

# **BOARD MEETING OF MAY 12, 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**  
**RESOLUTION No. 10-023**

WHEREAS, April 2010 is Fair Housing Month and marks the 42nd anniversary of the passage of the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968) as signed by U.S. President Lyndon Baines Johnson on April 11, 1968;

WHEREAS, the Fair Housing Act provides that no person shall be subjected to discrimination because of race, color, national origin, religion, sex, disability or familial status in the sale, rental, financing or advertising of housing and charges the Secretary of the U. S. Department of Housing and Urban Development (“HUD”) with administering HUD programs in a manner that meets the requirements of the law and affirmatively furthers the objectives of the Fair Housing Act;

WHEREAS, the Texas Department of Housing and Community Affairs administers HUD programs subject to the Fair Housing to assist the development of safe, decent, affordable housing for qualifying Texans;

WHEREAS, it is the policy of the Texas Department of Housing and Community Affairs to support equal housing opportunity in the administration all of its HUD programs and services, including encouraging equitable lending practices for its homebuyer programs, and Fair Housing rules and guidelines for its multifamily developments;

WHEREAS, the Texas Department of Housing and Community Affairs, through its program implementation workshops, provides Fair Housing training designed to continually educate architects, building managers, consultants contractors, developers, engineers, lenders, realtors and other partners about the importance of their commitment and adherence to the intent of the Fair Housing Act;

WHEREAS, the Texas Department of Housing and Community Affairs encourages local fair housing advocates in developing educational programs to provide fair housing information in communities throughout the State;

WHEREAS, the Texas Department of Housing and Community Affairs and the State of Texas support equal housing opportunity in accordance with the Fair Housing Act not only during Fair Housing Month in April, but throughout the year;

THEREFORE, BE IT RESOLVED, that in the pursuit of the goal and responsibility of providing equal housing opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs, does hereby celebrate April 2010 as Fair Housing Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance for free and equal housing treatment and opportunity for all.

Signed this Twelfth Day of May 2010.



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C. Kent Conine, Chair

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Gloria Ray, Vice Chair

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Leslie Bingham Escareño, Member

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Dr. Juan Muñoz, Member

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Lowell A. Keig, Member

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Tom H. Gann, Member

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Michael Gerber, Executive Director

**Texas Department of Housing and Community Affairs**  
**Resolution No. 10-024**

WHEREAS, June 2010 is Homeownership Month in Texas;

WHEREAS, homeownership is undeniably the most fundamental aspiration of most Texans. Not only is homeownership the American Dream, it is the dream of many Texans to own a piece of our Great State;

WHEREAS, homeownership has a profoundly positive impact on individuals, families, and communities;

WHEREAS, homeownership is the intangible force that binds neighbors and communities together;

WHEREAS, the goal of the Texas Department of Housing and Community Affairs is to ensure that all Texans have access to safe and decent affordable housing;

WHEREAS, the Texas Department of Housing and Community Affairs and the State of Texas are committed to helping as many low to moderate income Texans as possible purchase a home by providing reliable, safe, fixed-rate mortgage loan products and other equally responsible financing options. The Texas Department of Housing and Community Affairs further encourages potential first time homebuyers to learn about the responsibilities of homeownership so they may enjoy the benefits for as long as they own a home; and

WHEREAS, the Texas Department of Housing and Community Affairs supports a full spectrum of homeownership opportunities statewide by offering pre- and post-purchase home buying counseling; trustworthy purchasing options such as mortgage products and programs that support homeownership through sweat equity; homeownership maintenance assistance through energy, weatherization and home repair assistance; and, foreclosure prevention counseling which can help families stay in their homes.

THEREFORE BE IT RESOLVED, that in the pursuit of the goal and responsibility of providing homeownership opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs, does hereby celebrate June 2010 as Homeownership Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of Homeownership Month.

Signed this Twelfth Day of May 2010.



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C. Kent Conine, Chair

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Gloria Ray, Vice Chair

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Leslie Bingham Escareño, Member

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Dr. Juan Muñoz, Member

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Lowell A. Keig, Member

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Tom H. Gann, Member

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Michael Gerber, Executive Director



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

**A G E N D A**

**9:30 a.m.  
May 12, 2010**

**Capitol Extension, E1.026  
Congress Avenue  
Austin, TX**

CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM

Kent Conine, Chairman

**Resolution recognizing April as Fair Housing Month, Resolution No. 10-023**

**Resolution recognizing June as Homeownership Month, Resolution No. 10-024**

**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 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 March 11, 2010
- b) Presentation, Discussion, and Possible Approval of a Request for Proposals for Bond/Securities Disclosure Counsel(s)

Brooke Boston  
Board Secretary

Tim Irvine  
General Counsel

***Financial Administration***

- c) Presentation of the Department's 2nd Quarter Investment Report
- d) Presentation, Discussion, and Possible Approval of the third amendment to the FY 2010 Operating Budget

David Cervantes  
Dir. Financial Admin.

***Multifamily Division Items - Housing Tax Credit Program***

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

Robbye Meyer  
Dir. Multifamily

04608	Grove Village	Dallas
04609	Pleasant Village	Dallas
07257	Palm Garden Apartments	Orange
07619	Costa Rialto	Houston
08195	St. James Village	Houston
09013	Desert Villas	El Paso
09019	Timber Village II	Marshall

***HOME***

- f) Presentation, Discussion, and Possible Approval of the 2009 Single Family Owner-Occupied Housing Assistance, Tenant-Based Rental Assistance, and Homebuyer Assistance Programs Award Recommendations

Jeannie Arellano  
Dir. HOME

Owner-Occupied Housing Assistance  
2009-0083      Haskell County

Haskell County

2009-0076	Zavala County	Zavala County
2009-0079	City of Aransas Pass	Aransas Pass
2009-0069	City of Asherton	Asherton
2009-0066	City of Ingleside	Ingleside
2009-0072	City of Sinton	Sinton
2009-0081	City of Texarkana	Texarkana
2009-0074	City of West Tawakoni	West Tawakoni
2009-0077	City of Brownfield	Brownfield
2009-0078	Cochran County	Cochran County
2009-0075	Terry County	Terry County
2009-0073	Hill Country Home Opportunity Council, Inc.	Kerrville

## Homebuyer Assistance

2009-0082	City of Texarkana	Texarkana
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## Tenant-Based Rental Assistance

2009-0068	Buckner Children & Family Services Inc., dba Buckner Family Place	Lufkin
2009-0080	Burke Center	Lufkin

- g) Presentation, Discussion, and Possible Approval of the 2010 Rental Housing Development (RHD) Program Award Recommendation

## Persons with Disabilities Set-Aside

10504	Abilene Senior Village	Abilene
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- h) Presentation, Discussion, and Possible Approval of the 2009 Colonia Model Subdivision and Single Family Development Program Award Recommendations

09590	Midland Community Housing Development Organization	Midland County
09591	Community Development Corporation of Brownsville	Cameron County

**Community Affairs**

- i) Presentation, Discussion, and Possible Approval of the 2010 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Projects
- j) Presentation, Discussion, and Possible Approval of the 2010 Emergency Shelter Grant Program (ESGP) Awards
- k) Presentation, Discussion and Possible Approval of Authorization for the Executive Director to Enter into Contracts with Eligible Entities in Response to the Request for Applications for American Recovery and Reinvestment Act Weatherization Assistance Program
- l) Presentation, Discussion, and Possible Approval of the 2011 Low Income Home Energy Assistance Program State Plan
- m) Presentation, Discussion, and Possible Approval of Authorization to Obtain Local Operators for the Section 8 Housing Choice Voucher Program

Michael DeYoung  
Dir. Community Affairs

**Disaster Recovery**

- n) Presentation, Discussion, and Possible Approval of Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Rita Round I Funding
- |         |   |
|---------|---|
| 7060003 | South East Texas Regional Planning Commission |
|---------|---|
- o) Presentation, Discussion, and Possible Approval of Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round I Funding
- |          |                   |
|----------|-------------------|
| 70090008 | City of Galveston |
|----------|-------------------|

Sara Newsom  
DED, Emergency  
Housing & Disaster

**Housing Trust Fund**

- p) Presentation, Discussion, and Possible Approval of the 2010-2011 Housing Trust Fund (HTF) Barrier Removal and Rehabilitation Program NOFA Award Recommendations:

Brooke Boston  
DED, Community Based  
Programs

2010-0005	Ark-Tex COG	Texarkana
2010-0006	East Texas COG	Tyler
2010-0002	Easter Seals Central Texas-Rural	Austin
2010-0007	Habitat for Humanity of Smith County	Tyler
2010-0004	South East Texas RPC	Beaumont
2010-0008	Coastal Bend Center for Independent Living	Corpus Christi
2010-0010	Meals on Wheels and More	Austin
2010-0001	Easter Seals Central Texas-Urban	Austin

- q) Presentation, Discussion, and Possible Approval of Amendments to the 2010-2011 Housing Trust Fund Plan
- r) Presentation, Discussion, and Possible Approval of Amended Rural Expansion Notice of Funding Availability

**Office of Colonia Initiatives**

- s) Presentation, Discussion, and Possible Approval of authority to make a Colonia Self-Help Center Program award to El Paso County through Community Development Block Grant (CDBG) funding
- t) Presentation, Discussion, and Possible Approval of authority to make a Colonia Self-Help Center Program award to Val Verde County through Community Development Block Grant (CDBG) funding
- u) Presentation, Discussion, and Possible Approval of new Colonia Residents Advisory Committee (C-RAC) members for El Paso County

Homero Cabello  
Dir. OCI

**Rules**

- v) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* of a final order adopting new 10 TAC Chapter 9, Texas Neighborhood Stabilization Program Rule
- w) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* of a final order adopting new 10 TAC, Chapter 1, Subchapter A, §1.11, Housing and Health Services Coordination Council Rule
- x) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* of a final order adopting amendments to 10 TAC, Chapter 5, Subchapters A, B, C, D, and G
- y) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* of a final order adopting new 10 TAC, Chapter 5, Subchapter I, §5.9, American Recovery and Reinvestment Act Weatherization Assistance Program Rule regarding Deobligation and Reobligation of Funds

Brooke Boston  
DED, Community Based  
Programs

Brooke Boston  
DED, Community Based  
Programs

Brooke Boston  
DED, Community Based  
Programs

Brooke Boston  
DED, Community Based  
Programs

**ACTION ITEMS****Item 2: Appeals:**

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

Robbye Meyer  
Dir. Multifamily

10200 Hillside West Senior Dallas

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:

Appeals Filed Timely

Brent Stewart  
Director, REA

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

Appeals Filed Timely

Dee Patience  
Mgr. HTF

### Item 3: Bond Finance

Tim Nelson  
Dir. Bond Finance

- a) Presentation, Discussion, and Possible Approval of Resolution 10-020 authorizing application to the Texas Bond Review Board for reservation of 2010 single family private activity bond authority in the amount of \$208,212,971 and 2009 single family private activity bond authority carryforward in the amount of \$25,752,666
- b) Presentation, Discussion, and Possible Approval of Resolution No. 10-021 authorizing application to the Texas Bond Review Board for reservation of single family private activity bond authority in the amount of up to \$120 million and presentation, discussion and possible approval of a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 78) to be administered by the Department
- c) Presentation, Discussion, and Possible Approval of Resolution 10-023 authorizing the Department's Interest Rate Swap Policy
- d) Presentation, Discussion, and Possible Approval of Resolution No. 10-022 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2000A and Series 2000BCD

### Item 4: HOME

Jeannie Arellano  
Dir. HOME

- a) Presentation of the current HOME Fund Balance Report
- b) Presentation, Discussion, and Possible Approval of Revisions to the 2010 Rental Housing Development (RHD) Notice of Funding Availability (NOFA)
- c) Presentation, Discussion, and Possible Approval of the 2010 Community Housing Development Organization (CHDO) Single Family Development Notice of Funding Availability (NOFA)
- d) Presentation, Discussion, and Possible Action regarding revisions to the Department's Owner-Occupied Housing Assistance Program in 10 TAC, Chapter 53, HOME Program Rule

### Item 5: Tax Credit Assistance Program

Tom Gouris  
DED Housing Programs

- a) Presentation, Discussion, and Possible Approval of Conditional Awards for Round 3 Tax Credit Assistance Program (TCAP) Applications

10700	South Acres Ranch	Houston
10701	Montabella Pointe	San Antonio
10702	Champion Homes at Marina Landing	Galveston
10703	Evergreen at Morningstar	The Colony
10704	Artisan At San Pedro Creek	San Antonio
10705	Costa Vizcaya	Houston
10706	Costa Ibiza	Houston
10707	Costa Rialto	Houston
10708	Glenwood Trails	Deer Park
10709	San Elizario Palms	San Elizario
10710	Wyndham Park Apartments	Baytown

### Item 6: Rules

- a) Presentation, Discussion, and Possible Approval for publication in the Texas Register a final order adopting repeal of 10 TAC Chapter 51, Housing Trust Fund Rule, and final order adopting new 10 TAC Chapter 51, Housing Trust Fund Rule
- b) Presentation, Discussion, and Possible Approval to publish in the Texas Register, the final order adopting 10 TAC Chapter 54, §54.1 – 54.3 concerning Disaster Recovery Rules

Brooke Boston  
DED, Community Based  
Programs

Sara Newsom  
DED, Emergency  
Housing & Disaster

**Item 7: Disaster Recovery:**

Sara Newsom  
DED, Emergency  
Housing & Disaster

- a) Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA, including update on Ike/Dolly Round II
- 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 8: Neighborhood Stabilization Program:**

Brooke Boston  
DED, Community Based  
Programs

- a) Presentation and Discussion of Status of Neighborhood Stabilization Program Funds
- b) Presentation, Discussion, and Possible Approval of the 2010 Neighborhood Stabilization Program Reallocation Award Recommendations

2010-07	Grand Central Texas Development Corporation	Llano
2010-08	City of Garland	Dallas
2010-04	Affordable Homes of South Texas, Inc.	Hidalgo

- c) Presentation, Discussion, and Possible Approval of Requests for Amendment to Neighborhood Stabilization Program Contracts from the following list:

77090000106	City of Irving	Dallas
77090000110	City of Galveston	Galveston
77090000158	City of Odessa	Ector
77090000162	Harris County	Harris
77090000166	Plano Housing Corporation	Plano

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

Robbye Meyer  
Dir. Multifamily

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

060414	Gardens of Tomball	Tomball
09760	Taylor Farms	Dallas
09793	Belmont Senior Village	Leander
01029	Brazos Landing	Waco
95149	Simmons Gardens	Houston
96001	Meadowbrook Plaza	Houston
96060	Pineridge Plaza	Cleveland
96135	Hillside Plaza	Waller
97096	Mockingbird Lane Plaza	Victoria
98132	High Pointe Plaza	Lufkin
98135	Villa Del Rio	Laredo

- b) 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

- c) Presentation and Ratification of the Extension of the Receipt date of letters from State Senator and Representative for the 2010 Competitive Housing Tax Credit Program

Tom Gouris  
DED Housing Programs

**Item 10: ARRA Accountability and Oversight:**

Brooke Boston  
DED Community Based  
Programs

- a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

**REPORT ITEMS**

Kent Conine, Chairman

- 1. TDHCA Outreach Activities, March/April 2010

2. Update on Waco Parkside Village
3. Sunset Advisory Commission Review Process

## 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 including, specifically, the performance evaluation and possible adjustments to compensation of the Executive Director.
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) *The EEOC Claim of Don Duru*.
  - c) *HUD Case No. 06-10-0410-8 (Fair Housing Act amended complaint of Texas Low Income Housing Information Service and Texas Appleseed)*.
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

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

Kent Conine, Chairman

## ADJOURN

To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11<sup>th</sup> 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  
MAY 12, 2010**

**Recommended Action**

Approve Board Meeting Minute Summary for March 11, 2010.

**RESOLVED**, that the Board Meeting Minute Summary for March 11, 2010, is hereby approved as presented to this meeting.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING

March 11, 2010; 8:30 a.m.

Capitol Extension, E1.028  
Congress Avenue, Austin, TX

SUMMARY OF MINUTES

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

The Board Meeting of the Texas Department of Housing and Community Affairs of March 11, 2010 was called to order by Chair, Kent Conine, at 8:35 a.m. It was held at the Capitol Extension, E1.028 Congress Avenue, Austin, Texas. Roll call certified a quorum 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.

Mike Sugrue, Solutions Plus, provided testimony requesting a closing date for Stoneleaf of Dalhart.

Walter Moreau, provided testimony regarding M Station.

Granger McDonald, provided testimony regarding the Exchange Program.

**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.

**AGENDA 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

***Financial Administration***

- b) Presentation, Discussion, and Possible Approval of the Second Amendment to the FY2010 Operating Budget  
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
- |        |                               |               |
|--------|-------------------------------|---------------|
| 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  
Owner-Occupied Housing Assistance  
2008-0167 Starr County Rio Grande City
- h) 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  
Homebuyer Assistance  
2009-0059 City of Hillsboro Hillsboro  
2009-0063 City of Carrollton Carrollton  
2009-0071 Town of Combes Town of Combes
- i) 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
- j) 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**

- k) Presentation, Discussion, and Possible Approval of the Investor Owned utility contract for El Paso Electric funds for Weatherization with Big Bend Community Action and El Paso Project Bravo
- l) 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 of the PY 2010 Draft Department of Energy (DOE) Plan **Cyrus Reid, Lone Star Chapter, Sierra Club, provided testimony and will provide written comments.**
- n) 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

## **Housing Trust Fund**

- o) 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**

- p) Presentation, Discussion, and Possible Approval of a Notice of Funding Availability for Deobligated/Returned funds under the Neighborhood Stabilization Program
- q) Presentation, Discussion, and Possible Approval of Neighborhood Stabilization Program Amendments  
77090000160 City of Lubbock Lubbock

**Motion by Ms. Ray to approve consent agenda; seconded by Tom Gann; passed unanimously.**

## **ACTION ITEMS**

### **AGENDA ITEM 2: EXECUTIVE**

- a) Election of Board Secretary and Assistant Secretary  
**Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.**

### **AGENDA ITEM 3: AUDIT COMMITTEE REPORT**

- a) Report of Audit Committee and proposed acceptance of that Report  
**Julia Petty, Deloitte and Touche provided testimony.**  
**Motion by Ms. Ray to accept the report as presented; seconded by Dr. Muñoz; passed unanimously.**

#### AGENDA 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  
Gary Machak, provided testimony.  
**Motion by Dr. Muñoz to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.**
- b) Presentation, Discussion, and Possible Approval of one or more firms to provide reinvestment services for the Single Family Bond Program  
**Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Mr. Gann; passed unanimously.**
- c) 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)  
**Motion by Mr. Gann to approve staff recommendation; seconded by Mr. Keig; passed unanimously.**
- 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  
**Chair Conine recused himself for this item. Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.**
- 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)  
**Motion by Dr. Muñoz to approve staff recommendation; seconded by Ms. Ray; passed unanimously.**

#### AGENDA 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)  
**Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Mr. Gann; passed unanimously.**

#### AGENDA ITEM 6: RULES

- a) 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*  
**Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Keig; passed unanimously.**

The Board took a brief recess.

- 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  
**Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.**
- 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  
Stella Rodriguez, Texas Association of Community Action Agencies, provided testimony.  
**Motion by Ms. Ray to approve staff recommendation as amended; seconded by Ms. Bingham-Escareño; passed unanimously.**
- 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  
**Motion by Dr. Muñoz to approve staff recommendation; seconded by Ms. Ray; passed unanimously.**
- 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  
Donna Chatham, Association of Rural Communities in Texas, provided testimony.



**unanimously.**

- 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  
**None filed.**
- 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  
Jeff Crozier, executive director of the Rural Rental Housing Association, provided testimony.  
Keith Perry, president of Sears Methodist Retirement System, provided testimony.  
**Motion by Ms. Bingham-Escareño to approve staff's recommendation with the addition that the fee be reimbursable for closings that occur up through May 31; seconded by Dr. Muñoz; passed unanimously.**
- 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  
David Marquez provided testimony.  
**Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.**

#### **AGENDA ITEM 10: ARRA ACCOUNTABILITY AND OVERSIGHT:**

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

#### **REPORT ITEMS**

- 1. TDHCA Outreach Activities, January/February 2010  
**No action taken.**

#### **EXECUTIVE SESSION**

At 12:27 p.m. Mr. Conine convened the Executive Session.

- 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**

At 1:45 p.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

#### **ADJOURN:**

Since there was no other business to come before the Board, the meeting was adjourned at 1:47 p.m. on March 11, 2010.

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Brooke Boston, Board Secretary

**NOTE:** To view the full Transcript for this meeting, please visit the TDHCA website at: [www.TDHCA.state.tx.us](http://www.TDHCA.state.tx.us).

**LEGAL SERVICES DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**Recommended Action**

Approve issuance of a Request for Proposals for Bond / Securities Disclosure Counsel(s)

**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 this Department to publish a Request for Proposals for Bond/Securities Disclosure Counsel and to bring their recommendations for selection of such counsel to this Board prior to the expiration of the current counsel contracts.

**Background and Recommendations**

In 2008, the Board approved two disclosure counsels for use in bond transactions. Andrews and Kurth, L.L.P. was selected to be the disclosure counsel for transactions involving multifamily transactions and McCall Parkhurst and Horton, L.L.P. was retained for single family bond transactions. Both contracts will expire on August 31, 2010, and it is time to post the RFP in order to publish and process the awards prior to the termination of the current contracts.

Staff will develop and publish a request for proposals ("RFP") to identify qualified counsel for recommendation to the Board, using an RFP along the lines attached, which has not been materially changed from prior years. There have been no issues brought forward by staff during the course of the year regarding either firm and both are eligible to submit proposals for part or all of the disclosure counsel positions.

**REQUEST FOR PROPOSALS**  
**FOR**  
**BOND/SECURITIES DISCLOSURE COUNSEL**

**I. BACKGROUND ON THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**A. PURPOSE**

The Texas Department of Housing and Community Affairs (“TDHCA”), is a public and official governmental agency of the state, existing pursuant to Chapter 2306, Texas Government Code (the “Act”). One purpose of TDHCA is to provide for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income. Pursuant to the Act, TDHCA may issue bonds, notes, or other obligations to finance or refinance residential housing and multi-family developments and to refund bonds previously issued by Texas Housing Agency (the “Agency”), TDHCA, or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of TDHCA.

**B. ORGANIZATION**

TDHCA is governed by an executive director employed by a seven-member board. The members of the board are appointed by the Governor upon the advice and consent of the Texas Senate for staggered six-year terms, with the terms of two or three members expiring on January 31 of each odd-numbered year. The board is responsible for authorizing the allocation of bonds by TDHCA and all other acts in connection therewith specified in the Act. The executive director is responsible for the overall administration of TDHCA and its programs and for employing its staff.

**C. BOND PROGRAMS.**

Single Family Housing Bond Program. TDHCA has established a Single Family Mortgage Revenue Bond Program pursuant to the Act for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by eligible borrowers. The program offers mortgage loans at competitive interest rates through the sale of tax-exempt mortgage revenue bonds. The guidelines adopted by TDHCA from time to time in connection with the program establish the eligibility of lenders to participate in the program, time limitations with respect to commitments for and originations of mortgage loans, the types of mortgage loans eligible for purchase by the servicer, the eligibility of mortgagors, the requirements for dwellings which secure mortgage loans, the fees which a mortgage lender may charge to originate a mortgage loan, the fees which a lending institution may charge for servicing a mortgage loan, as well as other aspects of the program.

Multi-Family Bond Program. The Multi-Family Bond Program finances below market loans to non-profit and for-profit developers of apartment projects serving moderate income persons and families that agree to set aside at least 20% of a project's unit for rental to very low and low income persons and families. In addition, at least 5% must be rented to persons with special needs. TDHCA funds the loans through the sale of tax-exempt and taxable mortgage revenue bonds.

## **II. SCOPE OF SERVICES.**

### **A. NATURE OF SERVICES REQUIRED.**

TDHCA anticipates the need for legal services in connection with the issuance of bonds at any time and from time to time during the term of the contract at the request of TDHCA. Bond/Securities Disclosure Counsel is expected to assign those attorneys and professionals employed by the firm who are best suited to appropriately respond to such requests in connection with the issuance of bonds and with ongoing compliance of any/all trust indentures and other documents and agreements integral to the issuance of such bonds. The firm will provide any such services as Bond/Securities Disclosure Counsel, which includes preparation of all Official Statements of TDHCA in connection with bond issues being sold into the public market.

### **B. TERMS OF AGREEMENT**

Subject to the approval of Bond/Securities Disclosure Counsel by the governing board of the TDHCA, and negotiation of an acceptable contract by TDHCA and such outside counsel, TDHCA will execute an agreement with Bond/Securities Disclosure Counsel for at least a one year term with optional extensions as required based on performance and on such other terms and conditions as may be acceptable to the parties subject to required approval of the Attorney General of Texas. Any such agreement shall provide that TDHCA will retain the right to terminate the contract for any reason and at any time upon the payment of fees and expenses then due and payable.

## **III. RFP INSTRUCTIONS**

### **A. PROPOSAL FORM AND FORMAT**

Four (4) copies of the proposal are requested and should be sent by registered mail or delivered in person to the attention of Mr. Timothy K. Irvine, Chief of Staff and General Counsel, Texas Department of Housing and Community Affairs, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, no later than the deadline for submission of proposals specified below. The proposals must include each question or request for information, as specified herein, followed by the narrative answer in the standard format for interrogatories, limited to one side of a single 8 1/2" x 11" page. Supplemental information (such as firm brochure, annual reports or background material), if any, must be restricted to Appendices following the responses. The pages of the proposal

should be numbered sequentially with the name of the firm on each page. The proposal should be submitted in a loose-leaf binder.

**B. DEADLINE FOR SUBMISSION**

The deadline for submission in response to the Request for Proposals is **4:00 p.m.**, Central Daylight Saving Time, on \_\_\_\_\_. No proposal will be accepted after the deadline.

**C. GENERAL INFORMATION**

TDHCA reserves the right to accept or reject any (or all) proposals submitted. The information contained in this proposal request is intended to serve only as a general description of the services desired by TDHCA, and TDHCA intends to use responses as a basis for further negotiation of specific project details with offerors. This request does not commit TDHCA to pay for any costs incurred prior to the execution of a contract and is subject to availability of funds. Issuance of this request for proposal in no way obligates TDHCA to award a contract or to pay any costs incurred in the preparation of a response.

**D. RELEASE OF INFORMATION**

Information submitted relative to this request for proposals shall not be released by TDHCA during the proposed evaluation process or prior to contract award. All information submitted to and retained by TDHCA becomes subject to disclosure under the Texas Public Information Act, unless an exception under such Act is applicable.

**E. PROPRIETARY INFORMATION**

If a firm does not desire proprietary information in the proposal to be disclosed under the Texas Public Information Act or otherwise, it is required to clearly identify (and segregate, if possible) all proprietary information in the proposal, which identification shall be submitted concurrently with the proposal. If such information is requested under the Texas Public Information Act, the firm will be notified and given an opportunity to present its position to the Attorney General of Texas, who shall make the statutory determination. If the firm fails to clearly identify proprietary information, it agrees, by the submission of a proposal, that those sections shall be deemed non-proprietary and made available upon public request after the contract is awarded.

**IV. REQUESTED INFORMATION**

Respondent must:

- A. Provide a general description of your law firm, including historical background, number and location of firm offices, number of attorneys and major areas of practice;
- B. Provide a general description of your firm's practice in the field of public finance, including the size and scope of the practice, the number of attorneys active in the practice and other resources of the firm relevant to the practice;



- C. Provide a complete list of bond issues for which the firm has acted as Bond/Securities Disclosure Counsel during the past five years; indicate, for each of the five years, the number and aggregate dollar amount of bond issues for which the firm acted as Bond/Securities Disclosure Counsel.
- D. Indicate subtotals for each of the following categories; state general obligation bonds, local general obligation bonds, state revenue bonds, and local revenue bonds; provide a description of the firm's practice in the field of housing finance, the number of attorneys active in the practice and other resources of the firm relevant to the practice; provide a listing of each single-family and multi-family housing bond issue handled by the firm as Bond/Securities Disclosure Counsel during the past ten years. For each bond issue, indicate the name of the issuer, the size of the bond issue and provide a capsule description of the type of transaction (e.g., nature of credit enhancement, tender option provisions or other unusual features); describe five innovative finance transactions in which the firm played a significant role, including at least three housing transactions; identify the individuals who will be assigned to the TDHCA account if the firm is selected as Bond/Securities Disclosure Counsel.
- E. Provide information regarding the background and experience of each individual, in particular their housing finance experience, if any, and designate the percentage of work for which each individual will be responsible; provide five public finance client references, preferably including at least two state agency clients; describe in detail the services that the firm normally provides as Bond/Securities Disclosure Counsel for a transaction and other matters not directly related to bond transactions in which the firm anticipates its services may be necessary.
- F. Explain the reasons why and the extent to which additional involvement may be necessary; discuss briefly the firm's views as to the major problems to be faced by the TDHCA during the next three years; and discuss the role of Bond/Securities Disclosure Counsel in helping to find solutions to those problems.
- G. Compensation. As required by the outside counsel contract provided by the Office of the Attorney General of Texas, your firm's proposed method of charging for legal services shall be submitted to the Agency on a monthly basis and shall provide a detailed accounting of the time charged and the respective charge for each increment of time and contain detail of specific expenses allowed by the Attorney General of Texas and set by the State of Texas Comptroller of Public Accounts. All proposals must include a statement that they are valid for the duration of the contract.
- H. Diversity within Organization. Each submission should include information relevant to participation in the firm by racial minorities, women and others who would otherwise be eligible, if sought individually, to be designated as a Historically Underutilized Business.

- I. Impact on the Marketplace. Each proposal should include a discussion of the strengths and weaknesses of changing or keeping counsel and its impact both positive and negative and changing Disclosure Counsel at this time. For purposes of this discussion, the responder should assume that current counsel has been in place for more than ten years. The discussion should include how the current market (as of date of release of RFP and for the initial one year term) would be impacted by a change.

**V. REVIEW.**

- A. In accordance with law, TDHCA will make its selection based upon its perception of the need for Bond/Securities Disclosure Counsel, the demonstrated competence, experience, knowledge, and qualifications, on the reasonableness of the proposed fee for the services to be performed. By this Request for Proposals, however, TDHCA has not committed itself to employ Bond/Securities Disclosure Counsel for any or all of the above-described matters, nor does the suggested scope of services or term of agreement require that Bond/Securities Disclosure Counsel be employed for any of those purposes. TDHCA reserves the right to make those decisions after receipt of responses, and TDHCA's decision on these matters is final.
- B. TDHCA reserves the right to negotiate all elements which comprise the proposal of the firm(s) to ensure that the best possible consideration be afforded to all concerned. TDHCA reserves the right to reject any and all proposals and to resolicit in such an event. TDHCA permits proposals utilizing joint ventures of any two or more firms, if appropriate. TDHCA may sever the multi family and single family bond transactions and award to different counsels.
- C. Conflict of Interest. TDHCA will not contract with any firm in which the provisions of conflict of interest, as set out in the 2009 Outside Counsel Contract provided by the Attorney General of Texas, are not met, as follows:

**8.12 CONFLICT OF INTEREST.**

If the legal services to be performed by an attorney pursuant to this Agreement involve representation of Agency in a contested matter, Outside Counsel represents that Outside Counsel, and such attorney, does not, and shall not during the term hereof, represent a plaintiff in a proceeding seeking monetary damages from the State of Texas or any of its agencies.

Outside Counsel represents that it does not now represent, and has not for a six-month period preceding this Agreement represented, a client before Agency; furthermore, Outside Counsel represents that it will not for a six-month period following the termination of this Agreement represent a client before Agency.

**VI. ADDITIONAL INFORMATION.**

For additional information concerning the requirements of this request for proposals, please contact Mr. Timothy K. Irvine, Chief of Staff and General Counsel, at (512) 475-3948. Communication with any member of the Board of Directors, the Executive Director, or TDHCA staff other than Mr. Irvine, or his assistant, concerning any matter relating to this request for proposals is grounds for immediate disqualification.

Issued in Austin, Texas on \_\_\_\_\_

*Michael Gerber*

Michael Gerber, Executive Director

**FINANCIAL ADMINISTRATION DIVISION  
BOARD REPORT ITEM  
May 12, 2010**

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and fair value at the beginning and end of the quarter.
- Overall, the portfolio carrying value increased by \$269,541,640 (See Page 1) for a total of \$1,857,062,931. There was a new bond issuance under the RMRB indenture in the amount of \$300 million. The RMRB indenture also paid \$14.3 million in principal and \$8.2 million in interest during the second quarter. The Single Family indenture paid \$670 thousand in principal during the second quarter. The remaining difference is accounted for by construction draws made by multi-family projects currently under construction and interest earnings from investments.

The portfolio consists of (See Page 4):

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
<b>Mortgage Backed Securities (MBS)</b>	81%	66%
<b>Guaranteed Investment Contract/ Investment Agreement (GIC/IA)</b>	4%	4%
<b>Repurchase Agreements</b>	12%	13%
<b>Other (Cd's, MM's, T-Bonds)</b>	3%	17%

The 15% decrease is a result of the redistribution of the composition of investments as a result of a \$300 million bond issuance under the RMRB indenture and an overall increase in loan payoffs. The 14% increase in Other is related to the investment of funds from the new RMRB bond issue.

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

- \$24,410,434 of MBS purchases during the quarter represent portfolio activity for new loans originated.
- The principal paydowns in MBS this quarter were \$99,005,620 which represents loan payoffs. The table (See Page 2) shows an increasing trend in new loans and steady trend in loan payoffs with an abnormal increase in the second quarter of Fiscal Year 2010.

	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	
	FY 09	FY 09	FY 09	FY 10	FY 10	Total
Purchases	28,407,693	3,996,025	2,583,156	4,606,290	24,410,434	64,003,598
Sales						
Maturities	21,587,847	25,527,067	28,205,792	31,530,340	99,005,620	205,856,666

- The dramatic increase in payoffs reflected in the 2<sup>nd</sup> quarter is primarily related to accelerations in the underlying mortgages that comprise these MBS. These accelerations are caused by a dramatic increase in “loan modifications” and “short sales” on the underlying mortgages which require the servicer to remove the related mortgage loan from the MBS thereby creating a prepayment or pay down.
- The fair value (the amount at which a financial instruments could be exchanged in a current transaction between willing parties) decreased \$13,249,183 (See Pages 1 and 5) decreasing the difference between fair value and carrying value (the Department’s acquisition cost of its financial instruments net of amortization) with fair value being more. The national average for a 30-year fixed mortgage as reported by HSH Associates Financial Publishers (a national clearinghouse of mortgage data) was 5.40% for the end of February up from 5.33% at the end of November. The spread between the market rate and our below-market rates is increasing. 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 increase, the Department can expect another decrease 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 gains or losses do not impact the overall portfolio because the Department generally does not liquidate these investments (mortgage backed securities) but holds them until maturity. However, the Department does, from time to time, take advantage of market circumstances that allow the liquidation of MBS’s to either strengthen the “parity” of the related indenture by redeeming debt.
- 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 101.71% to 112.32% 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 interest comparison for the Residential Mortgage Revenue Bond (RMRB) indenture also shows interest expense greater than interest income due to negative arbitrage on RMRB 200AB. The indenture's equity is being utilized to offset the temporary deficit in interest income. The interest comparison for the other indentures 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 February 28, 2010

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
<b>PARITY COMPARISON:</b>					
<b>PARITY ASSETS</b>					
Cash	\$ 9,673,934		\$ -	\$ 408,720	\$ 10,082,654
Investments <sup>(1)</sup>	\$ 177,936,395	\$ 386,772,583	\$ 239,360	\$ 101,442,296	\$ 666,390,633
Mortgage Backed Securities <sup>(1)</sup>	\$ 890,696,048	\$ 246,897,495	\$ 9,155,052	\$ -	\$ 1,146,748,594
Loans Receivable	\$ 31,726,404	\$ 1,581,741	\$ -	\$ 1,217,201,608	\$ 1,250,509,753
Accrued Interest Receivable	\$ 3,992,919	\$ 1,612,204	\$ 60,033	\$ 8,749,510	\$ 14,414,666
<b>TOTAL PARITY ASSETS</b>	<b>\$ 1,114,025,699</b>	<b>\$ 636,864,023</b>	<b>\$ 9,454,445</b>	<b>\$ 1,327,802,134</b>	<b>\$ 3,088,146,300</b>
<b>PARITY LIABILITIES</b>					
Bonds Payable <sup>(1)</sup>	\$ 1,044,695,000	\$ 623,305,000	\$ 8,400,000	\$ 1,217,893,590	\$ 2,894,293,590
Accrued Interest Payable	\$ 24,078,486	\$ 2,868,514	\$ 17,461	\$ 8,992,594	\$ 35,957,055
<b>TOTAL PARITY LIABILITIES</b>	<b>\$ 1,068,773,486</b>	<b>\$ 626,173,514</b>	<b>\$ 8,417,461</b>	<b>\$ 1,226,886,184</b>	<b>\$ 2,930,250,645</b>
<b>PARITY DIFFERENCE</b>	<b>\$ 45,252,213</b>	<b>\$ 10,690,509</b>	<b>\$ 1,036,984</b>	<b>\$ 100,915,950</b>	<b>\$ 157,895,655</b>
<b>PARITY <sup>(2)</sup></b>	<b>104.23%</b>	<b>101.71%</b>	<b>112.32%</b>	<b>108.23%</b>	<b>105.39%</b>

**INTEREST COMPARISON (For the Sixth Fiscal Month) :**

<b>INTEREST INCOME</b>					
Interest & Investment Income	\$3,852,878	\$1,176,070	\$53,469	\$4,620,201	\$9,702,618
<b>TOTAL INTEREST INCOME</b>	<b>\$3,852,878</b>	<b>\$1,176,070</b>	<b>\$53,469</b>	<b>\$4,620,201</b>	<b>\$9,702,618</b>
<b>INTEREST EXPENSE</b>					
Interest on Bonds	\$3,961,813	\$1,418,159	\$43,604	\$4,620,143	\$10,043,719
<b>TOTAL INTEREST EXPENSE</b>	<b>\$3,961,813</b>	<b>\$1,418,159</b>	<b>\$43,604</b>	<b>\$4,620,143</b>	<b>\$10,043,719</b>
<b>NET INTEREST</b>	<b>(\$108,935)</b>	<b>(\$242,089) (2)</b>	<b>\$9,865</b>	<b>\$58</b>	<b>(\$341,101)</b>
<b>INTEREST RATIO</b>	<b>97.25%</b>	<b>82.93%</b>	<b>122.62%</b>	<b>100.00%</b>	<b>96.60%</b>

(1) 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.

(2) 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 FEBRUARY 28, 2010**



**PUBLIC FUNDS INVESTMENT ACT  
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)  
QUARTER ENDING FEBRUARY 28, 2010**

- 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

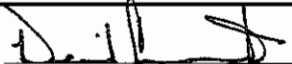
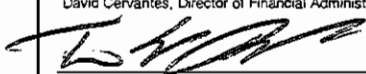
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Internal Management Report (Sec. 2256.023)  
Quarter Ending February 28, 2010

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

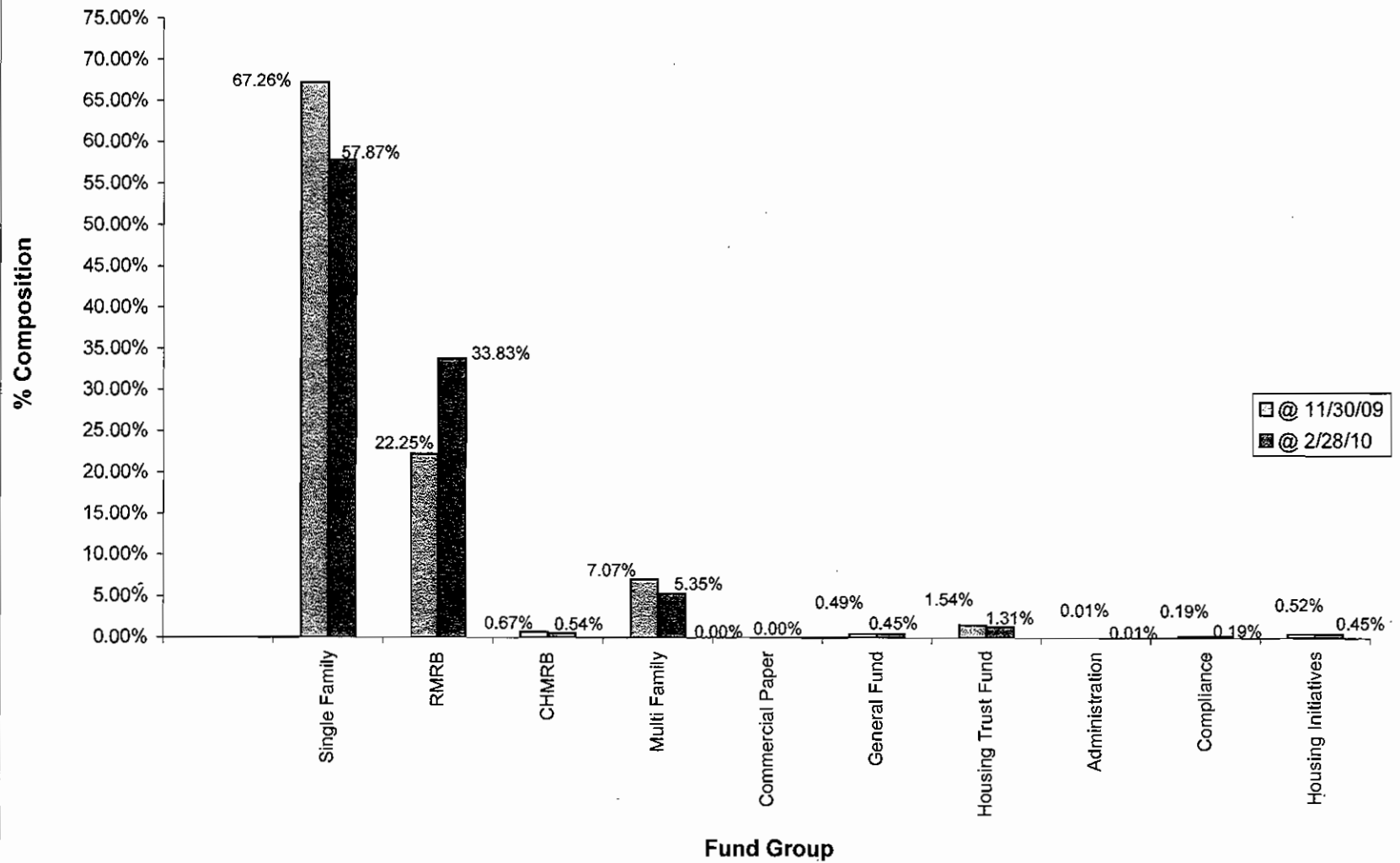
INDENTURE	FAIR VALUE	CARRYING	ACCRETION/ PURCHASES	CHANGE IN CARRYING VALUE			CARRYING	FAIR VALUE	CHANGE	ACCRUED	RECOGNIZED GAIN
	(MARKET) @ 11/30/09	VALUE @ 11/30/09		AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE @ 2/28/10	(MARKET) @ 2/28/10	IN FAIR VALUE (MARKET)	INT RECVBL @ 2/28/10	
Single Family	1,120,086,308.14	1,060,941,521.96	117,993,185.25	(30,109,464.33)	(83,452,154.39)	0.00	1,065,373,088.49	1,112,087,113.66	(12,430,761.01)	3,927,116.00	0
RMRB	370,576,940.45	352,926,916.31	320,856,399.42	(25,427,701.05)	(15,170,351.71)	0.00	633,165,262.97	650,032,993.23	(802,293.88)	1,576,161.00	0
CHMRB	11,144,738.06	10,077,962.80	76,075.04	(494,844.29)	(287,066.71)	0.00	9,372,126.64	10,422,773.83	(16,128.27)	60,033.00	0
Multi Family	117,713,027.01	117,713,027.01	4,918,492.59	(19,713,513.32)	(95,046.73)	0.00	102,821,859.55	102,821,859.55	-	12.00	0
Commercial Paper	26,431.26	26,431.26	6.42	0.00	0.00	0.00	26,437.68	26,437.68	-	0.00	0
General Fund	8,222,224.74	8,222,224.74	1,571,386.61	(1,069,396.85)	0.00	0.00	8,724,214.67	8,724,214.67	-	80.00	0
Housing Trust Fund	25,648,151.85	25,648,151.85	535,741.11	(1,079,031.40)	0.00	0.00	25,104,881.55	25,104,661.56	-	230.00	0
Administration	158,792.02	158,792.02	0.46	0.00	0.00	0.00	158,792.46	158,792.48	-	2.00	0
Compliance	3,179,189.55	3,179,189.55	540,879.12	(495.42)	0.00	0.00	3,719,573.25	3,719,573.25	-	34.00	0
Housing Initiatives	8,627,073.84	6,627,073.84	56,375.15	(106,735.09)	0.00	0.00	8,576,713.90	6,576,713.90	-	79.00	0
<b>TOTAL</b>	<b>1,665,382,876.92</b>	<b>1,587,521,291.14</b>	<b>446,548,541.17</b>	<b>(76,001,281.58)</b>	<b>(99,005,619.54)</b>	<b>0.00</b>	<b>1,857,062,931.19</b>	<b>1,921,675,333.81</b>	<b>(13,249,183.16)</b>	<b>5,563,747.00</b>	<b>0</b>

\* No relationship can be drawn between the "ACCRUED INT RECVBL @ 2/28/10" 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 \$103,250,580 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

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

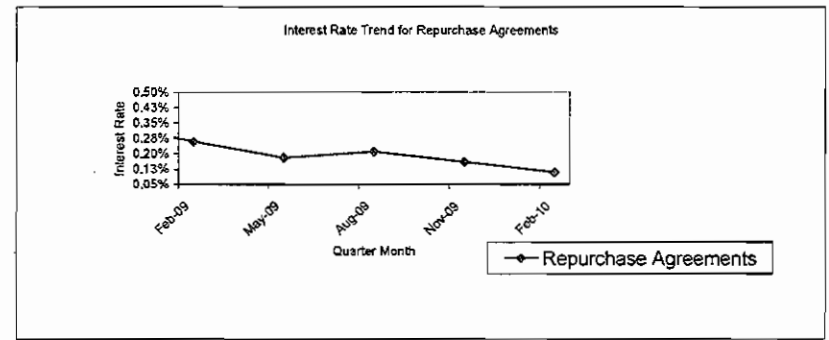
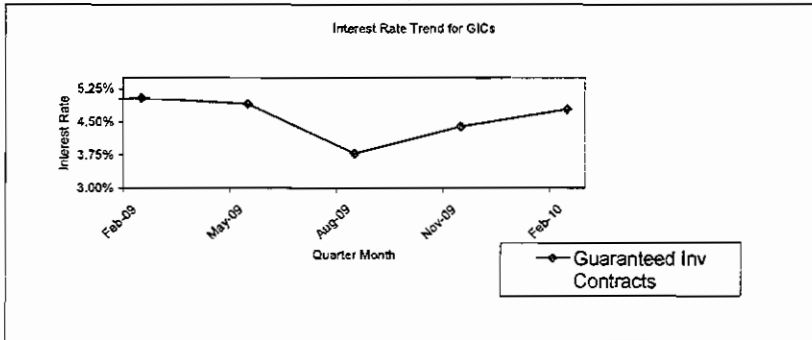
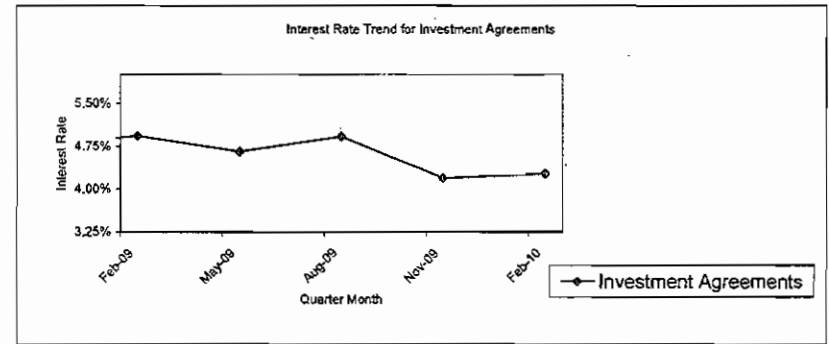
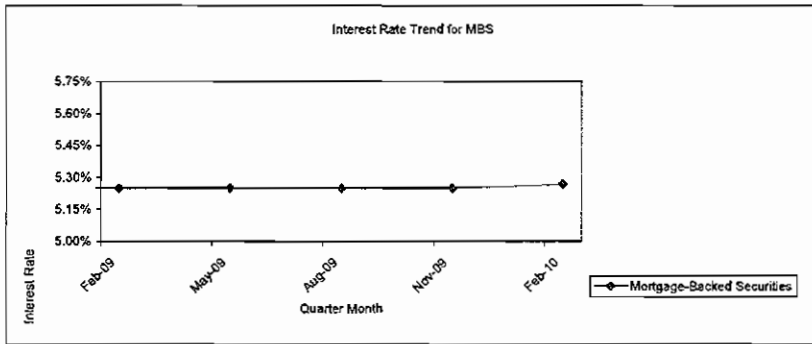
	Date 4/14/10
David Cervantes, Director of Financial Administration	
	Date 4/14/10
Tim Nelson, Director of Bond Finance	

### Market Valuation Comparison By Fund Group

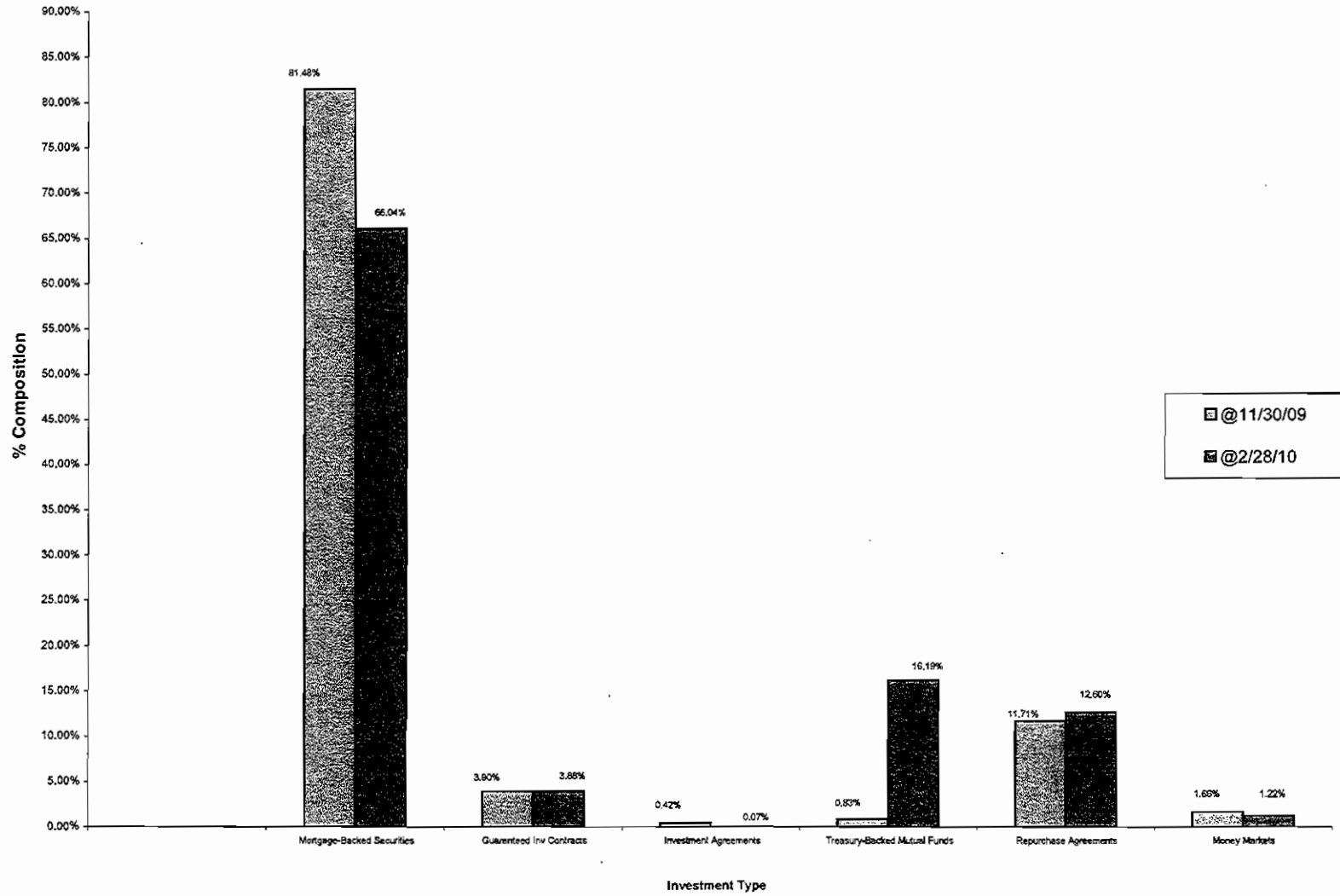


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities  
Quarter February 28, 2010

INVESTMENT TYPE	Range of Interest for Current Quarter		Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 11/30/09	Weighted Avg Rate Beg Market Value @ 11/30/09	Weighted Avg Rate End Carrying Value @ 02/28/10	Weighted Avg Rate End Market Value @ 02/28/10	Weighted Avg Maturity Beg Carrying Value @ 11/30/09		Weighted Avg Maturity Beg Market Value @ 11/30/09		Weighted Avg Maturity End Carrying Value @ 02/28/10		Weighted Avg Maturity End Market Value @ 02/28/10	
	HI	LOW		Months	Days	Months	Days	Months	Days	Months	Days	Months	Days		
Mortgage-Backed Securities	8.75%	4.49%	66.04%	5.24%	5.25%	5.25%	5.27%	305	18	305	18	302	27	302	23
Guaranteed Inv Contracts	6.51%	0.68%	3.88%	4.40%	4.40%	4.78%	4.79%	236	6	236	6	298	22	299	22
Investment Agreements	6.15%	2.51%	0.07%	4.19%	4.19%	4.27%	4.27%	329	24	329	24	310	10	310	10
Repurchase Agreements	0.11%	0.11%	12.60%	0.16%	0.16%	0.11%	0.11%	0	1	0	1	0	1	0	1
Money Markets	0.03%	0.00%	1.22%	0.01%	0.01%	0.01%	0.01%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	0.03%	0.00%	16.19%	0.01%	0.01%	0.00%	0.00%	0	1	0	1	0	1	0	1



Market Valuation Comparison by Investment Type


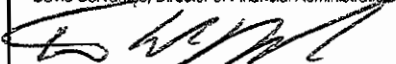


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Supplemental Public Funds Investment Act Report by Investment Type Schedule  
Quarter Ending FEBRUARY 28, 2010

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

INVESTMENT TYPE	FAIR VALUE	CARRYING	ACCRETION/ PURCHASES	CHANGE IN CARRYING VALUE			CARRYING	FAIR VALUE	CHANGE	RECOGNIZED
	(MARKET) @ 11/30/09	VALUE @ 11/30/09		AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE @ 2/28/10	(MARKET) @ 2/28/10	IN FAIR VALUE (MARKET)	
Mortgage-Backed Securities	1,357,002,947.39	1,279,141,361.81	24,410,433.71	0.00	(99,005,819.54)	0.00	1,204,546,175.78	1,269,158,578.40	(13,249,183.16)	0.00
Guaranteed Inv Contracts	64,937,180.96	64,937,180.96	39,378,761.83	(29,729,489.54)	0.00	0.00	74,586,453.25	74,586,453.25	-	0.00
Investment Agreements	7,029,341.70	7,029,341.70	263,377.89	(5,963,500.76)	0.00	0.00	1,329,218.83	1,329,218.83	-	0.00
Treasury-Backed Mutual Funds	13,619,590.55	13,819,590.55	302,030,252.04	(4,733,749.40)	0.00	0.00	311,116,093.19	311,116,093.19	0.00	0.00
Repurchase Agreements	194,964,608.77	194,964,608.77	77,808,849.62	(30,737,692.63)	0.00	0.00	242,035,565.96	242,035,565.96	-	0.00
Money Markets	27,629,207.55	27,629,207.55	2,657,065.66	(6,836,849.25)	0.00	0.00	23,449,424.18	23,449,424.16	-	0.00
<b>TOTAL</b>	<b>1,665,382,876.92</b>	<b>1,587,521,291.14</b>	<b>446,548,541.17</b>	<b>(78,001,281.58)</b>	<b>(99,005,619.54)</b>	<b>0.00</b>	<b>1,857,062,931.19</b>	<b>1,921,675,333.81</b>	<b>(13,249,163.16)</b>	<b>0.00</b>

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

 David Cervantes, Director of Financial Administration	Date <u>4/14/10</u>
 Tim Nelson, Director of Bond Finance	Date <u>4/14/10</u>

