9%HTC	11/26/2008	Mill Stone Apts	Fort Worth	Tarrant	\$1,410,399	144	144	General
09015	9% HTC	11/26/2008	Sutton Homes	San Antonio	Bexar	\$1,650,000	194	186	General
09025	9%HTC	11/26/2008	Ysleta del Sur Pueblo Homes I	Socorro	El Paso	\$781,794	60	60	General
09127	9% HTC	7 /30/2009	Sage Brush Village	Odessa	Ector	\$1,252,049	112	112	General
09131	9%HTC	7 /30/2009	Presidio Palms	San Elizario	El Paso	\$930,115	80	80	General
09161	9%HTC	7 /30/2009	Sterling Court Senior Residences	Houston	Harris	\$1,818,532	140	140	Elderly
09170	9% HTC	7 /30/2009	South Acres Ranch II	Houston	Harris	\$1,008,077	49	48	General
09177	9% HTC	7 /30/2009	Orchard at Oak Forest	Houston	Harris	\$1,497,001	118	118	Elderly
09198	9% HTC	7 /30/2009	Montabella Pointe	San Antonio	Bexar	\$1,731,393	144	144	General
09254	9% HTC	7 /30/2009	Irvington Court	Houston	Harris	\$1,208,125	144	115	General
09270	9% HTC	7 /30/2009	Northline Apartment Homes	Houston	Harris	\$1,976,427	172	172	General
09312	9%HTC	7 /30/2009	Villas at El Dorado Apts	Houston	Harris	\$1,995,181	159	159	Elderly
09316	9%HTC	7 /30/2009	Champion Homes at Bay Walk	Galveston	Galveston	\$1,426,915	192	192	General
060440	4% HTC	02/01/07	Town Square Apartments	Converse	Bexar	\$730,219	252	252	General
060627	4% HTC	10/12/06	Aspen Park Apartments	Houston	Harris	\$435,465	256	231	General

<sup>247</sup> LIHTC Awards made from October 1, 2006 to September 30, 2009

<sup>61</sup> LIHTC Awards made from October 1, 2006 to September 30, 2009 that have not received a TCAP or Exchange Program Award and have not submitted Cost Certification

#### OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT

#### BOARD REPORT ITEM March 11, 2010

#### **Report Item**

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

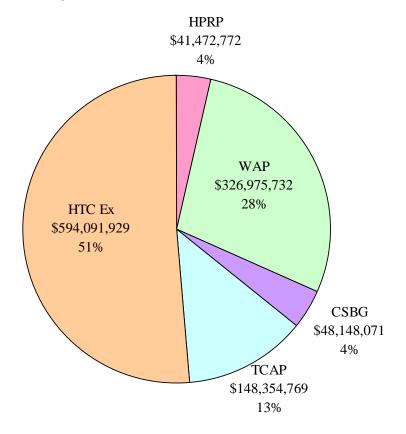
This item provides an update on the status of the activity relating to each of the Recovery Act programs and a summary of the jobs reporting methodology for the quarterly Section 1512 reporting.

#### **Recovery Act Program and Expenditure Summary**

Program	Activities	Total Funding	Expended to Date*
Homelessness Prevention and Rapid Re-Housing Program	Rental assistance, housing search, credit repair, deposits, moving cost assistance, and case management.  Persons at or below 50% AMI.	\$41,472,772	\$5,333,281
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household.  Households at or below 200% of poverty.	\$326,975,732	\$11,085,593
Community Services Block Grant Program			\$12,739,071
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	\$148,354,769	\$2,440,146
Housing Tax Credit Exchange Program			\$6,703,012
Total		\$1,159,043,273	\$38,301,103

<sup>\*</sup>This table includes updated expenditure data as of 2/26/10.

#### **Recovery Act Funds Awarded to TDHCA**



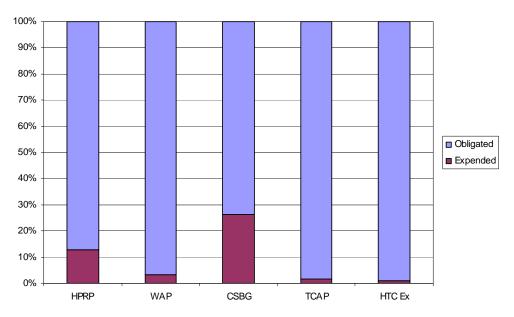
Program	Amount
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	\$41,472,772
Weatherization Assistance Program (WAP)	\$326,975,732
Community Services Block Grant Program (CSBG)	\$48,148,071
Tax Credit Assistance Program (TCAP)	\$148,354,769
HTC Exchange (HTC Ex)	\$594,091,929
Total	\$1,159,043,273

#### **Program Expenditure and Performance**

Program	Funding Amount	Expended to Date*	Percent Expended	Total Served to Date**	Number of Subrecipients	Jobs Created or Retained^
HPRP	\$ 41,472,772	\$ 5,333,281	12.9%	15,467 persons	57	136.76
WAP	\$ 326,975,732	\$ 11,085,593	3.4%	1,423 units completed	44	117.74
CSBG	\$ 48,148,071	\$ 12,739,071	26.5%	18,427 persons	48	169.49
TCAP	\$ 148,354,769	\$ 2,440,146	1.6%	465 units	52	0
HTC Ex	\$ 594,091,929	\$ 6,703,012	1.1%	709 units	86	0
Total	\$1,159,043,273	\$ 38,301,103	3.3%	33,894 persons 2,597 households	287	423.99

<sup>\*</sup>Expenditure data as of 2/26/10.