**Detail of Investments including maturity dates by Fund Group**

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	0.11	02/26/10	03/01/10	1,286.87	1,286.87	2,597.54				3,884.41	3,884.41	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.11	02/26/10	03/01/10	252,418.94	252,418.94	1,327,598.03				1,580,016.97	1,580,016.97	-	0.00
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	7,598,348.11	7,598,348.11	632,118.58				8,230,466.69	6,230,466.69	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.11	02/26/10	03/01/10	49,146.36	49,146.36	11.86				49,158.24	49,158.24	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.11	02/26/10	03/01/10	8,399.05	8,399.05	20,247.61				28,646.66	28,646.66	-	0.00
	<b>1980 Single Family Surplus Rev Total</b>				<b>7,909,599.33</b>	<b>7,909,599.33</b>	<b>1,982,573.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,692,172.97</b>	<b>9,892,172.97</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1982 A Single Family	0.11	02/26/10	03/01/10			0.03				0.03	0.03	-	0.00
GIC's	1982 A Single Family	6.06	11/14/96	09/30/29	1.03	1.03	0.00				1.03	1.03	-	0.00
	<b>1982 A Single Family Total</b>				<b>1.03</b>	<b>1.03</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.06</b>	<b>1.06</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1983 A&B Single Family	0.11	02/26/10	03/01/10	0.09	0.09	53,396.84				53,396.93	53,396.93	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	160,199.91	160,199.91	(18,670.72)				141,329.19	141,329.19	-	0.00
	<b>1983 A&amp;B Single Family Total</b>				<b>160,200.00</b>	<b>160,200.00</b>	<b>53,396.84</b>	<b>(18,670.72)</b>	<b>0.00</b>	<b>0.00</b>	<b>194,726.12</b>	<b>194,726.12</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1984 A&B Single Family	0.11	02/26/10	03/01/10	0.16	0.16	1,095.96				1,096.12	1,096.12	-	0.00
GIC's	1984 A&B Single Family				25,465.56	25,465.58	(25,465.58)						-	0.00
	<b>1984 A&amp;B Single Family Total</b>				<b>25,465.74</b>	<b>25,465.74</b>	<b>1,095.96</b>	<b>(25,465.58)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,096.12</b>	<b>1,096.12</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1985 A Single Family	0.11	02/26/10	03/01/10	0.11	0.11	4,610.98				4,611.09	4,611.09	-	0.00
GIC's	1985 A Single Family				161,258.03	181,258.03	(181,258.03)						-	0.00
	<b>1985 A Single Family Total</b>				<b>161,256.14</b>	<b>181,258.14</b>	<b>4,610.98</b>	<b>(181,256.03)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,611.09</b>	<b>4,611.09</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1985 B&C Single Family	0.11	02/26/10	03/01/10	0.23	0.23	2,709.61				2,709.84	2,709.84	-	0.00
GIC's	1985 B&C Single Family				6,724.81	6,724.81	(6,724.61)						-	0.00
	<b>1985 B&amp;C Single Family Total</b>				<b>6,725.04</b>	<b>6,725.04</b>	<b>2,709.61</b>	<b>(6,724.61)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,709.84</b>	<b>2,709.84</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1987 B Single Family	0.11	02/26/10	03/01/10	7.45	7.45	13,613.50				13,620.95	13,620.95	-	0.00
GIC's	1987 B Single Family	6.06	11/14/96	09/30/29	59,761.19	59,761.19	31,973.49				91,734.68	91,734.68	-	0.00
Repo Agmt	1987 B Single Family	0.11	02/26/10	03/01/10	496,958.91	496,958.91	(490,193.91)				6,765.00	6,765.00	-	0.00
	<b>1987 B Single Family Total</b>				<b>556,727.55</b>	<b>556,727.55</b>	<b>45,586.99</b>	<b>(490,193.91)</b>	<b>0.00</b>	<b>0.00</b>	<b>112,120.63</b>	<b>112,120.63</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1995 A&B Single Family	0.11	02/26/10	03/01/10	55,607.31	55,607.31	(35,719.57)				19,887.74	19,887.74	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	82,681.22	82,681.22	152,053.76				234,734.98	234,734.98	-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	95,684.03	104,136.61			(5,600.65)		89,883.38	96,752.65	(1,593.31)	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	484,154.89	506,200.14			(4,641.10)		459,513.79	499,595.52	(1,963.52)	0.00
GNMA	1995 A&B Single Family	6.15	05/28/97	05/20/27	243,202.90	263,773.01			(79,361.80)		163,841.10	177,667.55	(6,543.66)	0.00
	<b>1995 A&amp;B Single Family Total</b>				<b>941,330.35</b>	<b>1,012,398.29</b>	<b>152,053.76</b>	<b>(35,719.57)</b>	<b>(89,803.55)</b>	<b>0.00</b>	<b>967,880.99</b>	<b>1,026,836.44</b>	<b>(10,090.49)</b>	<b>0.00</b>
Repo Agmt	1996 A-C Single Family	0.11	02/26/10	03/01/10	489,799.46	489,799.46		(475,351.40)			14,446.06	14,446.06	-	0.00
Repo Agmt	1996 A-C Single Family	0.11	02/26/10	03/01/10	132,430.09	132,430.09	0.00				132,430.09	132,430.09	-	0.00
	<b>1996 A-C Single Family Total</b>				<b>622,229.55</b>	<b>622,229.55</b>	<b>0.00</b>	<b>(475,351.40)</b>	<b>0.00</b>	<b>0.00</b>	<b>146,876.15</b>	<b>146,876.15</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1996 D&E Single Family	0.11	02/26/10	03/01/10	941,870.00	941,870.00	0.00				941,870.00	941,870.00	-	0.00
Repo Agmt	1996 D&E Single Family	0.11	02/26/10	03/01/10	624,294.80	624,294.80		(605,964.26)			18,330.54	18,330.54	-	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
	<b>1996 D&amp;E Single Family Total</b>				<b>1,717,324.19</b>	<b>1,717,324.19</b>	<b>0.00</b>	<b>(605,964.26)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,111,359.93</b>	<b>1,111,359.93</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1997 D-F Single Family	0.11	02/26/10	03/01/10	450,511.37	450,511.37	333,151.40				783,662.77	783,662.77	-	0.00
FNMA	1997 D-F Single Family	8.25	06/29/98	06/01/28	336,686.49	366,797.10			(4,217.28)		332,469.21	359,576.15	(3,003.67)	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	211,094.96	229,973.15			(1,836.37)		209,258.59	226,319.41	(1,817.37)	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	391,342.78	425,417.00			(3,964.11)		387,378.67	422,502.29	1,049.40	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,033,899.31	1,107,295.81			(6,057.10)		1,025,842.21	1,091,239.66	(7,999.05)	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/26	190,043.90	206,581.03			(1,798.93)		188,244.97	205,313.14	521.04	0.00
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	223,799.22	239,686.70			(1,424.79)		222,374.43	236,550.77	(1,711.14)	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/26	445,083.13	483,836.55			(43,580.16)		401,502.97	437,907.26	(2,349.13)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	726,766.16	790,045.72			(53,979.16)		672,787.00	733,788.65	(2,277.91)	0.00
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	146,264.21	159,344.61			(999.05)		145,265.16	157,108.62	(1,236.94)	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	661,806.59	719,429.98			(5,738.93)		656,067.66	715,553.19	1,862.14	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	346,064.03	376,195.83			(2,878.74)		343,185.29	374,301.90	984.81	0.00
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	117,993.79	128,472.81			(1,112.84)		116,880.95	126,410.25	(949.72)	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1,327,995.80	1,443,849.95			(10,980.66)		1,317,014.94	1,437,350.63	4,481.34	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	609,239.12	662,389.16			(5,017.03)		604,222.09	659,429.86	2,057.73	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	335,636.70	364,917.64			(4,804.56)		330,832.14	361,050.27	947.19	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	597,205.91	639,995.70			(9,215.42)		587,990.49	625,866.82	(4,911.46)	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	845,950.60	906,562.69			(7,260.92)		838,669.68	892,896.71	(6,565.26)	0.00
GNMA	1997 D-F Single Family	5.45	06/26/99	08/20/29	572,725.53	613,761.31			(4,984.32)		567,741.21	604,315.09	(4,461.90)	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	421,752.19	451,970.71			(3,007.56)		418,744.63	445,720.15	(3,243.00)	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	261,439.55	280,333.78			(3,602.15)		257,837.40	273,537.11	(3,194.52)	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	899,133.59	963,556.52			(7,143.19)		891,990.40	949,452.43	(6,960.90)	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,015,535.89	1,088,239.06			(7,312.24)		1,008,223.65	1,073,173.42	(7,813.40)	0.00
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	995,201.35	1,066,507.47			(7,318.41)		987,882.94	1,051,522.32	(7,666.74)	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,105,579.82	1,164,064.91			(7,993.93)		1,097,585.89	1,167,556.98	(8,514.00)	0.00
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	650,208.04	696,366.29			(6,076.59)		644,131.45	665,194.82	(5,094.88)	0.00
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	330,227.18	353,670.00			(2,312.85)		327,914.33	348,818.96	(2,538.29)	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	141,573.99	151,805.53			(932.02)		140,641.97	149,205.64	(1,667.87)	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	385,555.72	412,926.29			(2,872.72)		382,683.00	407,079.02	(2,974.55)	0.00
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	505,269.19	541,159.63			(12,050.66)		493,238.53	524,682.46	(4,426.51)	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	993,225.60	1,063,734.65			(6,608.69)		986,616.71	1,049,513.49	(7,612.27)	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	169,225.60	202,694.60			(6,547.12)		162,678.48	193,474.69	(2,672.79)	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	40,329.17	43,192.14			(250.90)		40,076.27	42,633.26	(307.96)	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	260,216.63	276,691.56			(2,244.85)		257,973.76	274,419.62	(2,027.09)	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	428,110.74	458,583.61			(26,624.37)		401,486.37	425,214.17	(6,745.07)	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	63,846.39	68,380.95			(414.65)		63,433.54	67,477.40	(468.70)	0.00
FNMA	1997 D-F Single Family	5.45	10/08/00	09/01/30	243,622.30	260,963.30			(2,243.79)		241,378.51	255,643.94	(3,075.57)	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	314,226.08	338,592.71			(3,101.68)		311,124.40	329,511.87	(3,979.16)	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	75,296.61	80,738.28			(41,112.41)		34,184.20	36,265.66	(3,360.21)	0.00
Repo Agmt	1997 D-F Single Family	0.11	02/26/10	03/01/10	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	57,779.37	60,172.29			(8,166.63)		49,592.74	51,096.67	(888.79)	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	37,490.35	38,964.05			(182.25)		37,308.10	38,382.20	(419.60)	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	66,218.11	68,941.38			(7,117.42)		59,100.69	60,899.15	(924.81)	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	60,086.10	62,562.65			(8,705.77)		51,380.33	52,948.45	(908.43)	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	73,329.20	76,121.45			(5,915.48)		67,413.72	69,238.02	(967.95)	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	59,703.25	62,217.79			(289.42)		59,413.83	61,279.57	(648.60)	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	113,839.89	118,417.19			(22,388.93)		91,452.96	94,119.63	(1,911.63)	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	44,279.53	46,196.46			(210.23)		44,069.30	45,486.97	(499.28)	0.00
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	11,973.53	12,465.21			(57.55)		11,915.98	12,277.89	(129.77)	0.00
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	23,898.93	25,016.31			(112.56)		23,786.37	24,641.43	(262.32)	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	15,531.87	16,189.31			(74.08)		15,457.79	15,940.48	(174.75)	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	4,907.82	5,189.08			(22.41)		4,885.41	5,111.55	(55.12)	0.00
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	24,529.70	25,430.24			(4,244.80)		20,284.90	20,789.50	(395.94)	0.00
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,115.64	6,335.14			(29.48)		6,086.16	6,232.66	(73.00)	0.00
	<b>1997 D-F Single Family Total</b>				<b>19,647,311.42</b>	<b>21,081,463.97</b>	<b>333,151.40</b>	<b>0.00</b>	<b>(379,176.58)</b>	<b>0.00</b>	<b>19,601,286.26</b>	<b>20,917,415.22</b>	<b>(118,023.59)</b>	<b>0.00</b>
Repo Agmt	2002A Single Family (JR Lien)	0.11	02/26/10	03/01/10	500,142.28	500,142.28					155,914.90	155,914.90	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.11	02/26/10	03/01/10	117,211.45	117,211.45	30,471.16		(344,227.38)		147,682.61	147,682.61	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.11	02/26/10	03/01/10	119,850.00	119,850.00	0.00				119,850.00	119,850.00	-	0.00
	<b>2002A Single Family (JR Lien) Total</b>				<b>737,203.73</b>	<b>737,203.73</b>	<b>30,471.16</b>	<b>(344,227.38)</b>	<b>0.00</b>	<b>0.00</b>	<b>423,447.51</b>	<b>423,447.51</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	2004 A/B Single Family	0.11	02/26/10	03/01/10	1,158.34	1,158.34		0.12			1,158.46	1,158.46	-	0.00
Repo Agmt	2004 A/B Single Family	0.11	02/26/10	03/01/10	157,740.24	157,740.24	16,894,434.96				16,852,175.20	16,852,175.20	-	0.00
GIC's	2004 A/B Single Family				4,704,664.66	4,704,664.66		(4,704,664.68)					-	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	08/20/34	1,131,824.66	1,174,065.81			(232,566.29)		899,258.37	923,671.24	(17,828.28)	0.00
GNMA	2004 A/B Single Family	4.49	07/06/04	07/20/34	910,065.97	944,035.57			(140,107.47)		769,958.50	790,865.18	(13,062.92)	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	249,760.60	258,043.33			(1,313.79)		247,447.01	254,163.13	(2,566.41)	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	857,912.62	889,976.99			(4,874.76)		853,038.06	876,241.21	(8,861.02)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	1,244,541.69	1,281,069.02			(7,736.86)		1,236,802.83	1,270,457.46	(12,872.70)	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	06/20/34	2,285,064.57	2,370,491.92			(269,972.47)		2,015,092.10	2,069,924.71	(30,594.74)	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	895,472.38	928,959.09			(216,842.95)		678,629.43	697,102.65	(15,013.49)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,152,742.18	1,195,855.60			(6,524.91)		1,146,217.27	1,177,423.53	(11,907.16)	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	1,529,952.11	1,587,169.50			(106,866.29)		1,423,065.82	1,461,846.20	(18,477.01)	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	1,817,261.79	1,885,103.38			(12,276.23)		1,804,985.56	1,854,005.68	(18,821.47)	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	1,509,220.64	1,565,570.41			(104,178.90)		1,405,041.74	1,443,207.38	(18,184.13)	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,208,001.36	2,290,453.02			(121,067.72)		2,086,933.64	2,143,632.53	(25,752.77)	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	2,080,862.39	2,158,606.92			(141,455.74)		1,939,426.65	1,992,138.07	(25,015.11)	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	2,804,760.06	2,909,563.70			(283,967.99)		2,520,792.07	2,589,317.43	(36,258.28)	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,031,927.03	3,145,212.52			(123,773.58)		2,908,153.45	2,987,226.96	(34,211.98)	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	06/20/34	257,047.72	274,102.07			(1,217.93)		255,829.79	270,140.64	(2,743.50)	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,614,902.86	1,675,250.80			(10,383.79)		1,604,519.07	1,648,154.65	(16,712.36)	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	80,649.22	86,000.49			(86,000.49)		80,269.15	84,759.74	(860.68)	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	897,581.97	931,209.50			(5,253.02)		692,328.95	916,680.31	(9,276.17)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	207,493.59	220,757.71			(1,470.91)		206,022.68	217,046.01	(2,240.79)	0.00
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	350,065.45	363,182.33			(1,947.04)		348,118.41	357,620.25	(3,615.04)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	142,145.80	151,591.42			(679.68)		141,466.12	149,394.04	(1,517.70)	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	320,289.91	340,780.04			(95,033.89)		225,266.02	237,322.57	(8,423.58)	0.00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	653,372.02	885,352.17			(155,931.00)		697,441.02	716,461.19	(12,939.98)	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,169,935.72	1,213,710.59			(231,436.28)		938,497.44	964,064.02	(18,208.29)	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	884,635.58	941,146.50			(106,412.98)		778,222.60	819,627.92	(14,905.60)	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	881,744.86	938,075.81			(4,643.47)		877,101.39	923,997.57	(9,434.77)	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,354,705.14	1,405,400.53			(7,366.85)		1,347,338.29	1,384,049.52	(13,964.16)	0.00
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	328,703.72	347,577.54			(1,692.00)		325,011.72	342,390.91	(3,494.63)	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	457,788.37	474,922.47			(2,338.23)		455,450.14	467,862.26	(4,721.98)	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,717,151.64	1,781,437.36			(9,333.62)		1,707,618.02	1,754,377.87	(17,725.87)	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	946,853.53	982,306.15			(5,596.55)		941,256.98	966,923.07	(9,786.53)	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	498,617.69	530,480.28			(62,717.67)		435,900.02	459,213.32	(8,549.29)	0.00
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	653,465.54	677,937.07			(3,948.22)		649,517.32	667,232.34	(6,758.51)	0.00
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	379,866.17	405,105.60			(179,418.57)		200,451.60	211,682.57	(14,006.46)	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,183,682.29	1,228,013.59			(6,496.82)		1,177,185.47	1,209,295.85	(12,220.92)	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	382,106.77	406,540.90			(2,111.18)		379,995.59	400,335.50	(4,094.22)	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	479,536.02	497,509.15			(2,573.67)		476,962.15	489,965.68	(4,948.59)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	414,991.23	441,530.41			(1,962.42)		413,028.81	435,138.63	(4,429.36)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	103,281.53	107,462.36			(511.84)		102,769.69	105,916.09	(1,034.43)	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	875,820.03	700,663.15			(108,473.19)		567,346.84	581,966.36	(10,223.80)	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	616,689.28	639,360.93			(3,442.52)		613,245.76	629,051.16	(6,867.25)	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	444,948.38	481,309.27			(2,846.39)		442,101.99	453,498.68	(4,964.20)	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	339,586.13	352,075.33			(1,700.79)		337,865.34	346,597.62	(3,776.92)	0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	1,579,444.61	1,637,548.20			(149,817.15)		1,429,827.48	1,466,503.35	(21,225.70)	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,217,701.35	1,266,174.46			(142,067.37)		1,075,833.98	1,106,975.10	(17,131.99)	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,160,160.61	1,232,136.03			(236,922.94)		921,237.67	969,079.62	(24,133.47)	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	524,272.97	543,564.95			(3,584.28)		520,888.71	534,125.30	(5,855.39)	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	331,581.74	352,152.78			(1,538.67)		330,043.07	347,182.92	(3,431.19)	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	241,042.06	249,913.09			(1,249.53)		239,792.53	245,981.72	(2,681.84)	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	394,335.62	416,806.21			(1,847.91)		392,487.71	412,878.71	(4,081.59)	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	247,805.98	257,467.38			(1,368.36)		246,237.62	253,417.19	(2,881.83)	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	178,448.12	189,975.28			(805.91)		177,642.21	187,320.03	(1,849.34)	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	427,031.43	442,756.32			(3,107.71)		423,923.72	434,874.20	(4,774.41)	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	291,809.46	309,924.03			(57,523.21)		234,286.27	248,461.98	(5,938.84)	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	92,506.86	96,192.88			(1,215.13)		91,291.73	93,955.05	(1,022.50)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	174,458.71	185,730.98			(839.80)		173,618.91	183,080.13	(1,811.05)	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	125,341.74	133,441.77			(564.08)		124,777.66	131,578.78	(1,298.93)	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	838,411.85	861,933.88			(116,706.61)		521,704.64	535,191.94	(10,034.93)	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	446,160.72	473,866.82			(118,369.99)		327,790.73	344,834.49	(10,664.34)	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	307,581.31	318,917.24			(1,516.92)		306,064.39	313,979.93	(3,420.39)	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	284,982.27	282,121.58			(1,268.00)		263,728.27	278,105.38	(2,750.20)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	128,168.43	138,454.57			(602.90)		127,565.53	134,521.99	(1,328.68)	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	757,857.63	785,797.23			(124,790.54)		633,067.09	649,446.85	(11,559.84)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	100,815.68	107,333.57			(460.79)		100,354.89	105,827.58	(1,045.20)	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	480,296.51	478,656.24			(2,276.73)		458,017.78	471,399.32	(4,978.19)	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	122,514.05	130,437.53			(560.94)		121,953.11	128,606.36	(1,270.23)	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	212,546.63	226,299.93			(952.33)		211,594.50	223,144.95	(2,202.65)	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	321,280.75	334,112.77			(1,557.48)		319,723.27	329,081.28	(3,474.01)	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	122,390.64	130,305.35			(688.48)		121,722.16	128,362.04	(1,274.83)	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	266,735.83	277,379.25			(1,362.29)		265,353.54	273,110.28	(2,886.88)	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	250,151.46	266,329.49			(98,628.06)		151,323.40	159,578.80	(7,922.63)	0.00
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	200,837.46	208,852.42			(1,530.32)		199,307.14	205,134.27	(2,187.83)	0.00
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	203,041.20	210,532.37			(3,735.96)		199,305.24	204,467.56	(2,328.85)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	287,327.98	305,914.65			(1,940.70)		285,387.28	300,960.75	(3,013.20)	0.00
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	141,460.35	147,108.68			(677.11)		140,783.24	144,902.24	(1,529.33)	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	148,930.27	154,887.94			(749.47)		148,180.80	152,527.15	(1,611.32)	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	530,727.34	563,762.36			(57,741.72)		472,985.62	497,645.17	(8,375.47)	0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	187,800.18	199,966.14			(614.46)		186,985.72	197,206.76	(1,944.92)	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	333,504.07	346,829.19			(81,618.29)		251,885.78	259,261.91	(5,948.99)	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	21,567.44	22,963.31			(100.49)		21,466.95	22,639.10	(2,232.72)	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	2,900,377.38	3,007,534.89			(203,021.49)		2,697,355.89	2,787,358.51	(37,154.89)	0.00
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	107,999.51	114,991.11			(478.07)		107,521.44	113,394.10	(1,118.94)	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	133,576.62	138,915.90			(636.33)		132,940.29	136,835.47	(1,444.10)	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	684,748.53	727,347.82			(326,310.75)		358,437.78	377,113.45	(23,923.62)	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	396,209.37	412,933.71			(99,187.16)		299,022.21	306,791.50	(6,955.05)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	55,760.29	59,371.26			(260.56)		55,499.73	58,532.22	(578.48)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	196,613.27	209,345.72			(1,015.76)		195,597.51	206,284.32	(2,045.04)	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	548,421.56	583,967.29			(2,381.67)		546,039.89	575,905.56	(5,660.06)	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	203,847.75	212,010.21			(996.97)		202,850.78	208,808.47	(2,204.77)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	141,001.17	150,136.33			(977.79)		140,023.36	147,678.25	(1,480.29)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	182,743.78	173,287.60			(712.99)		162,030.79	170,888.77	(1,685.84)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	196,711.94	204,584.33			(928.17)		195,783.77	201,529.63	(2,126.53)	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	366,122.40	388,941.02			(1,849.33)		364,273.07	383,293.75	(3,797.94)	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,318,996.82	1,401,211.97			(6,331.45)		1,312,665.37	1,381,215.17	(13,665.35)	0.00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	174,917.42	186,256.31			(827.25)		174,090.17	183,613.70	(1,815.36)	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	233,863.81	243,233.08			(1,098.92)		232,764.89	239,605.98	(2,528.18)	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	899,904.00	956,250.31			(109,170.38)		790,733.62	833,999.69	(15,080.24)	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	160,419.80	170,821.49			(689.27)		159,730.53	166,470.91	(1,661.31)	0.00
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	119,509.27	124,296.28			(566.23)		116,943.04	122,439.96	(1,292.09)	0.00
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,428,898.65	1,521,556.73			(6,397.14)		1,422,501.51	1,500,349.23	(14,610.36)	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,251,730.26	1,329,759.28			(5,476.68)		1,246,251.56	1,311,339.74	(12,940.86)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	1,313,605.56	1,395,712.60			(293,146.45)		1,020,659.11	1,073,971.71	(28,594.44)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	203,703.23	211,257.60			(1,046.92)		202,654.31	207,941.55	(2,267.13)	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,167,836.31	1,241,349.32			(104,023.62)		1,063,812.69	1,119,475.32	(17,850.38)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	111,850.81	116,840.24			(492.56)		111,358.25	115,181.89	(1,165.79)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	817,541.74	869,008.76			(120,228.16)		697,313.58	733,803.31	(14,977.31)	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	66,057.00	89,509.29			(693.38)		85,363.64	87,876.96	(988.97)	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	3,095,001.50	3,282,204.21			(544,532.11)		2,550,469.39	2,677,637.77	(60,034.33)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	675,620.70	716,482.35			(3,826.39)		671,794.31	705,286.96	(7,369.00)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	168,843.02	197,258.90			(899.29)		187,953.73	194,399.69	(1,989.92)	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	1,256,874.19	1,336,006.76			(363,601.45)		893,072.74	939,611.07	(32,394.24)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,062,465.00	1,128,684.40			(4,872.32)		1,057,592.68	1,110,281.41	(1,530.67)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	197,109.75	205,899.95			(972.92)		196,136.83	202,869.07	(2,057.96)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,051,077.18	3,173,369.43			(15,819.93)		3,035,257.25	3,125,857.80	(31,691.70)	0.00
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	166,891.66	173,045.76			(1,204.88)		165,686.78	169,927.83	(1,913.05)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	1,282,577.54	1,363,354.53			(221,477.19)		1,061,100.35	1,116,654.86	(25,222.48)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	113,225.28	118,273.33			(511.66)		112,713.62	116,581.15	(1,180.52)	0.00
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	3,035,628.99	3,219,176.77			(121,274.14)		2,914,354.85	3,059,608.17	(38,296.46)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	2,184,749.05	2,322,370.75			(313,612.99)		1,870,336.06	1,968,911.80	(39,645.96)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,258,841.23	1,338,138.13			(232,536.80)		1,026,304.43	1,080,049.11	(25,552.22)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	451,797.47	479,151.72			(2,002.75)		449,794.72	472,248.50	(4,900.47)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	498,883.54	530,346.67			(2,346.35)		496,537.19	522,576.39	(5,423.93)	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	934,771.86	991,373.95			(114,975.94)		819,795.92	860,725.36	(15,672.65)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	768,647.91	815,144.87			(77,152.47)		691,495.44	725,978.33	(12,014.07)	0.00
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36	282,759.24	293,196.58			(1,299.07)		281,460.17	288,675.13	(3,222.38)	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	1,436,295.10	1,526,808.70			(264,578.91)		1,171,716.19	1,233,106.82	(29,122.97)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	147,857.80	154,442.72			(1,652.54)		146,205.26	151,214.94	(1,575.24)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	1,060,879.73	1,127,529.29			(133,252.60)		927,427.13	976,024.40	(18,252.29)	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	1,231,988.70	1,306,540.41			(189,403.53)		1,042,585.17	1,094,597.98	(22,538.90)	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	774,683.68	823,519.95			(207,355.27)		567,328.41	597,064.94	(19,099.74)	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	223,573.33	233,525.41			(976.60)		222,596.73	230,219.15	(2,329.66)	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	1,359,850.77	1,445,372.20			(8,200.55)		1,353,450.22	1,424,398.46	(14,773.19)	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,442,509.46	1,529,825.12			(240,700.01)		1,201,809.45	1,261,788.02	(27,339.09)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	1,175,161.00	1,249,288.61			(91,403.55)		1,083,757.46	1,140,585.56	(17,279.50)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	177,928.41	185,845.72			(885.13)		177,043.28	183,102.91	(1,857.68)	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	59,669.39	61,875.44			(289.37)		59,400.02	60,926.12	(679.95)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	583,035.04	618,342.00			(150,261.76)		432,773.28	454,382.41	(13,897.63)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	135,284.23	141,301.75			(1,426.42)		133,857.81	138,437.14	(1,438.19)	0.00
GNMA	2004 A/B Single Family	5.00	06/01/06	05/20/36	1,024,768.29	1,089,435.24			(6,327.66)		1,018,458.43	1,071,885.26	(11,222.12)	0.00
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	517,533.71	550,188.90			(2,292.04)		515,241.67	542,275.38	(5,619.48)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	218,783.36	226,061.13			(951.93)		217,831.43	224,840.29	(2,288.91)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/38	723,924.62	787,778.91			(190,041.69)		543,882.93	571,051.45	(18,685.77)	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	08/20/38	953,814.76	1,014,009.94			(108,508.49)		845,305.27	889,670.26	(15,830.19)	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	259,621.27	271,161.05			(1,128.17)		258,493.10	267,326.03	(2,704.85)	0.00
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	1,475,959.64	1,569,123.23			(250,691.48)		1,225,268.16	1,289,568.16	(28,843.59)	0.00
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	267,139.82	297,767.40			(109,381.58)		177,756.24	162,332.37	(8,053.45)	0.00
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	488,835.35	519,692.54			(2,056.51)		486,778.84	512,333.65	(5,302.38)	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/38	1,000,421.68	1,063,581.00			(283,138.51)		717,283.37	754,945.28	(25,497.21)	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	85,708.20	88,627.61			(287.10)		85,421.10	87,655.90	(884.81)	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	355,201.22	376,732.47			(77,188.66)		278,032.36	291,931.48	(7,632.13)	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	397,078.20	422,152.89			(1,836.43)		395,439.77	418,210.82	(4,305.44)	0.00
GNMA	2004 A/B Single Family	5.00	08/16/06	06/20/38	59,511.68	62,154.29			(282.72)		59,228.96	61,250.63	(820.74)	0.00
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/38	640,703.41	693,806.15			(3,509.71)		637,193.70	681,178.31	(9,118.13)	0.00
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	732,358.30	776,779.88			(3,157.90)		729,200.40	765,680.87	(7,941.11)	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	582,317.63	619,109.52			(2,896.26)		579,621.37	610,083.43	(8,329.83)	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	120,095.72	124,549.11			(534.93)		119,560.79	122,645.53	(1,368.65)	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	62,030.11	63,947.45			(312.71)		61,717.40	63,006.90	(627.84)	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/38	553,584.42	587,168.91			(62,959.32)		490,625.10	515,175.84	(9,033.75)	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	220,584.94	234,525.21			(1,104.67)		219,480.27	231,018.35	(2,402.19)	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	855,202.04	909,266.45			(65,455.33)		789,746.71	831,280.48	(12,530.64)	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	753,264.94	800,902.82			(67,891.11)		685,373.83	721,434.49	(11,577.22)	0.00
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	184,490.34	191,341.06			(846.86)		183,643.48	188,391.09	(2,103.11)	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	64,316.17	67,186.34			(271.50)		64,044.67	66,225.16	(669.68)	0.00
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	541,234.80	575,471.63			(2,205.65)		539,028.93	567,397.75	(5,866.03)	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	98,930.34	105,189.64			(393.91)		98,536.43	103,723.50	(1,072.23)	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/38	71,293.44	74,449.70			(300.85)		70,992.59	73,406.65	(742.20)	0.00
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37	412,598.40	438,599.15			(1,669.73)		410,928.67	432,282.23	(4,647.19)	0.00
GNMA	2004 A/B Single Family	5.00	03/20/07	03/20/36	80,068.98	85,139.91			(334.57)		79,734.41	83,936.54	(686.80)	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	195,180.15	207,468.61			(600.84)		194,589.31	204,468.93	(2,196.84)	0.00
GNMA	2004 A/B Single Family	5.00	05/08/07	04/20/37	70,670.46	73,769.11			(325.21)		70,345.25	72,678.13	(765.77)	0.00
GNMA	2004 A/B Single Family	4.49	07/03/07	05/20/37	197,380.91	204,653.06			(861.00)		196,519.91	201,630.21	(2,161.85)	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37	386,961.89	401,219.62			(1,764.92)		385,196.97	395,214.42	(4,240.28)	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	300,657.49	311,796.76			(1,916.58)		298,740.91	306,099.26	(3,780.92)	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	196,955.46	204,253.64			(1,946.63)		195,008.85	199,813.16	(2,493.65)	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	233,977.42	242,648.64			(1,690.38)		232,287.04	238,010.94	(2,947.32)	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	230,265.83	238,799.96			(1,178.27)		229,087.56	234,733.10	(2,888.61)	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	278,385.19	288,689.25			(103,480.00)		174,885.19	179,199.48	(6,009.77)	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	167,210.86	176,675.88			(786.31)		166,424.55	174,032.05	(1,857.50)	0.00
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	333,804.56	346,186.53			(4,475.95)		329,328.63	337,454.63	(4,255.95)	0.00
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	260,943.52	275,717.58			(1,236.46)		259,707.06	271,561.90	(2,899.22)	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	146,267.58	151,429.02			(828.38)		145,439.20	148,854.21	(1,746.43)	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	308,470.88	325,947.29			(1,439.37)		307,031.51	321,081.50	(3,426.42)	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	212,548.90	224,262.88			(1,411.22)		211,137.68	220,473.47	(2,377.99)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	326,303.87	337,829.23			(1,971.49)		324,332.38	331,958.60	(3,899.14)	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	153,599.30	159,027.77			(759.01)		152,840.29	158,437.25	(1,831.51)	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	278,132.22	293,471.56			(1,504.79)		276,627.43	288,869.97	(3,096.80)	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	144,698.53	149,814.09			(860.25)		143,838.26	147,224.87	(1,728.97)	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	71,259.07	75,189.70			(315.73)		70,943.34	74,083.56	(790.41)	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	261,493.13	275,925.06			(1,152.93)		260,340.20	271,872.02	(2,900.11)	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	372,443.38	385,626.32			(1,862.42)		370,580.97	379,322.07	(4,441.83)	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	221,954.71	234,207.07			(1,939.58)		220,015.13	229,763.28	(2,504.21)	0.00
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	301,100.35	317,725.55			(1,452.69)		299,647.66	312,927.84	(3,345.02)	0.00
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	288,519.74	304,454.59			(1,287.95)		287,231.78	299,965.92	(3,200.71)	0.00
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	389,553.44	403,356.98			(2,184.80)		387,368.84	396,520.46	(4,651.72)	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	903,018.63	952,897.75			(4,144.53)		898,874.10	936,730.43	(10,022.79)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	252,249.04	286,184.15			(45,511.69)		206,737.35	215,905.66	(4,766.80)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	120,477.89	124,949.85			(544.97)		119,932.92	123,120.45	(1,284.43)	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	414,131.38	437,011.61			(1,825.20)		412,306.18	430,593.15	(4,593.26)	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	267,719.01	303,480.85			(1,621.69)		286,097.32	298,411.72	(3,447.44)	0.00
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	516,710.71	545,019.93			(2,346.01)		514,362.70	536,504.97	(6,166.95)	0.00
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	900,543.66	949,883.97			(11,684.34)		888,879.32	927,145.62	(11,074.01)	0.00
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36	366,550.31	386,806.72			(1,613.08)		364,937.23	381,129.74	(4,065.90)	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	634,817.93	669,395.00			(115,963.96)		518,653.97	540,987.46	(12,443.58)	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	400,003.48	421,924.96			(1,899.30)		398,304.18	415,456.21	(4,769.47)	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	611,157.24	644,651.96			(3,041.92)		608,115.32	634,304.29	(7,305.75)	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	209,611.16	221,100.31			(887.71)		208,723.45	217,713.38	(2,499.22)	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	296,970.46	313,249.18			(1,293.03)		295,877.43	308,414.10	(3,542.05)	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	294,841.20	305,605.06			(1,403.16)		293,438.04	300,814.77	(3,387.13)	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	273,162.67	288,138.08			(1,425.90)		271,736.77	283,443.59	(3,268.59)	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	237,888.26	250,930.62			(1,909.70)		235,978.58	246,145.87	(2,875.05)	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	319,446.96	336,967.56			(1,371.12)		318,075.84	331,767.01	(3,809.43)	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	253,916.03	267,847.33			(1,217.11)		252,698.92	263,596.68	(3,033.54)	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	74,651.93	77,039.54			(339.06)		74,312.67	75,800.83	(899.55)	0.00
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	185,747.63	195,941.96			(905.70)		184,841.93	192,816.42	(2,219.84)	0.00
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/36	488,265.80	515,070.38			(3,269.83)		484,995.97	505,926.90	(5,873.65)	0.00
FNMA	2004 A/B Single Family	5.00	11/14/06	08/01/36	60,161.81	62,341.30			(256.92)		59,904.89	61,394.23	(690.15)	0.00
FNMA	2004 A/B Single Family	5.00	11/28/06	10/01/36	194,905.03	205,606.55			(799.74)		194,105.29	202,465.73	(2,323.06)	0.00
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36	253,344.22	267,260.25			(1,273.47)		252,070.75	262,957.27	(3,029.51)	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	467,294.42	492,973.97			(1,891.06)		465,403.36	485,514.57	(5,568.34)	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	143,391.14	148,550.78			(1,138.00)		142,253.14	145,763.78	(1,649.00)	0.00
FNMA	2004 A/B Single Family	5.00	04/10/07	03/01/37	57,388.86	60,540.53			(225.61)		57,163.25	59,634.79	(680.13)	0.00
FNMA	2004 A/B Single Family	5.00	05/08/07	02/01/37	70,169.53	74,020.48			(533.91)		69,635.62	72,643.87	(842.70)	0.00
FNMA	2004 A/B Single Family	4.49	05/22/07	04/01/37	227,461.87	234,761.21			(107,889.21)		119,792.66	121,917.62	(5,154.36)	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	07/01/36	82,035.52	84,977.09			(376.95)		81,658.57	83,659.20	(940.94)	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	08/01/37	188,483.92	198,816.53			(956.01)		187,507.91	195,617.86	(2,242.66)	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37	709,289.86	732,017.05			(5,870.27)		703,419.59	715,927.48	(10,219.30)	0.00
	2004 A/B Single Family Total				137,173,432.65	143,827,200.27	16,694,435.08	(4,704,664.68)	(10,316,780.78)	0.00	138,846,422.27	143,657,241.64	(1,842,946.25)	0.00
Repo Agmt	2004 CDEF Single Family	0.11	02/28/10	03/01/10	485.05	485.05	0.05				485.10	485.10	-	0.00
Repo Agmt	2004 CDEF Single Family	0.11	02/26/10	03/01/10	130.44	130.44	0.00				130.44	130.44	-	0.00
Repo Agmt	2004 CDEF Single Family	0.11	02/26/10	03/01/10	28,173.77	28,173.77	7,231,371.20				7,259,544.97	7,259,544.97	-	0.00
Repo Agmt	2004 CDEF Single Family	0.11	02/26/10	03/01/10	0.34	0.34	0.00				0.34	0.34	-	0.00
GIC's	2004 CDEF Single Family				2,397,860.93	2,397,860.93		(2,397,860.93)					-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	22,733.33	23,609.16			(113.30)		22,820.03	23,242.08	(253.78)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	11,841.77	12,298.27			(2,364.78)		9,476.99	9,737.83	(195.66)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	35,447.76	36,616.54			(5,812.78)		29,634.98	30,452.52	(551.24)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	21,030.06	21,842.11			(2,747.69)		18,282.37	18,786.73	(307.69)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	126,186.81	131,055.36			(15,523.78)		110,663.03	113,712.50	(1,819.08)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	41,016.14	42,598.92			(7,842.10)		33,174.04	34,088.38	(688.44)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	26,308.94	27,324.68			(7,630.17)		19,193.99	19,193.99	(500.54)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	23,785.27	24,704.86			(3,368.86)		20,416.41	20,980.60	(355.40)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	28,980.19	30,188.33			(149.65)		28,830.34	29,723.64	(314.84)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,135.17	8,473.95			(2,781.23)		5,353.94	5,519.59	(173.13)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	37,803.65	39,376.25			(5,319.43)		32,484.22	33,489.58	(589.26)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	29,003.87	30,124.52			(2,973.43)		26,030.44	26,749.18	(401.91)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	15,145.16	15,730.43			(77.15)		15,068.01	15,484.13	(169.15)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	22,795.09	23,744.95			(111.60)		22,583.49	23,385.91	(247.44)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	31,496.06	32,809.31			(5,107.23)		26,388.83	27,206.68	(495.40)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	53,887.72	55,872.24			(15,127.11)		38,760.51	39,832.51	(1,012.62)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	31,684.15	32,806.10			(308.34)		31,375.81	32,121.86	(375.90)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	33,761.77	35,059.85			(2,712.06)		31,049.71	31,892.31	(455.48)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	24,578.02	25,449.90			(2,685.89)		21,856.13	22,414.06	(349.95)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	33,602.52	34,794.36			(1,778.44)		31,826.08	32,584.63	(433.29)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	19,016.40	19,690.02			(3,111.88)		15,904.72	16,283.09	(295.25)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	25,588.66	26,495.28			(2,808.75)		22,779.91	23,321.98	(364.55)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	55,913.42	57,895.07			(4,940.50)		50,972.92	52,186.50	(768.07)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	22,155.31	22,940.71			(106.12)		22,049.19	22,574.30	(220.29)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	34,768.55	35,999.20			(196.04)		34,570.51	35,394.05	(409.11)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	38,331.50	39,690.80			(3,538.42)		34,793.08	35,622.16	(530.22)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36	18,438.71	19,092.06			(91.41)		18,345.30	18,783.95	(164.70)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	8,286.04	8,605.72			(39.82)		8,246.42	8,471.28	(94.82)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	18,750.50	19,417.15			(94.20)		18,656.30	19,102.55	(220.40)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	9,023.96	9,372.14			(1,630.18)		7,393.78	7,595.43	(146.53)	0.00
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	13,298.74	13,810.93			(60.73)		13,238.01	13,598.14	(152.06)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	34,244.78	35,460.18			(4,575.20)		29,669.88	30,377.41	(507.57)	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	24,200.15	25,059.24			(113.18)		24,086.97	24,861.83	(284.23)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	30,923.63	32,021.56			(2,751.78)		28,171.85	28,844.33	(425.47)	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	21,594.42	22,381.32			(208.68)		21,385.74	21,896.43	(256.21)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	37,091.76	38,409.43			(8,818.05)		28,273.71	28,949.15	(642.23)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	13,367.83	13,863.51			(160.47)		13,227.38	13,543.45	(159.59)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	28,919.38	30,034.79			(5,605.88)		23,313.70	23,949.19	(479.94)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	21,238.34	21,991.57			(107.18)		21,129.16	21,634.73	(249.66)	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	27,820.83	28,894.82			(2,599.11)		25,221.72	25,910.08	(385.63)	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	32,587.62	33,747.10			(1,427.18)		31,160.46	31,906.59	(413.35)	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	24,125.75	25,057.38			(4,229.09)		19,897.66	20,440.94	(388.35)	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	34,459.68	35,790.79			(194.45)		34,265.23	35,201.22	(395.12)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	18,896.21	17,549.07			(79.50)		16,816.17	17,276.27	(193.30)	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	25,441.27	26,424.44			(122.89)		25,318.36	26,010.38	(291.17)	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	38,997.39	38,315.18			(1,973.39)		35,024.00	35,863.95	(477.84)	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	25,423.96	26,406.90			(115.26)		25,308.70	26,000.87	(290.77)	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	15,823.31	16,435.25			(2,941.65)		12,881.66	13,234.11	(289.49)	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	33,177.22	34,460.43			(195.70)		32,981.52	33,884.07	(380.66)	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	18,904.87	19,578.62			(1,742.21)		17,162.66	17,574.81	(261.80)	0.00
GNMA	2004 CDEF Single Family	4.49	08/23/06	07/20/36	16,244.89	16,673.38			(4,943.98)		11,300.91	11,610.28	(319.12)	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	15,352.17	15,946.37			(88.78)		15,263.39	15,702.02	(175.57)	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	10,938.18	11,361.60			(1,345.28)		9,592.90	9,855.73	(160.59)	0.00
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	9,714.77	10,091.00			(42.98)		9,671.79	9,936.94	(111.08)	0.00
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	19,741.93	20,506.98			(1,514.94)		18,226.99	18,727.12	(284.92)	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	16,103.78	16,728.29			(73.80)		16,029.98	16,470.27	(184.22)	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,639.07	4,819.02			(20.43)		4,618.64	4,745.55	(53.04)	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	5,319.50	5,525.96			(23.42)		5,296.08	5,441.71	(60.83)	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	5,254.02	5,458.13			(2,848.91)		2,405.11	2,471.32	(137.90)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,759.16	2,867.71			(11.88)		2,747.28	2,824.27	(31.58)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,879.30	6,935.85			(28.70)		6,850.50	6,833.56	(73.39)	0.00
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37	4,854.60	5,040.96			(21.21)		4,833.39	4,966.39	(53.36)	0.00
GNMA	2004 CDEF Single Family	4.49	03/20/07	01/20/37	4,754.91	4,937.55			(1,438.44)		3,318.47	3,409.85	(91.26)	0.00
GNMA	2004 CDEF Single Family	4.49	04/24/07	03/20/37	11,188.00	11,618.22			(5,214.18)		5,973.82	6,136.60	(285.44)	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,755.49	5,976.71			(24.70)		5,730.79	5,888.75	(63.26)	0.00
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	8,233.09	8,524.81			(2,760.65)		5,472.44	5,605.03	(159.13)	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37	6,924.89	7,191.47			(29.17)		6,895.72	7,088.20	(76.10)	0.00
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37	5,609.55	5,825.70			(3,085.43)		2,524.12	2,593.94	(146.33)	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/07	09/20/37	5,085.03	5,284.22			(20.74)		5,064.29	5,207.55	(55.93)	0.00
GNMA	2004 CDEF Single Family	4.49	09/25/07	04/20/37	2,468.46	2,564.97			(17.70)		2,450.76	2,519.90	(27.37)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	12/11/07	08/20/37	2,969.66	3,086.03			(12.18)		2,957.48	3,041.19	(32.66)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	8,591.68	8,930.62			(4,234.88)		4,356.80	4,477.16	(218.58)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	2,595.95	2,890.08			(10.35)		2,585.60	2,648.15	(31.58)	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	03/20/38	7,903.71	8,216.05			(31.70)		7,872.01	8,090.00	(94.35)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	3,367.44	3,487.42			(16.32)		3,351.12	3,430.93	(40.17)	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	2,446.52	2,533.73			(14.82)		2,431.70	2,489.66	(29.25)	0.00
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	4,168.38	4,316.98			(34.42)		4,133.96	4,232.50	(50.06)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	7,280.66	7,519.63			(36.17)		7,224.51	7,396.82	(86.64)	0.00
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/38	4,191.22	4,325.88			(277.79)		3,913.43	3,992.34	(55.75)	0.00
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/38	5,140.91	5,306.06			(24.56)		5,116.35	5,219.50	(62.00)	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	7,973.08	8,229.36			(55.94)		7,917.14	8,076.91	(96.51)	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,617.02	5,797.63			(25.77)		5,591.25	5,704.12	(67.74)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	7,913.08	8,167.59			(37.43)		7,875.65	8,034.73	(95.43)	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	8,147.32	8,345.01			(34.15)		8,113.17	8,236.63	(74.23)	0.00
FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	5,829.18	6,018.76			(27.09)		5,802.09	5,919.38	(70.29)	0.00
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	3,525.41	3,638.91			(16.04)		3,509.37	3,580.36	(42.51)	0.00
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,397.78	7,635.95			(34.37)		7,363.41	7,512.39	(89.19)	0.00
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	8,745.37	9,026.99			(2,121.45)		6,623.92	6,757.97	(147.57)	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	10,181.97	10,509.90			(2,896.51)		7,485.46	7,636.96	(176.43)	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	4,429.33	4,572.00			(19.96)		4,409.37	4,498.63	(53.41)	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	5,900.12	6,090.27			(26.77)		5,873.35	5,992.36	(71.14)	0.00
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	5,387.72	5,561.41			(1,017.19)		4,370.53	4,459.13	(85.09)	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	8,376.30	8,646.49			(37.37)		8,338.93	8,508.13	(100.99)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	5,728.14	5,912.93			(29.86)		5,698.28	5,813.63	(69.14)	0.00
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36	6,595.03	6,807.62			(41.96)		6,553.07	6,686.09	(79.77)	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36	1,139.23	1,176.03			(8.91)		1,130.32	1,153.31	(13.81)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,232.74	1,272.46			(5.55)		1,227.19	1,249.23	(17.70)	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,455.63	3,567.05			(15.21)		3,440.42	3,502.27	(49.57)	0.00
FNMA	2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,681.26	4,811.63			(20.42)		4,640.84	4,724.33	(66.86)	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	7,920.13	8,175.76			(33.83)		7,886.30	8,026.31	(113.82)	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,801.73	4,956.76			(20.43)		4,781.30	4,867.48	(88.87)	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	5,646.01	5,828.34			(23.96)		5,622.05	5,723.39	(90.99)	0.00
FNMA	2004 CDEF Single Family	4.49	07/03/07	08/01/37	14,722.12	15,197.75			(62.67)		14,659.45	14,923.91	(211.17)	0.00
FNMA	2004 CDEF Single Family	4.49	09/25/07	09/01/37	7,695.24	7,982.06			(31.89)		7,663.35	7,838.79	(111.38)	0.00
FNMA	2004 CDEF Single Family	4.49	11/08/07	09/01/37	7,546.07	7,864.03			(35.39)		7,510.68	7,720.43	(108.21)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/07	09/01/37	3,098.69	3,229.32			(12.69)		3,086.00	3,172.26	(44.37)	0.00
FNMA	2004 CDEF Single Family	4.49	12/11/07	11/01/37	6,920.71	7,212.63			(33.45)		6,887.28	7,079.91	(99.27)	0.00
FNMA	2004 CDEF Single Family	4.49	03/26/08	02/01/38	12,954.07	13,502.25			(74.23)		12,879.84	13,241.73	(186.29)	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	08/01/24	139,345.54	151,632.56			(2,203.45)		137,142.09	147,688.74	(1,760.37)	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	147,467.70	164,589.97			(1,986.68)		145,481.02	161,751.27	(852.02)	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	295,347.01	330,148.24			(4,576.66)		290,770.35	323,737.79	(1,833.79)	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	87,374.22	98,053.72			(847.98)		86,526.23	96,508.97	(696.76)	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	63,130.85	70,717.72			(605.90)		62,524.95	69,772.59	(339.23)	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	20,483.52	23,186.29			(411.67)		20,071.85	22,552.50	(222.12)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,166,610.83	1,256,909.33			(47,541.37)		1,121,069.46	1,210,028.52	(660.56)	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	927,745.93	1,029,817.16			(13,918.39)		913,827.54	1,018,853.55	(2,954.78)	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	575,513.29	640,062.96			(53,628.06)		521,885.23	582,567.36	(3,767.54)	0.00
GNMA	2004 CDEF Single Family	7.06	09/17/94	08/20/24	164,422.73	165,016.31			(50,277.32)		114,145.41	127,496.85	(7,242.14)	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	223,474.77	240,510.37			(3,031.69)		220,443.08	238,082.18	(603.50)	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	466,053.72	518,654.57			(5,204.70)		460,849.02	514,843.62	(1,393.75)	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	117,616.76	130,648.81			(1,145.95)		116,470.81	129,945.41	(442.55)	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	65,859.31	74,118.72			(1,759.77)		64,099.54	71,607.42	(751.53)	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	69,348.37	76,281.62			(659.01)		68,689.36	76,724.59	(898.02)	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	30,922.74	34,866.28			(263.14)		30,659.60	34,209.69	(393.43)	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	43,970.58	49,663.72			(404.56)		43,566.02	48,690.38	(568.78)	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	1,893,715.29	1,968,327.73			(99,317.42)		1,794,397.87	1,843,422.07	(23,588.24)	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	4,955,866.15	5,146,012.84			(314,376.80)		4,641,489.35	4,768,408.76	(63,227.28)	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	1,698,543.77	1,763,725.97			(9,500.68)		1,689,043.09	1,735,239.74	(18,985.55)	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	244,325.28	254,438.78			(1,215.22)		243,110.06	250,571.82	(2,651.74)	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,130,303.88	2,212,093.00			(396,251.90)		1,734,051.98	1,781,512.02	(34,329.08)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	772,878.94	802,557.10			(3,832.80)		789,046.14	790,099.32	(8,624.98)	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	251,854.77	262,287.69			(1,226.47)		250,626.80	256,326.58	(2,732.84)	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,459,764.76	1,515,638.82			(7,966.52)		1,451,798.24	1,491,660.25	(18,312.05)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	689,618.80	716,116.93			(210,326.41)		479,292.19	492,424.56	(13,365.96)	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	215,425.99	224,355.46			(1,039.98)		214,386.01	220,977.98	(2,337.54)	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	177,957.61	185,335.14			(1,044.09)		176,913.52	182,354.55	(1,936.50)	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	1,188,894.35	1,238,256.99			(345,892.08)		843,002.27	868,980.84	(23,384.07)	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	790,354.89	820,738.72			(4,116.67)		786,238.02	807,796.11	(8,625.94)	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,028,751.81	1,068,312.52			(127,656.13)		901,095.68	925,813.35	(14,843.04)	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/05	09/20/35	404,965.50	421,804.72			(2,008.08)		402,957.42	415,400.43	(4,396.21)	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	206,385.58	214,969.00			(1,034.26)		205,351.32	211,893.69	(2,241.05)	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	391,807.63	406,921.87			(1,869.78)		389,937.85	400,680.23	(4,371.86)	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	420,713.28	436,913.47			(110,571.90)		310,141.38	318,664.22	(7,677.35)	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	933,326.78	972,092.18			(128,249.42)		805,079.36	829,900.18	(13,942.58)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	472,194.89	491,809.27			(2,360.64)		469,834.25	484,322.31	(5,126.32)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	2,951,014.38	3,064,700.02			(261,034.50)		2,689,979.88	2,763,952.00	(38,713.52)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	927,088.73	962,809.99			(111,465.52)		815,623.31	836,057.34	(8,648.43)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	306,208.25	318,006.62			(1,467.43)		304,740.82	313,122.83	(3,416.36)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	583,473.32	585,194.90			(3,088.67)		560,384.65	575,808.12	(8,298.11)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	775,068.22	804,996.26			(3,884.89)		771,383.33	792,662.94	(6,648.43)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	325,544.35	338,114.73			(1,805.03)		323,739.32	332,670.10	(3,639.60)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	373,161.93	388,686.16			(2,431.25)		370,730.68	382,165.88	(4,069.03)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	387,323.00	403,440.84			(1,855.39)		385,467.61	397,382.59	(4,202.86)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	1,043,245.44	1,086,672.73			(151,636.56)		891,406.88	918,973.88	(15,862.29)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	962,293.44	999,493.30			(75,777.57)		886,515.87	911,011.14	(12,704.59)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	806,408.85	829,858.10			(142,262.94)		464,145.91	476,976.01	(10,619.15)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	740,164.78	768,753.60			(126,305.06)		613,859.72	630,600.85	(11,547.69)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	1,000,011.02	1,038,636.50			(4,755.46)		995,255.58	1,022,724.39	(11,158.85)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	630,096.51	654,441.89			(178,326.13)		453,770.38	466,299.51	(11,816.25)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	527,096.72	547,465.22			(2,556.51)		524,540.21	539,025.59	(5,883.12)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	638,147.00	662,810.79			(3,020.05)		635,128.95	652,670.81	(7,119.93)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	686,783.15	713,344.64			(3,253.78)		683,529.37	702,427.92	(7,682.94)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	696,252.17	723,185.05			(275,165.63)		421,066.54	432,711.05	(15,286.37)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	302,994.26	313,723.39			(1,450.74)		301,543.52	308,713.54	(3,559.11)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	506,831.01	524,781.76			(113,512.76)		393,318.25	402,672.88	(8,596.12)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	707,092.61	734,319.69			(3,298.81)		703,793.80	722,933.65	(8,087.23)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	423,022.39	439,308.48			(2,243.84)		420,778.55	432,218.67	(4,845.97)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	318,145.51	329,415.46			(1,495.78)		316,649.73	324,183.18	(3,736.50)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	677,942.52	701,982.85			(3,890.08)		674,052.44	690,093.07	(7,979.70)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	967,073.62	1,001,344.29			(239,239.61)		727,834.01	745,159.03	(16,945.65)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,165,455.30	1,206,789.54			(7,180.81)		1,158,274.49	1,165,858.70	(13,730.03)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	289,847.23	300,123.85			(2,325.74)		287,521.49	294,370.87	(3,427.24)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	302,577.88	314,224.72			(1,614.01)		300,963.87	309,144.60	(3,466.11)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	813,664.95	842,569.44			(3,739.90)		809,925.05	829,292.94	(9,556.60)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	146,691.44	152,351.12			(682.87)		146,008.57	149,990.21	(1,878.04)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	238,910.69	248,128.40			(1,129.42)		237,781.27	244,285.56	(2,733.42)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	471,526.33	489,691.17			(2,167.75)		469,356.58	482,130.89	(5,392.73)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	196,416.95	203,986.30			(1,060.94)		195,356.01	200,674.64	(2,250.72)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	191,682.69	199,073.22			(887.46)		190,795.43	195,993.27	(2,192.49)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	557,808.03	579,317.62			(104,401.46)		453,406.57	485,762.00	(9,154.36)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	570,338.72	592,338.46			(2,588.72)		567,750.00	583,225.44	(6,522.32)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	101,084.27	104,985.39			(2,262.41)		98,821.86	101,517.75	(1,205.23)	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	616,912.66	640,928.30			(2,768.02)		616,124.64	630,870.83	(7,287.45)	0.00
GNMA	2004 CDEF Single Family	4.49	08/08/06	05/20/36	187,749.01	194,997.32			(862.97)		186,886.04	191,986.87	(2,147.48)	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	08/20/36	105,675.97	109,756.64			(476.28)		105,197.71	108,070.16	(1,208.42)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	107,122.34	111,261.32			(477.04)		106,645.30	109,559.37	(1,224.91)	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	353,219.78	366,869.66			(79,251.28)		273,968.50	281,456.38	(6,162.00)	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	369,720.80	384,010.67			(1,892.83)		368,027.97	376,088.90	(4,228.94)	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	206,434.83	214,418.01			(1,195.37)		205,239.46	210,852.51	(2,368.13)	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	07/20/36	682,835.34	709,036.01			(3,311.02)		679,324.32	697,911.51	(7,913.48)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	08/16/06	06/20/36	195,781.89	203,354.07			(926.58)		194,855.10	200,167.19	(2,240.30)	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	669,943.21	695,874.09			(3,783.21)		666,160.00	684,407.73	(7,683.15)	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	103,404.26	107,407.61			(460.00)		102,944.26	105,765.11	(1,182.50)	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	964,164.89	998,591.50			(4,362.35)		959,802.34	982,905.14	(11,324.01)	0.00
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	858,594.97	891,881.89			(4,394.38)		854,200.61	877,652.44	(9,836.09)	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	403,243.94	418,881.98			(1,827.12)		401,416.82	412,442.59	(4,612.27)	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	383,475.56	398,351.00			(1,733.74)		381,741.82	392,231.14	(4,386.12)	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	500,856.36	520,081.04			(2,198.15)		498,660.21	512,159.76	(5,725.13)	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	536,505.93	557,328.84			(2,339.18)		534,168.75	548,854.87	(6,134.79)	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	520,842.06	541,066.33			(2,254.71)		516,587.35	532,856.77	(5,954.85)	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	387,208.33	402,248.89			(1,683.23)		385,525.10	396,137.99	(4,427.67)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	225,347.65	234,105.69			(1,001.88)		224,345.79	230,526.33	(2,577.50)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	64,890.78	67,419.66			(258.96)		64,631.82	66,386.96	(773.74)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	121,597.54	126,336.35			(549.44)		121,048.10	124,335.27	(1,451.64)	0.00
GNMA	2004 CDEF Single Family	4.49	02/19/08	02/20/38	165,627.99	172,084.11			(733.93)		164,894.06	169,373.29	(1,976.89)	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	12/20/37	453,718.92	471,332.83			(135,521.96)		318,196.96	327,089.15	(8,721.72)	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	164,355.35	170,195.05			(2,151.51)		182,203.84	166,051.01	(1,992.53)	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	198,769.74	205,836.98			(1,159.80)		197,610.14	202,301.96	(2,375.42)	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	59,943.11	82,258.67			(4,647.87)		55,295.24	56,777.99	(832.61)	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	292,340.82	302,762.63			(1,788.58)		290,552.24	297,477.64	(3,496.81)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	150,382.42	155,745.51			(1,153.74)		149,228.68	152,787.58	(1,804.19)	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	107,022.33	110,839.19			(504.42)		106,517.91	109,058.33	(1,276.44)	0.00
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	149,758.93	155,101.81			(959.79)		148,799.14	152,349.80	(1,792.22)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	244,307.37	252,183.90			(1,210.36)		243,098.99	248,006.08	(2,947.44)	0.00
FNMA	2004 CDEF Single Family	4.49	05/25/06	04/01/36	199,135.54	205,542.31			(1,247.58)		197,887.96	201,886.74	(2,407.99)	0.00
FNMA	2004 CDEF Single Family	4.49	07/06/06	05/01/36	124,382.88	128,366.32			(574.18)		123,788.70	126,292.54	(1,499.60)	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	219,683.86	226,759.25			(4,328.14)		215,355.72	219,714.75	(2,716.36)	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/38	282,993.17	292,112.85			(1,642.57)		281,350.60	287,050.92	(3,419.36)	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/38	370,574.64	382,522.48			(1,850.45)		368,724.19	376,404.09	(4,467.92)	0.00
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36	74,175.19	76,589.39			(411.25)		73,763.94	75,262.21	(695.93)	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	150,789.34	155,628.92			(655.57)		150,113.77	152,810.65	(2,162.70)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/08	01/01/38	460,024.99	477,209.00			(1,905.82)		458,119.37	468,768.94	(6,534.44)	0.00
Repo Agmt	2004 CDEF Single Family	0.11	02/26/10	03/01/10	518,446.69	516,446.69	105,269.91				621,716.60	621,716.60	-	0.00
GNMA	2004 CDEF Single Family	5.38	08/07/07	07/20/37	9,312.78	10,033.92			(3,356.75)		5,956.03	6,364.00	(313.17)	0.00
GNMA	2004 CDEF Single Family	5.63	08/07/07	08/20/37	23,534.65	25,365.58			(1,876.84)		21,657.81	23,268.81	(221.93)	0.00
GNMA	2004 CDEF Single Family	5.63	11/21/07	10/20/37	1,428.89	1,538.07			(6.35)		1,420.54	1,526.24	(5.48)	0.00
GNMA	2004 CDEF Single Family	5.38	11/21/07	10/20/37	13,270.69	14,300.02			(3,269.03)		10,001.66	10,688.06	(342.93)	0.00
GNMA	2004 CDEF Single Family	5.38	09/25/07	09/20/37	35,461.91	38,210.18			(11,817.82)		23,644.09	25,265.23	(1,127.13)	0.00
GNMA	2004 CDEF Single Family	5.13	09/25/07	09/20/37	22,806.75	24,413.26			(2,191.81)		20,614.94	21,904.14	(317.31)	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	08/20/37	6,141.12	8,819.22			(25.93)		6,115.19	6,589.84	(23.45)	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	09/20/37	2,744.57	2,958.23			(16.59)		2,727.98	2,930.78	(10.86)	0.00
GNMA	2004 CDEF Single Family	5.38	10/09/07	09/20/37	22,422.26	24,160.32			(82.59)		22,339.67	23,671.71	(206.02)	0.00
GNMA	2004 CDEF Single Family	5.63	10/09/07	06/20/37	2,060.78	2,221.21			(7.01)		2,053.75	2,206.45	(7.75)	0.00
GNMA	2004 CDEF Single Family	5.13	10/09/07	09/20/37	8,502.04	9,101.06			(31.99)		8,470.05	8,999.89	(69.18)	0.00
GNMA	2004 CDEF Single Family	5.38	08/23/07	08/20/37	16,257.21	17,516.49			(2,955.43)		13,301.78	14,213.28	(347.78)	0.00
GNMA	2004 CDEF Single Family	5.13	08/23/07	07/20/37	20,835.28	22,302.01			(3,348.45)		17,486.83	18,579.64	(373.92)	0.00
GNMA	2004 CDEF Single Family	5.36	09/11/07	09/20/37	12,748.39	13,736.18			(45.29)		12,703.10	13,573.88	(117.01)	0.00
GNMA	2004 CDEF Single Family	5.83	09/11/07	08/20/37	11,388.53	12,274.96			(39.75)		11,348.78	12,192.35	(42.86)	0.00
GNMA	2004 CDEF Single Family	5.13	09/11/07	08/20/37	9,368.37	10,010.51			(35.12)		9,333.25	9,899.13	(76.26)	0.00
GNMA	2004 CDEF Single Family	5.38	11/29/07	11/20/37	15,341.38	16,531.51			(3,524.32)		11,817.06	12,628.19	(379.00)	0.00
GNMA	2004 CDEF Single Family	5.13	12/11/07	11/20/37	9,041.10	9,661.79			(3,168.98)		5,872.12	6,228.80	(264.01)	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	12,578.27	13,553.56			(3,019.55)		9,558.72	10,214.48	(319.53)	0.00
GNMA	2004 CDEF Single Family	5.13	10/25/07	10/20/37	22,466.22	24,028.68			(92.14)		22,394.08	23,753.01	(183.53)	0.00
GNMA	2004 CDEF Single Family	5.63	10/25/07	09/20/36	3,561.28	3,842.55			(17.02)		3,544.26	3,614.55	(10.98)	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	17,853.24	19,237.51			(3,019.31)		14,833.93	15,851.55	(366.65)	0.00
GNMA	2004 CDEF Single Family	5.38	11/08/07	10/20/37	20,491.51	22,080.63			(5,525.80)		14,965.71	15,992.58	(562.25)	0.00
GNMA	2004 CDEF Single Family	5.13	11/08/07	10/20/37	8,165.53	8,741.11			(29.63)		8,135.90	8,645.08	(66.40)	0.00
GNMA	2004 CDEF Single Family	5.63	01/16/08	12/20/37	1,373.26	1,480.36			(4.49)		1,368.77	1,470.71	(5.16)	0.00
GNMA	2004 CDEF Single Family	5.38	12/29/07	11/20/37	5,835.62	6,288.51			(20.16)		5,815.46	6,214.81	(53.54)	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	1,436.97	1,549.00			(4.81)		1,432.16	1,538.79	(5.40)	0.00

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GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	19,934.38	21,486.58			(5,456.79)		14,477.59	15,555.59	(476.20)	0.00
GNMA	2004 CDEF Single Family	5.38	12/11/07	11/20/37	16,672.05	20,120.82			(65.12)		18,606.93	19,884.36	(171.34)	0.00
GNMA	2004 CDEF Single Family	5.38	12/20/07	11/20/37	1,629.40	1,755.85			(5.71)		1,623.69	1,735.19	(14.95)	0.00
GNMA	2004 CDEF Single Family	5.13	12/20/07	12/20/37	1,845.32	1,761.39			(5.89)		1,639.43	1,742.12	(13.38)	0.00
GNMA	2004 CDEF Single Family	5.38	01/16/08	12/20/37	3,111.44	3,353.01			(15.82)		3,095.62	3,306.30	(26.99)	0.00
GNMA	2004 CDEF Single Family	5.38	01/30/08	12/20/37	1,927.54	2,077.22			(6.66)		1,920.88	2,052.88	(17.68)	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	12/20/37	6,469.29	6,973.92			(23.49)		6,445.80	6,926.00	(24.43)	0.00
GNMA	2004 CDEF Single Family	5.38	02/13/08	12/20/37	3,267.30	3,521.01			(20.85)		3,246.45	3,469.53	(30.63)	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	01/20/38	1,426.41	1,534.77			(4.65)		1,421.76	1,526.85	(34.47)	0.00
GNMA	2004 CDEF Single Family				2,753.80	2,967.62			(2,753.80)				(213.82)	0.00
GNMA	2004 CDEF Single Family	5.63	02/13/08	01/20/38	4,111.53	4,423.91			(13.63)		4,097.90	4,400.26	(10.02)	0.00
GNMA	2004 CDEF Single Family	5.38	02/19/08	12/20/37	2,914.96	3,141.36			(21.93)		2,893.03	3,091.88	(27.55)	0.00
GNMA	2004 CDEF Single Family	5.63	02/19/08	01/20/38	4,680.47	5,036.11			(16.34)		4,664.13	5,008.31	(11.48)	0.00
GNMA	2004 CDEF Single Family	5.13	02/27/08	02/20/38	3,777.16	4,030.65			(13.67)		3,763.49	3,991.65	(25.33)	0.00
GNMA	2004 CDEF Single Family	5.38	02/27/08	02/20/38	5,950.45	6,391.20			(21.36)		5,929.09	6,321.18	(48.66)	0.00
GNMA	2004 CDEF Single Family	5.38	03/20/08	02/20/38	5,942.24	8,394.68			(21.55)		5,920.69	6,324.27	(48.66)	0.00
GNMA	2004 CDEF Single Family	5.63	03/20/08	02/20/38	2,381.84	2,562.90			(7.71)		2,374.13	2,549.41	(5.78)	0.00
GNMA	2004 CDEF Single Family	5.13	03/20/08	10/20/37	2,187.04	2,341.52			(7.93)		2,179.11	2,315.80	(17.79)	0.00
GNMA	2004 CDEF Single Family	5.38	03/27/08	03/20/38	6,919.66	7,446.80			(26.67)		6,893.19	7,363.14	(56.99)	0.00
FNMA	2004 CDEF Single Family	5.63	07/03/07	07/01/37	11,293.39	12,051.20			(4,264.41)		7,028.98	7,457.95	(328.84)	0.00
FNMA	2004 CDEF Single Family	5.38	08/07/07	07/01/37	40,406.98	43,277.50			(232.72)		40,174.26	42,583.56	(461.22)	0.00
FNMA	2004 CDEF Single Family	5.63	08/07/07	07/01/37	10,021.24	10,793.23			(4,044.29)		5,976.95	6,371.04	(377.90)	0.00
FNMA	2004 CDEF Single Family	5.13	08/07/07	08/01/37	35,776.90	38,055.03			(156.84)		35,620.28	37,476.86	(421.53)	0.00
FNMA	2004 CDEF Single Family	5.13	08/29/07	08/01/37	14,055.32	14,950.57			(2,809.00)		11,246.32	11,832.72	(308.85)	0.00
FNMA	2004 CDEF Single Family	5.36	08/23/07	07/01/37	13,528.24	14,489.51			(75.28)		13,452.96	14,259.94	(154.29)	0.00
FNMA	2004 CDEF Single Family	5.38	09/11/07	08/01/37	14,534.34	15,567.38			(59.46)		14,474.86	15,343.45	(164.45)	0.00
FNMA	2004 CDEF Single Family	5.13	09/11/07	09/01/37	3,600.57	3,829.95			(16.93)		3,583.64	3,770.54	(42.48)	0.00
FNMA	2004 CDEF Single Family	5.63	09/11/07	08/01/37	5,845.39	6,295.91			(20.40)		5,624.99	6,209.27	(66.24)	0.00
FNMA	2004 CDEF Single Family	5.38	09/25/07	09/01/37	36,379.93	38,966.16			(159.97)		36,219.96	38,393.87	(412.32)	0.00
FNMA	2004 CDEF Single Family	5.63	09/25/07	07/01/37	3,620.98	3,900.09			(13.21)		3,607.77	3,845.81	(41.07)	0.00
FNMA	2004 CDEF Single Family	5.13	09/25/07	09/01/37	19,621.63	20,871.89			(82.98)		19,538.65	20,557.98	(231.03)	0.00
FNMA	2004 CDEF Single Family	5.36	10/09/07	08/01/37	6,782.23	7,310.66			(27.04)		6,755.19	7,197.52	(88.10)	0.00
FNMA	2004 CDEF Single Family	5.13	10/09/07	09/01/37	9,746.03	10,445.00			(36.00)		9,710.03	10,283.05	(125.95)	0.00
FNMA	2004 CDEF Single Family	5.63	10/09/07	09/01/37	5,664.87	6,124.95			(19.43)		5,645.44	6,034.27	(71.25)	0.00
FNMA	2004 CDEF Single Family	5.38	10/25/07	10/01/37	35,584.40	38,357.62			(1,972.53)		33,611.87	35,813.43	(571.66)	0.00
FNMA	2004 CDEF Single Family	5.13	10/25/07	10/01/37	19,465.59	20,861.95			(2,060.82)		17,404.77	18,432.15	(368.98)	0.00
FNMA	2004 CDEF Single Family	5.36	11/08/07	09/01/37	13,800.51	14,878.22			(70.43)		13,730.08	14,629.58	(176.21)	0.00
FNMA	2004 CDEF Single Family	5.13	11/08/07	10/01/37	5,994.82	6,424.93			(28.55)		5,966.27	6,318.52	(77.86)	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	10/01/37	8,899.29	9,593.05			(33.34)		8,865.95	9,446.87	(112.94)	0.00
FNMA	2004 CDEF Single Family	5.13	11/21/07	09/01/37	7,957.82	8,526.87			(30.19)		7,927.63	8,395.78	(102.90)	0.00
FNMA	2004 CDEF Single Family	5.36	11/21/07	11/01/37	11,590.82	12,494.43			(42.27)		11,548.55	12,305.28	(146.86)	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	10/01/37	22,503.01	24,257.72			(88.78)		22,414.23	23,883.31	(285.63)	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	11/01/37	11,488.05	12,312.67			(2,773.88)		8,714.19	9,228.96	(309.85)	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	11/01/37	6,354.29	6,849.80			(42.90)		6,311.39	6,725.08	(81.82)	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	12/01/37	8,032.69	8,609.27			(37.46)		7,995.23	8,487.54	(104.27)	0.00
FNMA	2004 CDEF Single Family	5.13	12/20/07	11/01/37	7,117.69	7,628.69			(27.12)		7,090.57	7,509.53	(92.04)	0.00
FNMA	2004 CDEF Single Family	5.38	12/20/07	10/01/37	1,583.62	1,707.14			(6.73)		1,576.89	1,680.27	(20.14)	0.00
FNMA	2004 CDEF Single Family	5.63	12/28/07	10/01/37	26,429.70	26,578.25			(94.98)		26,334.72	28,150.47	(332.80)	0.00
FNMA	2004 CDEF Single Family	5.13	01/16/08	12/01/37	6,824.33	7,314.41			(24.82)		6,799.51	7,201.43	(88.16)	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	3,758.69	4,028.65			(19.73)		3,738.96	3,950.01	(48.91)	0.00
FNMA	2004 CDEF Single Family	5.38	01/30/08	11/01/37	1,404.15	1,513.72			(4.86)		1,399.29	1,491.07	(17.79)	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	5,156.26	5,526.62			(20.12)		5,136.14	5,439.80	(66.70)	0.00
FNMA	2004 CDEF Single Family	5.13	02/13/08	01/01/38	2,286.78	2,447.17			(8.18)		2,278.60	2,414.63	(24.38)	0.00
FNMA	2004 CDEF Single Family	5.38	02/13/08	01/01/38	8,983.58	9,671.29			(30.86)		8,952.72	9,543.73	(96.70)	0.00
FNMA	2004 CDEF Single Family	5.63	02/19/08	04/01/37	3,339.16	3,610.74			(20.18)		3,318.98	3,547.95	(42.61)	0.00
FNMA	2004 CDEF Single Family	5.38	02/19/08	12/01/37	4,547.09	4,901.96			(17.82)		4,529.27	4,826.44	(57.70)	0.00
FNMA	2004 CDEF Single Family	5.13	02/19/08	01/01/38	5,025.10	5,377.57			(29.12)		4,995.98	5,294.28	(54.17)	0.00
FNMA	2004 CDEF Single Family	5.13	02/27/08	02/01/38	3,803.89	4,070.74			(13.60)		3,790.29	4,016.62	(40.52)	0.00
FNMA	2004 CDEF Single Family	5.38	03/20/08	11/01/37	5,576.84	6,012.25			(20.74)		5,556.10	5,920.78	(70.73)	0.00
2004 CDEF Single Family Total					66,129,379.09	68,670,606.78	7,336,641.16	(2,397,860.93)	(4,331,203.54)	0.00	66,736,956.78	68,692,561.01	(785,624.46)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
Repo Agmt	2005 BCD Single Family	0.11	02/26/10	03/01/10	3,999.61	3,999.61	0.93				4,000.54	4,000.54	-	0.00
Repo Agmt	2005 BCD Single Family	0.11	02/26/10	03/01/10	40,852.98	40,852.98	323,104.03				363,957.01	363,957.01	-	0.00
Repo Agmt	2005 BCD Single Family	0.11	02/26/10	03/01/10	810,284.49	810,284.49	1,301,716.81				2,112,001.30	2,112,001.30	-	0.00
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	13,062.46	13,999.31			(2,220.79)		11,841.67	11,541.05	(237.47)	0.00
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	6,013.46	6,479.32			(2,050.04)		3,963.42	4,237.54	(191.74)	0.00
GNMA	2005 BCD Single Family	5.63	08/16/06	08/20/36	5,081.54	5,477.91			(21.20)		5,060.34	5,441.36	(15.35)	0.00
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	13,437.79	14,478.97			(1,068.66)		12,369.13	13,224.76	(185.55)	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	20,212.15	21,524.10			(91.41)		20,120.74	21,381.20	(151.49)	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	50,437.27	54,345.85			(7,784.15)		42,653.12	45,604.17	(957.53)	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	19,999.23	21,529.53			(1,348.26)		18,650.97	20,027.59	(153.68)	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	39,246.09	42,062.26			(3,858.60)		35,387.49	37,671.57	(532.09)	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	22,523.37	24,269.00			(2,951.76)		19,571.61	20,925.89	(391.35)	0.00
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	26,005.13	29,984.95			(2,415.68)		25,589.45	27,214.36	(354.91)	0.00
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	4,614.85	4,974.99			(41.52)		4,573.33	4,917.83	(15.64)	0.00
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	43,728.26	47,117.72			(2,766.95)		40,959.31	43,793.94	(554.83)	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	77,587.28	82,927.01			(310.36)		77,276.92	82,039.37	(577.28)	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	7,434.88	8,014.94			(28.86)		7,405.82	7,963.78	(22.30)	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	27,986.11	29,964.95			(5,782.33)		22,203.78	23,614.01	(568.61)	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	29,813.07	32,124.14			(2,298.54)		27,514.53	29,418.86	(406.74)	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	65,040.60	70,033.28			(14,594.21)		50,446.39	53,938.51	(1,550.56)	0.00
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	27,548.58	29,657.78			(1,288.26)		26,260.32	28,199.74	(163.76)	0.00
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	63,500.93	67,872.43			(7,244.29)		56,256.64	59,724.67	(903.47)	0.00
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	46,976.60	50,621.46			(3,012.01)		43,964.59	47,010.69	(598.76)	0.00
GNMA	2005 BCD Single Family	5.13	10/17/08	10/20/36	57,839.87	61,931.04			(2,102.45)		49,719.42	52,876.52	(932.07)	0.00
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	32,580.37	35,124.46			(2,590.84)		29,989.53	32,250.05	(263.57)	0.00
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	49,647.35	53,497.54			(2,155.97)		47,491.38	50,779.85	(561.72)	0.00
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	57,190.64	61,236.53			(10,414.86)		46,775.98	49,746.35	(1,073.32)	0.00
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	38,775.39	41,782.92			(154.93)		38,620.46	41,295.19	(332.80)	0.00
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	39,728.61	42,538.36			(6,239.51)		33,489.10	35,617.44	(682.41)	0.00
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	27,792.92	29,963.86			(7,555.00)		20,237.92	21,763.88	(844.98)	0.00
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	28,304.81	28,345.32			(2,598.16)		23,706.65	25,348.71	(398.45)	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	42,098.03	45,077.12			(2,462.32)		39,635.71	42,134.09	(460.71)	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	50,404.94	54,315.50			(6,503.36)		43,901.58	46,942.93	(869.21)	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	12,057.87	12,981.52			(4,263.74)		7,774.13	6,348.58	(349.20)	0.00
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	26,982.83	28,892.43			(2,831.88)		24,150.95	25,686.40	(374.15)	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	42,090.76	45,356.60			(3,108.38)		38,962.38	41,683.19	(565.03)	0.00
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	5,730.49	6,178.21			(20.62)		5,709.67	6,140.50	(17.09)	0.00
GNMA	2005 BCD Single Family	5.13	11/28/06	11/20/36	6,328.85	8,918.34			(2,249.17)		6,079.68	6,468.24	(202.93)	0.00
GNMA	2005 BCD Single Family	5.38	12/12/06	12/20/36	33,141.89	35,717.21			(6,561.36)		26,580.53	28,425.15	(730.70)	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	23,300.10	25,120.81			(3,475.66)		19,824.42	21,319.82	(325.31)	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	46,015.79	49,273.39			(5,031.57)		40,984.22	43,590.70	(651.12)	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	70,743.98	76,235.28			(10,155.04)		60,588.94	64,788.69	(1,291.55)	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	14,598.85	15,717.72			(3,392.83)		11,206.02	12,034.48	(290.41)	0.00
GNMA	2005 BCD Single Family	5.13	12/27/08	12/20/36	44,431.41	47,577.68			(6,994.40)		37,437.01	39,818.65	(764.63)	0.00
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36	43,444.94	46,817.87			(7,259.63)		36,185.31	38,694.00	(864.24)	0.00
GNMA	2005 BCD Single Family	5.63	01/09/07	12/20/36	17,107.66	18,419.09			(1,207.53)		15,029.13	16,140.50	(200.08)	0.00
GNMA	2005 BCD Single Family	5.13	01/09/07	01/20/37	24,539.47	26,248.59			(2,591.90)		21,947.57	23,302.97	(353.72)	0.00
GNMA	2005 BCD Single Family	5.38	01/16/07	12/20/36	25,566.36	27,551.41			(2,368.75)		23,177.61	24,784.66	(378.00)	0.00
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37	16,019.20	17,253.66			(62.81)		15,956.39	17,130.19	(60.68)	0.00
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37	46,803.71	50,064.46			(2,482.12)		44,321.59	47,059.58	(522.76)	0.00
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37	27,421.13	29,524.94			(116.63)		27,304.50	29,153.55	(252.76)	0.00
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37	7,508.60	8,087.34			(27.13)		7,481.47	8,031.94	(28.27)	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	40,110.20	43,188.12			(11,520.42)		28,589.78	30,526.52	(1,139.16)	0.00
GNMA	2005 BCD Single Family	5.13	02/13/07	01/20/37	39,413.26	42,159.68			(11,223.20)		28,190.06	29,931.91	(1,004.57)	0.00
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37	5,522.35	5,948.05			(19.59)		5,502.76	5,907.71	(20.75)	0.00
FNMA	2005 BCD Single Family	5.38	08/09/06	08/01/36	12,151.30	12,959.42			(69.85)		12,081.45	12,747.03	(142.54)	0.00
FNMA	2005 BCD Single Family	5.13	08/10/06	07/01/36	7,446.84	7,894.72			(34.91)		7,411.93	7,771.31	(68.50)	0.00
FNMA	2005 BCD Single Family	5.38	08/23/06	06/01/36	7,174.80	7,652.01			(189.18)		6,965.82	7,370.51	(92.32)	0.00
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	12,421.78	13,326.22			(56.53)		12,365.25	13,125.53	(144.16)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2005 BCD Single Family	5.13	08/23/08	08/01/36	15,180.39	16,089.19			(139.18)		15,041.21	15,766.35	(183.66)	0.00
FNMA	2005 BCD Single Family	5.38	09/08/08	09/01/36	20,290.47	21,640.14			(84.41)		20,208.06	21,319.47	(236.25)	0.00
FNMA	2005 BCD Single Family	5.63	09/05/06	08/01/36	7,666.19	6,224.39			(28.45)		7,637.74	8,107.38	(88.56)	0.00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	21,684.67	22,960.25			(91.65)		21,593.02	22,611.76	(256.64)	0.00
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	11,548.71	12,316.67			(59.59)		11,489.12	12,122.18	(135.10)	0.00
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	5,935.07	6,367.34			(22.08)		5,912.99	6,276.69	(66.57)	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	12,828.99	13,682.43			(61.12)		12,767.87	13,471.48	(149.63)	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	13,567.14	14,365.18			(77.13)		13,490.01	14,128.53	(161.52)	0.00
FNMA	2005 BCD Single Family	5.38	09/28/06	09/01/36	12,184.58	12,995.16			(50.79)		12,133.79	12,802.50	(141.87)	0.00
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	23,795.90	25,379.07			(2,015.87)		21,780.03	22,980.48	(382.72)	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	14,381.88	15,429.36			(54.37)		14,327.51	15,208.77	(166.22)	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	29,108.04	30,820.53			(182.84)		28,925.20	30,290.40	(347.29)	0.00
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	25,118.32	26,789.65			(128.49)		24,989.83	26,367.36	(293.80)	0.00
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	36,758.43	39,204.40			(163.45)		36,594.98	38,612.37	(428.58)	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	37,107.20	39,578.51			(3,354.46)		33,752.74	35,613.56	(608.49)	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	12,383.39	13,285.45			(47.38)		12,336.01	13,094.90	(143.17)	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	18,777.12	19,881.93			(2,681.08)		16,098.04	16,855.80	(345.05)	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	24,853.48	26,294.20			(103.63)		24,549.85	25,903.44	(287.13)	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	11,142.48	11,954.21			(44.77)		11,097.71	11,780.51	(128.93)	0.00
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	7,850.03	8,100.24			(31.32)		7,818.71	7,978.43	(90.49)	0.00
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	13,015.79	13,882.02			(2,658.66)		10,357.13	10,826.20	(295.18)	0.00
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	7,403.52	7,942.91			(455.41)		6,948.11	7,375.64	(111.86)	0.00
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	4,828.57	5,112.72			(38.54)		4,790.03	5,016.18	(58.00)	0.00
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	6,257.06	6,673.50			(26.64)		6,230.42	6,573.97	(72.89)	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	3,066.50	3,246.97			(547.69)		2,516.61	2,637.74	(61.54)	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,297.19	8,901.70			(33.10)		8,264.09	8,772.60	(96.00)	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	8,781.23	9,365.74			(40.10)		8,741.13	9,223.18	(102.46)	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	8,879.54	9,526.52			(605.84)		8,073.70	8,570.51	(150.17)	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	12,066.03	12,776.26			(2,716.27)		9,349.76	9,791.32	(268.67)	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	27,584.82	29,421.19			(129.58)		27,455.26	28,969.57	(322.06)	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	9,296.06	9,973.48			(41.53)		9,254.53	9,824.11	(107.64)	0.00
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36	8,199.20	8,681.83			(34.63)		8,164.57	8,550.17	(97.03)	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	27,194.43	29,004.97			(121.37)		27,073.06	28,566.49	(317.11)	0.00
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36	7,946.31	8,525.36			(29.76)		7,916.55	8,403.79	(91.81)	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	5,049.74	5,347.05			(20.08)		5,029.66	5,267.26	(59.71)	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	25,302.41	26,987.21			(99.63)		25,202.78	26,583.26	(294.32)	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	20,232.96	21,707.84			(80.20)		20,152.76	21,393.36	(234.08)	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	7,561.52	6,006.72			(43.16)		7,518.36	7,673.55	(90.01)	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	21,750.39	23,198.88			(101.66)		21,648.73	22,843.31	(253.89)	0.00
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37	6,906.88	7,410.34			(25.90)		6,880.98	7,304.63	(79.81)	0.00
FNMA	2005 BCD Single Family	5.13	02/13/07	01/01/37	7,371.62	7,805.83			(31.20)		7,340.42	7,687.37	(67.26)	0.00
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37	6,289.15	6,733.29			(23.91)		6,275.24	6,636.52	(70.88)	0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37	11,381.16	12,210.75			(41.48)		11,339.66	12,037.84	(131.43)	0.00
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	191,747.05	208,409.06			(1,838.28)		189,908.77	204,155.36	(2,415.42)	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	152,590.40	165,665.87			(1,881.70)		150,708.70	161,837.60	(1,946.57)	0.00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	149,379.58	162,498.91			(1,829.48)		147,550.10	158,752.61	(1,916.82)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	176,580.52	192,125.11			(4,104.70)		172,475.82	185,605.50	(2,414.91)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	153,328.45	166,434.89			(1,679.18)		151,649.27	162,815.49	(1,940.22)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	77,000.82	83,500.69			(1,367.16)		75,633.66	81,124.08	(1,009.45)	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	254,070.97	275,472.94			(4,865.54)		249,205.43	267,253.00	(3,354.40)	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	167,637.22	181,824.18			(49,062.11)		118,575.11	127,207.78	(5,554.29)	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	188,915.34	204,784.24			(2,210.84)		186,704.50	200,182.71	(2,390.69)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	98,305.03	106,809.38			(773.39)		97,531.64	104,737.27	(1,298.72)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	805,612.89	878,386.89			(8,422.00)		797,190.89	868,444.39	(3,520.50)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	185,823.27	202,403.11			(12,648.74)		172,974.53	188,011.56	(1,742.81)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	703,970.03	767,536.76			(11,145.89)		692,824.14	752,986.86	(3,404.01)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	238,717.58	260,258.51			(2,555.94)		236,161.64	258,854.47	(1,048.10)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	876,062.39	955,128.34			(86,278.43)		779,783.96	847,461.42	(11,388.49)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	308,296.63	334,003.12			(50,152.65)		258,143.96	278,426.20	(5,424.27)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	08/20/26	928,401.50	1,010,111.16			(53,244.33)		875,157.17	949,031.96	(7,834.87)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	225,484.01	245,816.00			(1,948.40)		223,535.61	242,918.69	(948.91)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,162,289.95	1,266,974.41			(13,996.04)		1,148,293.91	1,247,747.38	(5,230.99)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	785,221.34	853,109.69			(54,706.93)		730,514.41	791,194.47	(7,208.29)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	337,186.33	366,119.68			(5,518.36)		331,667.97	359,006.63	(1,594.49)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/28	195,595.61	212,560.92			(2,631.39)		192,864.22	206,632.19	(897.34)	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/28	872,411.39	947,343.63			(45,497.47)		826,913.92	895,141.49	(6,704.67)	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	243,225.75	264,047.62			(42,329.37)		200,896.36	217,416.10	(4,302.15)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	702,888.30	763,075.14			(103,576.29)		599,312.01	648,605.86	(10,892.99)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	364,058.71	395,708.69			(4,413.47)		359,645.24	391,270.61	(24.60)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	261,519.55	305,985.86			(3,043.46)		276,476.09	302,955.94	13.54	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	135,162.10	146,774.34			(1,322.58)		133,839.52	145,473.54	21.76	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	431,867.65	468,675.98			(5,672.63)		426,195.22	462,954.94	(48.41)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	206,185.20	225,793.51			(1,800.23)		206,364.97	224,053.57	60.29	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	152,555.22	165,519.42			(2,147.20)		150,408.02	163,343.74	(28.48)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	251,858.66	274,724.04			(3,192.48)		248,666.16	271,477.75	(53.61)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	540,214.30	586,184.07			(45,800.13)		494,414.17	536,992.81	(3,391.13)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	131,389.22	142,494.21			(965.67)		130,423.55	141,973.84	445.30	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	123,419.59	133,850.96			(2,126.94)		121,292.65	132,034.30	310.26	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/28	218,350.47	236,805.43			(1,870.62)		216,479.85	235,651.29	716.48	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/26	167,844.25	181,813.53			(62,530.77)		115,113.48	125,307.91	(3,974.85)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	34,529.68	37,448.11			(1,440.07)		33,089.61	36,020.01	11.97	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	338,136.15	366,715.44			(3,242.29)		334,893.86	364,552.06	1,078.93	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	527,351.26	571,922.99			(66,651.46)		460,699.80	501,499.36	(3,772.17)	0.00
<b>2005 BCD Single Family Total</b>					<b>17,259,147.40</b>	<b>18,658,241.58</b>	<b>1,624,621.77</b>	<b>0.00</b>	<b>(966,476.32)</b>	<b>0.00</b>	<b>17,897,492.85</b>	<b>19,157,836.95</b>	<b>(138,750.08)</b>	<b>0.00</b>
Repo Agmt	2006 ABCDE Single Family	0.11	02/26/10	03/01/10	1,188,618.21	1,188,618.21			287.85		1,188,906.06	1,188,906.06	-	0.00
Repo Agmt	2006 ABCDE Single Family	0.11	02/26/10	03/01/10	2,404,404.89	2,404,404.89			288,462.73		2,692,867.62	2,692,867.62	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	11,939,581.57	11,939,581.57	23,804,547.58				35,744,129.15	35,744,129.15	-	0.00
Freddie Mac	2006 ABCDE Single Family	5.36	05/21/08	04/01/38	111,119.93	118,877.31			(574.49)		110,545.44	117,394.88	(907.84)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	06/18/08	04/01/38	222,116.76	237,627.49			(789.27)		221,327.49	235,045.71	(1,792.51)	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	06/18/08	03/01/38	91,966.24	99,005.68			(375.24)		91,511.00	97,998.02	(632.42)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	06/25/08	12/01/37	125,959.52	133,750.35			(455.50)		125,504.02	132,170.13	(1,124.72)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	07/16/08	06/01/38	189,604.66	201,326.76			(757.43)		188,647.23	198,862.22	(1,667.11)	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	07/16/08	05/01/38	72,361.99	77,862.30			(232.66)		72,129.33	77,155.45	(474.19)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	07/23/08	03/01/38	80,045.76	85,637.52			(548.34)		79,499.42	84,428.85	(662.33)	0.00
Freddie Mac	2006 ABCDE Single Family	5.36	08/13/08	07/01/38	123,342.24	131,961.13			(410.68)		122,931.56	130,556.72	(993.73)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	63,758.29	68,213.58			(836.69)		62,921.60	66,824.49	(552.40)	0.00
Freddie Mac	2006 ABCDE Single Family	5.83	09/24/08	07/01/38	117,990.53	126,985.64			(373.47)		117,617.06	125,619.32	(772.85)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	10/22/08	03/01/38	180,575.99	191,752.83			(643.17)		179,932.82	189,506.49	(1,603.17)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/19/08	10/01/38	163,630.35	173,762.70			(665.55)		162,964.80	171,640.34	(1,456.81)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/25/08	10/01/38	130,868.73	138,972.98			(482.86)		130,385.87	137,327.59	(1,162.53)	0.00
Freddie Mac	2006 ABCDE Single Family	5.25	12/18/08	09/01/38	198,843.01	211,989.72			(1,645.63)		197,197.38	208,609.86	(1,734.43)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	12/30/08	12/01/38	142,998.67	151,856.21			(483.08)		142,515.59	150,107.18	(1,267.95)	0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	180,419.98	195,923.47			(1,897.75)		178,522.23	191,698.95	(2,326.77)	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	176,595.05	191,758.99			(2,455.67)		174,129.38	186,981.86	(2,321.46)	0.00
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	185,957.57	201,936.85			(1,997.28)		183,960.31	197,536.37	(2,401.22)	0.00
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	120,091.26	130,810.62			(1,380.13)		118,711.13	127,783.05	(1,647.44)	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	137,136.13	149,379.06			(51,079.54)		86,058.59	92,635.17	(5,664.35)	0.00
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	198,386.80	213,916.30			(3,188.42)		193,198.38	207,962.62	(2,765.26)	0.00
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	1,752,301.48	1,904,909.36			(129,920.56)		1,622,380.92	1,785,101.77	(9,887.03)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	675,778.40	734,631.88			(6,195.54)		669,582.86	726,486.03	49.69	0.00
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	205,739.51	224,692.19			(1,800.48)		204,139.03	223,060.63	(31.08)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	638,855.84	694,493.70			(12,349.98)		626,505.86	681,619.48	(524.24)	0.00
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	485,193.23	527,448.65			(5,060.79)		480,132.44	522,369.61	(18.25)	0.00
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	58,837.31	64,257.43			(509.62)		58,327.69	63,734.12	(13.69)	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	1,148,525.01	1,248,549.95			(212,552.21)		935,972.80	1,018,310.29	(17,687.45)	0.00
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	244,118.78	265,379.15			(2,241.58)		241,877.20	263,155.19	17.62	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	303,324.17	331,286.42			(3,182.45)		300,141.72	327,961.88	(122.09)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	358,474.54	389,694.08			(55,022.12)		303,452.42	330,147.14	(4,524.82)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	489,251.53	531,860.38			(3,911.22)		485,340.31	528,035.64	86.48	0.00