#### **Percent Obligated and Expended**



<sup>\*\*</sup>Total served data through 1/31/10 for CSBG and HPRP; 3/1/10 for WAP; and 2/19/10 for TCAP and HTC Ex. For TCAP and HTC Ex, units represent closed transactions. HPRP figures still to be verified by staff and may change.

<sup>^</sup>Jobs created or retained through 12/31/09. Note that Section 1512 reporting not required for HTC Exchange.

**Program Status and Timeline** 

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Program Amount Fed Agency	Program Status	Timeline / Contract Period			
Weatherization Assistance Program (WAP)  \$326,975,732 Dept. of Energy	The Department will be submitting the Amended WAP Plan to DOE in early March.  Contracts executed for 49% of funds, subrecipients drawing funds. Remainder to be awarded to allocated subrecipients based on performance. Training Academy courses ongoing.	<ul> <li>Obligation required by September 30, 2010.</li> <li>Recipients will be required to expend all funds within a two year contract period.</li> <li>Federal funding expiration date is March 31, 2012.</li> </ul>			
Homelessness Prevention and Rapid Re-Housing (HPRP) \$41,472,772 HUD	All contracts executed and subrecipients currently drawing funds.	<ul> <li>HUD requires 60% of funds expended in 2 years; 100% in 3 years.</li> <li>Recipients will be required to expend all funds within a two year contract period.</li> </ul>			
Community Services Block Grant (CSBG) \$48,148,071 HHS	All contracts executed and subrecipients currently drawing funds. Expenditure rates have increased.	<ul> <li>Obligation required by September 30, 2010.</li> <li>Recipients will be required to expend all funds within a one year contract period.</li> </ul>			
Tax Credit Assistance Program (TCAP) \$148,354,769 HUD	Written agreements executed for 45 awards as of February 24, 2010. Forty-nine executed contracts are anticipated within the next 45 days. Five loans have closed and eight more closings are anticipated within the next 30 days.	<ul> <li>Commitment of 75% of funds required by February 17, 2010.</li> <li>Property owners must expend 75% of funds by Feb 17, 2011.</li> <li>Owners must expend 100% of funds by February 17, 2012.</li> </ul>			
Housing Tax Credit Exchange \$594,091,929 Treasury	Written agreements have been executed for eight awards as of February 25, 2010.	Unused funds to be returned by December 2011.			

#### **Recovery Act Jobs Reporting**

The number of jobs created or retained is one of the required reporting elements in the quarterly Recovery Act Section 1512 reporting. The following Recovery Act programs are required to submit Section 1512 reporting: Homelessness Prevention and Rapid Re-Housing (HPRP), Weatherization Assistance Program (WAP), Community Service Block Grant (CSBG), and Tax Credit Assistance Program (TCAP). Two Department programs are **not** required to submit Section 1512 reporting, Housing Tax Credit Exchange (HTC Ex) and Homebuyer Assistance. The Section 1512 reporting follows the calendar quarters; the next quarterly report is due April 10<sup>th</sup> covering performance in January, February and March.

According to the Office of Management and Budget (OMB) Circular M-10-08:

- a. A job created is a new position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act;
- b. A job retained is an existing position that is now funded by the Recovery Act.

Using the definitions above, the Department estimates the total number of jobs that were funded in the quarter by the Recovery Act. A funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding. The number of jobs reported by Department's includes Department jobs and subrecipient jobs. Data for the Department's Recovery Act jobs is collected from Genesis, the Department's time sheet reporting system. Subrecipients submit jobs data through the online quarterly reporting system developed for the Recovery Act, ARRA General Info. Job reporting by subrecipients is monitored by the Department.

The estimate of the number of jobs created or retained by the Recovery Act is expressed as "full-time equivalents" (FTE). There are two methods for calculating the FTE figure. In cases where accounting systems track the billing of workers' hours to Recovery Act and non-Recovery Act accounts (i.e. the Department's Genesis system); recipients may simply count the number of hours funded by the Recovery Act and divide by the number of hours in a full-time schedule. Alternatively, the number of actual hours worked in funded jobs is divided by the number of hours representing a full work schedule for the kind of job being estimated. These FTEs are then adjusted to count only the portion corresponding to the share of the job funded by Recovery Act funds (i.e. TCAP awards).

The Department is required to provide a narrative description of the employment impact. The narrative includes a brief description of the types of jobs created or retained. The Department does not report the employment impact upon materials suppliers and central service providers (so-called "indirect" jobs) or on the local community ("induced" jobs).