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GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	913,400.60	992,948.67			(7,966.56)		905,434.04	985,085.07	102.96	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	815,900.99	886,957.72			(8,694.46)		807,006.53	877,996.78	(64.48)	0.00
GNMA	2006 ABCDE Single Family	6.45	08/28/97	08/20/27	273,218.83	298,387.76			(2,178.14)		271,040.69	296,163.45	(46.17)	0.00
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	187,511.59	203,841.95			(3,994.61)		183,516.98	199,660.94	(186.40)	0.00
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	434,947.15	472,826.68			(46,916.82)		388,030.33	422,165.35	(3,744.51)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/15/97	09/20/27	343,716.30	373,650.58			(3,102.14)		340,614.16	370,578.02	29.58	0.00
GNMA	2006 ABCDE Single Family	6.45	10/15/97	08/20/27	60,722.95	66,316.73			(515.47)		60,207.48	65,788.10	(13.16)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	360,097.03	391,457.87			(6,554.12)		353,542.91	364,644.06	(259.69)	0.00
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	309,183.26	336,109.99			(78,323.18)		230,860.08	251,168.81	(6,818.00)	0.00
GNMA	2006 ABCDE Single Family	6.45	11/25/97	10/20/27	270,826.86	295,775.42			(136,177.14)		134,649.72	147,130.39	(12,467.89)	0.00
GNMA	2006 ABCDE Single Family	6.25	11/25/97	11/20/27	383,795.47	417,220.17			(3,521.98)		380,273.49	413,726.09	27.90	0.00
GNMA	2006 ABCDE Single Family	6.25	12/17/97	11/20/27	535,842.74	582,509.30			(5,872.70)		530,170.04	576,809.12	(27.48)	0.00
GNMA	2006 ABCDE Single Family	6.25	01/29/98	01/20/28	764,449.16	831,009.75			(8,342.97)		756,106.21	824,662.34	1,995.56	0.00
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	217,070.95	237,067.54			(1,751.19)		215,319.78	235,277.77	(38.58)	0.00
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	334,993.21	365,679.84			(2,884.12)		332,109.09	363,623.18	627.46	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	535,227.99	581,830.31			(6,425.31)		528,602.68	576,749.23	1,344.23	0.00
GNMA	2006 ABCDE Single Family	8.25	07/06/98	05/20/28	140,700.65	152,951.22			(1,035.64)		139,665.01	152,328.19	412.61	0.00
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	159,272.09	173,956.96			(1,197.12)		158,074.97	173,074.70	314.86	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	247,540.07	269,093.41			(53,142.44)		194,397.63	212,023.70	(3,927.27)	0.00
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	121,557.76	132,141.75			(845.42)		120,712.34	131,657.28	360.95	0.00
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	144,488.32	157,047.15			(1,557.74)		142,910.58	155,868.24	378.83	0.00
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	54,387.80	59,123.34			(1,038.76)		53,351.04	58,188.37	101.79	0.00
GNMA	2008 ABCDE Single Family	6.45	12/15/98	09/20/28	146,715.67	160,242.85			(1,317.04)		145,398.63	159,195.51	269.70	0.00
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	658,720.63	716,075.46			(59,131.20)		599,589.43	653,954.24	(2,990.02)	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	36,493.22	39,857.89			(262.94)		36,230.28	39,668.16	73.21	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	419,587.12	449,650.51			(94,502.90)		325,084.22	346,026.11	(9,121.50)	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	456,199.06	488,685.73			(3,978.76)		452,220.30	481,352.33	(3,564.64)	0.00
GNMA	2006 ABCDE Single Family	5.45	07/29/99	06/20/29	444,786.29	476,655.24			(117,368.06)		327,411.23	348,510.51	(10,776.67)	0.00
GNMA	2006 ABCDE Single Family	5.45	10/14/99	08/20/29	147,001.07	157,533.75			(1,629.70)		145,171.37	154,523.38	(1,180.69)	0.00
GNMA	2006 ABCDE Single Family	5.45	08/26/99	07/20/29	280,427.87	300,520.51			(12,957.47)		267,470.40	284,700.62	(2,862.22)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	176,445.85	191,838.99			(1,502.44)		174,943.41	190,927.99	591.44	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	43,740.41	47,558.32			(268.97)		43,473.44	47,445.60	156.25	0.00
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	164,178.53	175,941.89			(1,736.23)		162,442.30	172,906.81	(1,298.85)	0.00
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	889,598.40	953,338.12			(64,293.20)		825,305.20	878,471.37	(10,573.55)	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	201,554.52	219,138.17			(1,483.96)		200,070.54	218,351.02	696.83	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	162,755.23	175,564.03			(1,154.70)		161,600.53	172,733.15	(1,676.18)	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	141,447.68	154,356.19			(2,086.70)		139,360.98	150,675.69	(1,593.80)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	630,325.65	674,847.61			(107,169.11)		523,156.54	556,345.51	(11,332.99)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/16/06	08/20/36	274,989.03	296,293.04			(93,746.15)		181,242.88	193,778.83	(8,768.06)	0.00
GNMA	2006 ABCDE Single Family	5.63	08/16/06	08/20/36	232,372.44	250,499.30			(968.99)		231,403.45	249,627.89	(702.42)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/06	08/20/36	614,497.58	662,108.75			(48,868.96)		565,628.72	604,755.04	(8,484.85)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	975,332.94	1,042,405.83			(4,420.08)		970,912.88	1,030,696.63	(7,289.12)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	2,306,444.54	2,485,180.17			(355,961.17)		1,950,483.37	2,085,431.89	(43,787.11)	0.00
GNMA	2006 ABCDE Single Family	5.83	09/06/06	09/20/36	914,545.20	984,523.62			(61,654.24)		852,890.98	915,841.51	(7,027.87)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	1,893,816.89	2,027,642.83			(186,212.19)		1,707,604.70	1,815,966.29	(25,444.35)	0.00
GNMA	2008 ABCDE Single Family	5.38	09/12/06	09/20/36	1,029,970.38	1,109,797.00			(134,981.26)		894,989.12	956,919.62	(17,896.12)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	1,351,559.34	1,447,106.30			(116,564.12)		1,234,975.22	1,313,394.85	(17,127.33)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/12/06	09/20/36	211,032.46	227,501.30			(1,898.65)		209,133.61	224,867.51	(714.94)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/20/06	09/20/36	1,999,649.74	2,154,645.48			(126,621.54)		1,873,028.20	2,002,652.25	(25,371.69)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/20/06	09/20/36	3,744,446.45	4,002,147.26			(14,978.67)		3,729,467.78	3,959,309.02	(27,859.57)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/20/06	09/20/36	339,981.10	386,515.62			(1,319.51)		338,661.59	364,175.71	(1,020.40)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	1,350,640.01	1,446,141.02			(279,061.54)		1,071,578.47	1,139,637.61	(27,441.87)	0.00
GNMA	2006 ABCDE Single Family	5.36	09/26/06	09/20/36	1,363,322.37	1,469,004.32			(105,110.14)		1,258,212.23	1,345,294.31	(18,599.87)	0.00
GNMA	2006 ABCDE Single Family	5.36	10/05/06	10/20/36	2,974,240.99	3,204,836.88			(667,378.33)		2,306,862.66	2,466,552.74	(70,905.81)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	1,259,787.89	1,356,219.39			(58,910.59)		1,200,877.30	1,289,545.50	(7,783.30)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	3,064,623.55	3,275,597.07			(349,617.44)		2,715,006.11	2,882,377.19	(43,802.44)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	2,148,283.23	2,314,867.56			(137,736.28)		2,010,546.95	2,149,751.00	(27,380.28)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	2,791,414.58	2,988,859.23			(391,901.61)		2,399,512.97	2,561,974.94	(44,982.68)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	1,489,867.91	1,606,205.91			(118,476.23)		1,371,331.68	1,474,761.71	(12,967.97)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	2,270,322.56	2,446,387.46			(98,590.44)		2,171,732.12	2,322,110.19	(25,686.63)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	2,760,091.39	2,955,341.35			(502,632.39)		2,257,459.00	2,400,909.61	(51,799.35)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	1,773,159.24	1,910,690.08			(7,084.50)		1,766,074.74	1,888,386.64	(15,218.94)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	1,917,345.42	2,052,995.82			(301,125.43)		1,616,219.99	1,716,936.88	(32,933.51)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	1,270,941.94	1,370,216.77			(345,482.63)		925,459.31	995,239.93	(29,494.21)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,202,892.84	1,296,202.58			(116,811.11)		1,084,081.53	1,159,170.40	(18,221.07)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	2,031,697.12	2,175,470.76			(119,799.15)		1,911,897.97	2,033,437.12	(22,234.49)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	2,304,967.71	2,483,792.16			(297,391.81)		2,007,575.90	2,146,652.30	(39,748.05)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	551,394.09	593,631.99			(195,690.96)		355,503.13	381,772.34	(15,966.69)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,302,219.93	1,394,380.38			(136,669.05)		1,165,550.88	1,239,653.61	(18,057.72)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	1,924,788.43	2,074,110.87			(142,143.33)		1,782,625.10	1,906,129.45	(25,838.09)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	262,050.84	282,523.63			(943.13)		281,107.71	280,799.16	(781.34)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/28/06	11/20/36	401,958.57	430,408.93			(108,547.10)		293,411.47	312,067.70	(9,794.13)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/38	1,515,883.56	1,633,311.56			(300,073.17)		1,215,610.39	1,299,852.98	(33,385.41)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	1,065,488.79	1,148,749.03			(158,939.51)		906,549.28	974,933.55	(14,875.97)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	2,220,771.03	2,377,987.00			(242,829.15)		1,977,941.88	2,103,734.69	(31,423.16)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	3,235,048.79	3,486,181.32			(464,379.34)		2,770,669.45	2,962,720.53	(59,061.45)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	667,589.91	718,755.56			(155,151.43)		512,438.48	550,324.74	(13,279.39)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	2,144,308.01	2,296,150.36			(337,557.14)		1,806,750.87	1,921,691.26	(36,901.96)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	1,986,891.19	2,140,933.38			(331,975.28)		1,654,715.91	1,769,437.05	(39,521.05)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36	782,316.93	842,286.57			(95,049.18)		887,267.75	738,088.63	(9,148.76)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/38	1,191,335.78	1,266,785.43			(125,687.77)		1,065,446.01	1,124,626.76	(18,270.90)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36	1,169,123.42	1,259,897.85			(109,235.09)		1,059,866.33	1,133,377.05	(17,285.71)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/18/07	01/20/37	732,541.66	788,992.37			(2,871.98)		729,869.68	783,346.42	(2,773.97)	0.00
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	2,258,798.13	2,416,185.09			(119,789.56)		2,139,008.57	2,271,146.64	(25,226.89)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37	1,253,940.79	1,350,145.53			(5,425.02)		1,246,515.77	1,333,182.06	(11,556.45)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37	343,361.50	369,826.28			(1,240.85)		342,120.65	367,292.92	(1,292.51)	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37	1,834,199.19	1,974,948.42			(526,816.74)		1,307,382.45	1,396,038.12	(52,093.56)	0.00
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37	1,902,127.38	2,034,672.37			(541,643.92)		1,360,483.46	1,444,546.83	(48,481.62)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37	252,530.23	271,998.58			(895.63)		251,634.80	270,153.84	(949.11)	0.00
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37	752,580.27	810,318.95			(2,816.36)		749,743.89	800,593.29	(6,907.28)	0.00
GNMA	2006 ABCDE Single Family	5.13	02/20/07	02/20/37	969,887.33	1,037,481.99			(4,888.88)		965,198.45	1,024,847.79	(7,945.32)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37	482,916.97	520,150.17			(80,350.64)		402,566.33	432,196.07	(7,603.46)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/07	02/20/37	879,705.56	947,232.70			(126,975.59)		752,730.17	803,793.46	(16,483.85)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/07	02/20/37	222,548.89	238,710.47			(57,573.18)		164,975.53	177,120.57	(5,016.74)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/07	02/20/37	267,624.48	288,286.40			(145,666.46)		121,958.03	130,938.00	(11,661.94)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	1,091,159.04	1,167,239.78			(119,778.89)		971,380.15	1,031,442.78	(16,018.09)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	920,458.58	991,130.00			(245,904.75)		674,553.83	720,325.49	(24,899.76)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	399,516.17	427,365.56			(1,567.11)		397,949.06	422,546.29	(3,249.96)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/07	04/20/37	1,042,775.81	1,115,524.75			(4,014.28)		1,038,761.53	1,103,030.65	(8,479.82)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	743,296.21	800,658.23			(71,202.39)		672,093.82	721,809.49	(7,846.35)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	568,866.91	612,566.56			(2,358.08)		566,508.83	604,971.15	(5,237.33)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	877,138.75	938,303.81			(144,125.34)		733,013.41	778,342.02	(15,836.25)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	205,424.40	221,270.13			(745.50)		204,679.10	219,751.46	(773.37)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	376,173.14	405,069.06			(1,526.03)		374,647.11	400,082.03	(3,461.00)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	612,456.28	659,493.08			(2,247.79)		610,208.49	651,627.18	(5,818.11)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	1,056,561.24	1,132,391.99			(274,436.99)		784,124.25	832,625.27	(25,329.73)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	300,800.23	324,008.17			(211,995.41)		88,804.82	95,345.87	(16,686.89)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	614,797.43	657,897.19			(108,485.01)		506,332.42	537,666.70	(11,565.48)	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	277,137.45	298,528.77			(960.47)		278,176.98	296,527.87	(1,040.43)	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	509,187.84	548,290.36			(1,896.60)		507,271.24	541,720.46	(4,673.30)	0.00
GNMA	2006 ABCDE Single Family	5.38	05/22/07	05/20/37	908,771.32	978,610.68			(3,483.54)		905,307.78	966,801.67	(8,345.47)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/22/07	05/20/37	1,244,987.47	1,331,882.64			(300,410.09)		944,577.38	1,003,049.65	(28,422.90)	0.00
GNMA	2006 ABCDE Single Family	5.38	06/05/07	05/20/37	1,101,002.58	1,185,631.73			(152,486.65)		946,515.93	1,012,958.06	(20,187.02)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/05/07	05/20/37	244,953.38	263,868.49			(103,808.44)		141,144.94	151,550.18	(8,509.87)	0.00
GNMA	2006 ABCDE Single Family	5.13	06/05/07	05/20/37	1,778,091.76	1,902,222.39			(166,357.94)		1,611,733.82	1,711,527.57	(24,338.88)	0.00
GNMA	2006 ABCDE Single Family	5.38	06/19/07	05/20/37	422,467.53	454,948.71			(1,514.46)		420,953.07	449,558.53	(3,873.72)	0.00
GNMA	2006 ABCDE Single Family	5.13	06/19/07	06/20/37	945,598.33	1,011,628.00			(142,245.74)		803,352.59	853,107.60	(18,274.66)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37	439,781.93	473,749.24			(1,510.87)		438,271.26	470,588.39	(1,650.18)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/07/07	07/20/37	425,862.55	458,841.10			(153,500.89)		272,361.66	291,019.72	(14,320.49)	0.00
GNMA	2008 ABCDE Single Family	5.63	08/07/07	08/20/37	1,078,216.38	1,159,942.35			(85,826.03)		990,390.35	1,063,967.86	(10,148.46)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	08/07/07	07/20/37	1,933,070.80	2,069,122.77			(416,571.23)		1,516,499.57	1,611,248.32	(41,303.22)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37	799,335.07	860,799.90			(65,718.46)		733,616.61	783,479.88	(11,801.56)	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37	693,148.70	740,256.91			(172,521.69)		520,627.01	551,895.57	(15,839.65)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37	815,594.86	878,324.18			(340,564.97)		475,009.89	507,304.11	(30,435.10)	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37	645,095.04	688,947.15			(145,171.75)		499,923.29	529,955.36	(13,820.04)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/07	10/20/37	65,250.28	70,334.50			(290.38)		64,959.90	69,793.77	(250.35)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/07	10/20/37	606,855.15	653,925.66			(149,489.26)		457,365.89	488,754.41	(15,681.99)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/25/07	09/20/37	1,621,637.02	1,747,312.82			(540,416.79)		1,081,220.23	1,155,353.17	(51,542.86)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/25/07	09/20/37	1,100,678.15	1,178,210.79			(105,779.26)		994,898.89	1,057,117.55	(15,313.98)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	08/20/37	280,828.02	302,690.46			(1,185.67)		279,642.35	300,432.24	(1,072.55)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	09/20/37	125,506.07	135,277.12			(758.92)		124,747.15	134,021.84	(496.36)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/09/07	09/20/37	1,025,347.20	1,104,826.55			(3,777.12)		1,021,570.08	1,091,628.57	(9,420.88)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/09/07	06/20/37	94,236.42	101,573.75			(320.64)		93,915.78	100,898.83	(354.28)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/09/07	09/20/37	410,318.02	439,227.34			(1,543.31)		408,774.71	434,344.66	(3,339.37)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37	743,425.27	801,011.07			(135,148.61)		608,276.66	649,958.96	(15,903.50)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37	1,005,531.44	1,076,319.41			(161,599.94)		843,331.50	896,673.63	(16,045.84)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/11/07	09/20/37	582,970.81	628,141.77			(2,071.03)		580,899.78	620,719.88	(5,300.86)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/11/07	08/20/37	520,766.42	561,321.67			(1,817.11)		518,969.31	557,543.98	(1,960.58)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/11/07	08/20/37	452,128.53	483,116.11			(1,894.88)		450,433.85	477,742.82	(3,680.41)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/07	11/20/37	701,546.08	755,968.95			(161,163.30)		540,382.78	577,474.51	(17,331.14)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/11/07	11/20/37	436,334.43	466,288.58			(152,936.13)		283,396.30	300,608.59	(12,741.86)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	575,192.83	619,790.38			(138,060.52)		437,112.11	467,097.93	(14,611.93)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/25/07	10/20/37	1,085,209.78	1,159,680.30			(4,446.80)		1,080,763.16	1,148,346.25	(8,857.45)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/25/07	09/20/36	162,854.38	175,716.11			(776.25)		162,076.13	174,435.55	(502.31)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	818,411.28	879,711.99			(138,070.14)		678,341.14	724,875.23	(16,766.82)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/08/07	10/20/37	937,055.76	1,009,724.95			(252,888.97)		684,366.79	731,324.54	(25,711.44)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/08/07	10/20/37	394,076.43	421,855.52			(1,430.22)		392,646.21	417,221.20	(3,204.10)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/08	12/20/37	62,738.21	67,695.61			(205.64)		62,592.57	67,254.50	(235.47)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/28/07	11/20/37	266,856.78	287,567.08			(922.46)		265,934.32	284,196.91	(2,447.71)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	85,711.09	70,834.29			(219.77)		85,491.32	70,367.78	(246.74)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	911,578.99	982,850.77			(248,533.55)		662,045.44	711,341.24	(21,775.98)	0.00
GNMA	2006 ABCDE Single Family	5.36	12/11/07	11/20/37	853,853.93	920,104.26			(2,978.23)		850,875.70	909,291.55	(7,834.48)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/20/07	11/20/37	74,511.34	80,293.38			(260.73)		74,250.61	79,348.90	(683.75)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/20/07	12/20/37	79,405.56	85,007.05			(284.64)		79,120.92	84,077.06	(645.35)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/08	12/20/37	142,283.88	153,329.68			(723.34)		141,560.54	151,285.15	(1,321.19)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/08	12/20/37	68,144.84	94,989.16			(304.12)		87,840.72	93,676.43	(608.81)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	12/20/37	295,834.43	318,910.29			(1,074.16)		294,760.27	316,718.94	(1,117.19)	0.00
GNMA	2006 ABCDE Single Family	5.36	02/13/08	12/20/37	149,408.71	161,012.39			(953.17)		148,455.54	158,858.50	(1,400.72)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	01/20/38	65,228.69	70,183.58			(212.76)		65,015.93	69,812.22	(158.60)	0.00
GNMA	2006 ABCDE Single Family				125,929.15	135,706.41			(125,929.15)				(9,777.26)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/08	01/20/38	188,016.04	202,300.94			(623.30)		187,392.74	201,219.70	(457.94)	0.00
GNMA	2006 ABCDE Single Family	5.38	02/19/08	12/20/37	133,298.02	143,651.33			(1,002.64)		132,295.38	141,388.54	(1,260.15)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/19/08	01/20/38	214,033.44	230,296.45			(747.27)		213,288.17	228,025.07	(524.11)	0.00
GNMA	2006 ABCDE Single Family	5.13	02/27/08	02/20/38	181,944.19	194,523.44			(855.21)		181,288.98	192,641.14	(1,227.09)	0.00
GNMA	2006 ABCDE Single Family	5.38	02/27/08	02/20/38	271,590.47	292,283.11			(969.73)		270,820.74	289,061.13	(2,232.25)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/08	02/20/38	271,732.40	292,422.35			(985.58)		270,746.82	289,202.25	(2,234.52)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/08	02/20/38	106,919.35	117,199.34			(352.22)		108,567.13	118,582.46	(264.66)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/08	10/20/37	105,548.53	113,004.48			(382.87)		105,185.66	111,763.27	(858.34)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/27/08	03/20/38	316,437.90	340,534.86			(1,219.38)		315,218.52	338,708.73	(2,606.75)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/08	04/20/38	216,526.59	233,022.55			(737.50)		215,789.09	230,507.65	(1,777.40)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/08	04/20/38	339,161.75	362,633.49			(1,387.05)		337,774.70	358,946.40	(2,296.04)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/22/08	03/20/38	292,061.95	314,311.23			(187,456.00)		124,805.95	132,104.54	(13,760.69)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/22/08	03/20/38	254,003.97	273,323.15			(821.80)		253,182.17	271,884.07	(617.28)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/07/08	04/20/38	432,453.15	462,394.07			(154,090.09)		278,369.06	295,823.05	(12,480.93)	0.00
GNMA	2006 ABCDE Single Family	5.63	05/07/08	04/20/38	264,435.31	264,553.08			(855.85)		263,579.66	283,054.76	(642.85)	0.00
GNMA	2006 ABCDE Single Family	5.38	05/14/08	04/20/38	330,446.70	355,629.13			(1,121.15)		329,325.55	351,795.67	(2,712.31)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/21/08	05/20/38	588,635.18	628,289.30			(2,154.03)		586,481.15	622,166.74	(3,988.53)	0.00
GNMA	2006 ABCDE Single Family	5.13	06/11/08	05/20/38	254,737.35	272,380.78			(1,004.59)		253,732.78	269,652.36	(1,723.83)	0.00
GNMA	2006 ABCDE Single Family	5.63	07/09/08	06/20/38	288,118.27	310,059.45			(919.71)		287,198.56	308,440.33	(699.41)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/09/08	03/20/38	189,586.33	204,045.94			(92,084.30)		97,502.03	104,160.56	(7,801.08)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	07/16/08	06/20/38	117,767.81	125,929.41			(407.75)		117,360.06	124,728.24	(793.42)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/18/08	03/20/38	28,416.61	30,580.04			(96.05)		28,320.76	30,414.58	(69.41)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/25/08	05/20/38	180,224.15	193,945.49			(587.90)		179,636.25	192,919.17	(438.42)	0.00
GNMA	2006 ABCDE Single Family	5.38	06/25/08	05/20/38	594,980.82	640,351.82			(102,684.23)		492,296.59	525,910.28	(11,757.31)	0.00
GNMA	2006 ABCDE Single Family	5.36	07/23/08	06/20/38	327,691.96	352,691.56			(1,232.75)		326,459.21	348,760.55	(2,698.26)	0.00
GNMA	2006 ABCDE Single Family	5.36	07/29/08	06/20/38	154,859.70	166,675.12			(511.20)		154,348.50	164,893.64	(1,270.28)	0.00
GNMA	2006 ABCDE Single Family	5.13	06/27/08	08/20/36	246,009.35	263,070.86			(665.70)		245,143.65	260,546.75	(1,656.43)	0.00
GNMA	2006 ABCDE Single Family	5.63	08/13/08	07/20/38	206,387.99	222,113.66			(648.80)		205,739.19	220,964.55	(500.31)	0.00
GNMA	2006 ABCDE Single Family	5.36	08/13/08	07/20/38	161,070.84	173,963.14			(530.98)		160,539.86	171,510.97	(1,321.19)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/13/08	07/20/38	252,932.61	270,470.14			(946.13)		251,986.66	267,815.45	(1,708.56)	0.00
GNMA	2006 ABCDE Single Family	5.63	08/27/08	08/20/38	105,612.22	113,661.14			(328.67)		105,283.55	113,076.69	(255.78)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/10/08	09/20/38	521,815.75	558,014.41			(109,421.17)		412,394.58	438,314.13	(10,279.11)	0.00
GNMA	2006 ABCDE Single Family	5.36	09/24/08	07/20/38	108,866.59	117,201.62			(357.25)		108,529.34	115,951.28	(893.09)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/24/08	08/20/38	122,735.36	131,251.29			(435.75)		122,299.61	129,987.67	(827.67)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	09/20/38	231,360.83	249,029.23			(786.65)		230,574.18	246,343.06	(1,699.52)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	08/20/38	126,297.52	135,063.77			(458.59)		125,838.93	133,752.68	(852.50)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/15/08	09/20/38	124,013.49	133,471.84			(385.79)		123,627.70	132,765.54	(300.51)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	09/20/38	66,774.32	71,409.16			(226.66)		66,547.66	70,732.84	(449.66)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/29/08	09/20/38	162,088.36	174,453.48			(525.32)		161,563.04	173,533.99	(394.15)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/12/08	10/20/38	280,050.26	299,498.11			(960.51)		279,089.75	296,651.03	(1,896.57)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/12/08	10/20/38	88,864.02	93,502.60			(356.92)		88,507.10	92,428.23	(717.45)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/25/08	09/20/38	135,851.73	145,073.70			(466.71)		135,185.02	143,693.05	(913.94)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/25/08	11/20/38	477,888.04	514,418.43			(1,540.78)		476,347.26	508,959.42	(3,918.23)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/10/08	10/20/38	131,619.96	141,667.21			(489.88)		131,130.08	140,852.53	(324.80)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/10/08	11/20/38	277,918.47	299,167.47			(1,117,261.55)		160,656.92	171,658.77	(10,247.15)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/10/08	11/20/38	343,315.63	367,168.05			(1,692.90)		341,622.73	363,130.20	(2,344.95)	0.00
GNMA	2006 ABCDE Single Family	5.36	12/17/08	11/20/38	342,306.45	368,481.39			(138,926.67)		203,379.78	217,308.85	(12,245.87)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	549,312.59	589,477.55			(137,456.78)		411,855.81	438,969.65	(13,049.12)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	202,896.37	217,731.84			(689.36)		202,227.01	215,541.11	(1,521.17)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	280,819.23	301,352.32			(917.07)		279,902.16	298,330.48	(2,104.77)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/17/08	12/20/38	487,677.47	521,564.36			(1,644.04)		486,033.43	516,636.67	(3,263.67)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	284,963.91	305,799.74			(936.60)		284,027.11	302,726.70	(2,136.24)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	12/20/38	677,161.39	726,678.65			(2,253.91)		674,907.48	719,347.44	(5,077.50)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	10/20/38	256,987.33	275,779.00			(847.18)		256,140.15	273,005.14	(1,926.68)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/30/08	12/20/38	268,464.15	287,122.81			(186,712.42)		81,751.73	88,900.47	(13,509.92)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/30/08	11/20/38	132,342.95	142,464.76			(466.13)		131,876.82	140,910.79	(1,087.84)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/30/08	12/20/38	94,732.04	101,660.14			(380.88)		94,351.16	100,564.52	(714.74)	0.00
GNMA	2006 ABCDE Single Family	5.15	12/30/08	12/20/38	261,658.88	280,064.30			(671.14)		260,787.74	277,386.39	(1,806.77)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	555,967.47	592,621.46			(3,194.23)		552,473.24	582,908.85	(6,518.38)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	359,443.27	380,571.13			(1,687.75)		357,755.52	374,621.88	(4,261.50)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	328,096.63	349,918.62			(8,650.86)		319,445.97	337,045.85	(4,221.91)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	566,036.63	609,394.41			(2,585.45)		565,451.18	600,216.97	(8,591.99)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	732,528.83	775,591.82			(8,722.94)		725,805.89	760,029.24	(8,839.64)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/06/06	09/01/36	927,862.82	999,581.94			(3,860.41)		924,002.21	974,918.01	(10,803.52)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	350,966.81	376,092.87			(1,300.67)		349,266.14	370,742.40	(4,049.60)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	1,046,534.47	1,106,086.90			(4,433.10)		1,042,101.37	1,091,268.36	(12,385.44)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	528,108.35	563,238.05			(2,724.97)		525,383.38	554,334.98	(6,178.10)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	271,407.64	291,172.16			(1,009.63)		270,398.01	287,026.70	(3,135.83)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/20/06	09/01/36	588,856.89	625,683.52			(2,795.41)		583,861.28	618,037.21	(6,850.90)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/20/06	09/01/36	654,765.83	693,279.01			(3,722.64)		651,043.19	681,761.90	(7,794.47)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	557,186.03	594,255.70			(2,322.45)		554,863.58	585,445.35	(6,487.90)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	1,088,163.86	1,160,559.01			(92,183.86)		995,979.22	1,050,873.90	(17,501.45)	0.00
FNMA	2006 ABCDE Single Family	5.83	10/17/06	09/01/36	657,868.16	705,568.82			(2,465.93)		655,182.23	695,481.69	(7,601.20)	0.00
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	1,404,785.63	1,487,432.69			(8,823.75)		1,395,961.88	1,461,647.73	(16,781.21)	0.00
FNMA	2006 ABCDE Single Family	5.36	10/17/06	10/01/36	1,148,638.31	1,225,063.11			(5,876.02)		1,142,760.29	1,205,752.22	(13,434.87)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	1,680,926.09	1,792,777.05			(7,474.04)		1,673,452.05	1,765,704.20	(19,598.81)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	1,696,873.75	1,809,793.20			(153,396.01)		1,543,477.74	1,628,571.37	(27,825.82)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/02/06	10/01/36	566,280.88	607,530.37			(2,187.04)		564,113.84	598,816.68	(6,546.65)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	906,202.80	959,523.74			(129,391.80)		776,811.00	813,479.41	(16,852.53)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,127,379.19	1,202,407.29			(4,739.34)		1,122,639.85	1,184,536.15	(13,129.60)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	509,534.78	546,653.97			(2,048.82)		507,487.96	538,711.04	(5,896.11)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	389,200.49	390,926.54			(1,511.75)		387,688.74	385,047.69	(4,367.10)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	595,199.18	634,810.67			(121,577.88)		473,621.32	499,735.59	(13,497.42)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	338,557.08	363,221.76			(20,825.43)		317,731.65	337,281.02	(5,115.31)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	233,031.69	246,745.50			(1,860.11)		231,171.58	242,066.20	(2,799.19)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	286,128.85	305,172.61			(1,218.49)		284,910.16	300,620.89	(3,333.23)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	147,992.61	156,702.58			(26,432.04)		121,560.77	127,300.55	(2,969.99)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	379,422.65	407,065.74			(1,513.70)		377,908.95	401,162.14	(4,389.90)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	401,556.91	428,286.07			(1,833.81)		399,723.10	421,767.06	(4,685.20)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	406,052.17	435,638.06			(36,850.81)		369,201.56	391,921.00	(6,866.45)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	584,165.78	616,596.32			(131,518.93)		452,646.85	472,539.69	(12,537.70)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	1,261,427.45	1,345,400.97			(5,924.93)		1,255,502.52	1,324,749.04	(14,727.00)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	425,100.27	456,077.19			(1,699.29)		423,200.98	449,246.92	(4,930.98)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	395,702.28	418,994.64			(1,870.95)		394,031.33	412,640.62	(4,683.07)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,243,574.80	1,326,387.63			(5,550.07)		1,238,024.83	1,306,316.25	(14,501.31)	0.00
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36	363,375.34	389,856.35			(1,360.44)		362,014.90	384,267.06	(4,198.85)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36	243,706.96	258,054.42			(969.34)		242,737.62	254,203.63	(2,881.45)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/07	12/01/36	1,150,216.03	1,234,097.85			(4,466.50)		1,145,749.53	1,216,082.57	(13,548.78)	0.00
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36	925,233.06	992,668.48			(3,667.77)		921,565.29	978,296.86	(10,703.85)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37	364,925.66	386,413.39			(2,082.59)		362,843.07	379,986.27	(4,344.53)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/07	01/01/37	994,624.24	1,060,860.06			(4,648.97)		989,975.27	1,044,600.94	(11,810.15)	0.00
FNMA	2006 ABCDE Single Family	5.63	02/13/07	01/01/37	315,844.72	338,867.38			(1,184.23)		314,660.49	334,033.35	(3,649.80)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	355,767.04	376,717.74			(1,505.85)		354,261.19	371,001.15	(4,210.74)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	288,844.32	307,906.82			(1,103.76)		287,740.56	303,572.83	(3,230.23)	0.00
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	520,447.01	558,385.28			(1,895.94)		518,551.07	550,478.61	(6,010.73)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	445,179.81	471,397.33			(1,786.88)		443,390.93	464,343.93	(5,264.52)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	568,083.53	602,728.05			(5,515.65)		560,567.88	590,704.55	(8,507.85)	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	264,706.77	283,757.42			(944.11)		283,762.66	279,843.06	(2,970.25)	0.00
FNMA	2006 ABCDE Single Family	5.13	03/20/07	09/01/36	77,193.88	81,740.37			(1,673.42)		75,520.26	79,089.56	(977.39)	0.00
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	346,354.20	372,005.17			(112,453.14)		233,901.06	248,877.07	(10,674.96)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/07	09/01/36	117,871.23	125,722.00			(1,148.80)		116,724.43	123,168.27	(1,406.93)	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	426,351.74	451,369.88			(2,078.72)		424,273.02	444,308.69	(4,982.07)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	955,426.24	1,018,502.44			(3,623.16)		951,603.08	1,003,984.87	(10,694.61)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	515,918.50	553,057.49			(82,708.19)		433,210.31	459,628.55	(10,720.75)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	880,577.48	911,080.89			(3,870.51)		856,706.97	897,169.53	(10,040.85)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	1,393,828.39	1,486,695.85			(151,839.41)		1,241,986.98	1,310,561.77	(24,294.67)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	333,248.67	352,805.90			(1,537.01)		331,709.66	347,378.86	(3,890.03)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37	235,471.26	252,423.67			(894.73)		234,576.53	248,863.31	(2,645.63)	0.00
FNMA	2006 ABCDE Single Family	5.13	05/08/07	04/01/37	246,364.80	280,847.20			(944.08)		245,440.52	257,036.11	(2,867.01)	0.00
FNMA	2006 ABCDE Single Family	5.38	05/22/07	04/01/37	225,439.63	240,327.52			(839.38)		224,800.25	236,968.06	(2,520.08)	0.00
FNMA	2006 ABCDE Single Family	5.13	05/22/07	04/01/37	197,106.53	208,677.79			(900.25)		196,206.28	205,477.07	(2,300.47)	0.00
FNMA	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	328,688.64	350,595.59			(1,372.93)		327,315.71	345,394.67	(3,827.99)	0.00
FNMA	2006 ABCDE Single Family	5.63	06/05/07	05/01/37	319,147.00	342,130.10			(1,121.81)		316,025.19	337,427.97	(3,580.32)	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37	417,153.30	441,645.23			(2,069.92)		415,083.38	434,668.39	(4,876.92)	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37	616,315.68	657,025.30			(7,657.94)		608,657.74	642,182.34	(7,185.02)	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37	514,061.63	551,089.09			(192,632.22)		321,429.41	341,044.69	(17,412.18)	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37	377,875.93	400,067.44			(2,919.41)		374,956.52	392,681.24	(4,466.79)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37	1,847,769.84	1,979,036.05			(10,841.92)		1,837,127.92	1,947,302.91	(21,091.22)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37	458,261.02	493,563.44			(164,941.09)		273,319.93	291,341.51	(17,280.84)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37	1,726,633.17	1,836,577.56			(7,559.63)		1,719,073.49	1,808,674.42	(20,343.46)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/29/07	08/01/37	878,325.21	721,531.06			(135,565.46)		542,759.75	571,060.24	(14,905.39)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/07	07/01/37	618,633.15	862,580.43			(3,442.77)		615,190.38	652,092.71	(1,878.05)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/11/07	08/01/37	664,641.52	711,880.87			(2,719.99)		661,921.53	701,640.49	(7,520.39)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/11/07	09/01/37	173,767.16	184,837.67			(816.84)		172,950.32	181,970.86	(2,050.17)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/11/07	08/01/37	287,304.44	287,905.70			(933.24)		286,371.20	283,943.77	(3,028.60)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/25/07	09/01/37	1,663,616.09	1,781,882.89			(7,315.44)		1,656,300.65	1,755,712.68	(18,854.57)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/25/07	07/01/37	165,583.71	178,347.10			(603.93)		164,979.78	175,865.12	(1,878.05)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/25/07	09/01/37	946,962.57	1,007,304.66			(4,004.85)		942,957.72	992,150.25	(11,149.56)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/09/07	08/01/37	310,144.75	334,309.44			(1,238.71)		308,908.04	329,135.46	(3,937.27)	0.00
FNMA	2006 ABCDE Single Family	5.13	10/09/07	09/01/37	470,354.07	504,087.29			(1,737.61)		468,616.46	496,271.40	(6,078.28)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	5.63	10/09/07	09/01/37	259,048.87	280,088.00			(888.41)		258,160.46	275,941.17	(3,258.42)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/25/07	10/01/37	1,627,237.69	1,754,054.56			(90,201.80)		1,537,036.09	1,637,711.40	(26,141.36)	0.00
FNMA	2006 ABCDE Single Family	5.13	10/25/07	10/01/37	939,429.14	1,006,820.10			(99,457.14)		839,972.00	889,555.57	(17,807.39)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/08/07	09/01/37	631,084.58	680,274.18			(3,220.39)		627,864.19	666,995.79	(9,058.00)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/08/07	10/01/37	269,316.26	310,074.12			(1,376.21)		287,938.05	304,938.74	(3,757.17)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	10/01/37	406,954.63	438,680.29			(1,524.47)		405,430.16	431,995.71	(5,160.11)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/07	09/01/37	364,053.27	411,612.48			(1,457.04)		382,596.23	405,189.49	(4,965.95)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	11/01/37	530,036.27	571,357.82			(1,933.05)		528,103.22	562,708.01	(6,716.76)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	10/01/37	1,029,039.03	1,109,280.64			(4,059.78)		1,024,979.25	1,092,159.12	(13,061.74)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	11/01/37	554,425.62	594,223.34			(133,870.01)		420,555.81	445,400.10	(14,953.23)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	11/01/37	290,575.60	313,234.51			(1,961.66)		289,613.74	307,530.67	(3,741.78)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	12/01/37	367,665.44	415,493.09			(1,807.97)		385,857.47	408,652.82	(5,032.30)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/20/07	11/01/37	343,508.78	366,168.96			(1,308.92)		342,199.86	362,418.20	(4,441.84)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/20/07	10/01/37	72,418.60	78,066.13			(308.23)		72,110.37	76,837.28	(920.62)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/28/07	10/01/37	1,208,603.25	1,306,954.62			(4,343.52)		1,204,259.73	1,267,292.40	(15,216.70)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/16/08	12/01/37	329,348.80	353,001.37			(1,197.20)		328,151.60	347,548.71	(4,255.46)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	181,397.73	194,427.38			(951.68)		180,446.05	191,114.57	(2,381.13)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/08	11/01/37	64,211.05	69,221.19			(222.48)		63,988.57	88,185.64	(613.07)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	248,846.29	266,720.71			(970.58)		247,875.71	282,530.89	(3,219.24)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/09	01/01/36	110,362.62	118,103.24			(395.04)		109,967.58	115,532.96	(1,175.22)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/08	01/01/38	410,811.42	442,258.41			(1,411.22)		409,400.20	436,425.55	(4,421.64)	0.00
FNMA	2006 ABCDE Single Family	5.63	02/19/08	04/01/37	152,696.42	165,115.62			(822.51)		151,773.91	162,244.15	(1,948.96)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/19/08	12/01/37	207,933.66	224,162.04			(814.75)		207,118.93	220,708.33	(2,638.96)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/19/08	01/01/38	242,516.60	259,527.60			(1,405.33)		241,111.27	255,507.89	(2,814.58)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/27/08	02/01/36	183,579.92	196,458.67			(656.56)		182,923.36	193,847.02	(1,955.09)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/08	11/01/37	255,023.49	274,933.92			(948.78)		254,074.71	270,751.48	(3,233.66)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/08/08	03/01/38	175,425.62	187,739.34			(696.49)		174,729.13	185,170.38	(1,872.47)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/15/08	12/01/37	141,173.09	152,664.62			(776.91)		140,396.18	150,091.22	(1,796.49)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/15/08	01/01/38	239,899.83	258,636.32			(888.90)		239,010.93	254,705.64	(3,041.78)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/15/09	04/01/38	115,684.77	123,805.94			(409.55)		115,276.22	122,165.73	(1,231.86)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/29/08	04/01/38	157,029.23	169,296.15			(655.84)		156,373.39	166,644.54	(1,995.77)	0.00
Repo Agmt	2006 ABCDE Single Family	0.11	02/26/10	03/01/10	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	8,126.99	8,653.14			(3,260.23)		4,866.76	5,330.67	(262.24)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	9,842.87	9,539.25			(45.90)		8,796.97	9,423.67	(69.88)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	8,498.90	9,258.21			(49.72)		8,449.18	9,254.55	46.06	0.00
GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	10,783.90	11,832.67			(91.63)		10,692.27	11,453.51	(67.53)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	5,437.88	5,923.58			(29.48)		5,408.38	5,923.79	29.69	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,329.95	3,592.08			(17.20)		3,312.75	3,548.63	(26.23)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	9,066.83	9,877.20			(172.39)		8,894.44	9,742.57	37.76	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	6,074.76	6,817.45			(34.71)		6,040.05	6,615.73	32.99	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,582.93	2,788.26			(22.45)		2,560.48	2,742.82	(20.99)	0.00
GNMA	2006 ABCDE Single Family				2,956.09	3,220.24			(2,956.09)				(264.15)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	8,548.68	7,064.30			(39.54)		6,509.14	6,972.76	(52.00)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	3,695.08	4,243.16			(17.79)		3,877.29	4,246.95	21.58	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,730.62	5,103.21			(24.16)		4,706.46	5,041.79	(37.26)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	17,091.98	18,619.37			(87.98)		17,003.90	16,625.17	93.78	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	8,500.32	9,169.98			(4,408.43)		4,091.89	4,383.47	(377.98)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	4,669.21	5,304.36			(23.78)		4,845.43	5,307.42	26.84	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	6,816.55	7,353.46			(37.40)		6,779.15	7,262.19	(53.87)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	5,042.02	5,439.29			(28.41)		5,013.61	5,370.98	(39.90)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	2,995.15	3,262.94			(15.24)		2,979.91	3,264.15	16.45	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	9,772.89	10,543.00			(49.53)		9,723.36	10,416.51	(76.96)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	5,691.23	6,200.04			(25.65)		5,665.37	6,205.73	31.55	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	4,829.08	5,209.65			(24.38)		4,804.70	5,147.26	(38.01)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	5,524.93	6,018.87			(2,661.88)		2,863.07	3,138.15	(220.86)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	23,216.11	25,169.89			(4,471.84)		18,744.27	20,429.06	(268.99)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,709.41	5,080.89			(23.77)		4,685.64	5,019.25	(36.87)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,099.69	5,526.65			(40.03)		5,059.66	5,514.41	25.59	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,885.16	5,270.59			(24.50)		4,860.66	5,205.79	(40.30)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	4,966.68	5,384.65			(29.83)		4,936.85	5,380.59	25.77	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	16,099.91	17,363.54			(5,277.01)		10,818.90	11,584.82	(501.71)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	12,703.74	13,773.07			(104.57)		12,599.17	13,731.86	63.36	0.00
GNMA	2006 ABCDE Single Family	8.15	02/20/03	02/20/33	6,172.20	8,860.12			(39.66)		8,132.54	8,863.69	43.23	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,596.51	6,038.20			(27.71)		5,566.80	5,964.34	(46.15)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	16,005.55	17,353.04			(72.18)		15,933.37	17,366.03	65.17	0.00
GNMA	2006 ABCDE Single Family	5.40	02/27/03	01/20/33	5,071.69	5,471.86			(25.52)		5,046.17	5,404.46	(41.86)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	15,100.33	16,371.76			(69.88)		15,030.45	16,382.05	80.17	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,475.54	8,105.12			(35.14)		7,440.40	8,109.81	39.63	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	2,148.77	2,329.75			(9.50)		2,139.27	2,331.70	11.45	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	4,751.35	5,151.52			(21.08)		4,730.27	5,155.74	25.30	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	14,823.46	16,071.96			(80.30)		14,743.16	16,069.31	77.65	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,383.44	3,688.39			(18.23)		3,365.21	3,667.90	17.74	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	7,835.42	8,495.47			(5,257.36)		2,578.06	2,810.00	(428.11)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	5,392.34	5,646.60			(23.94)		5,368.40	5,851.39	26.73	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,197.22	4,550.82			(19.37)		4,177.85	4,553.74	22.29	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	2,456.51	2,663.47			(11.60)		2,444.91	2,664.89	13.02	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	4,019.05	4,357.67			(18.44)		4,000.61	4,360.59	21.36	0.00
GNMA	2006 ABCDE Single Family				4,142.12	4,491.24			(4,142.12)				(349.12)	0.00
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	3,037.49	3,293.52			(13.56)		3,023.93	3,296.13	16.17	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	1,957.56	2,122.59			(8.59)		1,948.97	2,124.44	10.44	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,480.09	2,689.23			(11.16)		2,468.93	2,691.27	13.20	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	4,332.94	4,698.31			(32.65)		4,300.29	4,687.53	21.87	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,178.00	4,530.30			(19.06)		4,158.94	4,533.44	22.20	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,321.53	2,517.33			(10.05)		2,311.48	2,519.86	12.38	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	7,945.95	8,616.58			(34.63)		7,911.32	8,624.34	42.39	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,782.76	3,017.63			(12.04)		2,770.72	3,020.44	14.85	0.00
GNMA	2006 ABCDE Single Family				3,135.87	3,400.81			(3,135.87)				(264.94)	0.00
GNMA	2008 ABCDE Single Family	6.15	03/11/04	03/20/34	3,033.26	3,276.10			(12.38)		3,020.90	3,277.45	13.73	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	17,022.96	18,352.95			(81.01)		16,941.95	18,139.63	(132.11)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	1,911.13	2,064.19			(7.98)		1,903.15	2,064.84	8.63	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	23,661.50	25,509.72			(5,218.27)		18,443.23	19,746.92	(544.53)	0.00
GNMA	2006 ABCDE Single Family	5.40	06/02/04	09/20/34	35,205.94	37,956.65			(9,590.36)		25,615.58	27,428.22	(940.07)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	39,994.94	43,046.91			(182.04)		39,812.90	42,554.96	(309.91)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	25,059.98	27,019.64			(111.22)		24,948.76	26,714.47	(193.95)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	5,249.98	5,660.17			(24.62)		5,225.36	5,594.63	(40.72)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/22/04	07/20/34	17,143.80	18,483.52			(11,962.40)		5,161.40	5,547.86	(973.28)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	14,413.56	15,539.94			(5,400.61)		9,012.97	9,650.36	(468.97)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/05/04	03/20/34	9,396.24	10,130.65			(44.31)		9,351.93	10,013.44	(72.90)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	28,545.68	30,776.97			(130.84)		28,414.84	30,424.90	(221.23)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	5,216.90	5,624.74			(55.89)		5,161.01	5,526.14	(42.71)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	4,947.63	5,334.91			(22.25)		4,925.38	5,274.35	(38.31)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	21,949.25	23,624.87			(100.66)		21,848.59	23,354.05	(170.16)	0.00
GNMA	2006 ABCDE Single Family				7,385.05	7,683.43			(7,385.05)				(298.38)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	58,665.77	63,255.29			(268.53)		58,377.24	62,510.69	(456.07)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	15,325.82	15,945.24			(79.99)		15,245.83	15,711.65	(153.60)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	14,631.62	15,748.79			(68.22)		14,563.40	15,567.06	(113.51)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	27,140.99	28,156.63			(157.68)		26,983.31	27,718.70	(280.45)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	104,239.11	108,141.11			(13,559.26)		90,679.85	93,151.65	(1,430.20)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	16,841.20	18,158.96			(77.63)		16,763.37	17,950.58	(130.57)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	25,506.70	26,463.61			(141.23)		25,367.47	26,059.18	(263.40)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,254.61	3,509.24			(14.16)		3,240.45	3,469.91	(25.17)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	22,541.72	23,385.89			(118.04)		22,423.66	23,035.27	(232.58)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/03/05	08/20/35	2,633.55	3,053.40			(12.99)		2,620.56	3,017.80	(22.61)	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,720.67	2,910.94			(14.83)		2,705.84	2,867.37	(26.74)	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	2,652.10	2,891.60			(49.50)		2,602.60	2,619.63	(22.47)	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	4,950.80	5,375.46			(20.53)		4,930.27	5,322.33	(32.60)	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	14,499.42	15,498.75			(67.05)		14,432.37	15,276.23	(155.47)	0.00
FNMA	2006 ABCDE Single Family	4.49	11/04/04	10/01/34	7,458.91	7,735.57			(38.04)		7,420.87	7,603.95	(93.58)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	3,198.29	3,449.69			(19.57)		3,178.72	3,404.70	(25.42)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	2,961.34	3,247.60			(14.46)		2,966.88	3,249.58	16.44	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	11,419.63	12,318.36			(66.09)		11,353.54	12,161.78	(80.49)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	84,734.86	87,909.68			(14,575.63)		70,159.23	72,074.23	(1,260.02)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	61,942.96	64,264.28			(310.50)		61,632.46	63,315.03	(638.75)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	67,795.35	91,083.45			(23,349.24)		64,446.11	66,204.02	(1,530.19)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	127,770.41	132,557.30			(707.64)		127,062.77	130,530.30	(1,319.36)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	79,265.65	82,236.58			(397.43)		78,868.22	81,021.76	(817.38)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	61,883.60	64,203.51			(318.56)		61,565.24	63,246.52	(638.43)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	137,988.79	143,071.62			(753.88)		137,244.91	140,781.47	(1,536.27)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	21,248.41	22,892.21			(96.19)		21,152.22	22,626.59	(169.43)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	72,733.65	75,407.71			(8,379.53)		64,354.12	66,012.74	(1,015.44)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	2,480.83	2,872.72			(10.66)		2,470.17	2,642.32	(19.74)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	100,134.56	103,816.54			(8,642.84)		91,491.72	93,850.24	(1,323.46)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	12,532.76	13,502.44			(53.65)		12,479.11	13,349.06	(99.73)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	138,520.16	143,614.45			(8,398.21)		130,123.95	133,479.15	(1,739.09)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	159,004.59	164,853.71			(26,210.13)		132,794.46	136,219.72	(2,423.66)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	54,398.46	56,399.92			(292.60)		54,105.88	55,501.82	(605.50)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	135,600.03	140,589.07			(24,245.11)		111,354.92	114,227.90	(2,116.06)	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	4,946.42	5,333.88			(21.51)		4,924.91	5,274.10	(38.27)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	53,265.35	55,225.42			(272.37)		52,992.98	54,380.52	(592.53)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	66,494.87	89,678.12			(12,420.57)		74,074.30	75,986.20	(1,271.35)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	83,447.17	86,519.04			(438.49)		83,008.68	85,151.95	(928.60)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	21,564.13	22,358.11			(110.02)		21,454.11	22,008.22	(239.87)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	5,990.81	6,454.77			(27.02)		5,963.89	6,379.98	(47.77)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	50,550.39	52,411.83			(259.97)		50,290.42	51,589.48	(662.38)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	45,540.38	47,217.61			(10,029.67)		35,510.71	36,426.21	(759.73)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	56,296.91	58,371.13			(334.88)		55,962.03	57,408.75	(627.50)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	47,707.56	49,609.37			(15,646.87)		32,060.69	32,996.65	(965.85)	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	5,076.02	5,459.60			(21.72)		5,054.30	5,397.52	(40.36)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	71,699.87	74,342.39			(356.33)		71,343.54	73,188.67	(797.39)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	69,546.55	72,110.12			(16,423.01)		53,123.54	54,497.76	(1,189.35)	0.00
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	6,314.41	6,803.56			(27.06)		6,287.33	6,726.23	(50.25)	0.00
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	99,583.43	103,234.41			(6,414.91)		93,148.52	95,559.00	(1,260.50)	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	5,209.13	5,602.84			(23.44)		5,185.69	5,537.90	(41.50)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	5,574.92	6,007.15			(3,493.74)		2,081.18	2,228.57	(266.84)	0.00
GNMA	2008 ABCDE Single Family	5.40	05/26/05	05/20/35	7,878.02	8,273.04			(4,018.39)		3,859.63	3,915.21	(339.44)	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	17,076.67	17,706.58			(82.24)		16,994.43	17,434.49	(189.85)	0.00
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	3,578.09	3,855.38			(20.30)		3,557.79	3,806.26	(28.82)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/11/05	07/20/35	3,067.14	3,305.00			(12.66)		3,054.48	3,267.96	(24.36)	0.00
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	15,138.73	15,700.62			(88.29)		15,050.44	15,422.14	(190.19)	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	15,075.87	15,635.58			(79.46)		14,996.41	15,366.92	(189.20)	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	13,844.10	14,332.51			(81.82)		13,762.28	14,085.32	(166.37)	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	16,460.99	17,072.42			(83.65)		16,377.34	16,782.26	(206.51)	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	4,045.72	4,324.64			(17.47)		4,028.25	4,264.06	(43.31)	0.00
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	14,187.36	14,688.33			(105.77)		14,081.59	14,412.53	(170.03)	0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	5,373.24	5,739.88			(23.02)		5,350.22	5,654.63	(62.23)	0.00
	<b>2006 ABCDE Single Family Total</b>				<b>238,546,941.52</b>	<b>254,825,684.44</b>	<b>24,093,288.16</b>	<b>0.00</b>	<b>(20,374,134.91)</b>	<b>0.00</b>	<b>242,266,104.77</b>	<b>255,426,606.19</b>	<b>(3,118,241.50)</b>	<b>0.00</b>
Repo Agmt	2006 FGH Single Family	0.11	02/26/10	03/01/10	643,022.82	643,022.82	155.76				643,178.58	643,178.58	-	0.00
Repo Agmt	2006 FGH Single Family	0.11	02/26/10	03/01/10	1,083,231.55	1,063,231.55					798,768.25	798,768.25	-	0.00
GIC's	2006 FGH Single Family	4.33	05/25/07	02/26/36	3,655,075.29	3,655,075.29	13,752,846.22	(284,483.30)			17,407,921.51	17,407,921.51	-	0.00
FNMA	2006 FGH Single Family	5.15	08/27/09	07/01/39	78,007.56	81,444.54			(243.11)		75,764.45	60,366.05	(815.38)	0.00
Freddie Mac	2006 FGH Single Family	5.49	05/28/08	05/01/38	253,167.75	271,820.32			(848.17)		252,319.58	269,030.64	(1,941.51)	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/28/08	04/01/38	155,381.50	165,139.94			(603.02)		154,778.48	163,182.50	(1,374.42)	0.00
Freddie Mac	2008 FGH Single Family	5.70	06/18/08	02/01/38	42,771.00	46,077.03			(137.83)		42,633.17	45,690.52	(248.68)	0.00
Freddie Mac	2006 FGH Single Family	5.49	06/18/08	05/01/38	148,410.15	157,199.39			(481.05)		145,929.10	155,596.14	(1,122.20)	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/18/08	05/01/38	78,684.93	83,627.85			(283.35)		78,401.58	82,649.67	(694.93)	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/25/08	04/01/38	93,273.31	100,483.68			(298.68)		92,974.63	99,642.81	(542.19)	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/09/08	04/01/37	110,981.14	117,952.99			(420.20)		110,560.94	116,551.31	(981.48)	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/16/08	06/01/38	162,872.92	173,098.27			(685.16)		182,187.76	170,979.33	(1,433.78)	0.00
Freddie Mac	2006 FGH Single Family	5.70	07/16/08	08/01/38	255,682.82	275,452.75			(849.62)		254,833.20	273,114.62	(1,488.51)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Freddie Mac	2006 FGH Single Family	5.49	07/23/08	06/01/38	76,671.77	82,324.01			(250.36)		76,421.41	81,486.07	(587.58)	0.00
Freddie Mac	2006 FGH Single Family	5.15	08/13/08	07/01/38	79,003.39	83,965.09			(510.61)		78,492.78	82,749.32	(705.16)	0.00
Freddie Mac	2006 FGH Single Family	5.15	09/17/08	07/01/38	57,603.69	61,222.89			(496.13)		57,105.56	60,203.76	(521.00)	0.00
Freddie Mac	2006 FGH Single Family	5.70	10/08/08	08/01/38	105,215.44	113,357.89			(326.65)		104,888.79	112,420.29	(610.95)	0.00
Freddie Mac	2006 FGH Single Family	5.49	10/22/08	08/01/38	104,139.70	111,824.32			(335.88)		103,803.82	110,690.55	(797.89)	0.00
Freddie Mac	2006 FGH Single Family	5.10	11/12/08	10/01/38	175,968.85	186,750.80			(960.04)		175,008.81	184,201.14	(1,589.62)	0.00
Freddie Mac	2006 FGH Single Family	5.70	11/19/08	08/01/38	94,718.87	102,052.05			(293.71)		94,425.16	101,208.24	(550.10)	0.00
Freddie Mac	2006 FGH Single Family	5.15	01/14/09	11/01/38	140,477.67	149,317.03			(473.72)		140,003.95	147,612.80	(1,230.51)	0.00
Freddie Mac	2006 FGH Single Family	5.15	03/31/09	12/01/38	95,578.30	101,598.06			(320.26)		95,258.04	100,440.53	(637.27)	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/20/09	03/01/39	157,094.32	166,978.91			(761.99)		156,332.33	164,828.11	(1,388.81)	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/24/09	05/01/39	64,570.63	68,641.81			(219.23)		64,351.40	67,856.60	(565.78)	0.00
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37	4,742,178.93	5,122,157.24			(497,181.31)		4,244,997.62	4,545,151.03	(79,824.90)	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37	39,118.83	41,877.94			(454.08)		38,664.75	41,081.56	(342.30)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	2,187,807.44	2,363,148.87			(458,147.10)		1,729,660.34	1,851,992.21	(53,009.56)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37	180,945.63	195,446.89			(651.89)		180,293.74	193,044.40	(1,750.60)	0.00
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37	478,967.00	516,849.18			(124,491.72)		354,475.28	381,213.73	(11,143.73)	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	263,149.62	281,711.91			(144,076.14)		119,071.48	128,515.14	(11,118.63)	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	1,164,815.54	1,258,174.56			(4,449.70)		1,160,365.84	1,242,437.57	(11,287.29)	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	743,927.20	798,416.73			(115,214.30)		628,712.90	668,028.59	(13,173.84)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	1,289,069.77	1,392,432.71			(169,023.45)		1,120,043.32	1,199,306.30	(24,102.96)	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	118,831.74	127,217.86			(455.38)		118,376.38	125,780.41	(982.09)	0.00
GNMA	2006 FGH Single Family	5.49	03/06/07	02/20/37	2,009,351.15	2,157,557.04			(378,390.38)		1,630,960.77	1,738,079.72	(43,086.94)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	02/20/37	280,893.02	303,415.56			(1,219.49)		279,673.53	299,463.69	(2,732.38)	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	499,865.08	539,436.08			(127,274.90)		372,590.16	400,721.76	(11,439.42)	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	1,529,315.62	1,634,415.91			(125,633.38)		1,403,682.24	1,486,898.10	(19,884.43)	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,329,216.02	1,435,851.73			(93,018.68)		1,232,197.34	1,416,884.82	(12,948.23)	0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	1,261,731.70	1,348,401.73			(131,789.93)		1,129,941.77	1,198,502.84	(18,108.96)	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	396,693.28	428,719.55			(1,611.91)		395,081.37	423,255.12	(3,852.52)	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	1,740,717.94	1,860,320.21			(514,111.32)		1,226,606.62	1,301,055.30	(45,153.59)	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	1,319,026.63	1,424,820.41			(82,674.88)		1,236,351.75	1,323,868.61	(18,276.72)	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	02/20/37	181,604.53	196,169.89			(888.63)		180,715.90	193,507.57	(1,773.69)	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	04/20/37	376,973.05	403,597.78			(1,836.29)		375,136.76	398,833.72	(3,127.77)	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	71,848.44	76,922.69			(285.11)		71,563.33	76,043.13	(594.45)	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	674,292.91	728,397.29			(2,478.04)		671,814.87	719,391.39	(6,527.86)	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	189,621.91	204,836.53			(78,462.06)		111,159.85	119,031.96	(7,342.91)	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	176,363.31	169,191.01			(76,310.68)		100,052.63	106,971.71	(5,908.62)	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07	05/20/37	947,505.16	1,014,441.61			(273,768.59)		673,736.57	715,926.32	(24,746.70)	0.00
GNMA	2006 FGH Single Family	5.49	05/22/07	04/20/37	530,730.16	573,323.40			(2,806.62)		527,923.54	565,315.87	(5,198.91)	0.00
GNMA	2006 FGH Single Family	5.70	05/22/07	04/20/37	198,888.60	214,639.15			(66,120.10)		132,768.50	142,796.79	(5,722.26)	0.00
GNMA	2006 FGH Single Family	5.15	06/05/07	05/20/37	1,222,786.21	1,309,186.97			(246,429.65)		976,356.56	1,037,488.91	(26,248.41)	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37	430,730.33	464,848.59			(81,342.70)		349,387.63	375,783.69	(7,722.20)	0.00
GNMA	2006 FGH Single Family	5.49	06/05/07	05/20/37	936,243.87	1,011,404.00			(365,457.92)		570,785.95	611,232.76	(34,713.32)	0.00
GNMA	2006 FGH Single Family	5.15	06/19/07	06/20/37	1,281,173.46	1,371,723.46			(244,884.07)		1,038,289.39	1,101,214.67	(25,624.74)	0.00
GNMA	2006 FGH Single Family	5.70	06/19/07	06/20/37	425,862.68	459,602.82			(168,223.35)		257,639.33	277,108.33	(14,271.14)	0.00
GNMA	2006 FGH Single Family	5.15	07/03/07	06/20/37	1,389,168.73	1,487,371.15			(137,116.81)		1,252,051.92	1,330,513.96	(19,740.38)	0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37	414,298.30	447,128.08			(1,420.63)		412,877.67	444,083.83	(1,623.82)	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37	428,699.84	463,126.96			(112,295.90)		316,403.74	338,832.36	(11,998.70)	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37	443,810.68	479,450.06			(160,555.13)		283,255.55	303,333.51	(15,561.42)	0.00
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37	1,053,487.84	1,127,976.41			(236,241.03)		817,246.81	868,472.40	(23,262.98)	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37	396,923.88	428,382.95			(1,342.40)		395,581.48	425,485.95	(1,554.60)	0.00
GNMA	2006 FGH Single Family	5.15	08/07/07	07/20/37	1,293,845.51	1,386,006.99			(4,867.70)		1,288,977.81	1,370,436.64	(10,702.65)	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37	520,521.67	562,051.68			(167,719.06)		352,802.81	379,657.30	(14,675.32)	0.00
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37	564,866.36	610,318.16			(110,556.31)		454,311.05	486,539.60	(13,220.25)	0.00
GNMA	2006 FGH Single Family	5.15	11/21/07	10/20/37	786,797.11	841,451.24			(131,598.12)		655,198.99	695,453.90	(14,399.22)	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	467,118.99	504,448.44			(97,263.21)		379,855.78	408,818.51	(8,366.72)	0.00
GNMA	2006 FGH Single Family				64,815.46	70,063.75			(64,815.48)				(5,246.29)	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	97,893.79	105,820.53			(375.02)		97,518.77	104,495.39	(950.12)	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	09/20/37	458,855.15	495,763.88			(110,820.61)		348,034.54	372,910.74	(12,232.33)	0.00
GNMA	2006 FGH Single Family	5.15	09/25/07	09/20/37	3,342,872.91	3,581,167.13			(559,575.93)		2,783,296.98	2,959,356.03	(62,255.17)	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	08/20/37	763,769.36	825,581.36			(142,404.35)		621,365.01	665,775.84	(17,381.17)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.70	09/25/07	09/20/37	145,574.58	157,198.04			(506.14)		145,068.44	156,119.48	(572.42)	0.00
GNMA	2006 FGH Single Family	5.15	10/09/07	09/20/37	1,202,615.10	1,288,368.06			(4,501.23)		1,198,113.87	1,273,919.28	(9,947.55)	0.00
GNMA	2006 FGH Single Family	5.49	10/09/07	08/20/37	79,205.97	85,615.35			(273.15)		78,932.82	84,575.67	(766.53)	0.00
GNMA	2006 FGH Single Family	5.15	08/23/07	08/20/37	1,219,484.70	1,306,353.09			(119,831.67)		1,100,633.03	1,170,211.62	(17,309.80)	0.00
GNMA	2006 FGH Single Family	5.49	08/23/07	07/20/37	848,801.66	917,439.68			(3,086.29)		845,715.37	906,128.18	(8,225.21)	0.00
GNMA	2006 FGH Single Family	5.70	06/23/07	08/20/37	772,401.50	834,043.85			(147,879.52)		624,521.98	672,072.38	(14,091.95)	0.00
GNMA	2006 FGH Single Family	5.15	09/11/07	09/20/37	815,451.18	873,569.88			(152,247.44)		663,203.74	705,142.96	(16,179.48)	0.00
GNMA	2006 FGH Single Family	5.70	09/11/07	08/20/37	160,729.05	173,314.12			(592.81)		160,136.24	172,089.27	(632.04)	0.00
GNMA	2006 FGH Single Family	5.49	09/11/07	08/20/37	541,510.65	585,312.73			(2,627.80)		538,882.85	577,390.24	(5,294.69)	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	356,428.14	384,911.82			(1,167.58)		355,260.56	362,347.98	(1,396.26)	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	738,494.40	789,801.23			(3,758.12)		734,736.28	779,885.61	(8,157.30)	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	167,907.47	179,890.36			(612.37)		167,295.10	177,890.04	(1,387.95)	0.00
GNMA	2006 FGH Single Family	5.49	11/28/07	11/20/37	140,558.57	151,941.53			(474.72)		140,083.85	150,107.14	(1,359.67)	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	333,052.08	356,825.40			(1,211.02)		331,841.06	352,661.47	(2,752.97)	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	11/20/37	358,741.97	387,418.39			(1,184.97)		357,557.00	384,627.31	(1,406.11)	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	77,374.10	82,897.07			(277.74)		77,096.36	81,980.02	(639.31)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	243,934.36	263,692.55			(825.40)		243,108.98	260,507.34	(2,359.81)	0.00
GNMA	2006 FGH Single Family	5.70	10/25/07	10/20/37	831,948.63	898,405.91			(213,010.50)		618,938.13	666,109.87	(19,285.54)	0.00
GNMA	2006 FGH Single Family	5.15	10/25/07	10/20/37	1,878,078.17	2,012,033.95			(437,847.05)		1,440,231.12	1,531,384.87	(42,802.03)	0.00
GNMA	2006 FGH Single Family	5.15	11/08/07	10/20/37	587,780.56	629,692.10			(145,060.03)		442,700.53	470,728.18	(13,905.89)	0.00
GNMA	2006 FGH Single Family	5.70	11/08/07	10/20/37	464,993.43	502,144.90			(1,535.35)		463,458.08	498,787.14	(1,822.41)	0.00
GNMA	2006 FGH Single Family	5.49	11/08/07	09/20/37	410,332.98	443,552.08			(1,415.00)		408,917.98	438,165.83	(3,971.25)	0.00
GNMA	2006 FGH Single Family	5.49	01/16/08	12/20/37	244,129.82	283,914.28			(86,030.39)		158,089.43	169,420.88	(8,483.19)	0.00
GNMA	2006 FGH Single Family	5.70	12/28/07	12/20/37	232,587.23	251,184.43			(69,884.77)		162,702.46	175,115.06	(6,184.60)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	149,837.75	161,974.31			(527.84)		149,309.91	159,995.45	(1,451.02)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	402,895.15	435,528.84			(1,370.88)		401,524.27	430,259.83	(3,898.13)	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	12/20/37	401,558.93	433,658.86			(58,565.58)		342,993.35	389,154.04	(5,939.24)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	430,433.21	465,287.43			(1,545.24)		428,887.97	459,581.83	(4,170.36)	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	87,790.90	94,057.43			(316.08)		87,474.82	93,015.90	(725.45)	0.00
GNMA	2006 FGH Single Family	5.49	12/20/07	11/20/37	157,757.03	170,536.58			(532.84)		157,224.19	168,477.66	(1,725.08)	0.00
GNMA	2006 FGH Single Family	5.70	12/20/07	12/20/37	207,028.02	223,579.52			(881.30)		206,146.72	222,087.16	(811.06)	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	01/20/38	87,180.12	71,878.97			(238.25)		86,941.87	71,176.17	(464.55)	0.00
GNMA	2006 FGH Single Family	5.15	01/18/08	12/20/37	845,645.31	691,758.88			(2,312.76)		643,332.55	884,111.32	(5,334.78)	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	187,410.39	202,601.31			(89,071.82)		98,338.57	105,382.04	(8,147.45)	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	173,942.10	188,041.33			(583.77)		173,358.33	185,775.07	(1,882.49)	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	12/20/37	267,272.57	286,366.17			(976.52)		266,296.05	283,179.99	(2,209.66)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	103,872.24	112,125.84			(347.47)		103,524.77	110,851.45	(926.82)	0.00
GNMA	2006 FGH Single Family	5.70	01/30/08	12/20/37	75,888.94	81,743.68			(244.49)		75,644.45	81,202.91	(296.28)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	73,151.85	78,269.49			(260.61)		72,891.24	77,502.96	(505.92)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	119,804.05	129,323.23			(432.35)		119,371.70	127,819.91	(1,070.97)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	1,297,423.16	1,400,511.54			(299,710.97)		997,712.19	1,068,322.58	(32,478.01)	0.00
GNMA	2006 FGH Single Family				160,148.46	173,132.07			(160,148.46)				(12,983.61)	0.00
GNMA	2006 FGH Single Family				150,948.75	161,518.96			(150,948.75)				(10,570.21)	0.00
GNMA	2006 FGH Single Family				113,097.15	121,017.89			(113,097.15)				(7,920.74)	0.00
GNMA	2006 FGH Single Family	5.49	04/17/08	03/20/38	289,475.08	312,497.79			(146,543.61)		142,931.45	153,057.88	(12,896.30)	0.00
GNMA	2006 FGH Single Family	5.15	03/12/08	02/20/38	324,727.12	347,455.64			(1,269.55)		323,457.57	343,932.99	(2,253.10)	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	02/20/38	215,206.12	232,312.88			(985.76)		214,217.36	229,365.20	(1,938.92)	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	03/20/38	245,090.18	264,572.96			(159,053.11)		86,037.07	92,129.19	(13,390.66)	0.00
GNMA	2006 FGH Single Family	5.70	02/19/08	12/20/37	107,424.90	116,020.71			(347.03)		107,077.87	115,253.16	(420.52)	0.00
GNMA	2006 FGH Single Family	5.15	02/19/08	02/20/38	130,274.70	139,389.73			(459.32)		129,815.38	138,029.85	(900.56)	0.00
GNMA	2006 FGH Single Family	5.49	02/19/08	02/20/38	178,514.95	192,700.64			(614.21)		177,900.74	190,492.91	(1,593.52)	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	182,985.08	197,527.79			(608.34)		182,376.74	195,287.32	(1,632.13)	0.00
GNMA	2006 FGH Single Family				192,126.37	207,395.16			(192,126.37)				(15,268.79)	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	267,525.01	288,788.51			(139,999.39)		127,525.62	136,553.25	(12,233.87)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	02/20/38	152,853.29	165,004.95			(509.17)		152,344.12	163,132.30	(1,363.48)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	03/20/38	201,698.94	217,734.22			(92,443.81)		109,255.13	116,992.22	(8,298.19)	0.00
GNMA	2006 FGH Single Family	5.70	03/27/08	03/20/38	204,598.40	220,549.12			(1,144.99)		203,453.41	216,834.28	(569.85)	0.00
GNMA	2006 FGH Single Family	5.49	04/17/08	03/20/38	143,974.90	155,425.81			(474.34)		143,500.56	153,667.30	(1,283.97)	0.00
GNMA	2006 FGH Single Family	5.70	04/22/08	12/20/37	119,764.99	129,358.85			(387.64)		119,377.15	128,499.92	(489.09)	0.00
GNMA	2006 FGH Single Family	5.49	04/22/08	03/20/38	112,039.80	120,951.24			(409.20)		111,630.60	119,540.02	(1,092.02)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.15	04/22/08	04/20/38	83,888.74	89,764.51			(292.12)		83,596.62	88,892.56	(579.83)	0.00
GNMA	2006 FGH Single Family	5.49	05/07/08	04/20/38	477,845.18	515,861.50			(138,712.81)		339,132.37	363,167.70	(13,980.99)	0.00
GNMA	2006 FGH Single Family	5.15	05/14/08	04/20/38	532,051.51	568,329.94			(222,064.63)		309,986.88	329,049.43	(17,215.88)	0.00
GNMA	2006 FGH Single Family	5.49	05/14/08	04/20/38	485,053.07	523,646.54			(1,611.92)		483,441.15	517,707.75	(4,326.87)	0.00
GNMA	2006 FGH Single Family	5.49	05/21/08	04/20/38	127,858.00	138,140.02			(418.76)		127,539.24	136,580.26	(1,141.00)	0.00
GNMA	2006 FGH Single Family	5.15	05/21/08	05/20/38	545,118.11	583,318.41			(170,501.60)		374,616.51	398,381.80	(14,455.01)	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	05/20/38	350,974.33	378,905.89			(104,698.32)		246,276.01	263,736.46	(10,471.11)	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	04/20/36	76,745.55	82,853.02			(253.13)		76,492.42	81,915.50	(684.39)	0.00
GNMA	2006 FGH Single Family	5.15	06/11/08	05/20/38	281,720.16	301,489.00			(993.84)		280,726.32	298,528.97	(1,948.19)	0.00
GNMA	2006 FGH Single Family	5.70	07/09/08	06/20/38	251,694.99	271,348.71			(789.38)		250,905.61	269,904.66	(654.67)	0.00
GNMA	2006 FGH Single Family	5.49	07/09/08	06/20/38	332,473.61	358,949.54			(1,223.01)		331,250.60	354,752.09	(2,974.44)	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	146,946.28	157,253.40			(512.32)		146,433.96	155,725.22	(1,015.86)	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	74,438.75	79,660.03			(270.84)		74,167.91	76,673.87	(515.32)	0.00
GNMA	2006 FGH Single Family	5.70	07/16/08	11/20/37	87,543.68	72,959.67			(219.46)		87,324.40	72,475.68	(264.73)	0.00
GNMA	2006 FGH Single Family	5.15	06/18/08	06/20/38	411,000.82	439,816.35			(1,425.47)		409,575.35	435,550.19	(2,840.69)	0.00
GNMA	2006 FGH Single Family				110,608.08	119,414.10			(110,608.08)				(8,806.02)	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	185,428.62	198,430.55			(83,676.60)		101,752.02	108,205.79	(6,548.16)	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	99,029.23	105,972.96			(340.74)		98,688.49	104,947.96	(684.28)	0.00
GNMA	2006 FGH Single Family	5.70	06/25/08	05/20/38	961,213.58	1,036,252.53			(108,947.39)		852,266.17	916,785.61	(10,519.53)	0.00
GNMA	2006 FGH Single Family	5.49	07/16/08	07/20/38	259,544.28	280,214.68			(835.20)		258,709.08	277,066.43	(2,313.25)	0.00
GNMA	2006 FGH Single Family	5.70	07/23/08	07/20/38	191,868.52	206,961.82			(615.47)		191,353.05	205,846.00	(500.35)	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	438,933.84	473,895.19			(1,420.15)		437,513.69	468,581.89	(3,913.15)	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/36	205,422.78	221,784.83			(787.59)		204,635.19	219,157.14	(1,840.10)	0.00
GNMA	2006 FGH Single Family	5.15	07/23/08	07/20/38	147,361.55	157,699.22			(150.39)		146,791.16	156,106.50	(1,022.33)	0.00
GNMA	2006 FGH Single Family	5.49	07/29/08	07/20/38	160,643.92	173,440.36			(549.07)		160,094.85	171,457.04	(1,434.25)	0.00
GNMA	2006 FGH Single Family	5.15	07/29/08	07/20/38	232,925.21	249,266.85			(797.63)		232,127.58	246,859.85	(1,609.37)	0.00
GNMA	2006 FGH Single Family	5.70	08/27/08	06/20/38	84,033.45	90,599.91			(358.23)		83,675.22	90,015.91	(225.77)	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	08/20/38	102,608.60	111,001.64			(342.45)		102,466.15	109,741.88	(917.31)	0.00
GNMA	2006 FGH Single Family	5.49	08/13/08	07/20/38	221,541.53	239,192.78			(720.20)		220,821.33	236,497.19	(1,975.39)	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	07/20/38	454,210.85	486,085.16			(102,916.32)		351,294.33	373,595.73	(9,578.11)	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	08/20/38	362,697.22	388,150.12			(1,240.20)		361,457.02	384,404.35	(2,505.57)	0.00
GNMA	2006 FGH Single Family	5.70	08/20/08	08/20/38	112,108.70	120,868.50			(390.94)		111,747.76	120,215.23	(292.33)	0.00
GNMA	2006 FGH Single Family	5.15	08/27/08	07/20/36	141,490.99	151,422.35			(484.22)		141,006.77	149,960.65	(977.48)	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	07/20/38	86,052.27	95,069.16			(282.89)		85,779.38	94,001.45	(784.82)	0.00
GNMA	2006 FGH Single Family	5.70	09/10/08	08/20/38	118,933.75	128,229.69			(419.55)		118,514.20	127,497.22	(312.92)	0.00
GNMA	2006 FGH Single Family	5.15	09/10/08	08/20/38	291,113.86	311,552.73			(110,081.86)		181,032.00	192,530.58	(6,940.29)	0.00
GNMA	2006 FGH Single Family	5.15	09/24/08	08/20/38	86,711.37	92,800.62			(294.77)		86,416.60	91,906.81	(599.04)	0.00
GNMA	2006 FGH Single Family				101,440.76	109,871.01			(101,440.76)				(7,930.23)	0.00
GNMA	2006 FGH Single Family	5.70	10/08/08	09/20/38	156,256.53	168,474.77			(477.71)		155,778.82	167,591.64	(405.42)	0.00
GNMA	2006 FGH Single Family	5.15	10/08/09	09/20/36	352,718.69	377,494.23			(1,199.86)		351,519.03	373,658.14	(2,436.43)	0.00
GNMA	2006 FGH Single Family	5.70	10/15/08	09/20/36	65,126.12	70,219.12			(201.76)		64,924.36	69,848.12	(169.24)	0.00
GNMA	2006 FGH Single Family	5.15	10/15/08	05/20/38	166,343.33	178,028.10			(611.70)		165,731.63	176,264.08	(1,152.32)	0.00
GNMA	2006 FGH Single Family	5.70	10/15/08	05/20/38	108,598.19	117,090.21			(339.60)		108,258.59	116,468.04	(282.57)	0.00
GNMA	2006 FGH Single Family	5.15	10/22/08	09/20/38	275,170.88	294,503.81			(1,011.50)		274,159.38	291,586.39	(1,905.92)	0.00
GNMA	2006 FGH Single Family	5.49	10/22/08	08/20/38	129,619.02	140,172.94			(415.06)		129,403.96	138,600.73	(1,157.15)	0.00
GNMA	2006 FGH Single Family	5.15	11/12/08	09/20/38	114,160.76	122,184.32			(365.61)		113,775.17	121,010.02	(768.69)	0.00
GNMA	2006 FGH Single Family	5.49	11/12/08	10/20/38	119,374.35	128,898.51			(697.99)		118,678.36	127,113.92	(1,086.60)	0.00
GNMA	2006 FGH Single Family	5.49	11/25/06	10/20/38	147,670.68	159,454.52			(485.58)		147,205.10	157,673.21	(1,315.73)	0.00
GNMA	2006 FGH Single Family	5.15	11/25/08	10/20/38	109,880.17	117,615.22			(369.18)		109,520.99	116,487.20	(756.84)	0.00
GNMA	2006 FGH Single Family	5.70	11/25/08	09/20/38	76,925.06	82,944.38			(320.50)		76,604.56	82,417.71	(206.17)	0.00
GNMA	2006 FGH Single Family	5.49	12/10/06	11/20/38	220,832.95	238,459.10			(69,995.29)		150,837.66	161,566.67	(6,696.94)	0.00
GNMA	2006 FGH Single Family	5.15	12/17/08	09/20/36	160,854.91	172,166.69			(566.31)		160,288.60	170,487.56	(1,112.82)	0.00
GNMA	2006 FGH Single Family	5.15	03/11/09	02/20/39	372,612.49	396,872.45			(1,235.83)		371,376.66	395,060.29	(2,576.33)	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	01/20/39	140,640.89	151,892.78			(435.06)		140,205.83	150,197.75	(1,259.99)	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	02/20/39	101,479.70	109,598.63			(311.97)		101,167.73	108,377.65	(909.01)	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	03/20/39	143,875.11	154,019.58			(472.76)		143,402.35	152,562.11	(994.71)	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	02/20/39	72,688.23	77,811.17			(242.70)		72,445.53	77,065.70	(502.77)	0.00
GNMA	2006 FGH Single Family				126,739.91	135,654.95			(126,739.91)				(8,915.04)	0.00
GNMA	2006 FGH Single Family	5.70	01/14/09	12/20/38	68,996.21	72,242.76			(202.22)		68,793.99	71,866.81	(173.73)	0.00
GNMA	2006 FGH Single Family	5.15	01/14/09	12/20/38	143,067.25	153,133.26			(675.17)		142,392.08	151,457.52	(1,000.57)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.15	05/20/09	05/20/39	289,141.85	309,543.63			(938.34)		288,203.51	306,606.86	(1,998.43)	0.00
GNMA	2006 FGH Single Family	5.15	06/24/09	05/20/39	141,081.46	151,041.79			(454.34)		140,627.12	149,612.52	(974.95)	0.00
GNMA	2006 FGH Single Family	5.15	07/29/09	07/20/39	234,446.75	251,008.56			(747.52)		233,699.23	248,641.31	(1,619.73)	0.00
GNMA	2006 FGH Single Family	6.00	07/29/09	07/20/39	391,482.52	425,104.18			(1,070.54)		390,411.98	422,757.50	(1,276.14)	0.00
GNMA	2006 FGH Single Family				449,715.22	1,094,944.38			(449,715.22)				(645,229.14)	0.00
GNMA	2006 FGH Single Family				133,035.30	70,079.92			(133,035.30)				62,555.38	0.00
GNMA	2006 FGH Single Family				432,422.14	171,870.57			(432,422.14)				260,551.57	0.00
GNMA	2006 FGH Single Family				117,286.56	1,379,959.18			(117,286.56)				(1,262,672.62)	0.00
GNMA	2006 FGH Single Family				72,498.30	94,827.39			(72,498.30)				(22,329.09)	0.00
GNMA	2006 FGH Single Family				135,961.71	1,289,850.21			(135,961.71)				(1,153,888.50)	0.00
GNMA	2006 FGH Single Family				79,311.89	219,233.02			(79,311.89)				(139,921.13)	0.00
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37	1,023,780.75	2,560,569.58			(4,955.24)		1,018,825.51	1,078,700.43	(1,476,913.91)	0.00
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37	65,286.12	245,371.19			(230.33)		65,057.79	69,104.41	(176,036.45)	0.00
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37	162,170.84	353,287.37			(1,834.84)		160,335.80	168,065.19	(183,387.34)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	1,269,328.77	1,672,866.49			(5,300.41)		1,284,028.36	1,359,770.87	(307,815.41)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	88,663.57	87,267.67			(366.91)		88,296.66	93,466.48	6,585.72	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	1,206,005.75	115,317.68			(4,722.17)		1,201,283.58	1,271,694.10	1,181,296.59	0.00
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37	206,912.00	487,885.19			(800.56)		206,111.44	216,034.15	(271,050.48)	0.00
FNMA	2006 FGH Single Family	5.49	03/07/07	02/01/37	2,394,109.87	438,993.39			(9,653.93)		2,384,455.94	2,524,630.09	2,095,290.63	0.00
FNMA	2006 FGH Single Family	5.49	03/06/07	01/01/37	229,254.54	2,420,899.65			(857.42)		228,397.12	241,871.52	(2,178,170.71)	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	333,428.73	387,549.74			(1,367.08)		332,041.65	348,030.79	(38,131.87)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	1,564,126.17	66,447.11			(5,699.08)		1,558,227.09	1,649,838.33	1,589,290.30	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	81,594.09	578,331.04			(297.54)		81,296.55	86,076.14	(491,957.38)	0.00
FNMA	2006 FGH Single Family	5.15	03/27/07	12/01/36	106,807.60	1,187,544.14			(437.13)		108,370.47	113,596.58	(1,073,510.45)	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	454,513.60	226,234.88			(1,695.29)		452,818.31	480,996.33	256,456.74	0.00
FNMA	2006 FGH Single Family	5.15	04/10/07	03/01/37	414,312.97	324,503.37			(1,582.51)		412,720.46	432,598.95	109,688.09	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	2,263,485.59	251,158.83			(132,868.76)		2,130,618.63	2,255,902.67	2,137,612.60	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	360,191.54	301,615.86			(1,471.15)		358,720.39	382,069.70	81,925.19	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	61,901.86	245,174.24			(288.33)		61,613.33	65,447.87	(179,438.04)	0.00
FNMA	2006 FGH Single Family	5.15	04/24/07	03/01/37	545,813.70	496,730.46			(2,327.39)		543,486.31	569,666.52	75,263.45	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	1,110,318.86	567,870.69			(146,716.32)		963,602.34	1,020,271.89	579,117.52	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	211,522.93	921,657.13			(2,868.03)		208,654.90	220,925.90	(897,863.20)	0.00
FNMA	2006 FGH Single Family	5.15	05/08/07	04/01/37	306,255.63	577,650.56			(2,153.58)		304,102.05	316,753.16	(256,743.82)	0.00
FNMA	2006 FGH Single Family	5.49	05/08/07	05/01/37	234,624.44	670,129.18			(112,009.96)		122,814.48	130,038.12	(426,061.10)	0.00
FNMA	2006 FGH Single Family	5.49	05/22/07	04/01/37	281,998.33	304,756.69			(1,051.40)		280,946.93	297,473.02	(6,232.27)	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	228,399.84	528,093.51			(1,554.05)		226,845.79	240,966.57	(285,572.89)	0.00
FNMA	2006 FGH Single Family	5.15	06/05/07	05/01/37	468,671.84	1,073,210.99			(1,900.90)		466,770.94	489,298.33	(582,011.76)	0.00
FNMA	2006 FGH Single Family	5.70	06/19/07	06/01/37	547,641.89	222,576.47			(2,174.97)		545,466.92	579,429.48	359,027.98	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37	861,699.71	1,020,392.53			(3,138.73)		858,560.98	909,076.72	(108,177.08)	0.00
FNMA	2006 FGH Single Family	5.70	07/03/07	06/01/37	538,117.90	167,459.29			(1,928.40)		536,189.50	589,577.84	404,046.95	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	05/01/37	626,531.48	501,177.21			(2,281.75)		624,249.73	660,981.80	162,086.34	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	06/01/37	284,929.35	284,161.54			(1,111.16)		283,818.19	300,519.22	17,468.84	0.00
FNMA	2006 FGH Single Family	5.15	07/17/07	06/01/37	498,361.31	635,777.20			(1,899.25)		496,462.06	520,417.90	(113,460.05)	0.00
FNMA	2006 FGH Single Family	5.70	08/07/07	07/01/37	995,115.36	657,612.27			(3,473.47)		991,641.89	1,058,267.63	404,126.63	0.00
FNMA	2006 FGH Single Family	5.15	08/07/07	06/01/37	209,078.68	162,055.67			(786.36)		208,292.32	219,343.47	58,074.16	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	949,570.66	421,743.74			(3,375.27)		946,195.39	1,006,511.41	589,142.94	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	155,836.53	569,853.58			(67,334.72)		88,501.61	94,143.43	(408,375.43)	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37	466,385.68	559,226.39			(2,248.21)		464,137.47	493,730.77	(63,247.41)	0.00
FNMA	2006 FGH Single Family	5.70	08/23/07	06/01/37	263,490.43	250,285.22			(919.24)		262,561.19	280,205.07	30,859.09	0.00
FNMA	2006 FGH Single Family	5.15	09/11/07	08/01/37	597,201.02	220,336.45			(31,381.33)		565,819.69	595,860.26	406,905.14	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	611,949.95	336,374.06			(2,819.90)		609,130.05	647,980.49	312,426.31	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	150,603.09	1,041,361.32			(528.73)		150,276.36	159,861.02	(88,973.57)	0.00
FNMA	2006 FGH Single Family	5.70	09/25/07	09/01/37	391,036.06	933,862.93			(1,632.92)		389,403.14	415,585.38	(516,644.63)	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	530,278.51	396,046.87			(1,933.97)		528,344.54	562,048.67	167,935.77	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	520,389.35	275,599.39			(1,871.99)		516,517.36	551,594.62	277,667.22	0.00
FNMA	2006 FGH Single Family	5.15	09/25/07	08/01/37	235,077.38	248,630.20			(1,132.95)		233,944.43	246,367.77	(1,129.48)	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	05/01/37	203,848.15	88,041.08			(1,467.52)		202,380.63	216,262.21	129,688.65	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	09/01/37	313,050.22	527,221.15			(1,796.40)		311,253.82	332,606.52	(192,818.23)	0.00
FNMA	2006 FGH Single Family	5.15	10/25/07	10/01/37	970,981.65	144,969.09			(4,471.70)		966,509.95	1,024,314.18	883,816.79	0.00
FNMA	2006 FGH Single Family	5.49	10/25/07	10/01/37	863,958.84	421,877.52			(98,884.49)		765,074.35	817,572.50	494,579.47	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2006 FGH Single Family	5.70	10/25/07	10/01/37	365,693.97	108,892.16			(1,229.17)		364,464.80	390,205.82	282,542.83	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	254,966.63	866,240.28			(909.75)		254,056.88	271,493.14	(593,837.39)	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	230,016.49	678,673.17			(1,254.82)		228,761.67	244,461.88	(432,956.47)	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	09/01/37	81,449.96	236,969.88			(279.53)		81,170.43	88,741.09	(149,949.26)	0.00
FNMA	2006 FGH Single Family	5.70	11/21/07	10/01/37	466,803.80	350,914.80			(1,692.26)		485,111.54	519,385.53	170,162.99	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	05/01/37	134,115.70	161,363.04			(475.51)		133,640.19	142,812.09	(18,075.44)	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	10/01/37	390,288.91	231,611.20			(1,416.57)		388,872.34	415,565.78	185,371.15	0.00
FNMA	2006 FGH Single Family	5.70	11/28/07	10/01/37	100,543.76	229,285.72			(367.03)		100,176.73	107,255.04	(121,643.65)	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	11/01/37	807,661.79	228,553.87			(3,032.54)		804,629.25	852,788.01	627,268.58	0.00
FNMA	2006 FGH Single Family	5.49	12/11/07	11/01/37	627,844.62	91,341.28			(70,513.95)		557,330.67	595,599.05	574,771.72	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	12/01/37	220,944.64	269,894.43			(976.89)		219,967.95	233,133.97	(35,783.57)	0.00
FNMA	2006 FGH Single Family	5.70	12/11/07	11/01/37	324,007.07	284,089.20			(1,060.87)		322,946.20	345,789.55	62,741.22	0.00
FNMA	2006 FGH Single Family	5.49	12/20/07	10/01/37	149,277.16	256,252.52			(510.20)		148,766.96	158,982.81	(98,759.51)	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	12/01/37	215,945.28	113,045.08			(782.84)		215,162.44	228,044.28	115,782.04	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	11/01/37	213,756.88	121,811.30			(771.02)		212,985.86	225,739.05	104,698.77	0.00
FNMA	2006 FGH Single Family	5.70	12/28/07	12/01/37	211,025.22	319,065.32			(747.29)		210,277.93	225,142.61	(93,175.42)	0.00
FNMA	2006 FGH Single Family	5.49	12/28/07	01/01/36	84,473.57	303,615.25			(331.23)		84,142.34	89,957.64	(213,326.38)	0.00
FNMA	2006 FGH Single Family	5.49	01/16/08	12/01/37	249,672.89	65,683.80			(1,114.89)		248,558.00	265,633.75	201,064.84	0.00
FNMA	2006 FGH Single Family	5.15	01/16/08	01/01/38	264,888.91	240,074.01			(949.89)		263,919.02	279,725.01	40,600.89	0.00
FNMA	2006 FGH Single Family	5.49	01/30/08	12/01/37	238,900.34	185,503.62			(811.74)		238,088.60	254,448.19	69,756.31	0.00
FNMA	2006 FGH Single Family	5.70	01/30/08	12/01/37	104,372.28	144,492.27			(338.98)		104,033.30	111,390.84	(32,762.65)	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	11/01/37	113,569.03	136,525.67			(412.44)		113,156.59	119,934.46	(16,178.97)	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	01/01/38	297,475.09	170,153.82			(1,065.67)		296,409.42	314,165.05	145,076.90	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	280,859.65	288,599.95			(2,475.75)		278,384.10	297,516.69	11,392.49	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	60,839.32	334,149.70			(2,129.92)		60,626.40	64,812.67	(269,124.11)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	222,367.46	260,538.52			(745.44)		221,622.02	236,925.10	(22,867.98)	0.00
FNMA	2006 FGH Single Family	5.70	02/13/08	02/01/38	171,595.31	442,752.57			(1,129.11)		170,466.20	182,352.42	(259,271.04)	0.00
FNMA	2006 FGH Single Family	5.15	02/19/08	12/01/37	134,712.65	228,688.14			(1,199.82)		133,513.03	141,512.92	(85,955.40)	0.00
FNMA	2006 FGH Single Family	5.49	02/19/08	12/01/37	126,293.13	248,075.48			(430.36)		125,862.77	134,513.39	(113,131.73)	0.00
FNMA	2006 FGH Single Family	5.49	02/19/08	01/01/38	157,603.41	135,771.27			(528.32)		157,075.09	167,922.03	52,679.05	0.00
FNMA	2006 FGH Single Family	5.49	02/27/08	12/01/37	266,967.22	118,717.47			(1,053.01)		285,914.21	284,192.66	166,528.20	0.00
FNMA	2006 FGH Single Family	5.15	03/12/08	02/01/38	312,017.21	213,033.17			(1,108.62)		310,906.59	329,714.53	117,789.98	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	12/01/37	241,004.58	129,077.73			(1,247.51)		239,757.07	256,242.43	126,412.21	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	409,555.44	110,028.14			(1,460.71)		408,094.73	436,156.08	327,588.65	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	211,795.78	198,825.60			(710.91)		211,084.87	225,687.64	27,552.95	0.00
FNMA	2006 FGH Single Family	5.15	03/27/08	03/01/38	231,276.76	104,787.53			(871.63)		230,405.15	244,219.79	140,303.89	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	01/01/38	125,751.43	488,345.48			(422.18)		125,329.25	133,989.63	(353,933.67)	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	02/01/38	109,956.08	143,702.27			(393.03)		109,563.05	117,134.20	(26,175.04)	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	03/01/38	197,310.85	469,570.74			(693.55)		196,617.30	210,204.40	(258,672.79)	0.00
FNMA	2006 FGH Single Family	5.15	04/17/08	03/01/38	120,524.34	126,691.79			(426.67)		120,097.67	127,366.27	1,101.15	0.00
FNMA	2006 FGH Single Family	5.70	04/22/08	12/01/37	101,579.42	78,727.22			(329.61)		101,249.61	108,417.84	30,020.43	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	02/01/38	184,149.97	145,950.82			(820.42)		183,529.55	196,214.41	50,884.01	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	06/01/37	96,929.10	84,917.40			(339.48)		96,589.62	103,232.76	18,654.84	0.00
GNMA	2006 FGH Single Family	6.00	08/12/09	06/20/39			448,493.77				448,493.77	485,658.73	37,164.96	0.00
GNMA	2006 FGH Single Family	5.49	08/12/09	07/20/39			132,636.69				132,636.69	142,114.75	9,478.06	0.00
GNMA	2006 FGH Single Family	6.00	08/19/09	07/20/39			431,038.32				431,038.32	466,760.58	35,722.26	0.00
GNMA	2006 FGH Single Family	5.49	08/19/09	07/20/39			116,931.25				116,931.25	125,288.01	8,354.76	0.00
GNMA	2006 FGH Single Family	6.00	08/27/09	07/20/39			72,302.83				72,302.83	78,295.63	5,992.80	0.00
GNMA	2006 FGH Single Family	5.25	08/27/09	08/20/39			135,530.84				135,530.84	144,499.75	8,969.11	0.00
GNMA	2006 FGH Single Family	5.15	08/27/09	08/20/39			79,061.00				79,061.00	84,118.66	5,057.66	0.00
Repo Agmt	2006 FGH Single Family	0.11	02/26/10	03/01/10	29,388.90	29,388.90			0.00		29,388.90	29,388.90	-	0.00
	<b>2006 FGH Single Family Total</b>				<b>123,501,703.74</b>	<b>132,318,985.58</b>	<b>15,168,998.48</b>	<b>(264,463.30)</b>	<b>(13,238,638.73)</b>	<b>0.00</b>	<b>125,147,400.19</b>	<b>132,125,235.82</b>	<b>(1,839,446.21)</b>	<b>0.00</b>
Repo Agmt	2007A Single Family	0.11	02/28/10	03/01/10	43.71	43.71			0.00		43.71	43.71	-	0.00
Repo Agmt	2007A Single Family	0.11	02/28/10	03/01/10	272,137.31	272,137.31	18,073,268.89				16,345,426.20	16,345,426.20	-	0.00
Inv Agmt	2007A Single Family				4,860,750.87	4,860,750.87			(4,860,750.67)				-	0.00
Freddie Mac	2007A Single Family	4.75	05/07/08	04/01/38	284,981.43	277,237.25			(1,000.55)		263,980.88	273,342.03	(2,894.67)	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	01/01/38	289,450.20	310,769.99			(1,492.21)		287,957.99	307,023.20	(2,254.58)	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	03/01/38	204,443.03	219,501.96			(1,014.63)		203,428.20	216,897.49	(1,589.84)	0.00
Freddie Mac	2007A Single Family	5.49	05/28/08	03/01/36	267,893.13	287,629.74			(1,832.16)		266,060.97	263,681.26	(2,116.32)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Freddie Mac	2007A Single Family	4.75	06/18/08	05/01/38	321,874.38	336,771.77			(2,343.28)		319,531.10	330,872.15	(3,556.34)	0.00
Freddie Mac	2007A Single Family	5.49	06/18/08	05/01/38	362,380.31	389,084.79			(1,244.65)		361,135.66	385,059.02	(2,781.12)	0.00
Freddie Mac	2007A Single Family	5.49	06/25/08	06/01/38	319,607.02	343,161.54			(1,056.00)		318,551.02	339,655.43	(2,450.11)	0.00
Freddie Mac	2007A Single Family	4.75	06/25/08	05/01/36	75,793.41	79,304.07			(298.12)		75,495.29	78,175.22	(630.73)	0.00
Freddie Mac	2007A Single Family	5.49	06/25/08	03/01/38	194,108.33	208,413.17			(549.79)		193,458.54	206,274.79	(1,488.59)	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	06/01/38	138,090.13	146,121.95			(451.37)		135,638.76	144,627.18	(1,043.40)	0.00
Freddie Mac	2007A Single Family	5.49	07/18/08	05/01/38	217,090.31	233,092.80			(721.60)		218,368.71	230,706.66	(1,664.54)	0.00
Freddie Mac	2007A Single Family	5.49	07/23/08	06/01/38	153,828.56	165,168.79			(503.26)		153,325.30	163,486.59	(1,178.94)	0.00
Freddie Mac	2007A Single Family	4.75	07/23/08	07/01/38	165,181.28	172,831.11			(618.82)		164,562.48	170,407.88	(1,804.41)	0.00
Freddie Mac	2007A Single Family	5.49	08/13/08	07/01/38	138,576.32	148,796.71			(449.71)		138,128.61	147,285.15	(1,061.85)	0.00
Freddie Mac	2007A Single Family	5.49	08/20/08	04/01/38	189,936.64	203,942.47			(629.67)		189,306.77	201,856.11	(1,456.49)	0.00
Freddie Mac	2007A Single Family	5.49	09/17/08	07/01/38	25,567.94	27,453.92			(83.00)		25,484.94	27,174.99	(195.93)	0.00
Freddie Mac	2007A Single Family	5.49	10/08/08	09/01/38	126,019.97	135,317.93			(403.92)		125,616.05	133,948.66	(965.35)	0.00
Freddie Mac	2007A Single Family	5.49	10/08/08	08/01/38	113,188.82	121,539.96			(365.51)		112,823.31	120,307.21	(967.24)	0.00
Freddie Mac	2007A Single Family	5.49	10/22/08	08/01/38	130,145.48	139,749.10			(419.71)		129,725.77	138,332.28	(997.13)	0.00
Freddie Mac	2007A Single Family	4.75	12/30/08	11/01/38	83,396.24	87,268.66			(302.55)		83,093.69	86,055.32	(910.79)	0.00
FNMA	2007A Single Family	6.25	02/20/98	01/01/28	77,391.40	84,041.73			(1,387.76)		76,003.64	81,613.56	(1,040.41)	0.00
FNMA	2007A Single Family	6.25	03/27/98	03/01/28	213,711.50	232,823.77			(1,942.61)		211,766.89	229,034.48	(1,846.70)	0.00
FNMA	2007A Single Family	6.25	06/29/98	05/01/28	49,549.20	53,980.42			(2,317.85)		47,231.35	51,082.16	(580.41)	0.00
GNMA	2007A Single Family	6.25	02/20/98	01/20/28	988,957.01	1,072,891.26			(9,456.37)		977,500.64	1,066,130.49	(2,895.60)	0.00
FNMA	2007A Single Family	6.25	11/30/98	09/01/28	244,756.58	288,645.18			(1,823.47)		242,933.11	282,739.46	(2,082.25)	0.00
GNMA	2007A Single Family	6.25	03/27/98	03/20/28	2,307,234.74	2,508,125.64			(74,211.32)		2,233,023.42	2,435,491.62	(1,577.30)	0.00
GNMA	2007A Single Family	6.25	05/19/98	05/20/28	1,325,828.31	1,441,265.96			(14,392.57)		1,311,433.74	1,430,341.40	(3,468.01)	0.00
GNMA	2007A Single Family	5.45	07/28/00	06/20/30	1,035,978.09	1,109,522.11			(53,530.54)		982,447.55	1,045,078.52	(10,913.05)	0.00
GNMA	2007A Single Family	6.25	08/14/98	07/20/26	754,943.65	820,676.86			(6,665.94)		748,277.91	816,124.31	(2,113.39)	0.00
GNMA	2007A Single Family	6.25	06/29/98	06/20/26	426,585.11	465,902.02			(3,252.73)		425,332.38	463,897.28	(1,247.99)	0.00
GNMA	2007A Single Family	6.25	09/18/98	09/20/28	566,102.69	637,134.65			(4,815.06)		581,287.63	633,992.98	(1,673.39)	0.00
FNMA	2007A Single Family	6.25	03/31/99	11/01/28	108,872.48	118,608.64			(2,300.49)		106,571.97	115,260.70	(1,047.65)	0.00
GNMA	2007A Single Family	6.25	11/30/98	11/20/28	470,217.55	511,159.38			(3,472.28)		466,745.27	509,065.05	(1,377.95)	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28	402,756.52	437,824.47			(3,298.30)		399,458.22	435,677.01	(1,150.84)	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28	152,081.98	165,323.82			(1,069.71)		151,012.27	164,704.63	(450.52)	0.00
FNMA	2007A Single Family	6.25	05/27/99	11/01/28	59,402.64	64,507.09			(1,936.83)		57,465.81	61,707.34	(652.92)	0.00
GNMA	2007A Single Family	6.25	02/16/99	02/20/29	822,453.09	894,203.90			(7,847.14)		814,605.95	889,036.48	(2,879.72)	0.00
GNMA	2007A Single Family	6.25	03/31/99	02/20/29	55,772.71	60,638.34			(977.71)		54,795.00	59,801.63	(141.00)	0.00
GNMA	2007A Single Family	6.25	06/27/99	05/20/29	328,968.51	357,667.73			(66,495.95)		262,472.56	286,454.68	(4,717.10)	0.00
GNMA	2007A Single Family	5.45	07/30/99	07/20/29	545,111.14	584,168.33			(31,620.61)		513,490.53	546,569.56	(5,976.16)	0.00
GNMA	2007A Single Family	5.45	08/28/99	08/20/29	644,291.76	690,455.22			(5,681.29)		638,610.47	679,749.71	(5,024.22)	0.00
FNMA	2007A Single Family	5.45	09/20/99	08/01/29	99,215.32	106,386.30			(672.35)		96,542.97	104,543.93	(1,170.02)	0.00
GNMA	2007A Single Family	5.45	09/20/99	09/20/29	320,378.06	343,333.14			(2,263.54)		318,114.52	338,607.44	(2,462.16)	0.00
FNMA	2007A Single Family	5.45	12/20/99	12/01/29	353,352.43	378,889.21			(3,229.47)		350,122.96	371,441.94	(4,217.80)	0.00
FNMA	2007A Single Family	5.45	01/19/00	12/01/29	249,760.95	267,811.17			(2,898.39)		246,862.56	261,894.03	(3,016.75)	0.00
GNMA	2007A Single Family	5.45	10/28/99	10/20/29	1,076,530.87	1,155,807.32			(195,298.37)		883,232.30	940,130.05	(20,378.90)	0.00
GNMA	2007A Single Family	5.45	11/18/99	11/20/29	116,516.84	127,008.53			(1,425.01)		117,091.63	124,634.86	(948.66)	0.00
GNMA	2007A Single Family	5.45	12/30/99	12/20/29	2,088,774.14	2,238,434.78			(17,184.95)		2,071,589.19	2,205,040.92	(16,208.91)	0.00
GNMA	2007A Single Family	5.45	01/28/00	01/20/30	552,512.18	591,735.04			(3,795.90)		548,716.26	583,696.96	(4,242.18)	0.00
GNMA	2007A Single Family	5.45	02/22/00	01/20/30	298,216.17	319,386.46			(1,994.12)		296,222.05	315,106.13	(2,286.21)	0.00
GNMA	2007A Single Family	5.45	03/27/00	02/20/30	410,807.37	439,970.62			(3,663.60)		407,143.77	433,099.23	(3,207.79)	0.00
FNMA	2007A Single Family	5.45	04/27/00	03/01/30	266,321.04	285,277.77			(34,263.13)		232,057.91	245,772.53	(5,242.11)	0.00
GNMA	2007A Single Family	5.45	04/27/00	04/20/30	454,276.14	486,527.35			(3,035.54)		451,240.60	480,009.31	(3,482.50)	0.00
GNMA	2007A Single Family	5.45	05/30/00	04/20/30	91,101.54	97,568.90			(598.28)		90,503.26	96,272.91	(897.71)	0.00
GNMA	2007A Single Family	5.45	06/21/00	05/20/30	556,829.38	596,358.67			(4,121.72)		552,707.66	587,942.75	(4,294.20)	0.00
GNMA	2007A Single Family	5.45	09/18/00	09/20/30	922,274.56	987,746.81			(63,255.07)		859,019.51	892,506.95	(11,984.79)	0.00
FNMA	2007A Single Family	5.45	07/24/00	06/01/30	131,442.88	140,798.93			(1,612.20)		129,830.66	137,503.62	(1,663.11)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	628,780.67	678,471.41			(173,957.09)		454,803.58	486,476.18	(18,036.14)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	169,710.76	179,210.03			(681.16)		169,049.62	176,644.37	(1,704.50)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	628,080.82	678,916.69			(2,159.96)		625,900.88	670,678.59	(6,078.14)	0.00
GNMA	2007A Single Family	4.75	09/25/07	08/20/37	341,330.36	360,345.32			(120,715.65)		220,614.71	230,729.70	(8,899.97)	0.00
GNMA	2007A Single Family	5.49	09/25/07	09/20/37	2,177,451.92	2,353,180.96			(341,096.33)		1,836,355.59	1,967,245.37	(44,639.28)	0.00
GNMA	2007A Single Family	4.75	09/25/07	09/20/37	6,115,141.52	6,455,819.26			(926,858.07)		5,186,283.45	5,424,080.83	(102,880.36)	0.00
GNMA	2007A Single Family	5.49	09/25/07	08/20/37	132,373.67	143,056.47			(455.91)		131,917.76	141,320.16	(1,280.40)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.49	10/09/07	09/20/37	948,483.54	1,025,237.27			(202,447.89)		746,035.85	799,371.01	(23,418.57)	0.00
GNMA	2007A Single Family	4.75	10/09/07	09/20/37	2,129,270.10	2,248,347.50			(577,078.89)		1,552,191.21	1,623,886.05	(47,562.56)	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	363,106.72	392,470.40			(1,495.05)		361,611.67	387,444.21	(3,531.14)	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	1,509,916.21	1,632,019.95			(203,497.33)		1,306,418.88	1,399,745.81	(28,776.81)	0.00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37	4,195,264.87	4,429,657.11			(623,833.39)		3,371,431.48	3,526,543.33	(79,280.39)	0.00
GNMA	2007A Single Family	5.49	09/11/07	09/20/37	457,021.95	496,689.04			(82,136.52)		374,885.43	403,849.18	(10,703.34)	0.00
GNMA	2007A Single Family	5.49	09/11/07	08/20/37	1,065,421.94	1,157,890.25			(453,885.41)		611,536.53	658,780.67	(45,234.17)	0.00
GNMA	2007A Single Family	4.75	09/11/07	08/20/37	4,882,872.76	5,171,619.17			(417,254.42)		4,465,618.34	4,685,129.67	(69,235.08)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	469,965.04	496,270.48			(2,301.93)		467,663.11	489,226.70	(4,741.85)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	396,386.36	427,725.25			(76,866.72)		319,519.64	341,771.04	(9,087.49)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	1,303,102.73	1,406,618.64			(126,081.22)		1,175,021.51	1,259,063.99	(21,453.43)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	132,174.40	139,572.62			(512.19)		131,662.21	137,733.05	(1,327.36)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	592,681.17	640,687.17			(3,580.91)		589,100.26	631,259.93	(5,846.33)	0.00
GNMA	2007A Single Family	4.75	12/11/07	11/20/37	1,244,472.40	1,314,160.02			(4,962.29)		1,239,510.11	1,296,693.15	(12,504.58)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	799,440.00	864,149.33			(250,110.20)		549,329.80	588,613.45	(25,425.68)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,507,434.41	1,626,569.93			(124,782.10)		1,382,652.31	1,478,900.05	(22,887.78)	0.00
GNMA	2007A Single Family	4.75	10/25/07	09/20/37	1,323,614.25	1,397,658.76			(262,342.41)		1,061,271.84	1,110,173.78	(25,142.57)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,533,008.12	1,657,094.90			(336,903.09)		1,196,105.03	1,281,640.87	(38,550.94)	0.00
GNMA	2007A Single Family	4.75	10/25/07	10/20/37	1,174,608.75	1,240,321.48			(4,686.97)		1,169,921.78	1,223,832.61	(11,801.90)	0.00
GNMA	2007A Single Family	4.75	11/08/07	10/20/37	370,684.96	391,428.22			(1,448.88)		369,236.08	386,256.20	(3,723.14)	0.00
GNMA	2007A Single Family	4.75	12/28/07	12/20/37	398,749.52	421,087.10			(1,544.47)		397,205.05	415,537.94	(4,004.69)	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	133,452.51	144,264.61			(640.04)		132,812.47	142,320.23	(1,304.54)	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	133,937.05	144,788.61			(490.32)		133,446.73	142,999.89	(1,298.40)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	437,224.19	472,638.46			(1,525.20)		435,698.99	466,680.30	(4,232.96)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	444,603.22	480,615.18			(1,549.59)		443,053.63	474,761.28	(4,304.31)	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	1,653,384.56	1,745,973.90			(123,664.79)		1,529,719.79	1,600,296.13	(22,012.98)	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	119,833.60	126,544.26			(459.12)		119,374.48	124,882.03	(1,203.11)	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	467,687.47	493,882.40			(1,803.90)		465,883.57	487,382.37	(4,696.13)	0.00
GNMA	2007A Single Family	5.49	12/20/07	12/20/37	221,031.57	238,937.34			(749.02)		220,282.55	236,050.20	(2,138.12)	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	241,118.70	254,623.63			(923.81)		240,194.89	251,278.99	(2,420.83)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	297,743.10	314,253.16			(1,255.60)		296,487.50	310,374.99	(2,622.57)	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	185,938.03	201,009.21			(627.82)		185,310.21	199,582.40	(1,798.99)	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	48,884.56	52,646.89			(165.47)		48,719.09	52,208.43	(472.99)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	289,968.72	306,047.70			(1,104.25)		288,864.47	302,394.90	(2,548.55)	0.00
GNMA	2007A Single Family	4.75	01/16/08	01/20/38	769,237.37	811,879.80			(260,458.19)		508,779.18	532,602.87	(18,818.74)	0.00
GNMA	2007A Single Family	5.49	01/16/08	12/20/37	196,728.31	212,869.14			(830.14)		195,896.17	209,923.99	(1,915.01)	0.00
GNMA	2007A Single Family	4.75	01/16/08	12/20/37	98,982.77	104,529.70			(398.13)		98,584.64	103,147.23	(994.34)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	549,103.96	579,552.16			(165,747.07)		383,356.89	401,313.35	(12,481.74)	0.00
GNMA	2007A Single Family	5.49	01/30/08	01/20/38	301,345.33	325,284.49			(1,008.09)		300,337.24	321,588.25	(2,688.15)	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	286,843.86	310,094.57			(1,003.30)		285,840.56	306,313.80	(2,777.47)	0.00
GNMA	2007A Single Family	5.49	02/19/08	02/20/38	223,717.51	241,495.22			(820.41)		222,897.10	238,674.21	(2,000.80)	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	52,613.36	56,878.04			(241.02)		52,372.34	56,123.49	(513.53)	0.00
GNMA	2007A Single Family	5.49	02/13/08	01/20/38	90,059.74	97,215.55			(300.83)		89,758.91	96,111.36	(803.36)	0.00
GNMA	2007A Single Family	4.75	02/13/08	01/20/38	157,550.23	166,288.88			(1,070.67)		156,479.56	163,811.40	(1,406.79)	0.00
GNMA	2007A Single Family	4.75	02/13/08	12/20/37	97,398.23	102,859.38			(568.05)		96,830.18	101,304.27	(987.06)	0.00
GNMA	2007A Single Family	5.49	04/08/08	04/20/38	175,920.22	187,751.24			(962.78)		172,957.44	185,209.83	(1,578.63)	0.00
GNMA	2007A Single Family	5.49	04/08/08	11/20/37	288,488.50	311,894.28			(1,300.09)		287,188.41	307,779.36	(2,814.83)	0.00
GNMA	2007A Single Family	4.75	04/08/08	03/20/38	721,244.22	759,486.27			(125,566.03)		595,678.19	622,133.02	(11,787.22)	0.00
GNMA	2007A Single Family	4.75	04/08/08	04/20/38	249,568.64	263,427.91			(942.05)		248,626.59	260,292.54	(2,193.32)	0.00
GNMA	2007A Single Family	5.49	03/12/08	03/20/38	285,103.82	307,767.37			(946.87)		284,156.95	304,277.55	(2,542.95)	0.00
GNMA	2007A Single Family	5.49	03/20/08	01/20/38	173,219.06	186,989.39			(642.94)		172,576.12	184,796.65	(1,549.80)	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	124,026.04	130,906.28			(469.73)		123,556.31	129,348.71	(1,089.84)	0.00
GNMA	2007A Single Family	4.75	02/19/08	12/20/37	112,393.84	118,696.52			(438.70)		111,955.14	117,128.80	(1,129.02)	0.00
GNMA	2007A Single Family	5.49	02/19/08	01/20/38	340,446.48	367,499.31			(1,212.33)		339,234.15	363,244.75	(3,042.25)	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	219,308.57	230,419.07			(854.41)		217,454.16	227,645.02	(1,919.84)	0.00
GNMA	2007A Single Family	5.49	02/19/08	10/20/37	145,959.17	157,792.74			(496.07)		145,463.10	155,884.37	(1,412.30)	0.00
GNMA	2007A Single Family	4.75	02/27/08	02/20/38	97,896.82	103,328.51			(370.64)		97,526.18	102,097.51	(800.36)	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	216,756.33	233,963.00			(1,735.84)		215,020.49	230,241.94	(2,005.22)	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	171,949.51	185,615.18			(573.54)		171,375.97	183,507.80	(1,533.82)	0.00
GNMA	2007A Single Family	4.75	03/20/08	12/20/37	115,232.90	121,698.61			(441.37)		114,791.53	120,100.03	(1,157.21)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	4.75	03/20/08	03/20/38	91,581.25	96,664.87			(344.75)		91,236.50	95,515.33	(804.79)	0.00
GNMA	2007A Single Family	5.49	03/27/08	03/20/38	412,370.04	445,157.04			(1,368.20)		411,001.84	440,111.20	(3,677.84)	0.00
GNMA	2007A Single Family	5.49	03/27/08	02/20/38	178,709.42	192,917.98			(596.16)		178,113.26	190,727.81	(1,594.01)	0.00
GNMA	2007A Single Family	4.75	04/15/08	03/20/38	195,270.64	206,115.83			(737.37)		194,533.27	203,662.11	(1,716.15)	0.00
GNMA	2007A Single Family	4.75	04/15/08	02/20/38	113,323.07	119,618.59			(431.62)		112,891.45	118,168.86	(996.11)	0.00
GNMA	2007A Single Family	5.49	04/15/08	03/20/38	231,392.45	249,795.21			(131,570.69)		99,821.78	106,893.73	(11,330.79)	0.00
GNMA	2007A Single Family	5.49	04/24/06	04/20/38	517,703.20	558,882.61			(137,076.83)		380,626.37	407,596.73	(14,209.05)	0.00
GNMA	2007A Single Family	4.75	04/24/08	04/20/38	348,733.66	366,105.83			(152,269.15)		196,464.53	205,686.29	(10,150.39)	0.00
GNMA	2007A Single Family	4.75	04/22/08	03/20/38	155,350.52	163,979.58			(589.16)		154,761.36	162,024.97	(1,365.45)	0.00
GNMA	2007A Single Family	5.49	04/22/08	04/20/38	96,338.53	104,001.33			(317.93)		96,020.60	102,624.20	(859.20)	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	254,835.30	275,109.44			(839.99)		253,995.31	271,996.72	(2,272.73)	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	159,663.24	172,365.69			(526.47)		159,136.77	170,415.27	(1,423.95)	0.00
GNMA	2007A Single Family	4.75	05/07/08	05/20/38	596,548.28	629,696.10			(136,855.85)		457,692.63	479,183.82	(11,656.83)	0.00
GNMA	2007A Single Family	5.49	05/14/08	04/20/38	145,548.59	157,129.22			(476.34)		145,072.25	155,355.06	(1,297.82)	0.00
GNMA	2007A Single Family	4.75	05/14/08	05/20/38	278,503.32	293,981.02			(1,050.98)		277,452.34	290,482.29	(2,447.75)	0.00
GNMA	2007A Single Family	4.75	05/21/08	05/20/38	138,648.83	146,353.10			(844.64)		137,802.19	144,274.80	(1,233.86)	0.00
GNMA	2007A Single Family	5.49	05/28/08	05/20/38	347,551.58	375,210.75			(1,137.73)		346,413.85	370,973.88	(3,099.14)	0.00
GNMA	2007A Single Family	5.49	05/28/08	04/20/38	279,194.94	301,413.48			(130,468.60)		148,726.34	159,270.57	(11,674.31)	0.00
GNMA	2007A Single Family	4.75	05/28/08	04/20/38	31,003.32	32,728.71			(127.14)		30,876.18	32,326.64	(272.93)	0.00
GNMA	2007A Single Family	5.49	06/11/08	05/20/38	487,049.20	525,817.97			(177,696.43)		309,352.77	331,290.27	(16,831.27)	0.00
GNMA	2007A Single Family	5.49	07/09/08	07/20/38	229,833.84	247,920.56			(775.84)		228,858.00	245,095.45	(2,049.27)	0.00
GNMA	2007A Single Family	5.49	07/09/08	06/20/38	188,498.93	201,350.43			(806.41)		185,892.52	199,081.18	(1,662.84)	0.00
GNMA	2007A Single Family	4.75	07/09/08	06/20/38	233,073.12	248,040.99			(862.25)		232,210.87	243,130.91	(2,047.82)	0.00
GNMA	2007A Single Family	4.75	07/16/08	06/20/38	167,937.32	177,282.38			(641.95)		167,295.37	175,163.92	(1,478.51)	0.00
GNMA	2007A Single Family	5.49	07/16/08	05/20/38	113,966.24	123,042.35			(427.69)		113,538.55	121,594.47	(1,020.19)	0.00
GNMA	2007A Single Family	5.49	06/18/06	05/20/38	241,897.77	280,938.59			(801.35)		240,896.42	257,981.22	(2,156.02)	0.00
GNMA	2007A Single Family	4.75	08/18/08	04/20/38	113,577.91	119,894.07			(425.08)		113,152.83	118,470.88	(998.11)	0.00
GNMA	2007A Single Family	5.49	08/18/06	06/20/38	183,179.22	197,761.96			(593.86)		182,585.54	195,535.23	(1,633.05)	0.00
GNMA	2007A Single Family	5.49	06/25/08	06/20/38	104,072.32	112,358.23			(337.85)		103,734.47	111,092.51	(927.87)	0.00
GNMA	2007A Single Family	5.49	07/23/08	06/20/38	106,879.33	115,392.10			(354.48)		106,524.85	114,084.17	(953.45)	0.00
GNMA	2007A Single Family	4.75	07/23/06	07/20/38	120,285.41	126,948.31			(444.61)		119,810.80	125,447.10	(1,056.60)	0.00
GNMA	2007A Single Family	4.75	08/27/08	08/20/38	78,548.19	82,920.92			(287.25)		78,258.94	81,943.65	(690.02)	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	293,403.57	318,780.73			(1,459.05)		291,950.52	312,676.40	(2,651.28)	0.00
GNMA	2007A Single Family	4.75	08/13/08	07/20/38	72,187.95	76,207.32			(275.58)		71,912.37	75,297.04	(634.70)	0.00
GNMA	2007A Single Family	4.75	08/13/08	06/20/38	271,282.89	286,387.13			(1,005.97)		270,276.92	282,997.37	(2,383.79)	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	94,347.54	101,864.75			(301.88)		94,045.66	100,722.06	(840.81)	0.00
GNMA	2007A Single Family	4.75	08/20/08	08/20/38	293,223.81	309,553.09			(1,084.37)		292,139.44	305,892.25	(2,576.47)	0.00
GNMA	2007A Single Family	4.75	08/27/08	07/20/38	1,176,662.93	1,244,307.55			(133,072.39)		1,043,590.54	1,094,819.61	(16,415.55)	0.00
GNMA	2007A Single Family	5.49	08/27/08	08/20/38	89,313.27	96,430.83			(285.05)		89,028.22	95,349.78	(796.00)	0.00
GNMA	2007A Single Family	5.49	09/10/08	07/20/38	309,690.15	334,374.42			(29,241.45)		280,448.70	300,366.27	(4,766.70)	0.00
GNMA	2007A Single Family	4.75	09/24/08	06/20/38	191,250.14	201,907.58			(707.34)		190,542.80	199,519.49	(1,680.75)	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	200,143.55	218,099.75			(877.60)		199,265.95	213,635.55	(1,786.60)	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	28,944.48	31,252.05			(133.00)		28,811.48	30,858.18	(280.87)	0.00
GNMA	2007A Single Family	5.49	09/24/08	09/20/38	85,569.44	92,391.55			(857.13)		84,712.31	90,944.47	(789.95)	0.00
GNMA	2007A Single Family				112,960.86	119,257.58			(112,960.86)				(6,296.92)	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	338,723.38	365,736.58			(4,428.83)		334,294.55	358,050.75	(3,257.00)	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	103,916.70	112,204.06			(4,137.72)		103,502.98	110,858.26	(932.06)	0.00
GNMA	2007A Single Family	4.75	10/22/08	09/20/38	258,887.25	273,322.89			(948.25)		257,939.00	270,100.09	(2,274.55)	0.00
GNMA	2007A Single Family	5.49	10/22/08	09/20/38	344,512.45	371,989.97			(1,122.10)		343,390.35	367,795.54	(3,072.33)	0.00
GNMA	2007A Single Family	5.49	10/29/08	09/20/38	128,877.81	136,998.40			(402.39)		128,475.42	135,465.28	(1,130.73)	0.00
GNMA	2007A Single Family	4.75	10/29/08	10/20/38	235,849.57	249,002.90			(858.53)		234,991.04	246,072.44	(2,071.93)	0.00
GNMA	2007A Single Family	4.75	11/25/08	11/20/38	98,816.18	104,119.14			(354.47)		98,461.69	102,888.51	(866.16)	0.00
GNMA	2007A Single Family	5.49	12/10/08	09/20/38	157,308.93	169,864.46			(498.52)		156,810.41	167,983.53	(1,402.01)	0.00
GNMA	2007A Single Family	4.75	12/10/08	11/20/38	77,342.87	81,659.99			(297.81)		77,045.06	80,882.01	(880.17)	0.00
GNMA	2007A Single Family	4.75	12/17/08	11/20/38	111,456.02	117,678.23			(406.81)		111,049.41	116,292.37	(979.25)	0.00
GNMA	2007A Single Family	4.75	12/30/08	12/20/38	335,829.38	354,371.80			(1,279.58)		334,549.82	350,140.73	(2,951.51)	0.00
GNMA	2007A Single Family	4.75	12/30/08	11/20/38	198,289.03	198,803.38			(679.37)		197,609.66	196,470.02	(1,653.99)	0.00
GNMA	2007A Single Family	5.49	01/14/09	12/20/38	201,928.39	218,054.24			(630.38)		201,298.01	215,824.79	(1,799.07)	0.00
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	94,327.75	99,596.87			(357.71)		93,970.04	98,430.67	(828.49)	0.00
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	80,905.32	85,424.67			(350.90)		80,554.42	84,360.27	(713.50)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	594,887.11	638,439.03			(2,270.58)		592,616.53	631,682.40	(4,486.05)	0.00
GNMA	2007A Single Family	5.49	01/21/09	01/20/39	210,378.71	227,196.14			(130,489.47)		79,889.24	85,577.51	(11,129.16)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	399,040.54	428,254.46			(1,300.08)		397,740.46	423,959.90	(2,994.48)	0.00
GNMA	2007A Single Family	5.15	01/21/09	01/20/39	259,127.69	277,374.90			(858.38)		258,269.33	274,725.08	(1,791.46)	0.00
GNMA	2007A Single Family	4.75	01/21/09	12/20/38	97,032.93	102,453.89			(346.76)		96,686.17	101,254.89	(852.24)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	758,408.04	811,784.96			(2,671.24)		753,738.80	803,423.85	(5,689.89)	0.00
GNMA	2007A Single Family	4.75	01/21/09	01/20/39	117,976.50	124,546.16			(419.34)		117,557.16	123,106.40	(1,020.42)	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	320,094.56	347,512.42			(927.96)		319,166.59	345,537.43	(1,047.03)	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	301,228.11	323,699.84			(1,052.08)		300,176.03	319,316.15	(3,331.61)	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	344,703.91	370,418.95			(1,195.89)		343,508.02	365,411.12	(3,811.94)	0.00
FNMA	2007A Single Family	4.75	08/23/07	08/01/37	1,516,974.23	1,591,112.74			(5,191.28)		1,510,782.95	1,564,940.45	(19,981.01)	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	844,460.53	916,896.24			(3,312.08)		841,148.47	904,004.76	(9,579.42)	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	437,971.77	475,539.89			(2,246.26)		435,725.51	468,285.86	(5,007.77)	0.00
FNMA	2007A Single Family	4.75	09/11/07	08/01/37	1,520,571.71	1,611,474.77			(169,066.17)		1,351,505.54	1,414,382.11	(28,026.49)	0.00
FNMA	2007A Single Family	5.49	09/25/07	09/01/37	1,573,595.31	1,691,037.33			(77,021.78)		1,496,573.53	1,592,047.76	(21,967.79)	0.00
FNMA	2007A Single Family	5.49	09/25/07	08/01/37	259,016.24	281,241.18			(128,738.46)		130,277.78	140,016.58	(12,486.14)	0.00
FNMA	2007A Single Family	4.75	09/25/07	09/01/37	1,919,625.91	2,034,657.41			(8,487.05)		1,911,338.86	2,000,319.91	(25,850.45)	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	952,917.30	1,030,002.52			(80,036.46)		872,880.84	932,762.37	(17,203.69)	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	167,013.79	180,524.19			(124,731.19)		42,282.60	45,183.28	(10,609.72)	0.00
FNMA	2007A Single Family	4.75	10/09/07	09/01/37	580,541.85	614,290.28			(2,323.63)		578,218.22	604,427.74	(7,538.91)	0.00
FNMA	2007A Single Family	4.75	10/09/07	08/01/37	262,255.18	277,500.21			(1,371.28)		260,883.90	272,708.43	(3,420.50)	0.00
FNMA	2007A Single Family	5.49	10/25/07	09/01/37	997,144.89	1,077,823.10			(3,513.73)		993,631.16	1,061,810.38	(12,498.99)	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	492,196.51	532,020.81			(2,258.33)		489,937.16	523,555.88	(6,205.60)	0.00
FNMA	2007A Single Family	4.75	10/25/07	10/01/37	1,081,800.26	1,144,706.68			(4,267.40)		1,077,532.88	1,126,392.42	(14,046.86)	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	657,342.23	710,528.70			(2,302.30)		655,039.93	699,987.70	(8,238.70)	0.00
FNMA	2007A Single Family	5.49	11/08/07	10/01/37	549,951.60	594,455.55			(141,824.57)		408,127.03	436,137.33	(16,493.65)	0.00
FNMA	2007A Single Family	4.75	11/08/07	09/01/37	104,582.18	110,664.72			(409.33)		104,172.85	100,697.55	(1,357.84)	0.00
FNMA	2007A Single Family	4.75	11/21/07	10/01/37	221,401.31	234,281.18			(2,595.74)		218,805.57	226,732.37	(2,953.07)	0.00
FNMA	2007A Single Family	5.49	11/21/07	10/01/37	590,713.44	638,523.72			(2,246.98)		588,466.48	628,660.71	(7,416.05)	0.00
FNMA	2007A Single Family	5.49	11/21/07	09/01/37	399,964.02	432,334.83			(1,828.78)		398,335.24	425,677.38	(5,028.67)	0.00
FNMA	2007A Single Family	4.75	11/28/07	09/01/37	116,536.35	123,316.26			(456.78)		116,079.57	121,346.38	(1,513.10)	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	862,187.53	931,987.84			(2,990.08)		859,197.45	918,193.12	(10,804.64)	0.00
FNMA	2007A Single Family	5.49	12/12/07	09/01/37	92,402.91	99,883.29			(320.17)		92,082.74	98,405.18	(1,157.94)	0.00
FNMA	2007A Single Family	4.75	12/11/07	12/01/37	709,690.08	750,990.97			(3,561.09)		706,128.99	736,180.41	(9,249.47)	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	371,118.61	401,163.34			(1,329.32)		369,789.29	395,180.39	(4,653.63)	0.00
FNMA	2007A Single Family	4.75	12/20/07	12/01/37	211,897.73	224,231.07			(847.45)		211,050.28	220,631.70	(2,751.92)	0.00
FNMA	2007A Single Family	5.49	12/20/07	12/01/37	319,097.28	344,933.64			(1,117.37)		317,979.91	339,817.01	(3,999.26)	0.00
FNMA	2007A Single Family	5.49	12/28/07	10/01/37	146,199.49	158,037.31			(518.27)		145,681.22	155,688.25	(1,832.79)	0.00
FNMA	2007A Single Family	4.75	12/28/07	12/01/37	312,051.65	330,216.70			(1,416.12)		310,635.53	324,740.29	(4,060.29)	0.00
FNMA	2007A Single Family	5.49	12/28/07	12/01/37	89,929.35	96,130.38			(300.01)		88,629.34	94,716.58	(1,113.79)	0.00
FNMA	2007A Single Family	5.49	01/16/08	08/01/37	233,145.87	252,027.07			(907.21)		232,238.66	248,191.29	(2,928.57)	0.00
FNMA	2007A Single Family	5.49	01/30/08	09/01/37	326,944.79	355,589.24			(1,136.89)		327,807.90	350,330.18	(4,122.17)	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	103,492.22	109,519.77			(399.06)		103,093.16	107,777.27	(1,343.44)	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	93,428.05	98,889.44			(359.47)		93,068.58	97,297.21	(1,212.76)	0.00
FNMA	2007A Single Family	5.49	01/30/08	01/01/38	133,542.38	144,174.25			(447.65)		133,094.71	142,283.22	(1,443.38)	0.00
FNMA	2007A Single Family	5.49	02/13/08	11/01/37	396,534.61	428,660.74			(1,682.79)		394,851.82	421,987.23	(4,990.72)	0.00
FNMA	2007A Single Family	4.75	02/13/08	01/01/38	439,695.71	465,026.79			(3,638.86)		436,056.83	455,897.83	(5,490.08)	0.00
FNMA	2007A Single Family	5.49	02/19/08	01/01/38	203,721.17	220,227.88			(778.04)		202,943.13	216,891.96	(2,557.88)	0.00
FNMA	2007A Single Family	5.49	02/27/08	02/01/38	108,429.71	115,054.33			(357.06)		106,072.65	113,384.22	(1,333.05)	0.00
FNMA	2007A Single Family	4.75	03/12/08	02/01/38	229,806.62	243,200.74			(885.60)		228,921.02	239,331.82	(2,983.52)	0.00
FNMA	2007A Single Family	5.49	03/20/08	02/01/38	297,920.93	321,654.31			(1,008.28)		296,912.67	317,424.85	(3,221.20)	0.00
FNMA	2007A Single Family	5.49	03/20/08	11/01/37	351,766.87	380,277.95			(1,282.61)		350,504.28	374,603.69	(4,411.65)	0.00
FNMA	2007A Single Family	4.75	03/27/08	03/01/38	201,543.60	213,163.23			(762.11)		200,781.49	209,925.71	(2,475.41)	0.00
FNMA	2007A Single Family	5.49	04/08/08	03/01/38	182,750.39	197,312.49			(606.93)		182,143.48	194,730.38	(1,975.20)	0.00
FNMA	2007A Single Family	4.75	04/08/08	02/01/38	142,427.82	150,640.61			(541.70)		141,886.12	148,349.40	(1,749.51)	0.00
FNMA	2007A Single Family	5.49	04/22/08	02/01/38	101,716.02	109,822.17			(338.84)		101,377.18	108,383.98	(1,099.35)	0.00
FNMA	2007A Single Family	5.49	04/22/08	04/01/38	189,540.92	204,646.80			(834.19)		188,706.73	201,963.85	(2,048.76)	0.00
Repo Agmt	2007A Single Family	0.11	02/26/10	03/01/10	4,954,522.04	4,954,522.04		(159,320.79)			4,795,201.25	4,795,201.25	-	0.00
FNMA	2007A Single Family	5.25	10/29/09	10/01/39	3,573.93	3,838.98			(11.08)		3,562.85	3,789.30	(38.60)	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	8,342.22	8,891.85			(30.12)		8,312.10	8,790.72	(71.01)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	5,938.25	6,329.49			(21.14)		5,917.11	6,257.83	(50.52)	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	22,331.54	23,803.02			(89.49)		22,242.05	23,522.99	(190.54)	0.00
Freddie Mac	2007A Single Family	6.00	12/20/07	12/01/37	4,598.47	4,981.26			(14.31)		4,584.16	4,948.39	(18.58)	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	16,151.16	17,215.43			(61.69)		18,089.47	17,016.09	(137.65)	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	17,811.62	16,985.63			(63.96)		17,747.66	18,770.12	(151.55)	0.00
Freddie Mac	2007A Single Family	6.00	01/18/08	12/01/37	4,078.43	4,418.03			(12.60)		4,065.63	4,388.96	(16.47)	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	7,575.09	8,074.41			(28.88)		7,548.23	7,983.11	(64.44)	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	01/01/38	14,910.92	15,893.91			(60.21)		14,850.71	15,706.44	(127.26)	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	12/01/37	9,386.80	10,005.42			(34.85)		9,351.75	9,890.63	(79.94)	0.00
Freddie Mac	2007A Single Family	6.00	01/30/08	01/01/38	3,725.28	4,031.17			(11.49)		3,713.79	4,008.18	(11.50)	0.00
Freddie Mac	2007A Single Family	6.00	02/13/08	01/01/38	5,889.65	6,373.34			(19.20)		5,870.45	6,335.89	(18.25)	0.00
Freddie Mac	2007A Single Family	5.25	02/13/08	01/01/38	7,642.59	8,146.49			(26.98)		7,615.81	8,054.51	(65.00)	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	02/01/38	2,664.20	2,839.77			(9.31)		2,654.89	2,807.97	(22.49)	0.00
Freddie Mac	2007A Single Family	6.00	03/20/08	03/01/38	5,319.82	5,756.86			(16.32)		5,303.50	5,724.11	(16.43)	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	11/01/37	4,434.47	4,728.98			(38.56)		4,395.91	4,649.36	(39.06)	0.00
Freddie Mac	2007A Single Family	8.00	04/22/08	02/01/38	2,263.71	2,452.36			(7.30)		2,256.41	2,435.92	(9.16)	0.00
Freddie Mac	2007A Single Family	5.25	04/22/08	01/01/38	5,389.37	5,744.64			(18.95)		5,370.42	5,680.16	(45.51)	0.00
Freddie Mac	2007A Single Family	5.25	05/14/08	04/01/38	9,985.83	10,644.86			(34.73)		9,951.10	10,525.31	(84.32)	0.00
Freddie Mac	2007A Single Family	6.00	05/15/08	04/01/38	8,598.79	9,305.60			(26.69)		8,572.10	9,252.35	(28.56)	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	04/01/38	11,655.43	12,637.32			(41.29)		11,814.14	12,495.93	(100.10)	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	05/01/38	8,324.12	8,873.33			(28.61)		8,295.51	8,774.45	(70.27)	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	04/01/38	9,070.92	9,669.19			(31.52)		9,039.40	9,581.09	(78.58)	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	05/01/38	4,875.39	5,196.96			(16.73)		4,858.66	5,139.07	(41.16)	0.00
Freddie Mac	2007A Single Family	6.00	06/18/08	05/01/38	10,385.36	11,239.34			(34.20)		10,351.18	11,172.90	(32.24)	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	02/01/38	2,890.23	3,081.06			(15.02)		2,875.21	3,041.19	(24.67)	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	05/01/38	5,143.70	5,483.05			(17.66)		5,128.04	5,421.98	(43.41)	0.00
Freddie Mac	2007A Single Family	6.00	06/25/08	05/01/38	3,698.22	4,000.14			(11.07)		3,686.15	3,977.70	(11.37)	0.00
Freddie Mac	2007A Single Family	6.00	07/16/08	06/01/38	5,765.77	6,240.02			(19.76)		5,746.01	6,202.29	(17.97)	0.00
Freddie Mac	2007A Single Family	5.25	07/16/08	06/01/38	7,855.99	8,374.45			(29.06)		7,828.93	8,278.97	(66.42)	0.00
Freddie Mac	2007A Single Family	6.00	07/23/08	06/01/38	5,270.38	5,703.90			(16.85)		5,253.53	5,670.73	(16.32)	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	06/01/38	5,439.65	5,887.20			(23.87)		5,415.78	5,845.96	(17.37)	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	08/01/38	2,602.53	2,816.64			(7.64)		2,594.69	2,601.00	(8.00)	0.00
Freddie Mac	2007A Single Family	6.00	08/20/08	06/01/38	5,442.89	5,890.73			(16.94)		5,425.95	5,856.96	(16.83)	0.00
Freddie Mac	2007A Single Family	6.00	08/27/08	08/01/38	10,802.82	11,691.72			(32.35)		10,770.47	11,626.08	(33.29)	0.00
Freddie Mac	2007A Single Family	6.00	09/17/08	06/01/38	7,760.46	8,399.14			(24.99)		7,735.47	8,350.10	(24.05)	0.00
Freddie Mac	2007A Single Family	5.25	09/17/08	06/01/38	2,964.90	3,162.04			(10.37)		2,974.53	3,146.47	(25.20)	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	08/01/38	6,395.52	6,817.94			(21.56)		6,373.96	6,742.42	(53.96)	0.00
Freddie Mac	2007A Single Family	6.00	09/24/08	06/01/38	3,554.06	3,646.57			(10.63)		3,543.43	3,624.99	(10.95)	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	06/01/38	5,127.27	5,465.93			(17.54)		5,109.73	5,405.11	(43.28)	0.00
Freddie Mac	2007A Single Family	5.25	10/08/08	09/01/38	4,090.14	4,360.35			(56.38)		4,033.76	4,266.96	(36.99)	0.00
Freddie Mac	2007A Single Family	6.00	10/15/08	09/01/38	7,952.89	8,607.59			(23.17)		7,929.72	8,559.96	(24.46)	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	07/01/38	4,408.96	4,700.26			(14.95)		4,394.01	4,648.10	(37.21)	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	07/01/38	2,714.09	2,937.53			(8.04)		2,706.05	2,921.14	(8.35)	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	09/01/38	2,759.37	2,966.54			(8.04)		2,751.33	2,970.01	(8.49)	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	08/01/38	5,449.54	5,609.57			(22.48)		5,427.08	5,740.90	(46.21)	0.00
Freddie Mac	2007A Single Family	5.25	11/19/08	09/01/38	4,079.00	4,348.58			(13.65)		4,065.15	4,300.31	(34.42)	0.00
Freddie Mac	2007A Single Family	5.25	12/10/08	11/01/38	11,376.44	12,128.56			(38.32)		11,338.12	11,994.24	(96.00)	0.00
Freddie Mac	2007A Single Family	6.00	12/17/08	11/01/38	5,992.53	6,486.15			(17.22)		5,975.31	6,450.51	(18.42)	0.00
Freddie Mac	2007A Single Family	5.25	01/14/09	11/01/38	2,984.23	3,181.61			(9.87)		2,974.36	3,146.56	(25.18)	0.00
Freddie Mac	2007A Single Family	6.00	01/14/09	11/01/38	7,367.23	7,974.26			(21.18)		7,346.05	7,930.44	(22.64)	0.00
Freddie Mac	2007A Single Family	6.00	02/18/09	01/01/39	4,788.48	5,163.16			(13.69)		4,774.79	5,154.77	(14.70)	0.00
Freddie Mac	2007A Single Family	5.25	02/18/09	12/01/38	4,066.56	4,337.78			(13.39)		4,055.19	4,290.07	(34.32)	0.00
Freddie Mac	2007A Single Family	5.49	02/18/09	09/01/38	4,956.00	5,322.17			(15.88)		4,940.12	5,268.31	(37.98)	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	10/01/38	1,715.22	1,794.94			(6.26)		1,708.96	1,769.93	(18.75)	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	12/01/38	2,489.40	2,605.08			(9.45)		2,479.95	2,568.43	(27.20)	0.00
Freddie Mac	2007A Single Family	4.75	03/11/09	12/01/38	2,948.24	3,085.30			(10.63)		2,937.61	3,042.47	(32.20)	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	02/01/39	2,582.09	2,752.75			(8.39)		2,573.70	2,722.58	(21.78)	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	01/01/39	2,948.85	3,141.92			(17.53)		2,929.32	3,099.08	(25.31)	0.00
Freddie Mac	2007A Single Family	6.00	03/25/09	11/01/38	1,874.42	2,028.96			(8.67)		1,865.75	2,014.27	(6.02)	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	12/01/38	2,293.39	2,445.19			(24.61)		2,268.58	2,400.03	(20.35)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	12/28/07	12/20/37	18,674.18	20,024.93			(65.99)		18,608.19	19,797.11	(161.83)	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	20,008.14	21,553.42			(64.34)		19,943.60	21,401.85	(87.23)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	91,799.72	98,611.41			(13,200.30)		78,599.42	83,768.23	(1,642.88)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	17,023.51	18,286.66			(4,040.15)		12,983.36	13,837.15	(409.36)	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	15,895.64	17,067.59			(8,914.29)		8,781.35	7,345.25	(806.05)	0.00
GNMA	2007A Single Family	5.25	12/11/07	12/20/37	75,242.63	80,825.93			(300.04)		74,942.59	79,871.18	(654.71)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	9,009.69	9,678.22			(31.91)		8,977.78	9,568.16	(78.15)	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	42,385.04	45,530.58			(4,519.73)		37,865.31	40,355.89	(654.96)	0.00
GNMA	2007A Single Family	6.00	12/20/07	12/20/37	5,935.46	6,454.37			(2,619.05)		3,316.41	3,582.25	(243.07)	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	16,044.11	17,234.80			(56.62)		15,987.49	17,039.06	(139.12)	0.00
GNMA	2007A Single Family	5.25	12/20/07	11/20/37	4,438.71	4,768.12			(15.78)		4,422.93	4,713.83	(38.51)	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	6,561.20	7,069.61			(28.13)		6,555.07	6,996.23	(57.25)	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	15,456.11	16,771.98			(4,687.13)		10,768.96	11,653.82	(431.03)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,329.02	15,344.13			(69.42)		14,259.60	15,166.15	(108.56)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	12,544.01	13,456.40			(3,783.61)		8,780.40	9,333.84	(338.95)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	12,046.95	12,900.40			(3,370.45)		8,676.50	9,228.13	(301.82)	0.00
GNMA	2007A Single Family	8.00	01/30/08	01/20/38	5,290.80	5,741.25			(16.16)		5,274.64	5,708.05	(17.04)	0.00
GNMA	2007A Single Family	6.00	01/16/08	12/20/37	27,115.75	29,487.09			(10,734.73)		16,381.02	17,743.87	(1,008.49)	0.00
GNMA	2007A Single Family	5.25	01/16/08	12/20/37	18,893.08	18,147.33			(60.96)		16,832.12	17,939.78	(146.59)	0.00
GNMA	2007A Single Family	5.25	01/16/08	01/20/38	93,869.82	100,895.96			(23,582.04)		70,277.78	74,876.96	(2,226.96)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	25,362.03	27,180.18			(96.40)		25,263.63	26,891.07	(190.71)	0.00
GNMA	2007A Single Family				5,162.88	5,546.24			(5,182.86)				(383.38)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	9,873.30	10,591.59			(34.53)		9,838.77	10,462.95	(74.11)	0.00
GNMA	2007A Single Family	5.25	02/13/08	02/20/38	12,236.64	13,126.88			(50.81)		12,185.83	12,983.70	(92.37)	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	3,018.08	3,275.08			(9.16)		3,008.92	3,256.20	(9.72)	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	4,515.74	4,900.21			(14.00)		4,501.74	4,871.65	(14.56)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,876.82	5,231.54			(16.99)		4,859.83	5,177.95	(36.60)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,823.75	5,174.61			(18.82)		4,806.93	5,121.56	(36.21)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,261.71	15,299.05			(60.43)		14,201.28	15,130.88	(107.74)	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	12,185.93	13,223.57			(37.14)		12,148.79	13,147.17	(39.26)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	23,471.80	25,179.39			(5,474.00)		17,997.80	19,176.17	(529.22)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	19,237.95	20,637.52			(4,383.81)		14,854.14	15,826.70	(427.01)	0.00
GNMA	2007A Single Family	5.25	04/08/08	03/20/38	13,396.81	14,372.32			(46.94)		13,349.87	14,224.80	(100.56)	0.00
GNMA	2007A Single Family	5.25	04/08/08	03/20/38	4,924.38	5,282.96			(16.98)		4,907.40	5,229.03	(36.95)	0.00
GNMA	2007A Single Family	6.00	04/08/08	04/20/38	9,612.22	10,431.38			(30.01)		9,582.21	10,370.34	(31.03)	0.00
GNMA	2007A Single Family	5.25	04/08/08	04/20/38	12,464.19	13,371.85			(61.04)		12,403.15	13,218.08	(94.73)	0.00
GNMA	2007A Single Family	6.00	03/12/08	03/20/38	10,831.40	11,754.07			(5,453.66)		5,377.74	5,819.87	(480.54)	0.00
GNMA	2007A Single Family	5.25	03/12/08	03/20/38	21,953.97	23,551.90			(75.92)		21,878.05	23,311.23	(164.75)	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	18,530.66	19,641.71			(70.91)		18,459.75	19,832.03	(138.77)	0.00
GNMA	2007A Single Family	6.00	02/19/08	01/20/38	14,288.73	15,505.49			(4,066.34)		10,220.39	11,060.33	(376.82)	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	17,590.96	18,870.87			(66.97)		17,523.99	18,671.51	(132.39)	0.00
GNMA	2007A Single Family				4,862.06	5,215.83			(4,862.06)				(353.77)	0.00
GNMA	2007A Single Family	6.00	02/19/08	02/20/38	7,277.52	7,897.27			(22.97)		7,254.55	7,850.80	(23.50)	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	22,955.35	24,625.56			(97.92)		22,857.43	24,354.20	(173.44)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	5,237.16	5,618.23			(18.52)		5,218.64	5,560.37	(39.34)	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	8,787.83	9,536.31			(27.45)		8,760.38	9,480.49	(26.37)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	8,242.53	8,842.33			(29.40)		8,213.13	8,751.02	(61.91)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	12,115.70	12,997.33			(42.74)		12,072.96	12,863.61	(80.98)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	6,197.50	6,648.48			(21.85)		6,175.65	6,580.09	(46.54)	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	10,713.49	11,625.92			(3,989.93)		6,743.56	7,297.83	(358.16)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	22,294.68	23,917.27			(8,956.73)		13,338.15	14,211.69	(748.85)	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	4,960.48	5,321.58			(17.06)		4,943.42	5,267.29	(37.23)	0.00
GNMA	2007A Single Family	8.00	03/20/08	03/20/38	2,053.49	2,228.45			(8.26)		2,045.23	2,215.58	(6.81)	0.00
GNMA	2007A Single Family	5.25	03/27/08	03/20/38	10,746.64	11,529.02			(37.94)		10,708.70	11,410.39	(80.69)	0.00
GNMA	2007A Single Family	6.00	03/27/08	03/20/38	13,638.07	14,800.09			(41.23)		13,596.84	14,714.96	(43.90)	0.00
GNMA	2007A Single Family	5.25	04/15/08	03/20/38	8,050.28	8,836.55			(28.07)		8,022.21	8,548.04	(60.44)	0.00
GNMA	2007A Single Family	6.00	04/15/08	04/20/38	6,530.88	7,087.47			(3,055.86)		3,475.02	3,760.86	(270.75)	0.00
GNMA	2007A Single Family	5.25	04/24/08	04/20/38	6,878.13	9,524.79			(30.42)		8,847.71	9,427.76	(66.61)	0.00
GNMA	2007A Single Family	6.00	04/22/08	04/20/38	11,581.18	12,579.15			(34.74)		11,546.44	12,507.11	(37.30)	0.00
GNMA	2007A Single Family	8.00	05/07/08	04/20/38	15,809.07	17,156.84			(2,529.51)		13,279.56	14,372.23	(255.10)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	05/07/08	05/20/38	52,855.24	56,491.33			(189.22)		52,466.02	55,908.52	(395.59)	0.00
GNMA	2007A Single Family	5.25	05/07/08	04/20/38	9,442.56	10,130.46			(32.62)		9,409.94	10,026.97	(70.87)	0.00
GNMA	2007A Single Family	5.25	05/14/08	04/20/38	18,888.50	20,050.12			(64.23)		18,624.27	19,845.64	(140.25)	0.00
GNMA	2007A Single Family	6.00	05/21/08	05/20/36	10,466.65	11,359.14			(2,655.55)		7,811.10	8,453.95	(249.64)	0.00
GNMA	2007A Single Family	5.25	05/21/08	05/20/38	5,581.64	5,988.39			(19.14)		5,562.50	5,927.36	(41.89)	0.00
GNMA	2007A Single Family	5.25	05/28/08	05/20/38	9,084.73	9,746.76			(31.42)		9,053.31	9,647.16	(68.19)	0.00
GNMA	2007A Single Family	6.00	05/28/08	05/20/36	9,602.36	10,421.23			(35.35)		9,567.01	10,354.45	(31.43)	0.00
GNMA	2007A Single Family	5.25	05/28/08	01/20/38	3,160.06	3,390.34			(11.21)		3,148.85	3,355.40	(23.73)	0.00
GNMA	2007A Single Family	6.00	06/11/08	06/20/38	15,464.72	16,783.79			(46.13)		15,418.59	16,687.93	(49.73)	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	27,707.18	29,726.83			(4,559.73)		23,147.45	24,686.24	(500.86)	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	15,868.54	17,023.10			(58.43)		15,808.11	16,845.34	(119.33)	0.00
GNMA	2007A Single Family	8.00	07/09/08	07/20/38	35,813.64	38,869.59			(120.34)		35,693.30	38,632.97	(116.28)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	53,156.74	57,033.26			(21,447.51)		31,709.23	33,790.86	(1,794.89)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	20,778.20	22,293.49			(4,361.10)		16,417.10	17,494.85	(437.54)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	10,545.88	11,314.96			(36.19)		10,509.69	11,199.61	(79.16)	0.00
GNMA	2007A Single Family	6.00	07/16/08	07/20/38	5,260.75	5,709.68			(37.85)		5,222.90	5,653.09	(18.74)	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	5,605.84	6,014.69			(19.19)		5,586.65	5,953.43	(42.07)	0.00
GNMA	2007A Single Family	6.00	08/18/08	08/20/36	12,738.14	13,824.76			(1,221.59)		11,516.55	12,464.75	(138.42)	0.00
GNMA	2007A Single Family	5.25	08/18/08	08/20/38	8,667.78	9,299.68			(29.72)		8,638.06	9,204.94	(65.02)	0.00
GNMA	2007A Single Family	5.25	08/18/08	06/20/38	9,172.44	9,841.13			(38.87)		9,133.57	9,732.98	(69.30)	0.00
GNMA	2007A Single Family	5.25	08/18/08	06/20/38	8,710.20	9,345.20			(4,076.58)		4,633.62	4,937.70	(330.92)	0.00
GNMA	2007A Single Family	6.00	08/18/08	06/20/38	5,942.59	6,449.50			(17.66)		5,924.93	6,412.73	(19.11)	0.00
GNMA	2007A Single Family	8.00	08/25/08	06/20/36	20,434.73	22,178.05			(78.87)		20,357.86	22,034.14	(67.04)	0.00
GNMA	2007A Single Family	5.25	08/25/08	06/20/38	24,124.86	25,883.82			(5,441.66)		18,683.20	19,909.41	(532.75)	0.00
GNMA	2007A Single Family	5.25	07/18/08	07/20/38	42,021.64	45,086.69			(4,459.42)		37,562.42	40,028.65	(598.82)	0.00
GNMA	2007A Single Family	6.00	07/23/08	07/20/38	20,096.31	21,811.44			(4,579.48)		15,516.83	16,795.02	(436.94)	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	57,477.71	61,870.37			(3,927.55)		53,550.16	57,066.54	(676.28)	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	8,402.38	9,015.31			(28.46)		8,373.92	8,923.82	(63.03)	0.00
GNMA	2007A Single Family	6.00	07/29/08	07/20/38	4,749.57	5,154.96			(3,357.28)		1,392.29	1,506.99	(290.69)	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	25,026.92	26,852.64			(84.93)		24,941.99	26,579.95	(187.76)	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	12,258.17	13,152.41			(42.85)		12,215.32	13,017.52	(92.04)	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	5,720.09	6,206.50			(18.58)		5,703.51	6,173.55	(18.37)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	14,499.61	15,557.86			(72.56)		14,427.05	15,374.99	(110.31)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	19,060.77	20,451.93			(5,546.81)		13,513.96	14,401.91	(503.21)	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	39,732.20	43,124.19			(120.06)		39,612.14	42,876.21	(127.92)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	92,640.33	99,400.18			(12,228.48)		80,411.85	85,694.17	(1,477.53)	0.00
GNMA	2007A Single Family	5.25	08/13/08	07/20/38	49,492.27	53,103.60			(181.30)		49,300.97	52,539.49	(372.81)	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/36	7,727.09	8,386.78			(22.93)		7,704.16	8,339.01	(24.84)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	19,505.68	20,928.97			(5,704.30)		13,801.38	14,708.00	(516.67)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	23,872.39	25,614.33			(107.66)		23,764.53	25,325.63	(160.84)	0.00
GNMA	2007A Single Family	6.00	08/20/08	08/20/38	9,920.23	10,767.23			(29.29)		9,890.94	10,706.05	(31.89)	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/36	36,819.58	39,508.58			(162.35)		36,657.23	39,065.55	(278.68)	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	8,456.69	9,074.07			(33.48)		8,423.41	8,976.62	(63.77)	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	3,169.67	3,440.54			(9.19)		3,160.68	3,421.17	(10.18)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	8,981.05	9,636.53			(30.33)		8,950.72	9,538.82	(67.38)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	9,221.42	9,894.45			(30.78)		9,190.64	9,794.54	(69.13)	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	32,223.51	34,974.99			(6,017.86)		26,205.65	28,365.41	(591.72)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	44,116.72	47,253.14			(9,376.33)		34,740.39	36,957.69	(919.12)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	10,724.59	11,507.32			(38.25)		10,686.34	11,388.49	(80.58)	0.00
GNMA	2007A Single Family	8.00	09/10/08	09/20/38	26,508.96	28,772.97			(8,050.64)		18,458.32	19,979.93	(742.40)	0.00
GNMA	2007A Single Family	5.25	09/10/08	09/20/38	64,495.81	69,204.16			(4,345.11)		60,150.70	64,104.05	(755.00)	0.00
GNMA	2007A Single Family	5.25	09/10/08	08/20/38	30,709.46	32,951.33			(103.45)		30,606.03	32,617.53	(230.35)	0.00
GNMA	2007A Single Family	5.25	09/17/08	09/20/38	15,834.65	16,990.75			(5,276.00)		10,558.65	11,250.57	(462.16)	0.00
GNMA	2007A Single Family	5.25	09/17/08	08/20/38	20,588.47	22,091.83			(68.71)		20,519.76	21,868.54	(154.38)	0.00
GNMA	2007A Single Family	5.25	09/24/08	07/20/38	4,258.56	4,569.50			(14.30)		4,244.28	4,523.28	(31.94)	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	13,812.86	14,992.77			(3,277.05)		10,535.81	11,404.49	(311.23)	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	24,038.05	25,793.27			(105.85)		23,932.20	25,505.47	(181.95)	0.00
GNMA	2007A Single Family	5.25	09/24/08	08/20/36	3,421.29	3,871.10			(11.84)		3,409.45	3,633.57	(25.89)	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	9,923.10	10,647.66			(4,843.71)		5,079.39	5,413.29	(380.66)	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	18,681.69	18,106.67			(54.98)		18,626.71	17,997.56	(54.11)	0.00