An example of FTE calculation is presented below.

Full-Time Schedule Hours in Quarter (Denominator)	520
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Employee 1 Hours Worked in Quarter	520
Employee 2 Hours Worked in Quarter	520
Employee 3 Hours Worked in Quarter	260
Total Hours Worked in Quarter (Numerator)	1,300
Number of FTE	2.5

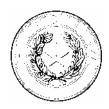
Jobs data from the most recent Section 1512 reporting is summarized in the table below.

#### Jobs Created or Retained Section 1512 Reporting for October, November, and December 2009

Program	Number of Jobs Created or Retained	Jobs Narrative
HPRP	136.76	The jobs created or retained this quarter include administrative positions at the prime recipient level and case managers, housing coordinators, counselors, shelter directors, intake specialists, jail diversion staff, program administrators, data entry personnel, accountants, and financial literacy coordinators at the subrecipient level.
WAP	117.74	The jobs created or retained this quarter include state administrative positions at the prime recipient level; and housing directors, weatherization coordinators, weatherization workers, HVAC installation specialists, assessors, data clerks, financial specialists, project coordinators, inspectors, eligibility technicians, program mangers, intake specialists, labor standards officers, training staff, rehabilitation technicians and administrative assistants at the subrecipient and vendor levels.
CSBG*	169.49	The types of jobs created or retained at the subrecipient level include compliance specialists, ARRA managers, case workers, instructors, employment specialists, supervisors, outreach specialists, administrative assistants, program specialists and certified nurses assistants.
TCAP*	0	No jobs created or retained this quarter.
Total	423.99	

<sup>\*</sup>No state administrative funds are provided for the CSBG and TCAP programs and there are no Department jobs reported.

# REPORT ITEMS



#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Memorandum

**To:** Michael Gerber

**From:** Gordon Anderson

**cc:** Tim Irvine, Michael Lyttle

**Date:** March 1, 2010

**Re:** TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for the months of January and February 2010. The information provided focuses primarily on activities Executive and staff have taken on voluntarily; however, also included are mandated activities such as TEFRA and tax credit public hearings. 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, January-February 2010**

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
Housing Trust Fund Rules Update Roundtable	Austin	January 5	Housing Trust Fund	Roundtable Hearing
HHSCC Cross-Agency Education & Training Committee	Austin	January 5	Executive, Housing Resource Center	Participant
NSP Technical Assistance Visit	Fort Worth	January 5	Neighborhood Stabilization Program	Capacity Building
HTF Veterans Rental Assistance Program Training	Austin	January 6	Housing Trust Fund	Training
First Thursday Income Eligibility Training	Austin	January 7	Compliance & Asset Oversight	Training
NSP Income Eligibility Training	Austin	January 8	NSP, Compliance & Asset Oversight	Training
HHSCC Policy & Barriers Committee	Austin	January 12	Housing Resource Center	Participant
State Low Income Housing Plan Public Hearing	Austin	January 13	Housing Research Center	Public Hearing
NSP Technical Assistance Visit	Galveston	January 14	Neighborhood Stabilization Program	Capacity Building
NSP Technical Assistance Visit	Port Arthur	January 15	Neighborhood Stabilization Program	Capacity Building
NSP Technical Assistance Visit	Beaumont	January 15	Neighborhood Stabilization Program	Capacity Building
Fannie Mae – NSP 2010 Conference	Washington, D.C.	January 26-27	Neighborhood Stabilization Program	Participant
HHSCC Public Forum	Houston	January 27	Executive, Housing Resource Center, Public Affairs	Public Hearing
Habitat for Humanity – Texas Affiliates Executive Director's Retreat	Argyle	January 27	Office of Colonia Initiatives, Community Affairs, Public Affairs	Presentation
First Thursday Income Eligibility Training	Austin	February 4	Compliance & Asset Oversight	Training
HHSCC Public Forum	Austin	February 8	Executive, Housing Resource Center, Public Affairs	Public Hearing
<ul> <li>HTF NOFA Roundtables:</li> <li>Rental Development for Unique Housing Needs</li> <li>Rural Housing Expansion</li> <li>Affordable Housing Match</li> </ul>	Austin	February 9	Housing Trust Fund	Roundtable Hearings
HHSCC Public Forum	Fort Worth	February 10	Housing Resource Center	Public Hearing
2010 HOME Program Rules Roundtable	Austin	February 10-11	HOME	Roundtable Hearing
Leadership Kerr County Housing Presentation	Austin	February 16	Public Affairs	Presentation
2009 HTF Contract Administration Training	Austin	February 23	Housing Trust Fund	Training
HHSCC Public Forum	El Paso	February 24	Executive, Housing Resource Center	Public Hearing
Aging Texas Well Advisory Committee	Austin	February 24	Housing Resource Center	Participant
2010 HTF Rules Public Hearing	Austin	February 25	Housing Trust Fund	Public Hearing