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GNMA	2007A Single Family	5.25	09/24/08	09/20/38	30,652.37	32,990.56			(132.46)		30,519.91	32,526.27	(231.85)	0.00
GNMA	2007A Single Family	6.00	10/08/08	10/20/38	30,813.51	33,446.20			(92.29)		30,721.22	33,254.74	(99.17)	0.00
GNMA	2007A Single Family	5.25	10/08/08	09/20/38	22,478.81	24,120.52			(4,928.29)		17,552.52	18,706.69	(487.54)	0.00
GNMA	2007A Single Family	6.00	10/15/08	09/20/38	4,442.20	4,821.77			(12.80)		4,429.40	4,794.72	(14.25)	0.00
GNMA	2007A Single Family	6.00	10/15/08	06/20/38	3,228.75	3,504.61			(9.49)		3,219.26	3,484.75	(10.37)	0.00
GNMA	2007A Single Family	6.00	10/15/08	07/20/38	4,677.67	5,077.34			(14.76)		4,662.91	5,047.47	(15.11)	0.00
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	24,231.22	26,301.87			(3,169.39)		21,061.83	22,799.09	(333.39)	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	26,443.80	28,375.57			(89.66)		26,354.14	26,087.54	(198.37)	0.00
GNMA	2007A Single Family	5.25	10/22/08	07/20/38	9,501.18	10,195.21			(31.90)		9,469.28	10,092.04	(71.27)	0.00
GNMA	2007A Single Family	5.25	10/22/08	09/20/38	10,886.36	11,681.63			(36.10)		10,850.26	11,563.89	(61.64)	0.00
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	18,214.56	19,771.09			(61.05)		18,133.51	19,629.26	(60.78)	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	19,798.73	21,245.04			(69.02)		19,729.71	21,027.37	(146.65)	0.00
GNMA	2007A Single Family	5.25	10/22/08	08/20/38	4,724.51	5,069.62			(21.54)		4,702.97	5,012.27	(35.81)	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	19,456.79	20,678.30			(64.95)		19,391.84	20,667.44	(145.91)	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	14,139.29	15,347.69			(41.13)		14,098.16	15,261.18	(45.40)	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	10,856.56	11,784.39			(32.02)		10,824.54	11,717.47	(34.90)	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	14,264.83	15,307.00			(47.06)		14,217.75	15,152.99	(106.93)	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	8,426.56	9,042.22			(29.27)		8,397.29	8,949.58	(63.27)	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	14,883.98	16,155.99			(3,400.78)		11,483.20	12,430.45	(324.76)	0.00
GNMA	2007A Single Family	5.25	10/29/08	09/20/38	7,066.98	7,583.27			(53.58)		7,013.42	7,474.75	(54.96)	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	31,318.65	33,995.80			(93.29)		31,225.36	33,801.74	(100.77)	0.00
GNMA	2007A Single Family	5.25	11/12/08	10/20/38	13,762.85	14,790.04			(4,314.51)		9,468.34	10,091.30	(384.23)	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	9,858.31	10,701.00			(28.11)		9,830.20	10,641.28	(31.61)	0.00
GNMA	2007A Single Family	5.25	11/19/08	08/20/38	3,762.82	4,037.81			(12.90)		3,749.92	3,996.65	(26.26)	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	15,179.59	16,477.24			(46.02)		15,133.57	16,382.31	(48.91)	0.00
GNMA	2007A Single Family	5.25	11/19/08	11/20/38	17,078.54	18,326.70			(4,775.42)		12,303.12	13,112.71	(438.57)	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	8,298.18	9,007.59			(41.64)		8,256.54	8,937.86	(28.09)	0.00
GNMA	2007A Single Family	5.25	11/25/08	10/20/38	2,167.86	2,326.30			(7.26)		2,160.60	2,302.79	(18.25)	0.00
GNMA	2007A Single Family	5.25	11/25/08	11/20/38	22,218.08	23,842.07			(5,854.58)		16,363.50	17,440.42	(547.07)	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	6,708.64	9,453.20			(31.53)		6,677.11	9,393.19	(28.48)	0.00
GNMA	2007A Single Family	8.00	11/25/08	11/20/38	13,280.55	14,416.00			(37.78)		13,242.77	14,335.64	(42.58)	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	41,157.36	44,676.83			(3,582.82)		37,574.54	40,676.01	(418.00)	0.00
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	48,818.83	50,241.71			(163.41)		48,635.42	49,705.42	(352.88)	0.00
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	5,245.41	5,628.90			(17.16)		5,228.23	5,572.40	(39.32)	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	17,858.72	19,365.88			(53.63)		17,804.69	19,274.56	(57.49)	0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	10,103.52	10,967.58			(26.90)		10,074.62	10,906.27	(32.41)	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	15,356.79	16,672.32			(46.03)		15,312.76	16,576.83	(49.46)	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	14,951.67	16,230.37			(45.63)		14,906.04	16,136.54	(48.20)	0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	10,947.59	11,863.84			(31.53)		10,916.06	11,817.17	(35.14)	0.00
GNMA	2007A Single Family	6.00	02/18/09	01/20/39	2,752.37	2,988.21			(7.74)		2,744.63	2,971.49	(8.98)	0.00
GNMA	2007A Single Family	6.00	02/18/09	02/20/39	10,358.07	11,245.64			(29.10)		10,326.97	11,182.73	(33.81)	0.00
GNMA	2007A Single Family	5.25	02/25/09	02/20/39	11,369.67	12,202.52			(38.45)		11,331.22	12,078.66	(85.41)	0.00
GNMA	2007A Single Family	5.49	02/25/09	01/20/39	2,699.65	3,131.79			(6.97)		2,890.88	3,090.85	(25.97)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	44,056.59	47,832.12			(126.38)		43,930.21	47,561.74	(144.00)	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	9,829.18	10,548.67			(32.01)		9,797.17	10,442.98	(73.88)	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,740.91	5,067.95			(16.33)		4,724.58	5,036.02	(35.60)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	17,459.29	18,955.50			(48.90)		17,410.39	18,849.62	(56.98)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	6,807.57	7,390.94			(19.11)		6,788.46	7,349.61	(22.22)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	4,505.90	4,892.05			(12.57)		4,493.33	4,864.77	(14.71)	0.00
GNMA	2007A Single Family	5.25	03/11/09	02/20/39	5,430.71	5,828.59			(17.76)		5,412.95	5,770.07	(40.76)	0.00
GNMA	2007A Single Family	5.25	03/11/09	01/20/39	4,407.92	4,730.87			(14.27)		4,393.65	4,683.52	(33.08)	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	22,825.39	24,781.84			(64.60)		22,760.79	24,642.69	(74.55)	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	3,517.20	3,618.66			(10.65)		3,506.55	3,796.47	(11.56)	0.00
GNMA	2007A Single Family	6.00	03/18/09	03/20/39	23,392.09	25,397.35			(68.29)		23,323.80	25,252.47	(76.59)	0.00
GNMA	2007A Single Family	5.25	03/25/08	12/20/38	2,128.81	2,284.72			(6.93)		2,121.88	2,261.63	(15.96)	0.00
GNMA	2007A Single Family	6.00	03/25/09	03/20/39	2,443.61	2,653.11			(6.78)		2,436.85	2,638.37	(7.98)	0.00
GNMA	2007A Single Family	6.00	03/25/09	01/20/39	4,481.41	4,865.59			(14.20)		4,467.21	4,836.63	(14.78)	0.00
GNMA	2007A Single Family	6.00	03/25/09	02/20/38	3,940.15	4,277.90			(11.00)		3,929.15	4,254.06	(12.84)	0.00
GNMA	2007A Single Family	6.00	04/08/09	10/20/38	2,799.50	3,039.28			(6.49)		2,791.01	3,021.77	(9.02)	0.00
GNMA	2007A Single Family	5.25	04/08/09	01/20/39	2,307.23	2,476.35			(8.39)		2,298.84	2,450.59	(17.37)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	27,860.59	29,898.13			(161.87)		27,698.72	29,522.77	(213.49)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	6,078.94	6,598.92			(17.49)		6,061.45	6,561.92	(19.51)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	19,118.57	20,753.95			(54.25)		19,064.32	20,838.41	(61.29)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	10,965.63	11,903.61			(35.35)		10,930.28	11,832.76	(35.50)	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	35,006.62	37,566.80			(116.07)		34,890.55	37,188.23	(262.50)	0.00
GNMA	2007A Single Family	6.00	01/14/09	12/20/38	6,705.77	7,279.49			(19.69)		6,686.08	7,238.25	(21.55)	0.00
GNMA	2007A Single Family	5.25	01/14/09	01/20/39	20,099.39	21,570.71			(5,158.32)		14,941.07	15,925.88	(486.53)	0.00
GNMA	2007A Single Family	5.25	01/14/09	12/20/36	15,072.86	16,175.25			(62.62)		15,010.04	15,996.77	(113.86)	0.00
GNMA	2007A Single Family	6.00	01/14/09	01/20/39	29,036.72	31,523.68			(82.95)		28,953.77	31,345.81	(94.90)	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	23,491.64	25,503.62			(112.63)		23,379.01	25,310.67	(80.52)	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,727.96	9,475.78			(25.21)		8,702.75	9,422.01	(26.56)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	10,672.02	11,453.59			(34.62)		10,637.40	11,338.88	(80.09)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	16,536.73	19,894.27			(5,109.41)		13,427.32	14,312.76	(472.08)	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	14,737.78	16,000.52			(4,323.93)		10,413.85	11,274.54	(402.05)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	4,731.53	5,078.03			(15.32)		4,716.21	5,027.21	(35.50)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	6,313.96	6,776.36			(21.26)		6,292.70	6,707.67	(47.43)	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,355.13	9,071.01			(23.46)		8,331.67	9,020.26	(27.29)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	8,531.55	9,156.37			(28.61)		8,502.94	9,063.67	(64.09)	0.00
GNMA	2007A Single Family	6.00	06/24/09	06/20/39	8,603.67	9,342.44			(4,705.24)		3,898.63	4,221.49	(415.71)	0.00
GNMA	2007A Single Family				6,900.90	7,086.02			(6,600.90)				(485.12)	0.00
GNMA	2007A Single Family				5,163.33	5,542.81			(5,163.33)				(379.48)	0.00
GNMA	2007A Single Family				8,737.74	9,488.68			(8,737.74)				(750.94)	0.00
GNMA	2007A Single Family				11,378.94	12,357.05			(11,378.94)				(976.11)	0.00
GNMA	2007A Single Family				9,376.24	10,067.64			(9,378.24)				(689.40)	0.00
GNMA	2007A Single Family	5.25	10/15/09	09/20/39	14,864.73	15,957.72			(45.64)		14,818.89	15,800.43	(111.45)	0.00
GNMA	2007A Single Family	5.25	10/29/09	10/20/39	16,865.88	18,106.07			(59.05)		16,806.63	17,920.11	(126.91)	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39	7,448.96	7,997.02			(25.43)		7,423.53	7,915.58	(56.01)	0.00
GNMA	2007A Single Family	6.00	11/24/09	09/20/39	5,447.96	5,916.62			(14.46)		5,433.50	5,884.43	(17.73)	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39	9,670.80	10,382.33			(29.64)		9,641.18	10,280.22	(72.47)	0.00
GNMA	2007A Single Family	6.00	12/17/09	11/20/39			6,434.06				6,434.06	6,968.22	534.16	0.00
GNMA	2007A Single Family	5.25	12/17/09	12/20/39			19,329.63				19,329.63	20,611.38	1,261.75	0.00
GNMA	2007A Single Family	5.25	12/17/09	11/20/39			3,361.98				3,361.98	3,584.92	222.94	0.00
GNMA	2007A Single Family	5.25	12/29/09	12/20/39			6,377.27				6,377.27	6,800.24	422.97	0.00
GNMA	2007A Single Family	6.00	12/29/09	12/20/39			10,212.94				10,212.94	11,060.96	848.02	0.00
GNMA	2007A Single Family	5.25	01/20/10	12/20/39			19,266.56				19,266.56	20,544.90	1,276.34	0.00
GNMA	2007A Single Family	6.00	01/20/10	01/20/40			5,641.70				5,641.70	6,110.25	468.55	0.00
GNMA	2007A Single Family	5.25	01/27/10	12/20/39			21,210.72				21,210.72	22,818.24	1,407.52	0.00
GNMA	2007A Single Family	6.00	01/27/10	12/20/39			7,423.45				7,423.45	8,040.11	616.66	0.00
GNMA	2007A Single Family	5.25	02/17/10	01/20/40			12,003.31				12,003.31	12,800.14	796.83	0.00
GNMA	2007A Single Family	5.25	02/23/10	12/20/39			9,597.25				9,597.25	10,234.41	637.16	0.00
GNMA	2007A Single Family	6.00	02/23/10	01/20/40			3,151.92				3,151.92	3,413.82	261.90	0.00
GNMA	2007A Single Family	5.25	02/23/10	02/20/40			35,151.51				35,151.51	37,485.27	2,333.78	0.00
FNMA	2007A Single Family	6.00	12/11/07	12/01/37	11,515.61	12,524.62			(9,086.64)		2,428.97	2,811.71	(826.27)	0.00
FNMA	2007A Single Family	5.25	12/11/07	11/01/37	11,686.03	12,517.41			(42.41)		11,623.62	12,326.33	(148.67)	0.00
FNMA	2007A Single Family	5.25	12/12/07	12/01/37	70,351.75	75,486.04			(292.53)		70,059.22	74,294.78	(898.73)	0.00
FNMA	2007A Single Family	5.25	12/20/07	11/01/37	5,023.35	5,389.97			(17.96)		5,005.37	5,307.99	(64.00)	0.00
FNMA	2007A Single Family	6.00	12/20/07	12/01/37	7,837.31	8,524.05			(25.27)		7,812.04	8,399.75	(99.03)	0.00
FNMA	2007A Single Family	5.25	12/20/07	12/01/37	16,760.71	17,683.97			(60.76)		16,699.95	17,709.62	(213.59)	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	12,537.44	13,452.58			(81.64)		12,455.80	13,209.00	(161.94)	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	3,237.31	3,473.61			(27.41)		3,209.90	3,404.00	(42.20)	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	17,233.72	18,491.64			(61.80)		17,171.92	18,210.29	(219.55)	0.00
FNMA	2007A Single Family	6.00	01/16/08	12/01/37	11,536.00	12,570.81			(35.54)		11,500.46	12,389.07	(146.20)	0.00
FNMA	2007A Single Family	5.25	01/16/08	12/01/37	72,585.49	78,032.04			(2,596.24)		89,989.25	74,361.57	(1,074.23)	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	9,373.96	10,077.43			(45.57)		9,328.39	9,911.23	(120.63)	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	16,206.63	17,636.29			(2,463.90)		13,722.73	14,778.28	(374.11)	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	17,480.78	18,792.72			(64.33)		17,396.45	18,483.48	(224.91)	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	5,673.64	6,099.42			(19.97)		5,653.67	6,006.90	(72.55)	0.00
FNMA	2007A Single Family	8.00	01/30/08	01/01/38	4,906.78	5,339.62			(15.64)		4,891.12	5,287.36	(56.82)	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	8,969.72	9,650.08			(31.93)		8,937.79	9,521.88	(96.27)	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	3,876.52	4,218.46			(11.83)		3,864.69	4,161.92	(44.71)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2007A Single Family	6.00	02/13/08	02/01/38	16,417.46	17,865.98			(71.06)		16,346.40	17,604.00	(190.92)	0.00
FNMA	2007A Single Family	5.25	02/13/08	02/01/38	14,474.41	15,537.86			(50.76)		14,423.65	15,332.11	(154.99)	0.00
FNMA	2007A Single Family	5.25	02/13/08	01/01/38	12,698.49	13,631.44			(44.71)		12,653.78	13,450.76	(135.97)	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,465.03	8,013.57			(26.27)		7,436.76	7,907.37	(79.93)	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,463.85	8,012.29			(26.13)		7,437.72	7,906.25	(79.91)	0.00
FNMA	2007A Single Family	6.00	02/19/08	02/01/38	7,036.98	7,657.90			(21.63)		7,015.35	7,555.14	(61.13)	0.00
FNMA	2007A Single Family	6.00	02/27/08	02/01/38	14,156.68	15,405.91			(45.29)		14,111.39	15,197.22	(163.40)	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	18,292.61	19,636.82			(72.86)		18,219.75	19,367.53	(196.43)	0.00
FNMA	2007A Single Family	5.25	02/27/08	01/01/38	2,705.49	2,904.30			(11.51)		2,693.98	2,863.68	(29.11)	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/36	20,694.82	22,430.27			(74.77)		20,620.05	22,131.67	(223.83)	0.00
FNMA	2007A Single Family	6.00	03/20/08	03/01/38	15,912.85	17,317.45			(62.15)		15,850.70	17,070.77	(184.53)	0.00
FNMA	2007A Single Family	5.25	03/20/08	01/01/38	3,997.44	4,291.25			(13.99)		3,983.45	4,234.47	(42.80)	0.00
FNMA	2007A Single Family	5.25	03/20/08	02/01/38	19,516.85	20,984.72			(70.43)		19,448.42	20,864.59	(249.70)	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	15,120.23	16,231.78			(54.08)		15,066.17	16,015.75	(181.95)	0.00
FNMA	2007A Single Family	6.00	03/27/08	03/01/38	13,470.08	14,659.11			(41.68)		13,428.40	14,462.07	(155.36)	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	9,504.99	10,203.73			(4,952.98)		4,552.01	4,838.90	(411.85)	0.00
FNMA	2007A Single Family	5.25	04/15/08	04/01/38	3,858.00	4,141.70			(15.30)		3,842.70	4,084.98	(41.42)	0.00
FNMA	2007A Single Family	6.00	04/23/08	04/01/38	3,092.01	3,365.06			(9.29)		3,082.75	3,320.16	(35.64)	0.00
FNMA	2007A Single Family	6.00	02/04/09	10/01/38	1,526.29	1,861.49			(4.39)		1,521.90	1,639.51	(17.59)	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39			6,580.37				6,580.37	7,016.00	435.63	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39			5,147.30				5,147.30	5,488.07	340.77	0.00
GNMA	2007A Single Family	6.00	09/18/09	08/20/39			8,714.32				8,714.32	9,436.81	722.49	0.00
GNMA	2007A Single Family	6.00	09/29/09	09/20/39			11,348.50				11,348.50	12,289.57	941.07	0.00
GNMA	2007A Single Family	5.25	09/29/09	09/20/39			9,348.15				9,348.15	9,967.17	619.02	0.00
	<b>2007A Single Family Total</b>				<b>124,082,380.91</b>	<b>132,052,236.50</b>	<b>16,273,589.83</b>	<b>(5,020,071.66)</b>	<b>(9,391,217.01)</b>	<b>0.00</b>	<b>125,944,682.07</b>	<b>132,388,607.56</b>	<b>(1,525,930.10)</b>	<b>0.00</b>
Repo Agmt	2007B Single Family	0.11	02/26/10	03/01/10	262,119.55	262,119.55		(45,574.60)			216,544.95	216,544.95	-	0.00
Repo Agmt	2007B Single Family	0.11	02/26/10	03/01/10	85,673.04	85,673.04	15,652,829.02				15,738,502.06	15,738,502.06	-	0.00
GIC's	2007B Single Family				4,751,823.64	4,751,823.64		(4,751,823.64)					-	0.00
Repo Agmt	2007B Single Family	0.11	02/26/10	03/01/10	1,201,130.48	1,201,130.48	0.00				1,201,130.48	1,201,130.48	-	0.00
FNMA	2007B Single Family	5.25	10/29/09	10/01/39	99,182.50	108,537.91			(307.39)		98,875.11	105,158.26	(1,071.26)	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	231,510.26	246,763.14			(836.36)		230,673.90	243,956.66	(1,970.12)	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	164,796.05	175,653.53			(586.58)		164,209.47	173,665.08	(1,401.89)	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	619,735.31	660,571.45			(2,483.12)		617,252.19	652,800.34	(5,287.99)	0.00
Freddie Mac	2007B Single Family	6.00	12/20/07	12/01/37	126,982.25	131,344.31			(445.26)		126,536.99	130,477.78	(421.27)	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	448,221.24	477,755.84			(1,712.48)		446,508.76	472,223.65	(3,819.71)	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	494,300.63	526,881.62			(1,774.94)		492,525.69	520,900.71	(4,205.97)	0.00
Freddie Mac	2007B Single Family	6.00	01/16/08	12/01/37	112,617.04	116,493.11			(392.94)		112,224.10	115,726.75	(373.42)	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	210,221.57	224,077.87			(745.50)		209,476.07	221,544.25	(1,788.22)	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	01/01/38	413,801.65	441,081.56			(1,670.96)		412,130.69	435,878.67	(3,531.73)	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	12/01/37	260,493.66	277,666.17			(967.17)		259,526.49	274,480.61	(2,218.39)	0.00
Freddie Mac	2007B Single Family	6.00	01/30/08	01/01/38	102,871.73	106,292.63			(358.10)		102,513.63	105,686.58	(247.95)	0.00
Freddie Mac	2007B Single Family	6.00	02/13/08	01/01/36	162,649.68	168,050.18			(594.74)		162,054.94	167,062.72	(392.72)	0.00
Freddie Mac	2007B Single Family	5.25	02/13/08	01/01/38	212,093.88	226,078.26			(748.71)		211,345.17	223,525.56	(1,803.99)	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	02/01/38	73,935.78	78,808.31			(258.41)		73,677.37	77,925.63	(624.27)	0.00
Freddie Mac	2007B Single Family	6.00	03/20/08	03/01/38	146,937.22	151,795.16			(509.44)		146,427.78	150,931.64	(354.08)	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	11/01/37	123,063.89	131,181.12			(1,070.32)		121,993.57	129,027.23	(1,083.57)	0.00
Freddie Mac	2007B Single Family	6.00	04/22/08	02/01/38	62,534.14	64,663.66			(228.63)		62,305.51	64,229.63	(207.40)	0.00
Freddie Mac	2007B Single Family	5.25	04/22/08	01/01/38	149,563.03	159,423.13			(525.94)		149,037.09	157,634.11	(1,263.08)	0.00
Freddie Mac	2007B Single Family	5.25	05/14/08	04/01/38	277,122.92	295,398.14			(964.10)		276,158.82	292,094.27	(2,339.77)	0.00
Freddie Mac	2007B Single Family	6.00	05/15/08	04/01/38	237,562.52	245,387.06			(832.03)		236,730.49	243,962.80	(572.23)	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	04/01/38	329,007.23	350,705.83			(1,145.87)		327,861.36	346,782.04	(2,779.92)	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	05/01/36	231,013.09	246,249.02			(794.03)		230,219.06	243,505.07	(1,949.92)	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	04/01/38	251,731.95	266,335.46			(874.61)		250,857.34	265,335.46	(2,125.37)	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	05/01/38	135,299.88	144,223.98			(464.39)		134,835.47	142,617.58	(1,142.01)	0.00
Freddie Mac	2007B Single Family	6.00	06/18/08	05/01/38	286,984.91	296,355.37			(1,059.06)		285,905.85	294,603.85	(692.66)	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	02/01/38	80,208.55	85,504.75			(416.91)		79,791.64	84,397.81	(690.03)	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	05/01/38	142,746.15	152,163.56			(489.95)		142,256.20	150,468.74	(1,204.87)	0.00
Freddie Mac	2007B Single Family	6.00	06/25/08	05/01/38	102,134.97	105,474.53			(346.20)		101,788.77	104,882.84	(245.49)	0.00
Freddie Mac	2007B Single Family	6.00	07/16/08	06/01/38	159,338.14	164,534.97			(609.73)		158,728.41	163,540.23	(385.01)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Freddie Mac	2007B Single Family	5.25	07/16/08	06/01/38	218,016.13	232,404.26	(806.19)				217,209.94	229,754.47	(1,843.60)	0.00
Freddie Mac	2007B Single Family	6.00	07/23/08	08/01/38	145,651.90	150,398.60	(523.64)				145,128.28	149,524.06	(350.90)	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	06/01/38	150,343.70	155,231.79	(719.78)				149,623.92	154,144.45	(367.56)	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	09/01/38	71,930.43	74,268.39	(239.53)				71,690.90	73,856.04	(172.82)	0.00
Freddie Mac	2007B Single Family	6.00	09/20/08	06/01/38	150,437.65	155,324.92	(528.55)				149,909.10	154,434.54	(361.83)	0.00
Freddie Mac	2007B Single Family	6.00	09/27/08	09/01/38	298,593.94	308,283.71	(1,013.16)				297,580.78	306,552.94	(717.61)	0.00
Freddie Mac	2007B Single Family	6.00	09/17/08	06/01/38	214,520.89	221,466.00	(776.14)				213,744.75	220,172.94	(516.92)	0.00
Freddie Mac	2007B Single Family	5.25	09/17/08	08/01/38	82,835.73	88,306.62	(267.55)				82,548.18	87,319.62	(699.45)	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	08/01/38	177,485.82	189,208.85	(598.23)				176,887.59	187,112.99	(1,487.63)	0.00
Freddie Mac	2007B Single Family	6.00	09/24/08	06/01/38	98,246.20	101,425.26	(333.22)				97,912.98	100,858.27	(235.77)	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	06/01/38	142,290.21	151,688.22	(486.82)				141,803.39	150,000.34	(1,201.06)	0.00
Freddie Mac	2007B Single Family	5.25	10/08/08	09/01/38	113,508.07	121,006.87	(1,564.95)				111,943.12	118,415.57	(1,026.15)	0.00
Freddie Mac	2007B Single Family	6.00	10/15/08	09/01/38	219,867.68	226,962.33	(728.11)				219,139.57	225,706.58	(527.66)	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	07/01/38	122,355.72	130,439.87	(414.88)				121,940.84	128,992.39	(1,032.60)	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	07/01/38	75,035.94	77,455.92	(252.06)				74,783.68	77,023.83	(180.03)	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	09/01/38	76,288.58	78,748.29	(252.65)				76,035.93	78,312.56	(183.08)	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	08/01/38	151,232.83	161,225.08	(623.15)				150,609.68	159,319.24	(1,282.69)	0.00
Freddie Mac	2007B Single Family	5.25	11/19/08	09/01/38	113,198.47	120,880.15	(384.26)				112,814.21	119,340.51	(955.38)	0.00
Freddie Mac	2007B Single Family	5.25	12/10/08	11/01/38	315,714.42	336,596.85	(1,063.60)				314,650.82	332,859.06	(2,664.19)	0.00
Freddie Mac	2007B Single Family	6.00	12/17/08	11/01/38	165,717.23	171,024.78	(542.51)				165,174.72	170,084.97	(397.30)	0.00
Freddie Mac	2007B Single Family	5.25	01/14/09	11/01/38	82,817.38	88,294.79	(274.15)				82,543.23	87,322.05	(698.59)	0.00
Freddie Mac	2007B Single Family	8.00	01/14/09	11/01/38	203,758.08	210,262.76	(667.27)				203,090.81	209,107.29	(488.20)	0.00
Freddie Mac	2007B Single Family	6.00	02/18/09	01/01/39	132,457.46	138,667.86	(431.40)				132,026.06	135,919.25	(317.21)	0.00
Freddie Mac	2007B Single Family	5.25	02/18/09	12/01/38	112,909.59	120,380.31	(371.49)				112,538.10	119,056.47	(952.35)	0.00
Freddie Mac	2007B Single Family	5.49	02/18/09	09/01/38	137,089.52	140,333.39	(494.45)				136,595.07	138,913.36	(925.58)	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	10/01/38	47,600.36	49,812.38	(173.93)				47,426.43	49,118.54	(519.91)	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	12/01/36	69,084.69	72,295.20	(262.28)				68,822.41	71,277.97	(754.95)	0.00
Freddie Mac	2007B Single Family	4.75	03/11/09	12/01/38	81,818.73	85,622.31	(295.14)				81,523.58	84,433.61	(693.56)	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	02/01/39	71,657.33	76,393.42	(232.98)				71,424.35	75,556.21	(604.23)	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	01/01/39	81,780.06	87,193.35	(486.52)				81,293.54	86,004.42	(702.41)	0.00
Freddie Mac	2007B Single Family	6.00	03/25/09	11/01/38	51,857.24	53,499.14	(260.71)				51,596.53	53,111.73	(126.70)	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	12/01/38	63,644.96	67,857.84	(688.39)				62,956.57	66,604.79	(584.66)	0.00
GNMA	2007B Single Family	5.25	12/28/07	12/20/37	523,143.15	555,723.75	(1,892.04)				521,251.11	549,401.35	(4,430.36)	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	547,318.50	568,313.78	(1,933.01)				545,385.49	564,317.24	(2,663.53)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	2,547,587.59	2,736,623.18	(366,329.41)				2,181,258.18	2,324,701.36	(45,592.41)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	472,428.80	507,483.85	(112,120.30)				360,308.50	384,002.97	(11,360.58)	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	433,407.16	450,032.79	(248,227.31)				187,179.87	193,677.38	(10,128.12)	0.00
GNMA	2007B Single Family	5.25	12/11/07	12/20/37	2,088,102.33	2,243,047.81	(8,326.57)				2,079,775.76	2,216,552.01	(18,189.23)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	250,033.09	268,596.00	(685.66)				249,147.43	265,531.79	(2,166.55)	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	1,176,252.10	1,263,546.16	(125,429.47)				1,050,822.63	1,119,940.08	(18,176.61)	0.00
GNMA	2007B Single Family	6.00	12/20/07	12/20/37	163,905.18	170,186.69	(72,360.37)				91,544.81	94,719.26	(3,107.06)	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	445,249.49	478,293.11	(1,571.30)				443,678.19	472,860.94	(3,860.87)	0.00
GNMA	2007B Single Family	5.25	12/20/07	11/20/37	123,181.46	132,322.94	(438.06)				122,743.40	130,816.39	(1,068.49)	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	162,638.86	196,193.19	(725.13)				181,913.73	193,879.06	(1,569.00)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	426,890.08	442,238.20	(129,575.32)				297,314.76	307,284.36	(5,378.52)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	397,652.74	425,824.10	(1,926.82)				395,725.92	420,884.98	(3,012.30)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	348,116.33	373,436.70	(105,001.17)				243,115.16	259,028.94	(9,406.59)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	334,321.94	359,006.66	(93,535.13)				240,786.81	256,095.29	(8,376.24)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	146,129.87	151,383.50	(504.51)				145,625.16	150,508.26	(370.73)	0.00
GNMA	2007B Single Family	8.00	01/16/08	12/20/37	748,872.24	777,506.06	(296,649.84)				452,222.40	467,864.62	(12,981.62)	0.00
GNMA	2007B Single Family	5.25	01/16/08	12/20/37	468,810.90	503,617.37	(1,691.50)				467,119.40	497,857.56	(4,068.31)	0.00
GNMA	2007B Single Family	5.25	01/16/08	01/20/38	2,605,036.87	2,794,472.97	(654,716.70)				1,950,320.17	2,077,954.72	(61,601.55)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	704,391.29	754,293.26	(2,730.70)				701,860.59	748,270.03	(5,292.53)	0.00
GNMA	2007B Single Family				143,277.38	153,917.24	(143,277.38)						(10,639.68)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	273,999.93	293,933.60	(958.18)				273,041.75	290,918.62	(2,056.80)	0.00
GNMA	2007B Single Family	5.25	02/13/08	02/20/38	339,585.88	364,291.72	(1,410.02)				338,175.86	360,318.37	(2,563.33)	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	83,363.15	86,356.49	(286.60)				83,076.55	85,858.54	(211.35)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	124,723.05	129,207.25	(436.52)				124,286.53	128,454.12	(316.61)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	135,339.65	145,183.65	(471.42)				134,666.43	143,696.64	(1,015.79)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	133,866.73	143,803.58	(466.78)				133,399.95	142,132.04	(1,004.76)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	395,785.47	424,573.09			(1,677.12)		394,108.35	419,905.67	(2,990.10)	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	336,589.10	348,675.13			(1,161.06)		335,428.04	346,660.63	(853.44)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	651,379.70	698,768.00			(151,912.25)		499,467.45	532,169.13	(14,886.62)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	533,883.69	572,724.05			(121,657.34)		412,226.35	439,216.08	(11,850.85)	0.00
GNMA	2007B Single Family	5.25	04/08/08	03/20/38	371,782.86	398,654.89			(1,302.70)		370,460.16	394,760.97	(2,781.22)	0.00
GNMA	2007B Single Family	5.25	04/08/08	03/20/38	136,659.36	146,610.47			(471.10)		136,188.28	145,113.88	(1,025.49)	0.00
GNMA	2007B Single Family	6.00	04/08/08	04/20/38	265,567.87	275,051.14			(935.37)		264,632.50	273,441.78	(673.99)	0.00
GNMA	2007B Single Family	5.25	04/08/08	04/20/38	345,901.62	371,090.04			(1,694.12)		344,207.70	366,767.39	(2,628.53)	0.00
GNMA	2007B Single Family	6.00	03/12/08	03/20/38	299,214.62	309,927.53			(150,715.37)		148,499.25	153,456.55	(5,755.61)	0.00
GNMA	2007B Single Family	5.25	03/12/08	03/20/38	609,257.08	653,602.74			(2,108.83)		607,150.25	646,923.83	(4,572.08)	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	513,275.13	550,639.04			(1,956.42)		511,319.71	544,819.96	(3,863.66)	0.00
GNMA	2007B Single Family	6.00	02/19/08	01/20/38	394,679.68	408,843.72			(112,488.67)		282,191.01	291,635.21	(4,719.84)	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	488,177.31	523,696.76			(1,858.45)		486,318.66	518,164.36	(3,673.95)	0.00
GNMA	2007B Single Family				134,930.30	144,747.72			(134,930.30)				(9,817.42)	0.00
GNMA	2007B Single Family	6.00	02/19/08	02/20/38	201,019.96	208,232.83			(714.72)		200,305.24	207,007.52	(510.59)	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	637,047.52	683,398.62			(2,717.34)		634,330.18	675,867.62	(4,813.46)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	145,338.85	155,915.04			(514.24)		144,824.61	154,309.40	(1,091.40)	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	242,746.72	251,450.49			(855.65)		241,891.07	249,976.56	(616.28)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	228,743.36	245,338.82			(815.58)		227,927.78	242,855.09	(1,718.15)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	336,229.48	360,696.61			(1,186.20)		335,043.28	356,985.75	(3,524.86)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	171,990.45	184,506.04			(606.50)		171,383.95	182,608.13	(1,291.41)	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	295,937.73	306,548.70			(109,798.33)		188,201.40	192,426.94	(4,385.43)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	618,718.55	663,742.12			(248,563.46)		370,155.09	394,397.05	(20,781.61)	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	137,681.38	147,682.44			(473.66)		137,187.72	146,175.88	(1,032.90)	0.00
GNMA	2007B Single Family	6.00	03/20/08	03/20/38	56,729.42	58,759.04			(195.41)		56,534.01	58,419.78	(143.85)	0.00
GNMA	2007B Single Family	5.25	03/27/08	03/20/38	298,236.33	319,948.75			(1,052.84)		297,183.49	316,656.70	(2,239.21)	0.00
GNMA	2007B Single Family	6.00	03/27/08	03/20/38	376,772.75	390,244.03			(1,289.87)		375,482.88	367,999.48	(954.68)	0.00
GNMA	2007B Single Family	5.25	04/15/08	03/20/38	223,408.56	239,678.15			(779.25)		222,629.30	237,221.82	(1,677.07)	0.00
GNMA	2007B Single Family	6.00	04/15/08	04/20/38	180,440.86	186,880.16			(84,468.35)		95,972.51	99,165.13	(3,246.68)	0.00
GNMA	2007B Single Family	5.25	04/24/08	04/20/38	246,382.43	264,328.04			(844.21)		245,538.22	281,635.28	(1,848.55)	0.00
GNMA	2007B Single Family	6.00	04/22/08	04/20/38	320,281.30	331,682.91			(1,087.99)		319,173.31	329,783.53	(611.39)	0.00
GNMA	2007B Single Family	6.00	05/07/08	04/20/38	436,828.54	452,355.93			(70,041.25)		366,787.29	378,962.41	(3,382.27)	0.00
GNMA	2007B Single Family	5.25	05/07/08	05/20/38	1,461,267.11	1,567,724.25			(1,456,015.99)		1,456,015.99	1,551,494.87	(10,978.26)	0.00
GNMA	2007B Single Family	5.25	05/07/08	04/20/38	262,045.87	281,136.32			(905.34)		261,140.53	278,264.36	(1,966.62)	0.00
GNMA	2007B Single Family	5.25	05/14/08	04/20/38	518,635.43	556,422.77			(1,782.69)		516,852.74	550,748.37	(3,891.71)	0.00
GNMA	2007B Single Family	6.00	05/21/08	05/20/38	289,228.59	299,514.27			(73,468.42)		215,760.17	222,911.12	(3,134.73)	0.00
GNMA	2007B Single Family	5.25	05/21/08	05/20/38	154,900.06	166,187.45			(531.43)		154,368.63	164,493.74	(1,162.28)	0.00
GNMA	2007B Single Family	5.25	05/28/08	05/20/38	252,114.92	270,488.19			(872.00)		251,242.92	267,723.98	(1,892.21)	0.00
GNMA	2007B Single Family	6.00	05/28/08	05/20/38	265,353.21	274,783.71			(1,083.00)		264,270.21	273,022.86	(677.85)	0.00
GNMA	2007B Single Family	5.25	05/28/08	01/20/38	87,697.05	94,087.44			(311.05)		87,386.00	93,117.69	(658.70)	0.00
GNMA	2007B Single Family	6.00	06/11/08	06/20/38	427,382.55	442,549.69			(1,445.48)		425,937.06	440,022.04	(1,082.16)	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	768,917.97	824,966.56			(126,539.88)		642,378.09	684,527.26	(13,899.42)	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	440,321.68	472,417.93			(1,621.57)		438,700.11	467,465.05	(3,311.31)	0.00
GNMA	2007B Single Family	6.00	07/09/08	07/20/38	989,868.71	1,024,900.71			(3,720.94)		986,147.77	1,018,861.60	(2,518.17)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	1,475,183.59	1,582,763.45			(595,202.30)		879,981.29	937,749.97	(49,811.18)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	576,628.52	618,679.97			(121,027.70)		455,600.82	485,509.94	(12,142.33)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	292,665.16	314,008.16			(1,004.84)		291,680.32	310,807.11	(2,196.21)	0.00
GNMA	2007B Single Family	6.00	07/16/08	07/20/38	145,408.41	150,551.17			(1,104.03)		144,304.38	149,056.69	(388.25)	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	155,570.89	166,917.49			(532.85)		155,038.04	165,217.48	(1,167.18)	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	352,041.72	364,527.06			(33,888.65)		318,153.07	328,666.54	(1,971.67)	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	240,544.80	258,081.12			(824.23)		239,720.57	255,451.96	(1,804.93)	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	254,549.93	273,107.29			(1,078.48)		253,471.45	270,105.25	(1,923.56)	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	241,722.07	259,344.22			(113,131.47)		128,590.60	137,029.22	(9,183.53)	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	164,233.77	170,058.42			(583.55)		163,680.22	169,089.11	(415.78)	0.00
GNMA	2007B Single Family	6.00	06/25/08	06/20/38	564,767.15	584,783.92			(2,350.38)		562,416.77	580,989.12	(1,444.42)	0.00
GNMA	2007B Single Family	5.25	06/25/08	06/20/38	669,503.46	718,317.05			(151,014.77)		518,488.69	552,517.86	(14,784.42)	0.00
GNMA	2007B Single Family	5.25	07/18/08	07/20/38	1,186,172.35	1,251,227.28			(123,755.97)		1,042,416.38	1,110,858.68	(16,612.61)	0.00
GNMA	2007B Single Family	6.00	07/23/08	07/20/38	555,483.70	575,117.08			(126,753.80)		428,729.90	442,845.70	(5,517.56)	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	1,595,097.98	1,711,450.46			(108,995.78)		1,486,102.20	1,583,686.91	(18,767.77)	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	233,180.23	250,189.25			(789.70)		232,390.53	247,650.40	(1,749.15)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	6.00	07/29/08	07/20/38	131,286.94	135,924.59			(92,816.93)		36,470.01	39,735.89	(3,371.77)	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	694,536.93	745,203.61			(2,357.17)		692,179.76	737,636.15	(5,210.29)	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	340,183.98	365,000.51			(1,169.16)		338,994.82	361,257.09	(2,554.26)	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	158,133.67	163,703.74			(521.86)		157,611.81	162,782.28	(399.60)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	402,387.01	431,755.23			(2,013.56)		400,373.45	426,680.33	(3,061.34)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	528,966.93	567,573.60			(153,932.99)		375,033.94	399,675.86	(13,964.75)	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	1,098,345.31	1,137,084.68			(3,757.44)		1,094,587.87	1,130,548.05	(2,781.19)	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	2,570,916.36	2,758,512.86			(339,359.65)		2,231,556.71	2,378,149.32	(41,003.91)	0.00
GNMA	2007B Single Family	5.25	08/13/08	07/20/38	1,373,489.16	1,473,709.47			(5,306.71)		1,368,180.45	1,458,054.30	(10,346.46)	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	213,605.95	221,139.96			(719.03)		212,886.92	219,880.42	(540.51)	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	541,313.32	580,812.27			(158,303.21)		383,010.11	408,170.33	(14,338.73)	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	662,496.80	710,838.39			(2,993.36)		659,503.44	702,626.74	(5,018.29)	0.00
GNMA	2007B Single Family	6.00	08/20/08	08/20/38	274,240.72	283,907.05			(919.36)		273,321.36	282,293.93	(893.76)	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	1,021,802.12	1,096,370.81			(4,505.48)		1,017,296.66	1,084,131.33	(7,733.82)	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	234,692.51	251,819.76			(929.29)		233,763.22	249,121.05	(1,789.42)	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	87,832.37	90,719.12			(289.23)		87,543.14	90,208.44	(221.45)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	249,238.27	267,428.94			(841.88)		248,396.39	264,717.50	(1,669.56)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	255,909.36	274,586.93			(653.95)		255,055.43	271,814.04	(1,918.94)	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	890,830.87	922,209.25			(166,657.48)		724,173.41	747,929.95	(7,621.84)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	1,224,309.28	1,311,349.45			(260,206.02)		964,101.26	1,025,834.44	(25,506.99)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	297,624.55	319,346.68			(1,061.56)		296,562.99	316,048.91	(2,296.21)	0.00
GNMA	2007B Single Family	6.00	09/10/08	09/20/38	732,898.29	758,676.36			(222,781.73)		510,116.56	526,624.50	(9,207.13)	0.00
GNMA	2007B Single Family	5.25	09/10/08	09/20/38	1,789,861.19	1,920,525.34			(120,583.87)		1,669,277.32	1,778,989.18	(20,952.29)	0.00
GNMA	2007B Single Family	5.25	09/10/08	08/20/38	852,237.15	914,451.80			(2,870.95)		849,366.20	905,188.28	(6,392.37)	0.00
GNMA	2007B Single Family	5.25	09/17/08	09/20/38	439,437.19	471,520.48			(148,472.98)		292,964.21	312,221.24	(12,828.26)	0.00
GNMA	2007B Single Family	5.25	09/17/08	08/20/38	571,363.25	613,077.86			(1,906.71)		569,456.54	606,886.66	(4,284.49)	0.00
GNMA	2007B Single Family	5.25	09/24/08	07/20/38	118,181.89	126,810.99			(396.80)		117,785.09	125,527.81	(868.36)	0.00
GNMA	2007B Single Family	8.00	09/24/08	09/20/38	381,909.41	395,324.89			(90,723.31)		291,186.10	300,710.04	(3,891.34)	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	667,093.86	715,804.19			(2,937.56)		664,156.32	707,817.46	(5,049.17)	0.00
GNMA	2007B Single Family	5.25	09/24/08	08/20/38	94,946.44	101,679.09			(328.75)		94,617.89	100,837.57	(712.77)	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	275,381.60	295,489.62			(134,420.81)		140,960.79	150,227.47	(10,841.34)	0.00
GNMA	2007B Single Family	8.00	09/24/08	09/20/38	481,229.33	477,430.87			(1,704.65)		459,524.68	474,554.53	(1,171.69)	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	850,651.88	912,785.35			(3,875.94)		846,775.94	902,655.52	(6,433.89)	0.00
GNMA	2007B Single Family	6.00	10/08/08	10/20/38	852,013.53	881,898.68			(2,892.54)		849,120.99	876,850.34	(2,155.80)	0.00
GNMA	2007B Single Family	5.25	10/08/08	09/20/38	623,822.62	669,382.81			(136,712.19)		487,110.43	518,140.59	(13,530.03)	0.00
GNMA	2007B Single Family	6.00	10/15/08	09/20/38	122,832.82	127,138.95			(403.03)		122,429.79	128,425.59	(310.33)	0.00
GNMA	2007B Single Family	6.00	10/15/08	06/20/38	89,277.86	92,408.75			(298.25)		88,979.61	91,885.03	(225.47)	0.00
GNMA	2007B Single Family	8.00	10/15/08	07/20/38	129,342.47	133,877.85			(459.90)		128,882.51	133,090.20	(327.89)	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	670,048.38	693,519.48			(87,874.40)		582,173.98	601,159.07	(4,486.01)	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	733,858.04	787,467.31			(2,488.20)		731,369.84	779,474.01	(5,505.10)	0.00
GNMA	2007B Single Family	5.25	10/22/08	07/20/38	263,672.49	282,933.23			(885.17)		262,787.32	260,070.12	(1,977.94)	0.00
GNMA	2007B Single Family	5.25	10/22/08	09/20/38	302,114.39	324,183.91			(1,002.13)		301,112.26	320,916.58	(2,266.20)	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	503,674.45	521,317.64			(2,442.10)		501,232.35	517,577.87	(1,297.67)	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	549,445.89	589,583.60			(1,915.45)		547,530.44	583,542.99	(4,125.16)	0.00
GNMA	2007B Single Family	5.25	10/22/08	08/20/38	131,112.52	140,690.18			(597.77)		130,514.75	139,098.65	(993.76)	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	539,956.93	579,406.17			(1,802.44)		538,154.49	573,554.43	(4,049.30)	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	390,995.83	404,683.03			(1,293.63)		389,702.20	402,401.34	(988.06)	0.00
GNMA	2007B Single Family	8.00	10/29/08	10/20/38	300,217.59	310,727.00			(1,005.44)		299,212.15	308,962.51	(759.05)	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	395,871.43	424,793.78			(1,306.49)		394,564.94	420,519.51	(2,967.76)	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	233,851.00	250,936.13			(812.20)		233,038.80	248,368.13	(1,755.80)	0.00
GNMA	2007B Single Family	8.00	10/29/08	10/20/38	411,587.97	425,996.05			(94,189.37)		317,418.60	327,782.28	(4,064.40)	0.00
GNMA	2007B Single Family	5.25	10/29/08	09/20/38	196,119.70	210,447.98			(1,486.16)		194,633.54	207,436.37	(1,525.45)	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	886,115.18	896,390.30			(2,926.44)		883,188.74	891,273.41	(2,190.45)	0.00
GNMA	2007B Single Family	5.25	11/12/08	10/20/38	382,485.97	410,447.32			(119,734.83)		262,761.14	280,049.87	(10,662.62)	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	272,630.86	282,160.71			(886.25)		271,744.63	280,586.08	(688.36)	0.00
GNMA	2007B Single Family	5.25	11/19/08	08/20/38	104,424.29	112,055.81			(358.24)		104,066.05	110,913.69	(783.88)	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	419,800.27	434,496.46			(1,440.89)		418,359.38	431,963.59	(1,061.98)	0.00
GNMA	2007B Single Family	5.25	11/19/08	11/20/38	473,956.09	508,595.14			(132,525.62)		341,430.47	363,898.70	(12,170.82)	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	229,491.90	237,509.43			(1,243.28)		228,248.52	235,670.79	(595.36)	0.00
GNMA	2007B Single Family	5.25	11/25/08	10/20/38	60,181.39	64,558.83			(201.27)		59,980.12	63,906.20	(451.18)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	5.25	11/25/08	11/20/38	616,587.37	661,655.27			(162,474.29)		454,113.08	483,999.42	(15,181.56)	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	240,850.44	249,259.03			(968.40)		239,882.04	247,676.55	(814.08)	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	367,293.74	380,116.75			(1,191.85)		366,101.89	377,897.67	(927.23)	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	1,138,340.14	1,176,024.11			(99,511.49)		1,038,826.65	1,072,531.69	(5,980.93)	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/36	1,299,297.17	1,394,287.23			(5,090.14)		1,294,207.03	1,379,404.47	(9,782.62)	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	145,568.61	156,210.95			(477.12)		145,091.49	154,642.84	(1,090.99)	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	493,941.31	511,160.72			(1,666.31)		492,255.00	508,225.38	(1,249.03)	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	279,453.97	289,189.68			(911.37)		278,542.60	287,573.07	(705.24)	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	424,811.94	439,610.41			(1,443.32)		423,368.82	437,092.73	(1,074.38)	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	413,551.18	427,957.36			(1,427.50)		412,123.68	425,483.26	(1,046.60)	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	302,800.29	313,349.32			(993.70)		301,806.59	311,591.27	(764.35)	0.00
GNMA	2007B Single Family	6.00	02/18/09	01/20/39	76,149.54	78,792.43			(244.54)		75,905.00	78,351.51	(196.38)	0.00
GNMA	2007B Single Family	6.00	02/18/09	02/20/39	286,576.31	296,521.54			(919.51)		285,656.80	294,862.74	(739.29)	0.00
GNMA	2007B Single Family	5.25	02/25/09	02/20/39	315,526.51	338,839.35			(1,066.86)		314,459.65	335,202.03	(2,370.46)	0.00
GNMA	2007B Single Family	5.49	02/25/09	01/20/39	80,232.64	82,578.17			(280.34)		79,952.30	81,656.64	(641.19)	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	1,218,947.94	1,261,221.66			(3,982.61)		1,214,965.23	1,254,092.38	(3,146.67)	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	272,775.30	292,742.46			(888.22)		271,687.08	269,809.42	(2,044.82)	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	131,568.01	141,198.78			(453.31)		131,114.70	139,757.54	(987.93)	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	463,059.59	499,812.37			(1,545.74)		481,513.85	497,020.67	(1,245.96)	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	188,349.85	194,881.94			(603.80)		187,746.05	193,792.30	(485.84)	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	124,668.43	128,992.01			(397.65)		124,270.78	126,272.84	(321.52)	0.00
GNMA	2007B Single Family	5.25	03/11/09	02/20/39	150,710.42	161,752.69			(482.94)		150,217.48	180,128.57	(1,131.18)	0.00
GNMA	2007B Single Family	5.25	03/11/09	01/20/39	122,326.59	131,289.21			(395.99)		121,930.60	129,975.23	(917.99)	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	631,566.64	653,439.48			(2,040.08)		629,528.56	649,770.58	(1,628.82)	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	97,319.20	100,689.63			(333.91)		96,985.29	100,104.12	(251.60)	0.00
GNMA	2007B Single Family	6.00	03/18/09	03/20/39	647,269.36	668,669.28			(2,148.59)		645,120.77	665,848.94	(1,671.73)	0.00
GNMA	2007B Single Family	5.25	03/25/09	12/20/38	59,078.23	63,404.87			(192.48)		58,885.75	62,769.29	(442.90)	0.00
GNMA	2007B Single Family	6.00	03/25/09	03/20/39	67,617.90	69,956.32			(214.30)		67,403.60	69,567.78	(174.24)	0.00
GNMA	2007B Single Family	6.00	03/25/09	01/20/39	124,005.35	128,294.43			(442.53)		123,562.82	127,530.89	(321.01)	0.00
GNMA	2007B Single Family	8.00	03/25/09	02/20/39	109,027.54	112,798.36			(347.53)		108,680.01	112,169.62	(281.01)	0.00
GNMA	2007B Single Family	6.00	04/08/09	10/20/38	77,469.34	80,138.95			(266.28)		77,203.06	79,677.19	(195.48)	0.00
GNMA	2007B Single Family	5.25	04/08/09	01/20/39	64,029.27	68,722.65			(232.69)		63,796.58	68,007.68	(462.26)	0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	773,175.49	829,720.72			(4,492.09)		768,683.40	819,303.92	(5,924.71)	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	168,148.24	173,998.33			(551.11)		167,597.13	173,022.66	(424.56)	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	528,834.56	547,233.47			(1,711.99)		527,122.59	544,186.92	(1,334.56)	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	303,317.97	313,870.61			(1,098.96)		302,219.01	312,002.61	(769.24)	0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/36	971,489.85	1,042,538.53			(3,221.25)		968,268.60	1,032,032.50	(7,284.78)	0.00
GNMA	2007B Single Family	6.00	01/14/09	12/20/38	185,498.93	191,943.23			(818.98)		184,679.95	190,855.76	(458.48)	0.00
GNMA	2007B Single Family	5.25	01/14/09	01/20/39	557,788.85	596,621.64			(143,151.55)		414,638.30	441,968.10	(13,501.99)	0.00
GNMA	2007B Single Family	5.25	01/14/09	12/20/38	418,290.57	448,689.00			(1,737.89)		416,552.68	443,991.35	(3,159.76)	0.00
GNMA	2007B Single Family	6.00	01/14/09	01/20/39	803,233.78	831,205.82			(2,615.71)		800,616.07	826,516.26	(2,073.85)	0.00
GNMA	2007B Single Family	8.00	01/21/09	01/20/39	649,860.66	672,476.68			(3,374.38)		646,486.28	667,383.84	(1,718.48)	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	241,468.03	249,854.33			(784.11)		240,673.92	248,436.64	(623.58)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	296,165.56	317,855.36			(960.78)		295,204.78	314,671.97	(2,222.61)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	514,423.60	552,097.60			(141,794.21)		372,629.39	397,202.31	(13,101.08)	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	407,735.87	421,896.75			(119,741.35)		287,994.52	297,283.55	(4,871.85)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	131,307.33	140,923.67			(425.07)		130,882.26	139,513.24	(985.36)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	175,222.52	188,055.01			(569.94)		174,632.58	186,148.67	(1,316.40)	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	231,153.45	239,181.52			(741.70)		230,411.75	237,843.48	(596.34)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	236,764.40	254,103.93			(793.79)		235,970.61	251,531.63	(1,778.51)	0.00
GNMA	2007B Single Family	6.00	06/24/09	06/20/39	236,176.71	246,338.70			(130,295.63)		107,681.08	111,310.96	(4,732.11)	0.00
GNMA	2007B Single Family				183,185.49	196,648.51			(183,185.49)				(13,463.02)	0.00
GNMA	2007B Single Family				143,290.68	153,821.87			(143,290.68)				(10,530.99)	0.00
GNMA	2007B Single Family				241,972.85	250,194.76			(241,972.85)				(8,221.91)	0.00
GNMA	2007B Single Family				315,133.39	325,826.77			(315,133.39)				(10,693.38)	0.00
GNMA	2007B Single Family				260,281.44	278,393.04			(260,281.44)				(19,131.60)	0.00
GNMA	2007B Single Family	5.25	10/15/09	09/20/39	412,519.94	442,851.98			(1,272.32)		411,247.62	438,467.00	(3,092.66)	0.00
GNMA	2007B Single Family	5.25	10/28/09	10/20/39	468,049.78	502,472.49			(1,638.72)		466,411.06	497,311.80	(3,521.97)	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39	206,720.32	221,929.85			(705.70)		206,014.82	219,669.97	(1,554.18)	0.00
GNMA	2007B Single Family	6.00	11/24/09	09/20/39	150,915.81	156,007.65			(461.36)		150,454.45	155,158.76	(387.53)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	5.25	11/24/09	10/20/39	268,360.05	268,126.22			(822.22)		267,557.83	285,292.48	(2,011.52)	0.00
GNMA	2007B Single Family	6.00	12/17/09	11/20/39			178,178.99				178,178.99	183,735.82	5,556.83	0.00
GNMA	2007B Single Family	5.25	12/17/09	12/20/39			536,427.74				536,427.74	571,998.48	35,570.74	0.00
GNMA	2007B Single Family	5.25	12/17/09	11/20/39			93,300.62				93,300.62	99,487.42	6,186.80	0.00
GNMA	2007B Single Family	5.25	12/29/09	12/20/39			176,979.27				176,979.27	186,717.32	11,738.05	0.00
GNMA	2007B Single Family	6.00	12/29/09	12/20/39			282,842.71				282,842.71	291,851.88	6,809.17	0.00
GNMA	2007B Single Family	5.25	01/20/10	12/20/39			534,677.72				534,677.72	570,153.77	35,476.05	0.00
GNMA	2007B Single Family	6.00	01/20/10	01/20/40			156,259.93				156,259.93	161,113.20	4,853.27	0.00
GNMA	2007B Single Family	5.25	01/27/10	12/20/39			588,631.16				588,631.16	627,692.13	39,060.97	0.00
GNMA	2007B Single Family	6.00	01/27/10	12/20/39			205,615.84				205,615.84	211,999.13	6,383.29	0.00
GNMA	2007B Single Family	5.25	02/17/10	01/20/40			333,111.24				333,111.24	355,224.44	22,113.20	0.00
GNMA	2007B Single Family	5.25	02/23/10	12/20/39			266,338.99				266,338.99	284,021.31	17,682.32	0.00
GNMA	2007B Single Family	6.00	02/23/10	01/20/40			87,312.85				87,312.85	90,014.46	2,701.61	0.00
GNMA	2007B Single Family	5.25	02/23/10	02/20/40			975,510.41				975,510.41	1,040,275.87	64,765.46	0.00
FNMA	2007B Single Family	6.00	12/11/07	12/01/37	317,359.14	330,245.07			(250,444.14)		68,915.00	68,864.87	(10,936.06)	0.00
FNMA	2007B Single Family	5.25	12/11/07	11/01/37	323,141.94	347,378.09			(1,169.29)		321,972.65	342,075.33	(4,133.47)	0.00
FNMA	2007B Single Family	5.25	12/12/07	12/01/37	1,948,697.77	2,094,857.43			(8,071.08)		1,940,626.69	2,061,797.94	(24,988.41)	0.00
FNMA	2007B Single Family	5.25	12/20/07	11/01/37	139,143.25	149,580.29			(495.85)		136,647.40	147,305.20	(1,779.24)	0.00
FNMA	2007B Single Family	8.00	12/20/07	12/01/37	215,996.07	224,759.60			(779.06)		215,217.01	221,481.95	(2,498.59)	0.00
FNMA	2007B Single Family	5.25	12/20/07	12/01/37	464,259.13	499,083.84			(1,875.72)		462,583.41	491,470.25	(5,937.87)	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	347,278.00	373,330.40			(2,255.36)		345,022.64	366,570.75	(4,504.29)	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	69,671.33	96,398.37			(757.87)		68,913.46	94,466.49	(1,174.01)	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	477,361.39	513,172.53			(1,703.75)		475,657.64	505,364.47	(8,104.31)	0.00
FNMA	2007B Single Family	6.00	01/16/08	12/01/37	318,587.62	331,463.24			(1,108.74)		317,459.08	326,671.29	(3,683.21)	0.00
FNMA	2007B Single Family	5.25	01/16/08	12/01/37	2,014,362.84	2,165,512.87			(72,050.01)		1,942,312.63	2,063,851.63	(29,811.33)	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	280,141.26	279,664.71			(1,264.80)		258,876.66	275,052.41	(3,247.70)	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	447,577.93	465,028.14			(68,749.83)		378,828.10	389,669.01	(6,609.30)	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	465,119.11	521,528.05			(2,340.19)		462,778.92	512,946.06	(6,247.78)	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	157,452.02	189,288.71			(554.53)		156,897.49	166,701.14	(2,013.04)	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	135,510.04	140,793.30			(485.92)		135,024.12	138,888.07	(1,419.31)	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	249,479.27	267,805.13			(886.05)		248,593.22	264,247.35	(2,671.73)	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	107,057.00	111,230.98			(369.78)		106,687.22	109,740.31	(1,120.87)	0.00
FNMA	2007B Single Family	6.00	02/13/08	11/01/37	453,421.61	471,084.21			(2,144.59)		451,277.02	464,176.42	(4,763.20)	0.00
FNMA	2007B Single Family	5.25	02/13/08	02/01/38	401,667.72	431,200.41			(1,408.77)		400,278.95	425,490.49	(4,301.15)	0.00
FNMA	2007B Single Family	5.25	02/13/08	01/01/38	352,403.19	378,294.11			(1,240.69)		351,162.50	373,280.07	(3,773.35)	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	207,167.84	222,389.46			(729.09)		206,438.75	219,442.13	(2,218.24)	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	207,134.79	222,353.98			(725.02)		206,409.77	219,411.32	(2,217.84)	0.00
FNMA	2007B Single Family	6.00	02/19/08	02/01/38	194,358.09	201,921.16			(674.56)		193,683.53	199,211.57	(2,035.03)	0.00
FNMA	2007B Single Family	6.00	02/27/08	02/01/38	391,013.47	406,218.02			(1,407.33)		389,606.14	400,715.31	(4,095.38)	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	507,648.78	544,953.20			(2,022.19)		505,626.59	537,479.93	(5,451.08)	0.00
FNMA	2007B Single Family	5.25	02/27/08	01/01/38	75,081.78	80,598.98			(319.84)		74,761.94	78,471.71	(807.43)	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	579,864.61	622,475.79			(2,074.83)		577,789.78	614,189.24	(6,211.72)	0.00
FNMA	2007B Single Family	6.00	03/20/08	03/01/38	439,564.49	456,620.83			(1,691.93)		437,872.56	450,116.66	(4,612.22)	0.00
FNMA	2007B Single Family	5.25	03/20/08	01/01/38	110,935.38	119,089.49			(388.19)		110,547.19	117,513.45	(1,187.85)	0.00
FNMA	2007B Single Family	5.25	03/20/08	02/01/38	541,679.10	582,359.39			(1,954.62)		539,724.48	573,475.41	(6,929.38)	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	419,610.41	450,457.18			(1,499.94)		418,110.47	444,462.61	(4,494.63)	0.00
FNMA	2007B Single Family	6.00	03/27/08	03/01/38	372,097.43	386,526.93			(1,300.22)		370,797.21	381,331.44	(3,895.27)	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	263,778.59	283,169.74			(137,453.09)		126,325.50	134,287.41	(11,429.24)	0.00
FNMA	2007B Single Family	5.25	04/15/08	04/01/38	107,066.23	114,939.06			(424.74)		106,641.49	113,364.81	(1,149.51)	0.00
FNMA	2007B Single Family	6.00	04/29/08	04/01/38	85,426.56	88,729.03			(289.86)		85,136.70	87,545.19	(893.98)	0.00
FNMA	2007B Single Family	6.00	02/04/09	10/01/36	42,220.69	43,809.88			(138.52)		42,082.17	43,230.39	(440.97)	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39			182,615.93				182,615.93	194,705.37	12,089.44	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39			142,846.04				142,846.04	152,302.67	9,456.63	0.00
GNMA	2007B Single Family	6.00	09/16/09	08/20/39			241,227.16				241,227.16	248,826.99	7,599.83	0.00
GNMA	2007B Single Family	6.00	09/29/09	09/20/39			314,164.18				314,164.18	324,047.53	9,883.35	0.00
GNMA	2007B Single Family	5.25	09/29/09	09/20/39			259,426.50				259,426.50	276,604.84	17,176.34	0.00
Repo Agmt	2007B Single Family	0.11	02/26/10	03/01/10	31,099,533.36	31,099,533.36		(4,375,865.96)			28,723,667.40	26,723,667.40	-	0.00
	2007B Single Family Total				156,207,956.45	163,370,719.01	21,208,296.30	(9,173,264.20)	(10,325,094.09)	0.00	157,917,896.46	164,065,485.52	(1,015,171.50)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	65,232.41	67,676.66			(11,220.93)		54,011.46	55,485.72	(970.01)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	47,688.24	49,473.30			(239.04)		47,447.20	48,742.52	(491.74)	0.00
GNMA	2002 A-D SF MRB				5,685.29	5,915.02			(5,685.29)				(229.73)	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	11,798.67	12,275.31			(61.59)		11,737.08	12,095.48	(118.24)	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	20,694.67	21,676.29			(121.41)		20,773.26	21,339.00	(215.88)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	80,247.56	83,251.49			(10,438.47)		69,809.09	71,711.99	(1,101.03)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	19,637.64	20,372.93			(108.73)		19,528.91	20,061.43	(202.77)	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	17,353.55	18,003.42			(90.88)		17,262.67	17,733.50	(179.04)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	67,588.46	70,119.80			(17,975.20)		49,613.28	50,966.58	(1,178.02)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	98,362.99	102,048.07			(544.76)		97,616.23	100,487.61	(1,015.70)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	61,021.97	63,309.12			(305.96)		60,716.01	62,373.90	(629.26)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	47,640.63	49,426.51			(245.24)		47,395.39	48,889.78	(491.49)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	106,237.16	110,142.44			(580.38)		105,656.78	108,379.38	(1,182.68)	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	55,993.34	58,051.98			(6,450.90)		49,542.44	50,619.33	(781.73)	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	1,909.81	2,057.57			(8.20)		1,901.61	2,034.17	(15.20)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	77,067.72	79,922.26			(6,653.61)		70,434.11	72,249.78	(1,018.67)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	9,648.23	10,394.73			(41.31)		9,606.92	10,276.85	(76.77)	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	106,638.52	110,580.33			(6,463.73)		100,174.79	102,757.75	(1,336.85)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	122,408.28	126,911.19			(20,177.63)		102,230.65	104,867.56	(1,866.00)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	41,878.20	43,418.98			(225.26)		41,652.94	42,727.59	(466.13)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	104,390.51	108,231.28			(18,664.89)		85,725.62	87,937.36	(1,629.03)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	41,005.90	42,514.81			(209.69)		40,796.21	41,848.97	(456.15)	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	66,587.31	69,037.91			(9,581.67)		57,025.44	58,497.31	(976.73)	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	64,241.03	66,605.92			(337.56)		63,903.47	65,533.48	(714.88)	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	16,800.96	17,212.19			(84.68)		16,516.30	16,942.83	(194.58)	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	38,915.75	40,348.79			(200.14)		38,715.61	39,715.71	(432.94)	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	35,058.89	38,350.06			(7,721.25)		27,337.84	28,043.93	(584.88)	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	44,936.51	44,936.51			(257.79)		43,081.88	44,195.62	(483.10)	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	36,727.18	36,191.34			(12,045.60)		24,681.58	25,402.18	(743.56)	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	55,197.55	57,231.85			(274.31)		54,923.24	56,343.67	(613.87)	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	53,539.82	55,513.35			(12,643.11)		40,896.71	41,954.83	(915.81)	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	76,648.09	79,474.11			(4,938.47)		71,709.62	73,565.25	(970.39)	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	44,675.83	46,323.11			(6,331.62)		38,344.01	39,336.48	(855.01)	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	133,204.24	138,123.36			(22,949.43)		110,254.81	113,114.34	(2,059.59)	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	28,942.58	30,011.53			(141.48)		28,801.10	29,548.21	(321.84)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	51,037.37	53,073.92			(5,466.25)		45,551.12	46,882.68	(704.99)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	13,146.34	13,631.25			(63.30)		13,083.04	13,421.78	(146.17)	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	46,314.80	48,163.30			(6,710.95)		39,603.85	40,761.90	(690.45)	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	56,515.60	58,601.43			(4,559.71)		51,955.09	53,302.28	(739.44)	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	46,059.03	47,697.82			(224.22)		45,834.81	47,175.55	(498.05)	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	67,917.09	91,162.44			(17,291.33)		70,625.76	72,456.40	(1,414.71)	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	34,297.72	35,563.95			(164.69)		34,132.83	35,017.74	(361.32)	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,227.08	9,596.23			(44.43)		9,182.65	9,452.03	(99.77)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	10,990.92	11,397.51			(56.28)		10,934.64	11,218.94	(122.29)	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	14,977.55	15,531.71			(92.81)		14,884.74	15,271.81	(167.09)	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	18,518.64	19,258.58			(88.40)		18,430.24	18,969.98	(200.20)	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	12,019.14	12,463.20			(57.92)		11,961.22	12,271.64	(133.84)	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	3,841.22	3,994.77			(18.16)		3,823.06	3,935.08	(41.53)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	27,828.59	28,940.92			(133.09)		27,695.50	28,506.97	(300.66)	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	66,218.76	66,666.85			(426.83)		65,791.93	67,500.73	(739.09)	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	125,649.51	130,295.56			(12,551.76)		113,097.75	116,036.29	(1,707.53)	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	5,052.16	5,254.31			(24.51)		5,027.85	5,175.16	(54.84)	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	9,094.35	9,430.98			(44.91)		9,049.44	9,284.91	(101.18)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	67,222.63	69,711.90			(360.94)		66,861.69	68,602.46	(746.50)	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	18,433.96	19,172.32			(89.90)		18,344.06	18,883.04	(199.38)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	5,742.19	5,955.16			(29.29)		5,712.90	5,853.84	(72.03)	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	11,654.45	12,086.98			(67.97)		11,586.46	11,872.59	(146.42)	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	11,606.04	12,036.92			(61.18)		11,544.86	11,830.09	(145.65)	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	10,657.77	11,033.76			(63.00)		10,594.77	10,843.46	(127.30)	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	12,672.33	13,143.05			(64.40)		12,607.93	12,919.67	(158.98)	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	10,921.99	11,307.69			(81.42)		10,840.57	11,095.37	(130.90)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	18,908.55	19,577.25			(3,272.27)		15,636.28	16,004.62	(300.36)	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	10,939.24	11,326.30			(65.45)		10,873.79	11,130.14	(130.71)	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,710.29	4,877.05			(22.73)		4,687.56	4,798.16	(56.16)	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	9,390.82	9,723.43			(51.14)		9,339.78	9,560.20	(112.09)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,419.82	7,999.44			(35.31)		7,384.51	7,906.55	(57.58)	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	10,313.40	11,118.64			(2,274.49)		8,038.91	8,607.03	(237.32)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	15,345.10	16,544.92			(4,180.13)		11,164.97	11,955.05	(409.74)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	17,432.57	18,762.72			(79.35)		17,353.22	18,548.30	(135.07)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	10,922.95	11,776.97			(48.47)		10,874.48	11,643.95	(84.55)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	2,288.27	2,467.08			(10.74)		2,277.53	2,438.60	(17.74)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,472.55	8,056.35			(5,214.11)		2,258.44	2,418.12	(424.12)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	6,282.50	6,773.35			(2,354.00)		3,928.50	4,206.27	(213.08)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,095.50	4,415.61			(19.31)		4,076.19	4,384.52	(31.78)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	12,442.17	13,414.66			(57.04)		12,385.13	13,261.20	(96.42)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,273.89	2,451.64			(24.37)		2,249.52	2,408.66	(16.61)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	9,566.94	10,297.30			(43.88)		9,523.06	10,179.26	(74.16)	0.00
Repo Agmt	2002 A-D SF MRB	0.11	02/26/10	03/01/10	3,694.00	3,694.00	0.88				3,694.88	3,694.88	-	0.00
Repo Agmt	2002 A-D SF MRB	0.11	02/26/10	03/01/10	4.70	4.70	0.00				4.70	4.70	-	0.00
Repo Agmt	2002 A-D SF MRB	0.11	02/26/10	03/01/10	1,314.71	1,314.71	0.22				1,314.93	1,314.93	-	0.00
Repo Agmt	2002 A-D SF MRB	0.11	02/26/10	03/01/10	0.03	0.03	25,338.67				25,338.70	25,338.70	-	0.00
Repo Agmt	2002 A-D SF MRB	0.11	02/26/10	03/01/10	18,734.63	18,734.83	196,786.64				215,521.27	215,521.27	-	0.00
GIC's	2002 A-D SF MRB				3,003,775.25	3,003,775.25							-	0.00
GIC's	2002 A-D SF MRB				61,648.16	81,648.16		(3,003,775.25)					-	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	63,781.51	66,799.97			(390.28)		63,391.23	67,902.83	(506.86)	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	161,892.82	176,359.19			(84,945.49)		96,947.33	106,189.77	(5,223.93)	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	176,154.42	190,026.74			(914.13)		175,240.29	187,724.27	(1,388.34)	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	60,004.95	65,362.82			(290.93)		59,714.02	65,402.73	(330.84)	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	229,838.32	247,925.43			(1,330.27)		228,506.05	244,774.07	(1,821.09)	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	171,061.33	186,338.56			(1,000.75)		170,060.58	186,264.83	(927.02)	0.00
GNMA	2002 A-D SF MRB	5.40	08/26/02	09/20/32	217,041.60	234,124.87			(1,844.38)		215,197.22	230,518.89	(1,761.60)	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	106,325.34	118,000.73			(587.19)		107,738.15	118,005.03	(591.49)	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	66,334.00	71,555.78			(342.59)		65,991.41	70,690.53	(522.66)	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	180,616.99	196,754.32			(3,434.12)		177,184.87	194,072.42	(752.22)	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	121,011.71	131,822.95			(691.46)		120,320.25	131,788.74	(657.25)	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	51,452.78	55,503.81			(447.16)		51,005.80	54,638.31	(418.34)	0.00
GNMA	2002 A-D SF MRB				58,687.55	64,148.78			(58,887.55)				(5,261.23)	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	130,452.70	140,724.45			(787.63)		129,665.07	138,900.81	(1,036.01)	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	77,592.14	84,525.91			(354.45)		77,237.69	84,601.44	(429.96)	0.00
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	94,238.30	101,658.60			(481.26)		93,755.04	100,435.18	(742.16)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	340,479.56	370,907.39			(1,752.57)		338,726.99	371,022.77	(1,867.95)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	169,330.81	182,668.76			(87,818.12)		81,512.69	87,321.04	(7,529.60)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	96,997.21	105,685.60			(473.65)		96,523.56	105,726.54	(534.59)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	135,768.75	146,484.85			(745.03)		135,043.72	144,666.51	(1,073.11)	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	100,440.20	108,353.54			(565.96)		99,874.24	106,992.74	(,794.84)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	59,665.40	64,999.51			(303.53)		59,361.87	65,023.59	(327.61)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	194,680.96	210,022.04			(986.75)		193,694.21	207,502.27	(1,533.02)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	113,372.44	123,507.95			(515.02)		112,857.42	123,621.34	(628.41)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	96,198.35	103,778.83			(485.48)		95,712.87	102,535.99	(757.36)	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32	110,059.08	119,899.01			(53,025.38)		57,033.70	62,473.75	(4,399.88)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	462,477.26	501,397.01			(89,081.16)		373,396.10	406,957.24	(5,358.61)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	93,813.57	101,214.09			(473.67)		93,339.90	99,966.14	(774.28)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	101,588.32	110,137.50			(797.58)		100,790.74	109,849.92	(510.00)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	97,316.17	104,992.94			(487.93)		96,828.24	103,702.05	(802.96)	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	98,938.41	107,265.10			(594.10)		98,344.31	107,184.11	(513.11)	0.00
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	320,586.28	345,890.57			(105,120.70)		215,477.58	230,775.59	(9,994.28)	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	253,064.43	274,366.59			(2,082.77)		250,981.66	273,545.62	(1,261.80)	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	162,793.68	176,496.19			(790.07)		162,003.61	176,569.24	(861.12)	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	111,484.83	120,284.11			(551.98)		110,932.85	118,812.72	(919.41)	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	318,638.88	345,681.36			(1,437.71)		317,400.97	345,940.08	(1,896.43)	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	101,029.82	109,002.27			(508.41)		100,521.41	107,660.09	(833.77)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	300,806.27	326,133.73			(1,391.97)		299,414.30	326,336.73	1,596.97	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	148,917.27	161,458.16			(700.09)		148,217.18	161,547.67	789.60	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	42,804.54	46,409.80			(189.15)		42,615.39	46,448.75	228.11	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	94,649.45	102,620.88			(420.15)		94,229.30	102,704.93	504.20	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	295,290.36	320,161.51			(1,599.65)		293,690.71	320,108.88	1,547.02	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	67,399.45	73,076.26			(363.08)		67,036.37	73,066.46	353.28	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	158,085.65	169,233.97			(104,729.21)		51,356.44	55,976.66	(8,528.10)	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	107,418.10	118,467.39			(476.82)		106,941.28	116,562.78	572.21	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	83,611.23	90,654.86			(385.99)		83,225.24	90,712.73	444.06	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	48,934.76	53,057.74			(231.12)		48,703.64	53,086.05	259.43	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	80,061.64	86,807.17			(367.41)		79,694.23	86,865.16	425.40	0.00
GNMA	2002 A-D SF MRB				82,515.22	89,487.89			(82,515.22)				(6,952.67)	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	60,508.18	65,606.58			(270.03)		60,236.15	65,660.73	322.18	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	38,998.01	42,283.08			(171.03)		38,824.98	42,319.96	207.91	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	49,404.71	53,570.84			(222.29)		49,182.42	53,611.46	262.91	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	86,314.15	93,592.75			(650.45)		85,663.70	93,378.02	435.72	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	83,227.20	90,245.94			(379.78)		82,847.42	90,308.59	442.43	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	46,246.24	50,146.46			(200.31)		46,045.93	50,192.98	246.81	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	158,267.55	171,646.65			(689.55)		157,598.00	171,801.32	844.22	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	55,434.24	60,112.73			(239.79)		55,194.45	60,168.60	295.86	0.00
GNMA	2002 A-D SF MRB				62,467.57	97,745.99			(82,467.57)				(5,276.42)	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	80,423.91	85,281.69			(246.53)		80,177.38	85,288.56	273.42	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	177,730.53	191,616.20			(845.71)		176,884.82	189,391.04	(1,379.45)	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	36,070.92	41,119.87			(158.98)		37,911.94	41,132.86	171.97	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	247,040.68	266,337.31			(54,481.82)		192,558.86	206,170.12	(5,665.37)	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	397,571.88	396,311.74			(100,129.32)		267,442.56	286,367.59	(9,814.83)	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	417,572.03	449,436.36			(1,900.58)		415,671.45	444,300.07	(3,235.71)	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	261,641.63	282,101.84			(1,161.21)		260,480.42	278,915.62	(2,025.01)	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	54,812.72	59,095.72			(257.07)		54,555.65	58,413.49	(425.16)	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	178,992.33	192,979.47			(124,894.93)		54,097.40	57,923.10	(10,161.44)	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	150,486.27	162,248.64			(56,385.66)		94,100.58	100,755.73	(5,105.22)	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	98,102.58	105,770.32			(462.61)		97,639.97	104,546.55	(761.16)	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	298,034.25	321,330.59			(1,365.90)		296,668.35	317,654.76	(2,309.93)	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	54,487.96	58,725.83			(583.89)		53,894.29	57,696.42	(445.72)	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	98,559.32	106,274.20			(443.10)		98,116.22	105,067.80	(763.30)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,195,030.85	1,238,808.43			(205,562.66)		989,468.19	1,016,475.59	(17,770.18)	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	873,592.58	906,330.52			(4,379.10)		869,213.48	892,943.06	(9,008.36)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	229,163.63	246,658.23			(1,051.06)		228,112.57	243,830.78	(1,776.39)	0.00
GNMA	2002 A-D SF MRB				104,152.39	108,360.85			(104,152.39)				(4,208.46)	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,168,651.44	1,260,077.13			(5,747.65)		1,162,903.79	1,245,244.43	(9,085.05)	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	216,143.04	224,878.67			(1,128.26)		215,014.78	221,584.30	(2,168.11)	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	291,469.33	313,723.90			(1,358.80)		290,110.53	310,103.86	(2,261.24)	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	362,774.28	397,100.76			(2,223.81)		360,550.47	390,921.60	(3,955.17)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,470,102.33	1,525,132.99			(191,226.56)		1,278,873.77	1,313,734.11	(20,170.32)	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	335,484.96	361,736.03			(1,550.39)		333,934.59	357,584.58	(2,601.06)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	359,753.70	373,223.79			(1,991.92)		357,761.76	367,517.17	(3,714.70)	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	64,832.56	69,905.99			(282.17)		64,550.39	69,122.40	(501.42)	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	317,909.89	329,815.27			(1,664.76)		316,245.13	324,870.45	(3,230.06)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,238,193.04	1,284,565.67			(329,298.29)		908,894.75	933,686.89	(21,590.69)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	1,801,988.66	1,869,476.71			(9,979.87)		1,791,986.81	1,840,881.63	(18,607.21)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,117,897.85	1,159,796.98			(5,605.11)		1,112,292.74	1,142,664.13	(11,527.74)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	872,757.64	905,473.43			(4,492.65)		866,264.99	891,976.76	(9,004.02)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	1,946,221.14	2,017,764.17			(10,832.09)		1,935,389.05	1,985,465.70	(21,666.38)	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	423,279.00	456,024.42			(1,916.26)		421,362.74	450,733.09	(3,375.07)	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,025,775.32	1,063,488.12			(118,177.62)		907,597.50	930,989.32	(14,320.98)	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	34,987.10	37,683.95			(150.35)		34,836.75	37,265.18	(276.42)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,412,215.22	1,464,142.95			(121,891.51)		1,290,323.71	1,323,586.38	(18,665.06)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	176,751.56	190,427.21			(756.81)		175,994.75	188,264.05	(1,406.35)	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	1,953,573.72	2,025,419.70			(118,413.12)		1,835,160.60	1,882,479.78	(24,526.80)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	2,242,469.03	2,324,960.68			(369,646.12)		1,872,822.91	1,921,130.58	(34,183.97)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	767,191.14	795,417.91			(4,126.52)		763,064.62	782,751.87	(8,539.52)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	1,912,391.06	1,962,752.43			(341,933.05)		1,570,458.01	1,610,976.23	(29,843.15)	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	98,535.08	106,253.73			(423.63)		98,106.45	105,062.84	(762.26)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	751,211.07	778,853.83			(3,841.31)		747,369.76	766,655.96	(8,356.56)	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,219,852.22	1,264,746.20			(175,169.42)		1,044,682.80	1,071,646.69	(17,930.09)	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,176,869.88	1,220,193.10			(6,184.01)		1,170,685.87	1,200,912.90	(13,096.19)	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	304,123.06	315,320.40			(1,551.50)		302,571.56	310,385.79	(3,383.11)	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	119,342.38	129,582.24			(538.20)		118,804.18	127,092.50	(951.54)	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	712,920.89	739,173.27			(3,666.32)		709,254.57	727,575.51	(7,931.44)	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	642,264.28	685,918.19			(141,450.12)		500,814.16	513,753.42	(10,714.85)	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	793,965.00	823,218.34			(4,722.81)		789,242.19	809,645.65	(6,849.88)	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	872,827.57	899,649.63			(220,670.48)		452,157.09	465,357.52	(13,621.63)	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	101,117.27	106,758.11			(432.85)		100,684.42	107,521.45	(603.81)	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,011,196.13	1,048,463.84			(5,025.25)		1,006,170.88	1,032,192.78	(11,245.81)	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	980,827.17	1,016,961.77			(231,616.54)		749,210.63	768,591.57	(16,773.66)	0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	125,786.25	135,530.47			(539.40)		125,246.85	133,990.04	(1,001.03)	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,404,160.53	1,455,933.03			(90,470.71)		1,313,689.82	1,347,665.28	(17,770.04)	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	103,769.01	111,611.47			(467.10)		103,301.91	110,317.91	(826.46)	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	818,439.60	846,620.34			(115,992.80)		702,446.80	720,628.18	(11,999.36)	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	2,440,246.50	2,530,363.11			(420,423.96)		2,019,822.54	2,072,208.13	(37,714.85)	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	111,054.53	119,665.43			(69,597.02)		41,457.51	44,354.50	(5,713.91)	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	530,215.67	549,799.00			(29,583.33)		527,623.92	541,311.02	(5,896.23)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	934,984.24	972,292.41			(100,506.01)		834,478.23	858,871.49	(12,914.91)	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	152,950.50	164,803.20			(80,048.40)		72,902.10	77,993.17	(6,761.63)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	240,847.57	249,716.96			(1,159.12)		239,688.45	245,881.65	(2,678.21)	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	848,467.99	882,331.97			(122,941.65)		725,526.14	746,741.33	(12,648.79)	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	71,276.84	76,801.15			(404.23)		70,872.61	75,822.77	(741.15)	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,035,346.59	1,073,554.16			(63,532.06)		951,814.53	978,475.93	(13,546.17)	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	843,782.58	877,488.39			(4,107.87)		839,674.69	864,236.63	(9,124.09)	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	1,610,605.06	1,670,058.36			(316,770.15)		1,293,834.91	1,327,371.43	(25,916.78)	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	629,320.21	651,517.10			(3,020.64)		625,299.57	641,510.74	(6,985.72)	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	169,037.08	175,799.05			(813.96)		166,223.12	173,157.29	(1,177.80)	0.00
GNMA	2002 A-D SF MRB	5.40	09/08/05	09/20/35	56,445.54	60,825.37			(258.71)		56,186.83	60,118.15	(450.51)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	201,349.30	208,797.84			(1,030.87)		200,318.43	205,528.48	(2,240.49)	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	274,382.91	284,534.61			(279,870.30)		272,682.61	279,773.45	(3,060.86)	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	339,254.54	352,809.43			(1,619.30)		337,635.24	347,522.45	(3,667.66)	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	220,185.81	226,320.78			(1,061.12)		219,124.69	224,811.44	(2,448.22)	0.00
GNMA	2002 A-D SF MRB	4.49	06/04/05	08/20/35	70,369.86	73,182.61			(332.76)		70,037.10	72,089.13	(760.72)	0.00
GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	61,098.22	65,837.37			(252.27)		60,845.95	65,099.48	(485.62)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	509,807.94	530,185.81			(2,438.00)		507,369.94	522,235.98	(5,511.83)	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,213,100.16	1,257,944.78			(7,819.24)		1,205,280.92	1,236,585.68	(13,539.86)	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,301,847.35	2,386,961.34			(229,943.15)		2,071,904.20	2,125,737.08	(31,281.13)	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	92,553.73	96,256.91			(448.98)		92,104.75	94,806.94	(1,000.99)	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	166,604.88	172,771.74			(822.77)		165,782.11	170,095.83	(1,853.14)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	1,231,490.20	1,277,093.27			(6,612.42)		1,224,877.78	1,256,768.89	(13,711.96)	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	337,702.93	351,229.09			(1,847.05)		336,055.88	345,929.58	(3,652.46)	0.00
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	73,160.23	79,673.51			(364.83)		72,815.40	78,905.67	(403.01)	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	54,196.97	57,967.51			(295.33)		53,901.64	57,119.55	(572.63)	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	52,831.25	57,802.27			(988.43)		51,842.82	56,168.53	(447.31)	0.00
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	44,942.59	48,930.34			(775.24)		44,167.35	47,861.50	(293.60)	0.00
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	98,623.40	107,082.12			(408.97)		98,214.43	106,023.63	(649.52)	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	288,635.38	308,742.98			(1,335.58)		287,299.80	304,310.25	(3,097.15)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	105,194.40	109,096.19			(538.48)		104,657.92	107,239.96	(1,319.75)	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	213,504.52	221,428.56			(1,245.09)		212,259.43	217,501.17	(2,682.30)	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	212,617.67	220,511.42			(1,120.75)		211,496.92	216,722.41	(2,668.28)	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	195,245.26	202,134.01			(1,153.61)		194,091.45	198,647.86	(2,332.34)	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	232,152.19	240,775.31			(1,179.70)		230,972.49	236,683.20	(2,912.41)	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	80,592.92	88,153.07			(346.04)		80,244.86	84,942.21	(862.82)	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	200,086.86	207,152.22			(1,491.84)		198,595.02	203,262.64	(2,397.74)	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	346,397.03	358,647.22			(59,946.72)		286,450.31	293,198.12	(5,502.38)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	107,038.69	114,341.50			(458.59)		106,580.10	112,643.20	(1,239.71)	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	200,402.57	207,493.27			(1,198.95)		199,203.62	203,899.69	(2,394.63)	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	86,290.88	69,345.64			(416.50)		85,874.36	67,900.37	(1,028.77)	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	172,037.93	178,129.30			(936.75)		171,101.18	175,138.97	(2,053.58)	0.00
Repo Agmt	2002 A-D SF MRB	0.11	02/26/10	03/01/10	223,256.08	223,256.08	138,343.19				361,599.27	361,599.27	-	0.00
Freddie Mac	2002 A-D SF MRB	5.38	05/21/08	04/01/38	2,429.95	2,599.60			(12.56)		2,417.39	2,567.18	(19.86)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	06/18/08	04/01/38	4,857.24	5,196.43			(17.27)		4,839.97	5,139.97	(39.19)	0.00
Freddie Mac	2002 A-D SF MRB	5.63	06/18/08	03/01/38	2,011.56	2,165.05			(8.21)		2,003.35	2,143.02	(13.82)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	06/25/08	12/01/37	2,609.96	2,771.39			(9.43)		2,600.53	2,738.64	(23.32)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	07/19/08	06/01/38	3,926.73	4,171.61			(15.69)		3,913.04	4,120.96	(34.96)	0.00
Freddie Mac	2002 A-D SF MRB	5.63	07/16/06	05/01/38	1,582.41	1,702.69			(5.09)		1,577.32	1,687.23	(10.37)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	07/23/08	03/01/38	1,750.41	1,872.71			(11.95)		1,738.46	1,848.28	(14.45)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/36	2,697.23	2,885.71			(8.98)		2,688.25	2,855.00	(21.73)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	1,394.26	1,491.69			(18.28)		1,375.98	1,461.31	(12.10)	0.00
Freddie Mac	2002 A-D SF MRB	5.63	09/24/08	07/01/38	2,580.21	2,776.47			(8.17)		2,572.04	2,751.41	(16.89)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	10/22/08	03/01/38	3,741.64	3,973.24			(13.32)		3,728.32	3,926.69	(33.23)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/19/08	10/01/38	3,390.52	3,600.47			(13.79)		3,376.73	3,556.49	(30.19)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/25/08	10/01/38	2,711.69	2,879.60			(10.02)		2,701.67	2,845.51	(24.07)	0.00
Freddie Mac	2002 A-D SF MRB	5.25	12/18/08	09/01/38	4,120.15	4,392.55			(34.10)		4,086.05	4,322.51	(35.94)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	12/30/08	12/01/38	2,963.02	3,146.59			(10.02)		2,953.00	3,110.31	(26.26)	0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	16,456.96	17,719.98			(61.59)		16,395.37	17,507.35	(151.04)	0.00
GNMA	2002 A-D SF MRB	5.13	02/20/07	02/20/37	20,096.66	21,497.27			(97.16)		19,999.50	21,235.48	(164.63)	0.00
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	10,560.39	11,374.83			(1,757.10)		8,803.29	9,451.25	(166.28)	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	19,237.37	20,714.06			(2,776.69)		16,460.88	17,577.33	(360.04)	0.00
GNVA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	4,866.67	5,241.98			(1,259.01)		3,607.66	3,873.27	(109.70)	0.00
GNVA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	5,852.41	6,303.80			(3,185.42)		2,666.99	2,863.34	(255.04)	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	22,609.49	24,185.94			(2,481.89)		20,127.60	21,372.14	(331.91)	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	20,128.80	21,674.00			(5,377.43)		14,751.17	15,752.06	(544.51)	0.00
GNMA	2002 A-D SF MRB	5.13	03/08/07	02/20/37	8,276.20	8,655.28			(32.48)		8,245.74	8,755.48	(67.36)	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/07	04/20/37	21,606.96	23,114.37			(83.18)		21,523.78	22,855.49	(175.70)	0.00
GNMA	2002 A-D SF MRB	5.63	04/24/07	04/20/37	16,254.36	17,508.77			(1,557.06)		14,697.30	15,780.13	(171.58)	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	04/20/37	12,439.94	13,395.59			(51.57)		12,388.37	13,229.49	(114.53)	0.00
GNVA	2002 A-D SF MRB	5.13	03/27/07	03/20/37	18,174.87	19,442.24			(2,986.37)		15,188.50	16,127.73	(326.14)	0.00
GNVA	2002 A-D SF MRB	5.62	03/27/07	02/20/37	4,492.21	4,838.72			(16.29)		4,475.92	4,805.51	(16.92)	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	03/20/37	8,226.13	8,858.03			(33.37)		8,192.76	8,748.68	(75.68)	0.00
GNMA	2002 A-D SF MRB	5.38	04/10/07	03/20/37	13,393.18	14,421.77			(49.16)		13,344.02	14,249.78	(122.85)	0.00
GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	21,934.06	23,483.87			(5,686.51)		16,247.55	17,252.52	(524.84)	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	8,577.89	7,085.40			(4,835.92)		1,941.97	2,085.02	(364.46)	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	12,738.99	13,827.89			(2,247.48)		10,491.53	11,140.79	(239.64)	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	6,060.43	6,528.22			(21.00)		6,039.43	6,484.48	(22.78)	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	11,134.47	11,989.99			(41.48)		11,092.99	11,846.32	(102.19)	0.00
GNMA	2002 A-D SF MRB	5.38	05/22/07	05/20/37	19,873.00	21,400.23			(75.75)		19,797.25	21,141.99	(182.49)	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	25,796.95	27,597.44			(6,224.69)		19,572.26	20,763.81	(588.94)	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	24,076.70	25,927.38			(3,334.57)		20,742.13	22,151.34	(441.45)	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	5,356.64	5,770.26			(2,270.09)		3,086.55	3,314.09	(186.08)	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37	36,843.18	39,415.24			(3,447.04)		33,396.12	35,463.92	(504.28)	0.00
GNMA	2002 A-D SF MRB	5.38	06/19/07	05/20/37	9,238.51	9,948.76			(33.11)		9,205.40	9,630.93	(84.72)	0.00
GNMA	2002 A-D SF MRB	5.13	06/19/07	06/20/37	19,593.38	20,961.56			(2,947.42)		16,645.96	17,678.92	(337.22)	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07	06/20/37	9,617.13	10,359.93			(33.03)		9,584.10	10,290.81	(38.09)	0.00
GNMA	2002 A-D SF MRB	5.13	08/07/07	07/20/37	40,054.47	42,873.52			(8,831.61)		31,422.86	33,388.07	(855.64)	0.00
GNMA	2002 A-D SF MRB	5.38	07/03/07	06/20/37	17,479.83	18,823.95			(1,437.12)		16,042.71	17,133.12	(253.71)	0.00
GNMA	2002 A-D SF MRB	5.13	07/03/07	06/20/37	14,362.47	15,338.59			(3,574.76)		10,787.71	11,435.62	(328.21)	0.00
GNMA	2002 A-D SF MRB	5.36	07/17/07	06/20/37	17,835.38	19,207.17			(7,447.90)		10,387.48	11,093.71	(665.56)	0.00
GNMA	2002 A-D SF MRB	5.13	07/17/07	06/20/37	13,366.78	14,275.41			(3,006.04)		10,356.72	10,981.00	(266.37)	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/08	04/20/38	4,734.99	5,095.72			(16.11)		4,718.86	5,040.73	(38.88)	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/08	04/20/38	7,027.63	7,513.99			(28.74)		6,998.89	7,437.63	(47.62)	0.00
GNMA	2002 A-D SF MRB	5.38	04/22/08	03/20/38	8,398.80	8,673.35			(3,661.94)		2,724.86	2,910.72	(300.69)	0.00
GNMA	2002 A-D SF MRB	5.63	04/22/08	03/20/38	5,554.51	5,977.02			(17.97)		5,536.54	5,945.55	(13.50)	0.00
GNMA	2002 A-D SF MRB	5.13	05/07/08	04/20/38	8,960.82	9,561.09			(3,192.83)		5,767.99	6,129.63	(258.63)	0.00
GNMA	2002 A-D SF MRB	5.83	05/07/08	04/20/38	5,782.66	6,222.59			(18.71)		5,763.95	6,189.83	(14.05)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.38	05/14/08	04/20/38	7,228.19	7,778.89			(24.51)		7,201.88	7,693.06	(59.32)	0.00
GNMA	2002 A-D SF MRB	5.13	05/21/08	05/20/38	12,196.86	13,018.54			(44.63)		12,152.23	12,891.88	(82.23)	0.00
GNMA	2002 A-D SF MRB	5.13	06/11/08	05/20/38	5,278.29	5,643.89			(20.82)		5,257.47	5,567.36	(35.71)	0.00
GNMA	2002 A-D SF MRB	5.83	07/09/08	06/20/38	6,300.56	6,780.36			(20.11)		6,280.45	6,744.96	(15.29)	0.00
GNMA	2002 A-D SF MRB	5.38	07/09/08	03/20/38	4,145.86	4,462.07			(2,013.69)		2,132.17	2,277.76	(170.60)	0.00
GNMA	2002 A-D SF MRB	5.13	07/16/08	06/20/38	2,440.22	2,609.33			(8.44)		2,431.78	2,584.44	(18.45)	0.00
GNMA	2002 A-D SF MRB	5.63	06/18/08	03/20/38	621.44	668.72			(2.10)		619.34	665.10	(1.52)	0.00
GNMA	2002 A-D SF MRB	5.63	06/25/08	05/20/38	3,941.14	4,241.19			(12.87)		3,928.27	4,218.75	(9.57)	0.00
GNMA	2002 A-D SF MRB	5.38	06/25/08	05/20/38	13,011.01	14,003.19			(2,245.50)		10,785.51	11,500.59	(257.10)	0.00
GNMA	2002 A-D SF MRB	5.38	07/23/08	06/20/38	7,165.94	7,712.84			(26.95)		7,138.99	7,826.66	(59.01)	0.00
GNMA	2002 A-D SF MRB	5.38	07/29/08	06/20/38	3,386.46	3,644.84			(11.17)		3,375.29	3,605.88	(27.79)	0.00
GNMA	2002 A-D SF MRB	5.13	08/27/08	08/20/38	5,097.44	5,450.99			(17.94)		5,079.50	5,398.69	(34.36)	0.00
GNMA	2002 A-D SF MRB	5.63	08/13/08	07/20/38	4,513.28	4,857.17			(14.19)		4,499.09	4,832.04	(10.94)	0.00
GNMA	2002 A-D SF MRB	5.38	08/13/08	07/20/38	3,522.29	3,791.09			(11.80)		3,510.69	3,750.59	(28.90)	0.00
GNMA	2002 A-D SF MRB	5.13	08/13/08	07/20/38	5,240.92	5,604.31			(19.60)		5,221.32	5,549.30	(35.41)	0.00
GNMA	2002 A-D SF MRB	5.63	08/27/08	08/20/38	2,309.51	2,485.53			(7.19)		2,302.32	2,472.75	(5.59)	0.00
GNMA	2002 A-D SF MRB	5.13	09/10/08	09/20/38	10,812.34	11,562.40			(2,267.27)		8,545.07	9,082.14	(12.99)	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	07/20/38	2,381.12	2,562.96			(7.81)		2,373.31	2,535.62	(19.53)	0.00
GNMA	2002 A-D SF MRB	5.13	09/24/08	08/20/38	2,543.14	2,719.60			(9.02)		2,534.12	2,693.42	(17.16)	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	09/20/38	5,059.40	5,445.76			(17.20)		5,042.20	5,387.02	(41.54)	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	08/20/38	2,616.96	2,798.61			(9.50)		2,607.46	2,771.44	(17.67)	0.00
GNMA	2002 A-D SF MRB	5.63	10/15/08	08/20/38	2,711.92	2,918.76			(8.43)		2,703.49	2,903.75	(8.58)	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	09/20/38	1,383.60	1,479.84			(4.70)		1,378.90	1,465.63	(9.31)	0.00
GNMA	2002 A-D SF MRB	5.63	10/29/08	09/20/38	3,544.55	3,614.94			(11.48)		3,533.07	3,794.84	(8.62)	0.00
GNMA	2002 A-D SF MRB	5.13	11/12/08	10/20/38	5,802.82	6,205.78			(19.91)		5,782.91	6,148.79	(39.08)	0.00
GNMA	2002 A-D SF MRB	5.38	11/12/08	10/20/38	1,899.54	2,044.71			(7.81)		1,891.73	2,021.21	(15.69)	0.00
GNMA	2002 A-D SF MRB	5.13	11/25/08	09/20/38	2,810.79	3,006.01			(9.67)		2,801.12	2,977.41	(18.93)	0.00
GNMA	2002 A-D SF MRB	5.38	11/25/08	11/20/38	10,450.45	11,249.29			(33.69)		10,416.78	11,129.91	(65.69)	0.00
GNMA	2002 A-D SF MRB	5.63	12/10/08	10/20/38	2,878.27	3,087.97			(10.71)		2,867.56	3,080.15	(7.11)	0.00
GNMA	2002 A-D SF MRB	5.38	12/10/08	11/20/38	6,077.52	6,542.19			(2,564.27)		3,513.25	3,753.83	(224.09)	0.00
GNMA	2002 A-D SF MRB	5.13	12/10/08	11/20/38	7,113.71	7,607.94			(35.07)		7,078.64	7,524.28	(48.59)	0.00
GNMA	2002 A-D SF MRB	5.38	12/17/08	11/20/38	7,485.56	8,057.94			(3,038.04)		4,447.52	4,752.10	(267.80)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	11,382.10	12,214.34			(2,648.23)		8,533.87	9,095.72	(270.39)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	4,204.14	4,511.53			(13.88)		4,190.26	4,466.14	(31.51)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	5,818.72	6,244.20			(19.00)		5,799.72	6,181.59	(43.61)	0.00
GNMA	2002 A-D SF MRB	5.13	12/17/08	12/20/38	10,104.96	10,807.14			(34.06)		10,070.92	10,705.03	(86.05)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	5,904.62	6,336.36			(19.42)		5,885.20	6,272.66	(44.26)	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	12/20/38	14,031.20	15,057.24			(46.89)		13,984.51	14,905.33	(105.22)	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	10/20/38	5,324.94	5,714.31			(17.56)		5,307.38	5,656.84	(39.91)	0.00
GNMA	2002 A-D SF MRB	5.13	12/30/09	12/20/38	5,562.73	5,949.38			(3,868.60)		1,683.93	1,800.63	(279.93)	0.00
GNMA	2002 A-D SF MRB	5.38	12/30/08	11/20/38	2,894.07	3,115.41			(10.18)		2,883.89	3,061.43	(23.80)	0.00
GNMA	2002 A-D SF MRB	5.25	12/30/08	12/20/38	1,962.89	2,106.46			(7.89)		1,955.00	2,083.76	(14.81)	0.00
GNMA	2002 A-D SF MRB	5.15	12/30/08	12/20/38	5,421.75	5,903.11			(18.05)		5,403.70	5,747.62	(37.44)	0.00
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37	9,224.41	9,767.84			(37.07)		9,187.34	9,621.49	(109.08)	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	12,364.37	13,180.43			(120.60)		12,243.77	12,917.50	(142.33)	0.00
FNMA	2002 A-D SF MRB	5.63	03/06/07	02/01/37	5,788.59	6,205.19			(20.84)		5,767.95	6,119.59	(84.96)	0.00
FNMA	2002 A-D SF MRB	5.13	03/20/07	06/01/38	1,599.50	1,893.70			(34.66)		1,564.82	1,838.78	(20.24)	0.00
FNMA	2002 A-D SF MRB	5.63	03/20/07	02/01/37	7,588.81	8,134.99			(2,459.11)		5,129.70	5,442.43	(233.45)	0.00
FNMA	2002 A-D SF MRB	5.38	03/20/07	09/01/36	2,577.66	2,749.28			(25.07)		2,552.59	2,693.39	(30.82)	0.00
FNMA	2002 A-D SF MRB	5.13	03/27/07	03/01/37	8,834.28	9,352.86			(43.07)		8,791.21	9,206.36	(103.23)	0.00
FNMA	2002 A-D SF MRB	5.38	04/10/07	03/01/37	20,893.24	22,272.58			(83.82)		20,809.82	21,955.11	(233.85)	0.00
FNMA	2002 A-D SF MRB	5.63	04/10/07	03/01/37	11,282.11	12,094.25			(1,808.67)		9,473.44	10,051.14	(234.44)	0.00
FNMA	2002 A-D SF MRB	5.13	04/10/07	03/01/37	17,831.89	18,678.17			(80.21)		17,751.48	18,589.92	(206.04)	0.00
FNMA	2002 A-D SF MRB	5.38	04/24/07	04/01/37	30,480.18	32,511.03			(3,320.42)		27,159.78	28,659.33	(531.28)	0.00
FNMA	2002 A-D SF MRB	5.13	04/24/07	04/01/37	6,905.07	7,310.35			(31.85)		6,873.22	7,197.90	(80.60)	0.00
FNMA	2002 A-D SF MRB	5.63	04/24/07	04/01/37	5,149.25	5,519.99			(19.58)		5,129.67	5,442.56	(57.85)	0.00
FNMA	2002 A-D SF MRB	5.13	05/08/07	04/01/37	5,105.22	5,404.91			(19.56)		5,085.66	5,325.94	(59.41)	0.00
FNMA	2002 A-D SF MRB	5.38	05/22/07	04/01/37	4,929.93	5,255.47			(18.35)		4,911.58	5,182.01	(55.11)	0.00
FNMA	2002 A-D SF MRB	5.13	05/22/07	04/01/37	4,064.17	4,323.93			(18.66)		4,045.51	4,257.61	(47.66)	0.00
FNMA	2002 A-D SF MRB	5.38	06/05/07	05/01/37	7,167.76	7,666.81			(30.01)		7,157.75	7,553.07	(83.73)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	5.63	06/05/07	05/01/37	6,979.10	7,481.68			(24.54)		6,954.56	7,378.86	(78.28)	0.00
FNMA	2002 A-D SF MRB	5.13	06/05/07	04/01/37	8,643.67	9,151.16			(42.89)		8,600.78	9,007.21	(101.06)	0.00
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37	13,477.60	14,367.81			(167.48)		13,310.12	14,043.22	(157.11)	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37	7,829.81	8,289.64			(60.50)		7,769.31	8,136.59	(92.55)	0.00
FNMA	2002 A-D SF MRB	5.13	04/08/08	03/01/38	3,634.94	3,890.07			(14.43)		3,620.51	3,836.84	(38.80)	0.00
FNMA	2002 A-D SF MRB	5.63	04/15/08	12/01/37	3,087.16	3,338.47			(16.99)		3,070.17	3,282.19	(39.29)	0.00
FNMA	2002 A-D SF MRB	5.38	04/15/08	01/01/38	5,246.12	5,655.85			(19.44)		5,226.68	5,569.89	(66.52)	0.00
FNMA	2002 A-D SF MRB	5.13	04/15/08	04/01/38	2,397.05	2,565.33			(8.47)		2,388.58	2,531.35	(25.51)	0.00
FNMA	2002 A-D SF MRB	5.38	04/29/08	04/01/38	3,433.91	3,702.16			(14.35)		3,419.56	3,644.18	(43.63)	0.00
	<b>2002 A-D SF MRB Total</b>				<b>71,830,810.78</b>	<b>75,061,492.01</b>	<b>360,469.60</b>	<b>(3,085,423.41)</b>	<b>(5,948,164.31)</b>	<b>0.00</b>	<b>63,157,692.66</b>	<b>65,537,607.95</b>	<b>(850,765.94)</b>	<b>0.00</b>
Repo Agmt	2004A Single Family (Jr Lien)	0.11	02/26/10	03/01/10	18.59	18.59	3,220.66				3,239.27	3,239.27	-	0.00
Repo Agmt	2004A Single Family (Jr Lien)	0.11	02/26/10	03/01/10	115,650.00	115,650.00	0.00				115,650.00	115,650.00	-	0.00
	<b>2004A Single Family (Jr Lien) Total</b>				<b>115,668.59</b>	<b>115,668.59</b>	<b>3,220.66</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>118,689.27</b>	<b>118,889.27</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1991 A S/F (1980 A Refunding)	0.11	02/26/10	03/01/10	28,521.62	28,521.62	53,627.77				82,149.39	82,149.39	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.06	11/14/96	09/30/29	2,196,299.11	2,196,299.11	29,329.41				2,225,628.52	2,225,628.52	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.11	02/26/10	03/01/10			3.12				3.12	3.12	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	105.34	105.34	0.00				105.34	105.34	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.11	02/26/10	03/01/10	283.56	283.56	14,140.19				14,423.75	14,423.75	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	08/31/12	645,588.86	645,588.86	0.00				645,588.86	645,588.86	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	0.13	0.13	0.00				0.13	0.13	-	0.00
	<b>1991 A S/F (1980 A Refunding) Total</b>				<b>2,870,798.62</b>	<b>2,870,798.62</b>	<b>97,100.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,967,899.11</b>	<b>2,967,899.11</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1994 A&B SF (1983 Refunding)	0.11	02/26/10	03/01/10			213.79				213.79	213.79	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	0.11	02/26/10	03/01/10			28.19				28.19	28.19	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	954.03	954.03	0.00				954.03	954.03	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	2,315.28	2,315.28	11,000.68				13,315.96	13,315.96	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	9,456.45	10,278.30			(90.66)		9,365.79	10,068.52	(119.12)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	7,525.41	8,170.30			(92.79)		7,432.62	7,981.49	(96.02)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	7,367.07	6,014.11			(90.24)		7,276.83	7,829.35	(94.52)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	4,718.81	5,135.80			(66.07)		4,432.74	4,771.64	(78.09)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	6,708.50	9,475.21			(202.43)		8,506.07	9,153.68	(119.10)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	7,561.83	8,208.22			(82.82)		7,479.01	8,029.72	(95.68)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	3,797.50	4,116.08			(67.42)		3,730.08	4,000.87	(49.79)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	12,530.34	13,585.73			(239.95)		12,290.39	13,180.34	(165.44)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	8,267.08	8,967.19			(2,419.61)		5,847.47	8,273.62	(273.96)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	9,316.95	10,099.53			(109.03)		9,207.92	9,672.60	(117.90)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	4,848.07	5,267.64			(38.13)		4,809.94	5,165.45	(64.06)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	39,723.93	43,320.23			(415.17)		39,308.78	42,731.26	(173.80)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	9,154.07	9,982.16			(623.80)		8,530.27	9,272.40	(85.96)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	34,718.11	37,853.33			(549.65)		34,168.46	37,135.76	(167.92)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	11,771.93	12,835.41			(126.06)		11,645.87	12,657.67	(51.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	43,205.28	47,104.98			(4,748.22)		38,457.04	41,795.07	(561.89)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	15,105.74	16,472.34			(2,473.39)		12,632.35	13,731.40	(267.55)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	45,687.85	49,816.60			(2,625.68)		43,061.97	46,804.30	(386.42)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	11,120.19	12,123.13			(96.08)		11,024.11	11,980.24	(46.81)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	57,321.40	62,484.57			(690.25)		56,631.15	61,536.33	(257.99)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	38,725.38	42,073.61			(2,698.06)		36,027.32	39,020.08	(355.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	16,629.30	18,066.27			(272.13)		16,357.17	17,705.47	(78.67)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	9,651.25	10,483.08			(139.63)		9,511.62	10,299.17	(44.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	42,152.14	45,772.66			(2,198.33)		39,953.81	43,250.42	(323.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	22,974.15	24,564.75			(226.70)		22,745.45	24,639.02	(97.03)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	11,995.40	13,022.28			(2,087.58)		9,907.82	10,722.51	(212.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/18/97	12/20/26	34,665.02	37,633.29			(5,108.17)		29,556.85	31,987.90	(537.22)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	17,954.47	19,515.53			(217.64)		17,736.83	19,296.66	(1,23)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	13,883.96	15,090.59			(150.11)		13,733.85	14,941.16	0.68	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	6,665.95	7,238.60			(65.22)		6,600.73	7,174.45	1.07	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	21,298.81	23,114.13			(279.79)		21,019.02	22,631.98	(2.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	10,267.29	11,135.67			(88.79)		10,178.50	11,049.86	2.98	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	11,994.32	13,008.74			(3,913.88)		8,080.36	8,772.06	(322.72)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	7,523.87	8,163.07			(105.90)		7,417.77	8,055.77	(1.40)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	12,421.01	13,548.82			(157.43)		12,263.58	13,388.72	(2.67)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	26,642.61	28,908.11			(2,258.80)		24,383.81	26,482.21	(167.10)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	8,479.63	7,027.52			(47.62)		6,432.21	7,001.85	21.95	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	6,086.78	6,601.25			(104.90)		5,981.88	6,511.66	15.31	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	10,768.68	11,678.75			(92.25)		10,676.43	11,621.83	35.33	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	8,267.86	8,966.86			(2,580.71)		5,677.15	6,179.92	(196.03)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	1,702.90	1,846.86			(71.01)		1,831.89	1,776.43	0.58	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	16,676.17	18,085.65			(159.91)		16,516.26	17,978.95	53.21	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	28,007.88	26,206.06			(3,287.11)		22,720.77	24,732.91	(185.04)	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	0.11	02/26/10	03/01/10	84,952.47	84,952.47	210,045.27				294,997.74	294,997.74	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	1,274.38	1,383.89			(22.86)		1,251.52	1,343.91	(17.12)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	3,519.10	3,833.85			(31.98)		3,487.12	3,771.45	(30.42)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	815.92	888.88			(38.17)		777.75	841.15	(9.56)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	16,251.96	17,667.04			(155.71)		18,096.25	17,555.71	44.38	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	4,030.29	4,390.78			(30.03)		4,000.26	4,326.46	(34.29)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	37,992.87	41,300.70			(1,222.02)		36,770.85	40,104.86	25.98	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	21,832.08	23,732.98			(237.00)		21,595.08	23,553.09	57.11	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	17,059.29	18,270.26			(881.48)		16,177.81	17,978.95	(179.70)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	12,431.48	13,513.89			(109.76)		12,321.72	13,438.92	34.79	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/29/98	06/20/28	7,057.39	7,871.89			(53.56)		7,003.83	7,638.88	20.55	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	9,651.24	10,491.54			(79.28)		9,571.96	10,439.81	27.55	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	1,792.75	1,953.10			(37.87)		1,754.88	1,897.96	(17.27)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	7,742.98	8,417.14			(57.18)		7,885.80	8,382.65	22.69	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	6,632.07	7,209.55			(54.31)		6,577.76	7,174.18	18.94	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/96	10/20/28	2,504.30	2,722.34			(17.61)		2,486.69	2,712.15	7.42	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	978.16	1,052.22			(31.89)		946.27	1,016.12	(14.21)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/18/99	02/20/29	13,543.15	14,724.64			(129.22)		13,413.93	14,639.55	44.13	0.00
GNMA	1994 A&B SF (1983 Refunding)	8.25	03/31/99	02/20/29	918.40	996.51			(18.11)		902.29	984.73	2.33	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,417.03	5,889.62			(1,094.97)		4,322.06	4,716.98	(77.87)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	8,976.20	9,619.37			(520.69)		8,455.51	9,000.24	(88.44)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/99	08/20/29	10,609.43	11,389.58			(93.55)		10,515.88	11,193.29	(82.74)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,633.98	1,751.68			(11.07)		1,622.91	1,721.35	(19.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	5,275.61	5,653.59			(37.27)		5,238.34	5,575.77	(40.55)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	5,818.60	6,239.08			(53.18)		5,765.42	6,118.45	(69.45)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	4,112.74	4,409.98			(47.72)		4,065.02	4,312.55	(49.71)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	17,759.91	19,032.43			(3,215.93)		14,543.98	15,480.92	(335.58)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	1,951.58	2,091.42			(23.46)		1,928.12	2,052.33	(15.63)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	34,395.43	36,859.83			(282.99)		34,112.44	36,309.94	(266.90)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	9,097.99	9,743.97			(62.50)		9,035.49	9,611.61	(69.86)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	4,910.68	5,259.26			(32.83)		4,877.85	5,188.78	(37.65)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,764.69	7,244.90			(60.33)		6,704.36	7,131.75	(52.82)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.48	04/27/00	03/01/30	4,365.45	4,697.61			(564.21)		3,821.24	4,047.08	(88.32)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	7,480.51	8,011.54			(49.98)		7,430.53	7,904.21	(57.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	1,500.20	1,606.64			(9.85)		1,490.35	1,585.30	(11.49)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	9,189.21	9,820.11			(67.87)		9,101.34	9,681.53	(70.71)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	15,186.92	16,265.01			(1,370.94)		13,815.98	14,698.72	(197.35)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	2,164.50	2,318.50			(26.55)		2,137.95	2,264.24	(27.71)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	74,500.23	79,838.13			(4,321.58)		70,178.65	74,899.51	(817.04)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	88,055.12	94,364.33			(776.46)		87,278.66	92,901.21	(666.66)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	13,559.91	14,539.65			(91.89)		13,468.02	14,287.85	(159.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	43,786.02	46,923.25			(309.38)		43,476.66	46,277.39	(336.50)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	48,292.58	51,782.89			(441.37)		47,851.21	50,764.87	(576.45)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	34,134.79	36,601.68			(396.13)		33,738.66	35,792.99	(412.56)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	147,402.51	157,983.89			(26,691.37)		120,711.14	128,487.33	(2,785.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	16,197.86	17,358.22			(194.75)		16,002.91	17,033.81	(129.66)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	285,472.28	305,928.30			(2,348.66)		283,123.82	301,362.37	(2,215.27)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	75,511.68	80,872.27			(519.79)		74,992.87	79,773.71	(579.77)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	40,757.13	43,650.46			(272.54)		40,484.59	43,065.47	(312.45)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	15,215.30	16,295.41			(135.70)		15,079.60	16,040.91	(116.80)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	80,297.69	86,051.06			(1,239.07)		79,058.62	84,151.62	(690.37)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	113,742.88	121,892.53			(978.96)		112,763.92	120,026.15	(885.42)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	77,006.22	82,523.70			(670.17)		76,336.05	81,253.80	(599.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	56,707.01	60,770.03			(404.38)		56,302.63	59,929.61	(436.04)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	35,152.08	37,692.46			(484.33)		34,667.75	36,776.61	(429.52)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	120,893.61	129,555.65			(960.44)		119,933.17	127,659.28	(935.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	136,544.54	146,327.99			(983.19)		135,561.36	144,294.27	(1,050.54)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	133,810.44	143,397.99			(984.01)		132,826.43	141,383.15	(1,030.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	148,651.52	159,204.26			(1,074.83)		147,576.69	156,984.67	(1,144.76)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	87,424.17	93,630.41			(817.03)		86,607.14	92,128.34	(885.04)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	38,590.46	41,329.72			(270.27)		38,320.19	40,762.81	(296.64)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	19,035.43	20,411.11			(125.31)		18,910.12	20,061.54	(224.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	141,586.84	151,638.10			(7,316.01)		134,270.83	142,930.61	(1,491.48)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	40,929.86	43,835.25			(365.02)		40,564.84	43,150.64	(319.59)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	36,398.04	38,988.84			(4,682.74)		31,715.30	33,589.67	(716.43)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	62,086.08	66,493.56			(4,144.88)		61,671.22	65,602.74	(475.96)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	12,450.85	13,334.71			(81.77)		12,369.08	13,157.59	(95.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	76,101.78	81,504.18			(563.31)		75,536.47	80,353.98	(586.89)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	126,047.04	134,995.10			(11,378.45)		114,868.59	121,978.69	(1,837.96)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	17,964.25	19,242.95			(220.34)		17,743.91	18,792.58	(230.03)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	139,013.64	148,882.22			(1,083.33)		137,930.31	146,723.36	(1,075.51)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	30,091.03	32,227.23			(191.58)		29,899.45	31,805.59	(230.06)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	5,810.50	6,223.22			(40.69)		5,769.81	6,137.96	(44.67)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	51,840.18	55,520.26			(386.25)		51,453.93	54,734.09	(399.94)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	67,938.96	72,761.99			(1,620.29)		66,318.67	70,546.54	(595.16)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	133,544.82	143,025.17			(888.61)		132,656.21	141,113.05	(1,023.51)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	25,442.40	27,253.44			(880.30)		24,562.10	26,013.77	(359.37)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	5,422.51	5,807.43			(33.74)		5,388.77	5,732.28	(41.41)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	34,987.94	37,471.66			(301.83)		34,686.11	36,697.27	(272.56)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	57,561.96	61,659.17			(3,579.80)		53,982.16	57,172.46	(306.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	8,584.76	9,194.20			(55.77)		8,528.99	9,072.72	(65.71)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	32,756.33	35,087.99			(301.69)		32,454.70	34,372.76	(413.52)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	42,249.50	45,256.80			(417.04)		41,832.46	44,304.74	(535.02)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	10,124.05	10,855.72			(5,527.80)		4,596.25	4,876.12	(451.80)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	173,028.15	179,417.97			(29,810.58)		143,217.57	146,932.03	(2,675.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	14,276.85	14,805.02			(73.09)		14,203.76	14,573.06	(158.87)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	19,455.38	20,175.22			(120.55)		19,334.83	19,837.62	(217.05)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	36,148.47	37,593.37			(172.87)		35,975.60	37,029.68	(390.82)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	85,679.51	89,195.85			(559.13)		85,120.38	87,881.36	(955.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	163,214.81	169,249.92			(16,304.35)		146,910.46	150,727.55	(2,218.02)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	6,562.60	6,825.19			(31.85)		6,530.75	6,722.36	(70.96)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	11,813.28	12,250.55			(58.33)		11,754.95	12,060.81	(131.41)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	87,320.10	47,743.53			(488.87)		66,851.23	89,112.47	41,837.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	23,945.18	42,810.07			(116.79)		23,828.39	24,528.49	(18,164.79)	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	14,209.77	24,904.26			(85.02)		14,124.75	14,457.71	(10,361.53)	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	12,198.51	14,712.51			(66.42)		12,132.09	12,418.40	(2,227.69)	0.00
	<b>1994 A&amp;B SF (1983 Refunding) Total</b>				<b>4,861,728.40</b>	<b>5,203,639.75</b>	<b>221,287.93</b>	<b>0.00</b>	<b>(166,912.98)</b>	<b>0.00</b>	<b>4,916,103.35</b>	<b>5,205,467.69</b>	<b>(32,547.01)</b>	<b>0.00</b>
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.11	02/26/10	03/01/10	0.76	0.76	0.71				1.47	1.47	-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	24.23	24.23	0.00				24.23	24.23	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.11	02/26/10	03/01/10	0.01	0.01	0.00				0.01	0.01	-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	0.34	0.34	0.00				0.34	0.34	-	0.00
	<b>1995 C SF (1985 A&amp;B Refunding) Total</b>				<b>25.34</b>	<b>25.34</b>	<b>0.71</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.05</b>	<b>26.05</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	2005 A Single Family	0.11	02/26/10	03/01/10	311,107.72	311,107.72	75.34				311,183.06	311,183.06	-	0.00
Repo Agmt	2005 A Single Family	0.11	02/26/10	03/01/10	57,922.17	57,922.17	12,305,299.35				12,363,221.52	12,363,221.52	-	0.00
GIC's	2005 A Single Family				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	1,030,808.91	1,070,522.25			(5,137.78)		1,025,671.13	1,053,877.30	(11,507.17)	0.00
GNMA	2005 A Single Family	4.49	08/30/05	08/20/35	536,947.72	557,646.73			(107,227.26)		429,720.46	441,547.83	(8,871.84)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2005 A Single Family	4.49	10/27/05	10/20/35	1,607,326.49	1,669,390.86						
GNMA	2005 A Single Family	4.49	10/27/05	10/20/35	953,576.91	990,397.78						
GNMA	2005 A Single Family	4.49	09/29/05	09/20/35	5,721,752.48	5,942,508.90						
GNMA	2005 A Single Family	4.49	10/08/05	09/20/35	1,859,815.24	1,931,584.22						
GNMA	2005 A Single Family	4.49	10/20/05	10/20/35	1,192,940.03	1,238,996.04						
GNMA	2005 A Single Family	4.49	12/08/05	12/20/35	1,078,506.75	1,120,204.78						
GNMA	2005 A Single Family	4.49	12/15/05	12/20/35	856,794.35	892,513.37						
GNMA	2005 A Single Family	4.49	11/03/05	11/20/35	368,877.00	384,238.89						
GNMA	2005 A Single Family	4.49	11/10/05	11/20/35	1,714,151.07	1,785,547.64						
GNMA	2005 A Single Family	4.49	11/17/05	11/20/35	1,315,137.61	1,365,951.31						
GNMA	2005 A Single Family	4.49	11/22/05	11/20/35	686,735.73	713,273.11						
GNMA	2005 A Single Family	4.49	11/29/05	11/20/35	1,033,609.72	1,078,679.41						
GNMA	2005 A Single Family	4.49	12/22/05	12/20/35	1,428,142.04	1,487,589.12						
GNMA	2005 A Single Family	4.49	12/29/05	12/20/35	2,443,457.85	2,537,977.35						
GNMA	2005 A Single Family	4.49	01/05/06	01/20/36	1,438,670.36	1,487,543.30						
GNMA	2005 A Single Family	4.49	01/12/06	01/20/36	1,530,877.34	1,589,736.44						
GNMA	2005 A Single Family	4.49	03/09/06	02/20/36	1,114,452.66	1,153,968.05						
GNMA	2005 A Single Family	4.49	03/02/06	02/20/36	1,523,855.84	1,577,698.18						
GNMA	2005 A Single Family	4.49	01/19/06	01/20/36	862,269.75	892,814.71						
GNMA	2005 A Single Family	4.49	01/26/06	01/20/36	1,160,278.74	1,201,368.86						
GNMA	2005 A Single Family	4.49	02/02/06	02/20/36	2,535,309.93	2,625,165.59						
GNMA	2005 A Single Family	4.49	02/09/06	02/20/36	1,004,599.96	1,040,212.04						
GNMA	2005 A Single Family	4.49	02/16/06	02/20/36	1,576,436.97	1,632,330.01						
GNMA	2005 A Single Family	4.49	02/23/06	02/20/36	1,738,064.68	1,799,719.89						
GNMA	2005 A Single Family	4.49	05/11/06	04/20/36	835,986.36	865,700.80						
GNMA	2005 A Single Family	4.49	05/11/06	05/20/36	375,716.70	390,213.56						
GNMA	2005 A Single Family	4.49	05/18/06	05/20/36	850,213.01	880,442.04						
GNMA	2005 A Single Family	4.49	05/18/06	05/20/36	409,177.82	424,966.10						
GNMA	2005 A Single Family	4.49	03/16/06	03/20/36	603,010.27	626,235.94						
GNMA	2005 A Single Family	4.49	03/23/06	03/20/36	1,552,775.97	1,607,888.57						
GNMA	2005 A Single Family	4.49	03/30/06	03/20/36	1,097,319.75	1,136,273.77						
GNMA	2005 A Single Family	4.49	04/06/06	03/20/36	1,402,184.16	1,451,970.84						
GNMA	2005 A Single Family	4.49	04/13/06	03/20/36	979,167.43	1,013,940.44						
GNMA	2005 A Single Family	4.49	04/20/06	04/20/36	1,681,870.85	1,741,618.18						
GNMA	2005 A Single Family	4.49	04/27/06	04/20/36	607,051.37	628,620.27						
GNMA	2005 A Single Family	4.49	05/05/06	04/20/36	1,311,305.67	1,361,862.49						
GNMA	2005 A Single Family	4.49	05/25/06	05/20/36	962,931.03	997,174.73						
GNMA	2005 A Single Family	4.49	06/01/06	06/20/36	1,261,494.67	1,310,192.43						
GNMA	2005 A Single Family	4.49	06/08/06	06/20/36	1,477,637.37	1,530,211.39						
GNMA	2005 A Single Family	4.49	06/15/06	06/20/36	1,093,944.64	1,136,189.37						
GNMA	2005 A Single Family	4.49	06/27/06	06/20/36	1,562,522.15	1,622,879.91						
GNMA	2005 A Single Family	4.49	07/05/06	07/20/36	766,132.31	795,738.47						
GNMA	2005 A Single Family	4.49	07/13/06	06/20/36	1,153,596.87	1,198,176.65						
GNMA	2005 A Single Family	4.49	07/19/06	06/20/36	1,677,589.37	1,737,344.34						
GNMA	2005 A Single Family	4.49	07/27/06	07/20/36	1,152,611.46	1,197,361.45						
GNMA	2005 A Single Family	4.49	06/02/06	06/20/36	717,486.00	745,232.24						
GNMA	2005 A Single Family	4.49	08/09/06	08/20/36	1,504,371.22	1,562,556.90						
GNMA	2005 A Single Family	4.49	08/16/06	07/20/36	857,212.88	887,772.40						
GNMA	2005 A Single Family	4.49	08/23/06	07/20/36	736,800.56	765,098.36						
GNMA	2005 A Single Family	4.49	09/06/06	08/20/36	696,120.37	723,064.44						
GNMA	2005 A Single Family	4.49	09/12/06	08/20/36	495,975.06	515,174.95						
GNMA	2005 A Single Family	4.49	09/26/06	09/20/36	440,501.20	457,561.44						
GNMA	2005 A Single Family	4.49	10/17/06	10/20/36	895,167.86	929,658.63						
GNMA	2005 A Single Family	4.49	11/14/06	10/20/36	730,201.87	758,519.52						
GNMA	2005 A Single Family	4.49	11/28/06	10/20/36	210,351.02	218,511.66						
GNMA	2005 A Single Family	4.49	12/12/06	10/20/36	241,206.00	250,566.94						
GNMA	2005 A Single Family	4.49	01/16/07	12/20/36	236,235.39	247,490.83						
GNMA	2005 A Single Family	4.49	01/30/07	12/20/36	126,312.75	130,032.39						
GNMA	2005 A Single Family	4.49	02/13/07	01/20/37	302,375.03	314,486.93						
GNMA	2005 A Single Family	4.49	02/20/07	02/20/37	219,762.78	228,575.18						

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2005 A Single Family	4.49	03/20/07	01/20/37	215,604.29	223,886.03			(85,133.49)		150,470.80	154,614.82	(4,137.72)	0.00
GNMA	2005 A Single Family	4.49	04/24/07	03/20/37	507,303.51	526,610.68			(296,428.86)		270,874.65	278,345.60	(12,038.22)	0.00
GNMA	2005 A Single Family	4.49	04/10/07	02/20/37	260,974.55	271,005.35			(1,120.42)		259,854.13	267,016.84	(2,868.09)	0.00
GNMA	2005 A Single Family	4.49	05/22/07	04/20/37	373,317.51	386,544.90			(125,177.25)		248,140.26	254,151.89	(7,215.76)	0.00
GNMA	2005 A Single Family	4.49	06/05/07	05/20/37	313,997.10	326,086.30			(1,322.85)		312,674.25	321,313.04	(3,450.41)	0.00
GNMA	2005 A Single Family	4.49	07/03/07	06/20/37	254,356.88	264,157.61			(139,904.07)		114,452.81	117,618.55	(8,634.99)	0.00
GNMA	2005 A Single Family	4.49	11/21/07	09/20/37	230,572.99	239,605.27			(940.19)		229,632.80	236,129.03	(2,536.05)	0.00
GNMA	2005 A Single Family	4.49	09/25/07	04/20/37	111,928.95	116,305.20			(802.72)		111,126.23	114,281.63	(1,240.65)	0.00
GNMA	2005 A Single Family	4.49	12/11/07	08/20/37	134,654.36	139,931.74			(552.19)		134,102.17	137,898.38	(1,481.17)	0.00
GNMA	2005 A Single Family	4.49	01/30/08	01/20/38	389,578.73	404,945.70			(182,023.94)		197,552.79	203,010.27	(9,911.49)	0.00
GNMA	2005 A Single Family	4.49	01/30/08	01/20/38	117,708.98	121,977.65			(469.36)		117,239.62	120,076.50	(1,431.79)	0.00
GNMA	2005 A Single Family	4.49	03/26/08	03/20/38	358,383.08	372,544.43			(1,437.70)		358,945.38	366,829.16	(4,277.57)	0.00
FNMA	2005 A Single Family	4.49	10/20/05	10/01/35	152,891.82	158,131.73			(739.96)		151,951.86	155,570.41	(1,821.36)	0.00
FNMA	2005 A Single Family	4.49	11/10/05	11/01/35	110,935.02	114,888.51			(672.14)		110,262.88	112,889.88	(1,326.49)	0.00
FNMA	2005 A Single Family	4.49	12/15/05	12/01/35	153,597.50	159,073.84			(1,268.20)		152,329.30	155,960.91	(1,844.73)	0.00
FNMA	2005 A Single Family	4.49	01/05/06	12/01/35	329,225.63	340,886.82			(1,640.01)		327,585.62	335,398.10	(3,928.71)	0.00
FNMA	2005 A Single Family	4.49	02/09/06	02/01/36	190,045.48	196,150.71			(12,595.89)		177,449.59	181,027.15	(2,527.67)	0.00
FNMA	2005 A Single Family	4.49	02/23/06	01/01/36	233,105.84	240,595.40			(1,113.63)		231,992.21	236,670.41	(2,811.36)	0.00
FNMA	2005 A Single Family	4.49	03/16/06	03/01/36	361,527.99	373,148.14			(2,538.20)		358,991.79	366,235.36	(4,376.58)	0.00
FNMA	2005 A Single Family	4.49	04/06/06	03/01/36	254,696.37	262,884.89			(1,168.87)		253,527.50	258,645.14	(3,070.88)	0.00
FNMA	2005 A Single Family	4.49	04/20/06	04/01/36	358,808.34	370,347.03			(1,697.17)		357,111.17	364,322.66	(4,327.20)	0.00
FNMA	2005 A Single Family	4.49	05/11/06	04/01/36	278,738.86	287,704.97			(1,547.92)		277,190.94	282,790.81	(3,366.24)	0.00
FNMA	2005 A Single Family	4.49	06/08/06	04/01/36	264,316.15	272,821.33			(1,228.52)		263,087.63	268,405.52	(3,187.29)	0.00
FNMA	2005 A Single Family	4.49	06/27/06	06/01/36	159,855.44	165,001.11			(727.23)		159,128.21	162,346.53	(1,927.35)	0.00
FNMA	2005 A Single Family	4.49	07/13/08	06/01/36	335,441.02	346,241.12			(1,557.97)		333,863.05	340,638.13	(4,045.02)	0.00
FNMA	2005 A Single Family	4.49	07/19/06	07/01/36	396,546.30	409,315.44			(96,193.97)		300,352.33	306,430.25	(6,691.22)	0.00
FNMA	2005 A Single Family	4.49	08/02/06	07/01/36	481,685.99	476,555.56			(122,269.35)		339,416.64	346,286.79	(7,999.42)	0.00
FNMA	2005 A Single Family	4.49	08/09/06	07/01/36	200,841.53	207,310.48			(905.26)		199,936.27	203,963.83	(2,421.39)	0.00
FNMA	2005 A Single Family	4.49	09/12/06	08/01/36	287,533.05	276,154.50			(1,213.74)		266,319.31	271,715.09	(3,225.67)	0.00
FNMA	2005 A Single Family	4.49	10/17/06	09/01/36	244,297.31	252,174.04			(48,122.69)		198,174.62	202,192.79	(3,858.56)	0.00
FNMA	2005 A Single Family	4.49	11/14/06	10/01/36	379,811.35	392,062.45			(1,694.44)		378,116.91	385,788.59	(4,579.42)	0.00
FNMA	2005 A Single Family	4.49	11/21/06	10/01/36	259,734.73	268,113.24			(1,353.75)		258,380.98	263,624.14	(3,135.35)	0.00
FNMA	2005 A Single Family	4.49	12/12/06	11/01/36	299,040.45	308,890.31			(1,902.40)		297,138.05	303,170.74	(3,617.17)	0.00
FNMA	2005 A Single Family	4.49	01/30/07	11/01/36	51,657.48	53,325.50			(403.35)		51,253.63	52,295.25	(626.40)	0.00
FNMA	2005 A Single Family	4.49	02/13/07	01/01/37	55,857.72	57,698.61			(254.50)		55,603.22	56,644.68	(799.43)	0.00
FNMA	2005 A Single Family	4.49	03/20/07	02/01/37	156,688.66	161,742.62			(689.64)		155,999.02	158,805.16	(2,247.82)	0.00
FNMA	2005 A Single Family	4.49	04/10/07	01/01/37	211,357.31	218,176.34			(926.09)		210,431.22	214,217.99	(3,032.26)	0.00
FNMA	2005 A Single Family	4.49	04/24/07	04/01/37	359,127.82	370,717.68			(1,534.44)		357,593.38	364,031.99	(5,151.25)	0.00
FNMA	2005 A Single Family	4.49	05/22/07	04/01/37	217,727.96	224,757.30			(926.20)		216,801.78	220,708.07	(3,123.03)	0.00
FNMA	2005 A Single Family	4.49	06/05/07	05/01/37	256,010.45	264,277.54			(1,086.86)		254,923.59	259,518.56	(3,672.12)	0.00
FNMA	2005 A Single Family	4.49	07/03/07	06/01/37	667,553.65	689,118.31			(2,641.48)		664,712.17	676,702.38	(9,575.45)	0.00
FNMA	2005 A Single Family	4.49	09/25/07	09/01/37	348,961.90	361,934.79			(1,446.63)		347,515.27	355,438.09	(5,050.07)	0.00
FNMA	2005 A Single Family	4.49	11/08/07	09/01/37	342,163.80	356,583.03			(1,805.42)		340,558.38	350,071.45	(4,906.16)	0.00
FNMA	2005 A Single Family	4.49	11/21/07	09/01/37	140,506.28	148,429.00			(575.21)		139,931.07	143,641.45	(2,012.34)	0.00
FNMA	2005 A Single Family	4.49	12/11/07	11/01/37	313,810.83	327,045.77			(1,516.64)		312,294.19	321,028.08	(4,501.05)	0.00
FNMA	2005 A Single Family	4.49	03/28/08	02/01/38	567,383.48	612,238.38			(3,365.92)		584,017.56	600,426.58	(8,446.88)	0.00
<b>2005 A Single Family Total</b>					<b>85,836,170.40</b>	<b>88,900,411.11</b>	<b>12,305,374.69</b>	<b>(3,259,940.49)</b>	<b>(7,884,351.61)</b>	<b>0.00</b>	<b>86,997,252.99</b>	<b>88,908,271.82</b>	<b>(1,153,221.88)</b>	<b>0.00</b>
<b>Total Single Family Investment Summary</b>					<b>1,060,941,521.96</b>	<b>1,120,086,308.14</b>	<b>117,993,185.25</b>	<b>(90,109,464.33)</b>	<b>(83,452,154.39)</b>	<b>0.00</b>	<b>1,065,373,088.49</b>	<b>1,112,087,113.66</b>	<b>(12,430,781.01)</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Residential Mortgage Revenue Bonds Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	0.11	02/26/10	03/01/10	2,724.15	2,724.15	0.68				2,724.81	2,724.81	-	0.00
	1989 A&B RMRB Total				2,724.15	2,724.15	0.68	0.00	0.00	0.00	2,724.81	2,724.81	0.00	0.00
Repo Agmt	1998 A/B RMRB	0.11	02/26/10	03/01/10	35,785.28	35,765.28	385,025.20				420,790.48	420,790.48	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	6,011,150.57	6,011,150.57		(2,205,941.68)			3,805,208.89	3,805,208.89	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,536,431.34	1,536,431.34		(834,980.04)			701,451.30	701,451.30	-	0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	982,243.68	942,421.49			(7,877.95)		874,365.73	927,920.61	(6,622.93)	0.00
GNMA	1998 A/B RMRB	5.35	08/29/00	07/20/30	1,958,005.82	2,091,561.38			(14,428.26)		1,943,577.56	2,062,621.68	(14,511.44)	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	100,754.62	107,743.97			(31,687.39)		69,087.23	73,090.84	(2,985.74)	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	753,637.25	805,600.46			(6,512.95)		747,124.30	793,445.93	(5,641.58)	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	97,937.07	104,730.91			(734.04)		97,203.03	102,835.89	(1,160.98)	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	2,285,238.43	2,442,805.53			(84,974.47)		2,200,263.96	2,336,680.25	(21,150.81)	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	2,965,227.66	3,169,680.03			(57,532.58)		2,907,695.08	3,087,972.12	(24,175.33)	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	68,112.24	72,837.16			(527.56)		67,584.68	71,501.18	(808.42)	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	128,703.09	137,631.21			(1,032.00)		127,671.09	135,069.62	(1,529.59)	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	2,570,738.23	2,747,990.59			(24,738.86)		2,545,999.37	2,703,851.28	(19,400.45)	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	1,684,668.12	1,800,826.02			(13,922.17)		1,670,745.95	1,774,332.21	(12,571.64)	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	168,320.29	179,996.66			(1,177.23)		167,143.06	176,828.99	(1,990.44)	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	1,749,912.48	1,870,568.91			(14,505.31)		1,735,407.17	1,843,002.43	(13,061.17)	0.00
FNMA	1998 A/B RMRB	5.35	10/02/99	10/01/29	229,530.72	245,453.31			(4,179.17)		225,351.55	238,410.72	(2,963.42)	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	188,407.95	201,477.80			(2,028.48)		186,379.47	197,160.15	(2,269.17)	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	356,522.75	381,254.69			(6,570.14)		349,952.61	370,232.33	(4,452.22)	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	2,222,618.35	2,375,867.90			(136,709.29)		2,085,909.06	2,215,235.44	(23,923.17)	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	2,514,331.91	2,687,695.12			(149,751.52)		2,364,580.39	2,511,184.35	(28,759.25)	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	3,717,037.98	3,973,327.68			(34,469.98)		3,682,568.00	3,910,887.11	(27,970.59)	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	1,916,175.34	2,046,877.59			(15,872.20)		1,900,303.14	2,016,696.62	(14,308.77)	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	2,212,973.00	2,363,919.83			(52,702.27)		2,160,270.73	2,292,587.28	(18,630.30)	0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,280,847.59	1,388,214.16			(11,378.28)		1,269,469.31	1,347,224.24	(9,611.84)	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	357,464.12	382,261.35			(3,865.08)		353,599.04	374,068.89	(4,307.38)	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	227,093.45	242,606.20			(4,403.62)		222,689.83	235,233.94	(2,968.64)	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	285,010.48	304,479.53			(2,356.47)		282,654.01	298,575.91	(3,547.15)	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	1,581,874.74	1,689,774.44			(56,709.43)		1,525,165.31	1,618,581.74	(14,483.27)	0.00
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,345,454.07	1,437,227.42			(108,013.62)		1,237,440.45	1,313,233.64	(15,980.16)	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,063,619.28	1,138,168.76			(8,526.70)		1,055,092.58	1,119,717.01	(7,925.05)	0.00
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	289,335.50	309,099.99			(4,158.68)		285,176.84	301,240.84	(3,700.49)	0.00
FNMA	1998 A/B RMRB	5.35	08/21/00	06/01/30	90,242.56	96,407.02			(2,115.63)		88,126.93	93,091.11	(1,200.28)	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,489,512.50	1,591,112.12			(11,222.48)		1,478,290.02	1,568,835.25	(11,054.39)	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	403,091.72	430,566.60			(5,162.25)		397,929.47	422,302.65	(3,121.70)	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	362,949.82	387,742.91			(3,622.59)		359,327.23	379,568.12	(4,552.20)	0.00
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	179,884.98	192,172.91			(2,449.82)		177,435.16	167,430.07	(2,293.02)	0.00
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	270,258.75	288,693.09			(6,422.80)		263,836.15	279,996.11	(2,274.38)	0.00
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	179,237.08	191,482.83			(2,153.99)		177,083.09	187,929.42	(1,379.42)	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	56,919.08	60,801.48			(359.15)		56,559.93	60,024.17	(418.16)	0.00
GNMA	1998 A/B RMRB	5.35	11/16/01	11/20/30	277,919.19	296,876.04			(4,603.20)		273,315.99	290,056.57	(2,216.27)	0.00
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	543,495.39	580,567.17			(4,632.69)		538,862.50	571,867.79	(4,068.49)	0.00
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	125,782.00	134,361.58			(800.10)		124,981.90	132,637.03	(924.45)	0.00
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	276,276.78	295,121.61			(1,727.19)		274,549.59	291,365.75	(2,026.67)	0.00
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	327,161.60	349,509.96			(3,975.15)		323,186.45	341,391.49	(4,143.32)	0.00
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	362,760.20	387,561.66			(3,149.67)		359,610.53	379,888.26	(4,523.53)	0.00
Repo Agmt	1998 A/B RMRB	0.11	02/26/10	03/01/10	1,374,210.66	1,374,210.66		(277,548.23)			1,096,662.43	1,096,662.43	-	0.00
GNMA	1998 A/B RMRB	5.49	01/12/06	01/20/36	26,068.22	28,123.39			(102.10)		25,966.12	27,784.74	(236.55)	0.00
GNMA	1998 A/B RMRB	5.49	03/09/06	03/20/36	16,686.56	18,002.99			(103.14)		16,583.42	17,745.76	(154.09)	0.00
GNMA	1998 A/B RMRB	5.49	03/02/06	03/20/36	18,282.98	19,725.23			(71.36)		18,211.62	19,497.97	(165.90)	0.00
GNMA	1998 A/B RMRB	5.49	02/23/06	02/20/36	33,668.73	36,322.30			(498.74)		33,169.99	35,492.32	(331.24)	0.00
GNMA	1998 A/B RMRB	5.49	03/16/06	03/20/36	18,326.87	19,772.80			(65.08)		18,241.79	19,520.47	(187.25)	0.00
GNMA	1998 A/B RMRB	5.49	03/30/06	03/20/36	29,252.97	31,505.87			(119.65)		29,133.32	31,120.62	(285.60)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	1998 A/B RMRB	5.49	04/06/06	04/20/36	35,419.25	38,214.58			(7,354.61)		28,064.64	30,032.53	(2,427.44)	0.00
FNMA	1998 A/B RMRB	5.49	04/27/06	03/01/36	16,369.60	17,513.97			(63.91)		16,305.69	17,261.37	(188.69)	0.00
GNMA	1998 A/B RMRB	5.75	10/29/09	09/20/39	3,640.81	3,640.81	3.76				3,644.57	3,921.77	277.20	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	11/20/39	23,234.32	23,234.32			(79.28)		23,155.04	24,916.75	1,761.71	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	09/20/39	2,284.40	2,284.40			(6.39)		2,278.01	2,451.32	173.31	0.00
GNMA	1998 A/B RMRB	5.75	12/17/09	11/20/39			30,828.38				30,628.38	33,174.66	2,346.28	0.00
GNMA	1998 A/B RMRB	5.75	12/17/09	10/20/39			2,275.63				2,275.63	2,448.83	173.20	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	12/20/39			41,826.60				41,826.60	45,010.44	3,183.84	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	12/20/39			11,990.95				11,990.95	12,903.71	912.76	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	11/20/39			4,542.39				4,542.39	4,688.18	345.77	0.00
GNMA	1998 A/B RMRB	5.75	01/20/10	12/20/39			26,912.88				26,912.88	28,962.13	2,049.25	0.00
GNMA	1998 A/B RMRB	5.75	01/27/10	12/20/39			3,495.20				3,495.20	3,781.37	286.17	0.00
GNMA	1998 A/B RMRB	5.75	01/20/10	12/20/39			4,056.16				4,056.16	4,365.02	308.88	0.00
GNMA	1998 A/B RMRB	5.75	01/27/10	01/20/40			51,749.11				51,749.11	55,689.88	3,940.77	0.00
GNMA	1998 A/B RMRB	5.75	01/27/10	12/20/39			5,406.32				5,406.32	5,620.18	411.86	0.00
GNMA	1998 A/B RMRB	5.75	02/17/10	01/20/40			34,504.46				34,504.46	37,132.78	2,628.32	0.00
GNMA	1998 A/B RMRB	5.75	02/17/10	12/20/39			22,514.16				22,514.16	24,229.14	1,714.98	0.00
GNMA	1998 A/B RMRB	5.75	02/17/10	12/20/39			3,062.84				3,062.84	3,296.15	233.31	0.00
GNMA	1998 A/B RMRB	5.75	02/23/10	02/20/40			34,636.16				34,636.16	37,489.98	2,853.82	0.00
GNMA	1998 A/B RMRB	5.75	02/23/10	01/20/40			8,140.60				8,140.60	6,760.97	(620.17)	0.00
<b>1998 A/B RMRB Total</b>					<b>49,328,098.42</b>	<b>52,098,975.56</b>	<b>671,173.00</b>	<b>(3,318,467.95)</b>	<b>(922,226.85)</b>	<b>0.00</b>	<b>45,758,576.62</b>	<b>48,197,611.13</b>	<b>(331,842.65)</b>	<b>0.00</b>
Repo Agmt	2000 BCDE RMRB	0.11	02/26/10	03/01/10	198,796.70	198,796.70	48.17				198,844.87	198,844.87	-	0.00
Repo Agmt	2000 BCDE RMRB	0.11	02/26/10	03/01/10	558,806.54	558,806.54		(327,422.84)			231,383.70	231,383.70	-	0.00
Repo Agmt	2000 BCDE RMRB	0.11	02/26/10	03/01/10	4,825,362.49	4,625,362.49		(326,632.89)			4,298,729.60	4,298,729.60	-	0.00
Repo Agmt	2000 BCDE RMRB	0.11	02/28/10	03/01/10	1,228.19	1,228.19	0.00				1,228.19	1,228.19	-	0.00
Repo Agmt	2000 BCDE RMRB	0.11	02/26/10	03/01/10	2,106.64	2,106.64	0.58				2,107.22	2,107.22	-	0.00
GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	844,624.55	700,353.34			(3,842.20)		640,782.35	699,944.96	3,433.82	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	171,546.09	186,376.08			(1,180.94)		170,365.15	186,094.31	899.17	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	111,015.78	120,612.55			(614.11)		110,401.67	120,594.18	595.74	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	107,486.36	116,781.37			(590.71)		106,897.65	116,767.88	577.20	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,112,492.46	1,206,674.06			(45,759.11)		1,066,733.35	1,165,228.19	2,313.24	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	89,981.06	97,760.45			(536.22)		89,442.84	97,701.37	479.14	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	221,838.79	241,019.49			(1,211.05)		220,627.74	241,000.39	1,191.95	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	646,126.13	701,991.76			(4,051.10)		642,075.03	701,364.00	3,423.34	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	25,572.63	27,783.84			(142.71)		25,429.92	27,778.22	137.09	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	238,335.01	258,943.37			(1,883.35)		236,451.66	258,286.59	1,226.57	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	03/20/31	172,054.42	186,932.56			(69,920.12)		102,134.30	111,566.46	(5,445.96)	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	04/20/31	490,256.32	532,652.59			(56,323.62)		433,932.70	474,008.59	(2,320.38)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	326,997.01	355,276.34			(2,482.95)		324,514.06	354,485.92	1,692.53	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	510,153.99	554,273.21			(75,917.03)		434,236.96	474,342.85	(4,013.33)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	91,241.05	99,131.77			(490.65)		90,750.40	99,132.06	490.94	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	156,419.56	172,121.21			(1,052.12)		157,367.44	171,903.00	833.91	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	377,121.90	409,739.10			(85,655.40)		291,456.50	316,377.52	(5,696.18)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	104,560.88	113,604.32			(639.30)		103,921.58	113,520.50	556.46	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,050,796.20	1,141,679.27			(142,185.49)		908,630.71	992,558.26	(8,955.52)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	109,065.77	118,499.31			(609.93)		108,455.84	118,474.06	584.68	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	44,595.72	48,453.08			(252.73)		44,342.99	48,439.11	238.76	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	234,297.67	254,563.50			(1,564.86)		232,733.01	254,231.37	1,232.53	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	45,379.07	49,304.18			(268.24)		45,110.83	49,277.67	241.93	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	125,149.24	135,974.94			(743.45)		124,405.79	135,898.37	666.68	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,011,640.19	1,099,149.91			(264,480.10)		747,160.09	816,182.92	(16,486.69)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	40,844.35	44,377.50			(234.72)		40,609.63	44,361.16	216.38	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	232,446.48	252,555.52			(1,509.66)		230,936.62	252,272.59	1,226.73	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	728,756.93	791,802.02			(4,476.81)		724,280.12	791,194.66	3,869.85	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	244,671.93	265,836.61			(1,761.40)		242,910.53	265,352.53	1,275.32	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	205,344.63	223,111.15			(1,831.98)		203,512.65	222,316.59	1,037.42	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	385,665.52	419,056.37			(71,646.93)		314,038.59	343,056.09	(4,353.35)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	124,189.49	134,934.39			(3,120.09)		121,069.40	132,255.81	441.51	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	136,474.76	148,283.78			(841.50)		135,633.26	148,166.49	724.23	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	6.10	09/08/01	08/20/31	790,295.50	858,681.54			(84,052.52)		706,242.98	771,506.76	(3,122.26)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	161,167.39	175,134.77			(1,465.06)		159,722.33	174,481.54	811.83	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	262,751.16	285,489.90			(83,927.26)		178,823.92	195,350.37	(8,212.27)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	725,107.99	787,859.52			(261,692.56)		443,415.43	484,394.76	(21,772.20)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	107,788.90	117,117.05			(891.36)		106,897.54	116,776.74	551.05	0.00
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	236,756.21	257,897.52			(1,537.53)		235,218.68	254,539.42	(1,820.57)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	217,854.16	236,715.77			(1,165.34)		216,688.82	236,723.19	1,172.76	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	226,565.13	248,202.66			(10,141.53)		216,443.60	236,455.30	394.17	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	141,296.15	153,530.06			(752.18)		140,543.97	153,536.85	760.97	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	246,037.05	267,331.20			(1,323.02)		244,714.03	267,332.03	1,323.85	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	487,955.31	530,189.22			(2,615.42)		485,139.89	529,981.60	2,607.80	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	167,641.25	182,150.36			(1,667.50)		165,973.75	181,314.08	831.22	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	54,570.08	59,293.69			(281.20)		54,288.88	59,307.24	294.75	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	647,184.43	703,205.06			(3,970.89)		643,213.54	702,671.09	3,436.92	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	188,942.35	203,124.19			(1,121.64)		185,820.71	202,997.67	995.12	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	89,771.85	97,543.14			(464.12)		89,307.73	97,563.68	484.66	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	185,728.63	212,673.79			(46,725.79)		149,002.84	162,776.53	(3,169.47)	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	95,634.92	104,175.64			(524.57)		95,110.35	102,923.59	(727.48)	0.00
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	124,125.17	134,875.07			(655.41)		123,469.76	134,888.64	668.98	0.00
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	276,157.79	300,827.74			(4,674.74)		271,483.05	293,792.54	(2,360.46)	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	297,654.88	322,653.59			(2,750.98)		294,903.90	321,541.20	1,638.59	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	251,655.11	274,360.37			(4,371.96)		247,483.15	267,826.60	(2,161.81)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	406,281.49	440,419.15			(2,236.32)		404,045.17	440,556.58	2,373.75	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	105,666.93	114,545.92			(539.79)		105,127.14	114,627.26	621.15	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	133,128.25	144,308.12			(721.01)		132,405.24	144,365.96	778.85	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	248,045.13	268,883.79			(98,915.91)		149,129.22	162,603.25	(7,384.63)	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	329,841.19	357,552.78			(1,820.59)		328,020.60	357,658.88	1,926.67	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	72,506.22	78,600.68			(355.99)		72,152.23	78,672.23	427.54	0.00
GNMA	2000 BCDE RMRB				42,353.34	45,911.61			(42,353.34)				(3,558.27)	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	799,406.60	866,614.83			(51,809.72)		747,596.88	815,189.32	384.21	0.00
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	412,416.86	447,072.78			(3,824.04)		408,792.82	445,735.96	2,287.22	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	420,671.59	456,023.91			(2,157.85)		418,513.74	456,338.13	2,472.07	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/02	06/20/32	430,244.68	466,402.92			(8,903.80)		421,340.88	459,422.16	1,923.06	0.00
GNMA	2000 BCDE RMRB	6.10	06/25/02	06/20/32	318,304.46	345,055.64			(2,542.52)		315,761.94	344,301.60	1,788.28	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	548,761.22	594,882.66			(40,220.93)		508,540.29	554,505.52	(156.21)	0.00
GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	575,555.69	623,934.79			(62,039.76)		513,515.93	559,935.99	(1,959.04)	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	83,684.32	90,718.71			(458.36)		83,225.96	90,749.49	489.14	0.00
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	185,515.13	201,109.45			(80,257.44)		125,257.69	136,580.95	(4,271.06)	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,049,199.56	1,137,402.82			(161,065.51)		888,134.05	968,427.98	(7,909.33)	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	889,965.68	964,785.51			(142,868.53)		747,097.15	814,642.76	(7,274.22)	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	433,480.16	469,936.63			(24,242.32)		409,237.84	446,252.14	555.83	0.00
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	644,570.04	698,764.27			(92,148.56)		552,421.48	602,370.57	(4,245.14)	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	221,047.10	239,633.81			(65,996.09)		155,051.01	189,071.38	(4,566.34)	0.00
GNMA	2000 BCDE RMRB	6.10	09/28/02	09/20/32	1,182,900.29	1,282,258.25			(6,768.17)		1,176,032.12	1,282,377.46	6,887.38	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	873,185.19	946,616.12			(62,608.97)		790,576.22	862,072.71	(1,934.44)	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	547,102.69	593,113.36			(83,440.92)		463,661.77	505,594.97	(4,077.47)	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	392,877.80	425,920.91			(45,359.66)		347,518.14	378,949.70	(1,611.55)	0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	469,248.68	511,190.13			(3,932.67)		465,316.01	503,575.79	(3,681.67)	0.00
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	215,098.72	233,189.39			(50,183.73)		184,914.99	179,830.64	(3,175.02)	0.00
GNMA	2000 BCDE RMRB	6.10	11/19/02	11/20/32	27,909.67	30,257.23			(378.23)		27,531.44	30,021.75	142.75	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	111,425.95	120,798.56			(1,151.49)		110,274.46	120,249.42	602.35	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	148,229.55	160,698.32			(98,040.73)		50,189.22	54,729.12	(7,928.47)	0.00
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	16,872.05	20,459.60			(956.04)		17,916.01	19,536.73	33.17	0.00
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	60,950.95	68,077.31			(311.29)		60,839.66	66,124.33	358.31	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	72,635.99	78,746.17			(909.65)		71,726.34	78,214.78	378.26	0.00
GNMA	2000 BCDE RMRB				32,823.31	35,584.67			(32,823.31)				(2,761.36)	0.00
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	110,635.72	119,943.90			(1,128.75)		109,506.97	119,414.53	599.38	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	11,843.26	12,779.41			(815.11)		11,028.15	11,967.81	3.51	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	315,252.41	340,171.44			(1,616.28)		313,836.13	340,359.49	1,804.33	0.00
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	160,502.08	173,190.48			(1,292.01)		159,210.07	172,777.11	878.64	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	285,686.21	311,406.65			(4,310.50)		281,375.71	304,680.39	(2,435.76)	0.00
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	242,001.73	261,133.83			(1,292.45)		240,709.28	261,222.05	1,380.67	0.00
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	98,252.46	106,020.39			(448.86)		97,803.60	106,138.44	566.91	0.00
GNMA	2000 BCDE RMRB	6.10	03/24/03	03/20/33	181,147.84	195,471.72			(880.13)		180,267.71	195,654.22	1,042.63	0.00
GNMA	2000 BCDE RMRB	6.10	04/02/03	03/20/33	142,406.87	153,687.85			(651.21)		141,755.66	153,838.42	821.78	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	138,466.19	149,416.75			(723.85)		137,742.34	149,484.22	791.32	0.00
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	25,828.35	27,871.04			(121.29)		25,707.06	27,898.52	148.77	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/03	04/20/33	256,671.69	276,971.63			(1,189.07)		255,482.62	277,262.43	1,479.87	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	76,161.11	84,343.05			(424.55)		77,738.56	84,363.82	445.32	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	68,741.01	74,178.04			(308.04)		66,432.97	74,267.23	397.23	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	139,790.42	150,847.83			(44,910.90)		94,879.52	102,968.99	(2,967.94)	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	58,601.34	63,236.70			(264.75)		58,336.59	63,310.40	338.45	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	95,308.30	102,847.90			(504.46)		94,803.84	102,887.58	544.14	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	182,511.34	196,950.55			(1,403.04)		181,108.30	196,877.83	1,030.32	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	57,601.19	62,158.25			(275.70)		57,325.49	62,213.90	331.35	0.00
GNMA	2000 BCDE RMRB	8.10	06/26/03	06/20/33	94,402.05	101,870.78			(417.26)		93,964.79	101,999.51	545.99	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	69,159.62	74,631.64			(307.17)		68,852.45	74,724.35	399.88	0.00
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	458,008.40	494,248.26			(2,121.89)		455,886.51	494,767.05	2,840.88	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	181,472.30	195,831.66			(943.42)		180,528.88	195,925.78	1,037.54	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	46,789.38	50,491.83			(206.22)		46,583.18	50,556.29	270.68	0.00
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	162,438.24	175,292.37			(868.36)		161,571.88	175,352.88	926.85	0.00
GNMA	2000 BCDE RMRB	6.10	08/07/03	06/20/33	162,529.83	175,392.09			(728.46)		161,801.37	175,802.81	939.18	0.00
GNMA	2000 BCDE RMRB	6.10	08/14/03	06/20/33	161,896.80	174,709.27			(713.22)		161,183.38	174,932.82	938.57	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	212,284.74	231,270.78			(1,323.19)		210,961.55	228,319.36	(1,628.23)	0.00
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	194,379.06	209,762.88			(47,618.92)		146,760.14	159,279.38	(2,864.56)	0.00
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	324,835.37	350,328.78			(1,570.17)		323,065.20	350,624.68	1,866.07	0.00
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	149,823.81	160,387.19			(885.46)		147,738.35	160,341.84	840.11	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	314,261.35	339,137.10			(1,554.74)		312,706.61	339,385.84	1,803.48	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	77,742.37	83,896.00			(343.47)		77,398.90	84,002.10	449.57	0.00
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	309,594.44	334,102.12			(1,396.55)		308,197.89	334,493.80	1,788.23	0.00
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	156,854.87	169,272.27			(1,687.74)		155,167.13	168,406.90	622.37	0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	84,651.56	91,353.18			(367.86)		84,283.70	91,475.46	490.14	0.00
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	168,804.94	179,072.96			(961.50)		168,843.44	178,743.97	(1,387.49)	0.00
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	166,665.93	179,881.29			(743.75)		166,922.18	180,080.90	983.36	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	101,488.86	109,062.80			(488.21)		100,982.65	107,750.28	(826.31)	0.00
GNMA	2000 BCDE RMRB	6.10	10/30/03	08/20/33	55,471.48	59,863.11			(264.85)		55,206.63	59,917.43	319.17	0.00
GNMA	2000 BCDE RMRB	5.40	11/13/03	11/20/33	367,583.99	395,096.53			(33,873.37)		333,710.82	356,077.79	(5,145.37)	0.00
GNMA	2000 BCDE RMRB	6.10	11/13/03	11/20/33	130,177.01	140,484.88			(598.82)		129,578.19	140,638.95	750.91	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	471,436.01	506,722.52			(50,938.94)		420,497.07	448,682.02	(7,101.56)	0.00
GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	45,243.53	48,826.07			(214.33)		45,029.20	48,872.19	260.45	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	253,875.30	272,878.45			(1,229.70)		252,645.60	289,580.68	(2,069.07)	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	345,091.03	370,922.65			(46,537.12)		298,553.91	318,566.95	(5,818.58)	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	307,258.49	330,259.82			(2,246.37)		305,010.12	325,457.54	(2,553.91)	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	733,643.79	788,566.80			(8,037.80)		725,805.99	774,251.80	(6,277.00)	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	771,089.53	828,817.34			(50,849.84)		720,239.89	768,527.55	(9,440.15)	0.00
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	123,217.56	132,287.44			(729.58)		122,487.98	130,603.93	(953.93)	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	982,688.51	1,055,025.40			(60,039.73)		922,648.78	963,784.91	(11,200.76)	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	231,773.95	248,400.82			(1,400.71)		230,373.24	245,204.16	(1,795.95)	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	46,315.96	49,725.58			(293.50)		46,022.48	49,072.22	(359.66)	0.00
GNMA	2000 BCDE RMRB	6.10	02/02/04	12/20/33	42,159.88	45,499.63			(214.45)		41,945.41	45,526.63	241.45	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	154,027.04	168,178.98			(937.67)		153,089.37	164,732.10	(509.21)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	854,751.74	706,440.20			(51,222.20)		603,529.54	649,459.12	(5,758.88)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	228,362.40	246,390.14			(1,568.03)		226,794.37	244,053.80	(768.31)	0.00
GNMA	2000 BCDE RMRB	5.75	04/08/04	04/20/34	155,524.38	167,795.49			(708.35)		154,816.03	166,591.12	(496.02)	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	198,517.65	214,181.81			(918.70)		197,598.95	212,628.65	(634.26)	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	62,970.58	67,939.37			(273.69)		62,696.89	67,465.85	(199.83)	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	189,016.90	203,932.06			(831.89)		188,185.01	202,499.53	(600.64)	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	126,675.01	136,671.49			(593.60)		126,081.41	135,672.60	(405.29)	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	232,755.42	251,123.92			(1,048.31)		231,707.11	249,334.14	(741.47)	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	373,269.46	402,727.77			(1,633.49)		371,635.97	399,908.82	(1,185.46)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	230,999.59	249,230.77			(5,044.75)		225,954.84	243,145.48	(1,040.54)	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	333,633.79	359,966.95			(1,819.78)		331,814.01	357,060.19	(1,066.96)	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	335,250.47	361,712.03			(1,464.41)		333,786.06	359,183.08	(1,064.54)	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	93,003.48	100,344.58			(437.09)		92,566.39	99,609.83	(297.66)	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	301,480.46	325,256.54					300,047.19	322,878.67	(964.60)	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	100,048.29	107,948.98			(556.30)		99,491.99	107,065.88	(328.80)	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	100,343.12	108,287.29			(428.32)		99,914.80	107,521.08	(317.89)	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	90,164.33	97,265.17			(384.09)		89,780.24	96,615.46	(285.60)	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	09/20/34	50,023.53	53,974.22			(220.37)		49,803.16	53,594.85	(159.00)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	220,795.94	238,234.77			(960.07)		219,835.87	236,573.64	(700.86)	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	135,536.25	146,241.82			(38,969.39)		96,566.86	103,919.80	(3,352.63)	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	400,226.39	431,823.03			(1,825.46)		396,400.93	428,720.76	(1,276.79)	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	438,495.22	473,113.94			(3,494.51)		435,000.71	468,106.81	(1,512.62)	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	316,469.03	341,476.55			(1,375.56)		315,113.67	339,096.70	(1,004.49)	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	394,880.44	426,059.28			(2,429.02)		392,451.42	422,322.67	(1,307.57)	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	322,246.87	347,691.42			(1,611.48)		320,635.39	345,041.10	(1,038.84)	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	229,201.46	246,952.45			(1,157.02)		228,044.44	245,059.78	(735.65)	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	72,924.25	78,682.73			(315.69)		72,608.56	78,135.87	(231.37)	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	13,115.75	14,152.05			(69.07)		13,046.68	14,040.43	(42.55)	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	179,782.51	193,988.80			(995.69)		178,786.82	192,406.11	(587.00)	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	55,472.64	59,854.39			(234.15)		55,238.49	59,444.69	(175.55)	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	50,372.19	54,351.37			(222.31)		50,149.88	53,968.88	(160.20)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	59,372.38	64,062.64			(257.05)		59,115.33	63,617.20	(188.39)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	58,070.47	62,658.49			(241.39)		57,829.08	62,233.59	(183.51)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	285,634.43	308,205.71			(61,808.89)		223,825.54	240,876.18	(5,520.64)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	50,130.73	53,952.05			(204.72)		49,926.01	53,607.33	(140.00)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	132,735.50	142,858.21			(561.78)		132,173.72	141,924.22	(372.21)	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	58,897.38	61,990.89			(275.69)		58,621.69	61,285.23	(429.97)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	60,453.08	65,348.71			(238.45)		60,214.83	64,937.48	(172.78)	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	118,330.39	127,918.86			(503.82)		117,826.57	127,074.01	(341.03)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	131,011.19	141,623.62			(573.02)		130,438.17	140,671.87	(376.73)	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	162,018.66	174,390.12			(770.81)		161,248.05	173,158.60	(460.71)	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	112,862.40	121,482.17			(1,021.22)		111,841.18	120,104.22	(356.73)	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	259,825.41	282,797.08			(1,904.11)		257,921.30	278,912.12	(1,980.85)	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	152,361.80	163,691.74			(503.82)		151,773.98	162,627.12	(476.80)	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	254,426.85	276,925.39			(1,328.70)		253,100.15	273,702.44	(1,896.25)	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	123,920.95	134,882.45			(639.82)		123,281.13	133,319.68	(922.97)	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	107,749.79	117,086.87			(595.66)		107,154.13	115,753.07	(738.14)	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	168,983.47	183,633.03			(761.75)		168,221.72	181,727.81	(1,143.67)	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	235,323.62	255,730.26			(43,203.42)		192,120.20	207,549.61	(4,977.23)	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	168,082.55	182,659.51			(2,915.88)		165,166.67	178,432.65	(1,310.98)	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	106,817.98	116,086.08			(1,215.68)		105,602.30	114,066.39	(782.01)	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	202,437.23	216,434.50			(1,146.69)		201,290.54	213,224.05	(2,063.76)	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	167,813.26	179,420.47			(992.61)		166,820.65	176,714.50	(1,713.36)	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	240,902.33	259,666.55			(1,271.60)		239,630.73	256,250.72	(2,144.23)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	219,924.09	237,057.39			(1,087.86)		218,836.23	234,017.05	(1,952.48)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	273,909.85	295,253.09			(1,593.79)		272,316.06	291,210.90	(2,448.40)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	163,858.80	176,413.87			(990.50)		162,868.30	173,957.79	(1,465.58)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	70,113.24	75,578.64			(319.63)		69,793.61	74,638.40	(620.61)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	43,090.68	46,450.69			(201.09)		42,889.59	45,867.64	(381.76)	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	221,718.30	238,666.82			(977.65)		220,740.65	235,333.36	(2,357.81)	0.00
FNMA	2000 BCDE RMRB				60,875.27	65,533.00			(60,875.27)				(4,657.73)	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	127,671.85	137,448.17			(688.56)		126,983.29	135,393.37	(1,366.24)	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	144,082.22	155,131.08			(557.83)		143,524.39	153,045.95	(1,527.50)	0.00
Repo Agmt	2000 BCDE RMRB	0.11	02/26/10	03/01/10	1,958.74	1,958.74	0.55				1,959.29	1,959.29	-	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	13,853.73	14,890.58			(79.95)		13,773.78	14,896.91	(113.72)	0.00
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	8,437.61	9,068.97			(40.43)		8,397.18	8,959.83	(68.71)	0.00
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	30,565.98	32,853.74			(2,616.70)		27,749.28	29,609.19	(427.85)	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	39,201.68	42,135.85			(4,235.77)		34,965.89	37,309.57	(590.51)	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	21,110.65	22,690.85			(102.25)		21,008.40	22,416.63	(171.97)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	28,695.56	30,843.59			(3,869.74)		24,825.82	26,490.02	(483.83)	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	25,549.69	27,462.32			(186.96)		25,382.73	27,063.00	(212.36)	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	61,005.17	65,572.24			(688.38)		60,336.61	64,361.91	(521.97)	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	64,116.97	68,919.23			(4,228.34)		59,890.63	63,905.91	(764.98)	0.00
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	10,245.97	11,000.19			(60.66)		10,185.31	10,860.20	(79.33)	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	81,714.18	87,729.27			(4,992.52)		76,721.66	81,805.36	(931.39)	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	19,272.89	20,855.44			(118.47)		19,156.42	20,389.63	(149.34)	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	3,851.36	4,134.86			(24.42)		3,826.94	4,060.53	(29.91)	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	5,961.18	6,431.47			(36.30)		5,924.88	6,375.47	(19.70)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	25,340.25	27,340.67			(1,982.40)		23,357.85	25,135.39	(222.88)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	8,838.08	9,535.80			(60.68)		8,777.39	9,445.38	(29.73)	0.00
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	6,019.11	6,494.02			(27.41)		5,991.70	6,447.41	(19.20)	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	7,683.02	8,269.26			(35.56)		7,647.46	8,229.16	(24.54)	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	2,437.08	2,629.39			(10.80)		2,426.48	2,611.08	(7.73)	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	7,315.40	7,892.58			(32.20)		7,283.20	7,837.14	(23.24)	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	4,902.55	5,289.46			(22.97)		4,879.58	5,250.80	(15.69)	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	9,008.14	9,719.00			(40.57)		8,987.57	9,849.74	(28.69)	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	14,446.30	15,586.38			(63.21)		14,383.09	15,477.28	(45.89)	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	8,940.17	9,645.73			(195.25)		8,744.92	9,410.22	(40.26)	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	13,931.45	14,912.26			(70.43)		12,841.85	13,818.95	(42.07)	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	12,974.90	13,998.98			(56.67)		12,918.23	13,901.11	(41.20)	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	3,599.45	3,883.54			(16.91)		3,582.54	3,855.10	(11.53)	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	11,667.15	12,589.09			(54.70)		11,612.45	12,496.08	(37.33)	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	06/20/34	3,872.09	4,177.84			(21.53)		3,850.56	4,143.66	(12.65)	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	3,883.50	4,190.16			(16.58)		3,866.92	4,161.28	(12.30)	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,489.55	3,765.13			(14.86)		3,474.69	3,739.22	(11.05)	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	1,936.04	2,088.91			(8.52)		1,927.52	2,074.22	(6.17)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	8,545.27	9,220.17			(37.16)		8,508.11	9,155.88	(27.19)	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,245.53	5,559.85			(1,508.21)		3,737.32	4,021.90	(129.74)	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	15,489.57	18,712.43			(70.65)		15,418.92	16,592.36	(49.42)	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	16,970.63	18,310.47			(135.24)		16,835.39	18,116.68	(58.55)	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	12,248.79	13,215.83			(53.23)		12,195.56	13,123.73	(38.87)	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	15,282.70	16,489.35			(94.01)		15,188.69	16,344.74	(50.60)	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	12,471.63	13,456.38			(62.37)		12,409.26	13,353.79	(40.20)	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	8,870.59	9,557.56			(44.78)		8,825.81	9,484.31	(28.47)	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,822.32	3,045.18			(12.22)		2,810.10	3,024.01	(8.95)	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	507.84	547.71			(2.66)		504.96	543.39	(1.64)	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	6,957.94	7,507.76			(38.53)		6,919.41	7,448.50	(22.73)	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,146.92	2,316.48			(9.06)		2,137.86	2,300.62	(6.80)	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	1,949.52	2,103.50			(8.61)		1,940.91	2,088.70	(6.19)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,297.80	2,479.35			(9.95)		2,287.65	2,462.11	(7.29)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,247.46	2,425.01			(9.34)		2,238.12	2,408.66	(7.11)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,054.60	11,928.18			(2,392.13)		8,662.47	9,322.39	(213.66)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	1,940.15	2,068.05			(7.93)		1,932.22	2,074.71	(5.41)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,137.13	5,528.90			(21.74)		5,115.39	5,492.75	(14.41)	0.00
GNMA	2000 BCDE RMRB	5.75	06/08/05	08/20/35	2,339.68	2,529.12			(9.23)		2,330.46	2,513.21	(6.66)	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,599.56	4,950.71			(19.77)		4,579.79	4,918.02	(12.92)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	5,070.40	5,481.12			(22.18)		5,048.22	5,444.29	(14.65)	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	6,270.44	6,749.25			(29.83)		6,240.61	6,701.59	(17.83)	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	4,387.97	4,701.80			(39.52)		4,328.45	4,646.27	(13.81)	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	5,696.71	6,335.20			(22.75)		5,673.96	6,293.99	(18.46)	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	16,833.40	17,997.33			(95.35)		16,738.05	17,730.37	(171.61)	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	13,954.26	14,919.47			(62.54)		13,871.72	14,694.46	(142.47)	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	9,323.40	10,049.62			(49.21)		9,274.19	9,917.42	(82.99)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	8,511.51	9,174.60			(42.11)		8,469.40	9,056.93	(75.56)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	10,800.87	11,426.89			(61.68)		10,539.19	11,270.45	(94.76)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	8,333.92	8,827.57			(38.32)		8,295.60	8,732.51	(56.74)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	09/01/34	2,713.54	2,925.05			(12.38)		2,701.18	2,888.66	(24.03)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,867.70	1,797.73			(7.79)		1,659.91	1,775.17	(14.77)	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	8,580.95	9,236.97			(37.83)		8,543.12	9,107.88	(91.26)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2000 BCDE RMRB				2,356.05	2,536.25			(2,356.05)				(180.20)	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	4,941.15	5,319.52			(26.65)		4,914.50	5,239.99	(52.88)	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	5,576.66	6,003.88			(21.58)		5,555.08	5,923.19	(59.11)	0.00
	<b>2000 BCDE RMRB Total</b>				<b>57,749,537.74</b>	<b>62,062,353.83</b>	<b>49.30</b>	<b>(654,055.73)</b>	<b>(3,389,040.23)</b>	<b>0.00</b>	<b>53,706,491.08</b>	<b>57,818,809.71</b>	<b>(200,497.46)</b>	<b>0.00</b>
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	5,032.58	5,032.58	1.29				5,033.87	5,033.87	-	0.00
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	32.10	32.10	0.00				32.10	32.10	-	0.00
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	368.15	368.15	0.00				368.15	368.15	-	0.00
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	3,876,915.00	3,876,915.00		(1,270,016.42)			2,606,898.58	2,606,898.58	-	0.00
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	406,750.63	406,750.63	263,212.20				669,962.83	669,962.83	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	113,515.84	123,053.63			(22,198.89)		91,316.95	99,279.84	(1,574.90)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	30,839.56	33,105.54			(1,426.39)		29,413.17	31,667.29	(11.88)	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	35,215.90	38,174.70			(1,278.05)		33,937.85	36,897.15	0.50	0.00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	89,694.27	95,810.33			(5,340.49)		84,353.78	90,373.05	(98.79)	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	17,803.02	18,995.30			(985.99)		16,616.03	17,964.23	(24.08)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	60,878.20	65,029.12			(15,308.21)		45,589.99	48,821.57	(899.34)	0.00
GNMA	2001 A-E RMRB	6.19	01/01/90	11/20/14	28,106.35	30,329.29			(1,201.85)		26,904.50	29,119.80	(7.84)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	56,828.63	60,704.77			(2,905.89)		53,923.14	57,771.86	(27.22)	0.00
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	95,048.45	102,588.63			(4,513.81)		97,991.92	102,588.63	(62.90)	0.00
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	143,542.77	154,070.85			(6,401.05)		137,141.72	147,633.72	(36.06)	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	01/20/15	142,081.84	154,000.30			(6,913.89)		135,167.75	146,936.19	(150.22)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	51,875.41	55,680.52			(2,206.66)		49,668.75	53,468.96	(4.90)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	46,124.53	49,773.83			(2,057.19)		44,067.34	47,697.05	(19.59)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	78,324.22	81,922.68			(3,548.00)		72,776.22	78,344.42	(30.26)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	74,810.98	81,087.37			(9,432.50)		65,376.48	71,071.40	(583.47)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	33,877.36	36,362.48			(1,930.93)		31,946.43	34,390.82	(40.73)	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	62,686.31	67,945.85			(4,069.18)		58,617.15	63,721.60	(155.09)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	29,066.72	31,201.72			(1,066.47)		28,002.25	30,145.49	10.24	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	129,935.71	140,840.23			(5,619.55)		124,316.16	135,144.35	(76.33)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	123,552.63	132,621.32			(5,335.07)		118,216.58	127,267.19	(18.06)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	114,026.62	123,600.75			(5,976.26)		108,052.36	117,466.38	(158.11)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	112,465.50	120,720.42			(14,424.31)		98,041.19	105,547.23	(748.88)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	280,863.98	304,440.99			(14,753.99)		266,109.99	289,294.66	(392.34)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	34,706.11	37,254.36			(1,855.21)		32,850.90	35,366.75	(32.40)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	24,839.64	28,925.01			(981.42)		23,858.22	25,937.02	(6.57)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	72,831.30	77,964.26			(14,900.51)		57,930.79	62,152.15	(911.60)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	262,241.36	284,262.15			(10,642.98)		251,598.38	273,525.48	(93.89)	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	41,491.68	44,539.25			(1,857.90)		39,633.76	42,670.11	(11.24)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	39,196.51	42,488.98			(1,548.15)		37,650.36	40,932.62	(10.19)	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	33,635.80	36,108.41			(1,414.45)		32,221.35	34,689.85	(2.11)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	160,719.80	174,219.61			(6,432.61)		154,287.19	167,737.36	(49.64)	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	59,979.88	63,466.56			(2,528.37)		57,451.51	61,025.53	86.94	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	37,449.24	40,200.90			(1,607.55)		35,841.69	38,588.47	(4.88)	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	20,548.87	22,058.93			(799.26)		19,749.59	21,263.33	3.68	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	53,388.30	57,875.64			(2,221.80)		51,166.50	55,829.80	(24.04)	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	42,123.21	45,219.41			(1,650.67)		40,472.54	43,575.33	6.59	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	06/20/15	72,419.21	78,507.45			(5,384.64)		67,034.57	72,883.32	(239.49)	0.00
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	54,099.21	57,247.23			(2,454.25)		51,644.96	54,860.52	67.54	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	06/20/15	68,738.32	74,517.35			(2,947.17)		65,791.15	71,531.62	(38.58)	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	06/20/15	99,731.02	105,536.62			(4,936.37)		94,794.65	100,699.02	98.77	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	06/20/15	115,329.77	123,809.58			(5,136.73)		110,193.04	118,843.45	(29.40)	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	06/20/15	216,590.10	234,799.45			(9,165.10)		207,425.00	225,523.44	(110.91)	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	6,407.67	6,678.63			(227.59)		6,180.08	6,654.04	2.80	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	51,037.93	55,330.28			(1,964.32)		49,073.61	53,356.77	(9.19)	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	61,393.25	64,968.71			(2,832.11)		58,561.14	62,210.15	73.55	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	16,010.75	17,188.35			(688.43)		15,324.32	16,499.86	(2.06)	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	161,605.29	175,166.36			(6,033.54)		155,566.75	169,144.54	(13.28)	0.00
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	88,195.88	94,392.56			(3,570.52)		85,625.36	90,962.80	140.76	0.00
GNMA	2001 A-E RMRB	8.19	11/28/90	10/20/15	306,359.38	332,131.66			(11,815.47)		294,743.91	320,476.42	(39.77)	0.00
GNMA	2001 A-E RMRB	7.19	12/21/90	10/20/15	37,502.51	40,261.99			(1,280.85)		38,221.66	39,001.38	20.24	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	76,417.19	82,847.60			(2,696.63)		73,520.56	79,940.97	(10.00)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	14,865.57	16,116.43			(512.80)		14,352.77	15,606.13	2.50	0.00
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	87,309.48	92,398.93			(3,327.19)		83,982.29	89,219.91	148.17	0.00
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	27,654.61	29,981.97			(1,279.69)		26,374.92	28,678.45	(23.83)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	32,302.64	35,004.26			(1,117.78)		31,184.86	33,891.63	5.15	0.00
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	42,096.31	45,621.19			(3,716.18)		38,380.13	41,715.13	(189.88)	0.00
GNMA	2001 A-E RMRB	8.75	04/29/91	02/20/20	106,165.76	122,354.98			(1,679.76)		106,486.02	120,716.61	41.39	0.00
GNMA	2001 A-E RMRB	6.18	04/29/91	04/20/16	67,651.27	73,319.16			(2,167.46)		65,483.81	71,155.28	23.58	0.00
GNMA	2001 A-E RMRB	7.19	04/29/91	02/20/16	145,082.56	156,278.85			(5,334.82)		139,747.74	150,959.92	15.99	0.00
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/18	218,858.82	231,941.56			(25,136.24)		193,722.56	206,045.40	(759.92)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/91	04/20/16	31,930.98	34,396.38			(1,420.07)		30,510.91	32,960.03	(16.28)	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	179,715.27	180,792.76			(5,454.09)		174,261.18	185,660.08	321.41	0.00
GNMA	2001 A-E RMRB	6.19	11/23/92	01/20/17	12,596.01	13,913.92			(425.55)		12,160.46	13,479.56	(8.81)	0.00
GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	182,301.37	198,144.83			(5,007.34)		177,294.03	193,214.70	77.21	0.00
GNMA	2001 A-E RMRB	6.00	10/30/92	09/20/17	252,887.78	272,434.70			(24,944.01)		227,943.77	245,269.27	(2,221.42)	0.00
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	429,769.37	464,270.58			(3,030.28)		426,739.09	457,581.60	(3,658.70)	0.00
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	838,973.88	893,621.84			(89,975.78)		748,950.85	789,950.85	(13,695.21)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	213,622.74	230,790.63			(1,169.74)		212,453.00	227,826.37	(1,794.52)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	899,841.89	958,311.95			(5,670.50)		893,971.39	942,920.06	(9,721.59)	0.00
GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	701,039.61	746,762.43			(4,143.21)		696,896.40	735,058.90	(7,560.32)	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	314,782.83	340,082.60			(67,965.63)		246,817.20	264,678.84	(7,438.13)	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	699,515.44	755,689.01			(4,132.97)		695,382.47	745,658.51	(5,697.53)	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	92,728.35	100,174.76			(737.55)		91,990.80	98,641.72	(795.49)	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	457,062.83	486,642.20			(4,713.47)		452,349.36	477,089.99	(5,038.74)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,223,533.65	1,321,830.29			(7,736.52)		1,215,797.13	1,303,740.98	(10,352.79)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	145,965.43	157,690.94			(56,221.75)		89,743.68	96,234.46	(5,234.73)	0.00
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	900,828.93	959,552.32			(88,997.06)		811,831.87	856,281.55	(14,293.71)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	58,711.24	63,428.52			(337.93)		58,373.31	62,596.15	(494.44)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	1,450,143.18	1,544,687.79			(79,503.82)		1,370,639.36	1,445,661.50	(19,522.47)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	597,741.89	645,768.71			(3,492.67)		594,249.22	637,238.35	(5,037.69)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	74,972.52	79,860.49			(472.78)		74,499.74	78,577.50	(810.21)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	178,139.11	192,455.38			(976.44)		177,162.67	189,982.40	(1,496.52)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	303,420.45	323,205.74			(52,067.28)		251,353.17	265,113.96	(6,024.50)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	49,660.29	53,650.89			(279.92)		49,380.37	52,953.22	(417.75)	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	135,221.78	148,102.32			(4,164.22)		131,057.56	140,553.92	(1,384.18)	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	319,102.86	339,944.30			(1,823.66)		317,279.20	334,882.26	(3,438.39)	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	92,288.02	99,706.11			(493.15)		91,794.86	98,438.46	(774.49)	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	605,043.40	644,509.68			(3,759.72)		601,283.68	634,214.13	(6,535.83)	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	274,448.50	292,349.52			(1,782.58)		272,663.92	287,598.34	(2,968.80)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	92,368.32	99,794.57			(557.69)		91,810.63	98,457.15	(779.73)	0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	172,389.36	183,637.28			(1,001.72)		171,387.64	180,777.31	(1,858.25)	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	87,968.62	95,040.85			(470.22)		87,498.40	93,832.46	(738.17)	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	180,010.58	191,756.53			(1,052.34)		178,958.24	188,783.43	(1,940.76)	0.00
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	227,865.18	246,187.65			(83,503.59)		144,361.59	154,814.17	(7,870.09)	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	08/20/32	699,489.04	745,136.96			(4,867.58)		694,621.48	732,585.20	(7,584.20)	0.00
GNMA	2001 A-E RMRB	5.45	07/15/02	08/20/32	111,283.25	120,232.40			(753.18)		110,530.07	116,533.78	(945.44)	0.00
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	272,432.94	290,213.68			(1,815.42)		270,616.52	285,447.45	(2,949.81)	0.00
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	100,685.44	108,782.76			(530.30)		100,155.14	107,408.13	(844.35)	0.00
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	320,955.13	341,906.50			(96,846.53)		224,308.60	238,604.48	(8,655.49)	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	161,949.25	174,974.43			(959.01)		160,990.24	172,649.62	(1,365.80)	0.00
GNMA	2001 A-E RMRB	4.95	07/29/02	07/20/32	259,723.90	276,679.67			(1,474.39)		258,249.51	272,407.09	(2,798.19)	0.00
GNMA	2001 A-E RMRB	5.45	08/01/02	07/20/32	60,120.72	64,956.68			(316.39)		59,804.33	64,136.06	(504.23)	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	52,475.80	55,901.33			(311.11)		52,164.69	55,024.20	(566.02)	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	154,792.37	167,244.63			(828.80)		153,963.57	165,118.71	(1,299.12)	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	224,328.46	238,975.62			(1,366.40)		222,960.06	235,185.36	(2,421.86)	0.00
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	807,054.29	871,990.11			(4,370.09)		802,684.20	860,842.98	(6,777.04)	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	790,136.03	841,738.51			(107,945.28)		682,190.75	719,606.65	(14,186.58)	0.00
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	326,412.78	352,700.20			(118,176.57)		208,238.21	223,339.33	(11,184.30)	0.00
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	221,128.47	238,923.87			(1,267.31)		219,861.16	235,794.32	(1,852.24)	0.00
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	408,335.45	435,009.32			(2,327.43)		406,008.02	428,281.85	(4,400.04)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	403,396.64	429,752.64			(67,882.04)		335,514.60	353,925.38	(7,945.22)	0.00
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	563,063.88	608,386.51			(86,181.18)		476,882.70	511,450.81	(10,754.52)	0.00
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	360,297.48	383,839.51			(2,062.11)		358,235.37	377,894.81	(3,882.59)	0.00
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	452,364.19	488,780.72			(2,376.57)		449,987.62	482,610.58	(3,793.57)	0.00
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	310,933.86	331,253.48			(1,792.84)		309,141.02	328,109.20	(3,351.42)	0.00
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	143,620.92	155,184.98			(44,475.05)		99,145.87	106,335.20	(4,374.73)	0.00
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	289,477.50	308,399.27			(2,640.75)		286,836.75	302,584.96	(3,173.56)	0.00
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	46,279.93	52,167.96			(248.13)		48,031.80	51,515.34	(404.49)	0.00
GNMA	2001 A-E RMRB	4.95	10/28/02	11/20/32	295,604.69	314,930.77			(1,672.72)		293,931.97	310,073.48	(3,164.57)	0.00
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	401,029.76	433,324.22			(2,226.21)		398,803.55	427,726.15	(3,371.86)	0.00
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	243,980.66	259,931.14			(1,344.85)		242,635.81	255,959.83	(2,626.46)	0.00
GNMA	2001 A-E RMRB				104,274.04	112,672.93			(104,274.04)				(8,398.89)	0.00
GNMA	2001 A-E RMRB				69,581.51	74,131.67			(69,581.51)				(4,550.16)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	182,635.24	197,346.66			(937.43)		181,697.81	194,879.32	(1,530.11)	0.00
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	74,815.25	79,708.08			(416.52)		74,398.73	78,485.89	(805.65)	0.00
GNMA	2001 A-E RMRB	5.45	11/28/02	11/20/32	162,827.38	175,943.40			(2,077.04)		160,750.34	172,412.14	(1,454.22)	0.00
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	72,058.05	76,771.39			(404.76)		71,653.29	75,590.46	(776.15)	0.00
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	290,050.11	313,417.64			(1,574.57)		288,475.54	309,408.76	(2,436.31)	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	300,662.08	324,888.12			(1,663.34)		298,998.74	320,697.04	(2,527.74)	0.00
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	62,029.18	66,086.66			(335.66)		61,693.52	65,083.77	(667.43)	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	325,130.38	351,330.81			(110,309.57)		214,820.81	230,411.95	(10,609.29)	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	41,298.48	44,626.49			(212.43)		41,086.05	44,067.97	(346.09)	0.00
GNMA	2001 A-E RMRB				54,612.04	58,185.34			(54,612.04)				(3,573.30)	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	96,716.09	104,510.53			(841.21)		95,874.88	102,833.96	(835.36)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	361,373.03	390,393.47			(2,055.94)		359,317.09	385,268.49	(3,049.04)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	351,761.78	374,428.14			(2,100.05)		349,661.73	368,770.29	(3,557.80)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	68,267.69	95,377.73			(445.46)		87,842.23	94,191.46	(740.81)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	42,346.01	45,074.65			(918.43)		41,427.58	43,691.54	(464.66)	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	189,400.77	204,667.84			(1,523.28)		187,877.49	201,517.42	(1,627.14)	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	88,938.48	73,361.02			(510.27)		88,428.21	72,168.08	(702.67)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	223,730.23	241,700.53			(1,335.70)		222,394.53	238,472.54	(1,892.29)	0.00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	152,935.77	162,793.72			(832.25)		152,103.52	160,419.01	(1,542.46)	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	170,880.67	164,608.26			(887.67)		169,993.00	182,284.85	(1,435.74)	0.00
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	132,377.24	140,911.59			(798.65)		131,576.59	138,773.53	(1,339.41)	0.00
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	153,111.20	162,983.74			(827.86)		152,283.32	160,611.71	(1,544.15)	0.00
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	251,906.99	272,148.99			(1,834.57)		250,072.42	268,159.78	(2,154.64)	0.00
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	97,565.28	103,856.75			(608.00)		96,957.26	102,260.48	(988.27)	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	108,217.76	116,915.39			(552.33)		107,665.45	115,454.48	(906.58)	0.00
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	117,253.41	126,677.87			(632.90)		116,620.51	125,058.02	(986.95)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	46,634.28	50,382.85			(763.27)		45,871.01	49,190.04	(429.54)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	211,420.61	226,418.53			(1,194.46)		210,226.15	225,440.35	(1,783.72)	0.00
GNMA	2001 A-E RMRB	5.45	05/08/03	04/20/33	196,183.72	211,957.90			(48,889.16)		147,294.56	157,955.48	(5,113.26)	0.00
GNMA	2001 A-E RMRB				140,487.58	149,533.29			(140,487.58)				(9,065.73)	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	145,290.98	158,974.71			(51,044.47)		94,246.51	101,068.82	(4,861.42)	0.00
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	272,348.12	294,252.24			(1,346.67)		271,001.25	290,621.70	(2,283.67)	0.00
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	95,976.60	103,696.86			(469.28)		95,507.54	102,423.10	(804.50)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	108,048.33	116,738.63			(597.56)		107,448.77	115,230.48	(910.59)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	198,291.43	214,243.92			(56,123.30)		142,168.13	152,464.30	(5,656.32)	0.00
GNMA	2001 A-E RMRB	5.45	06/26/03	08/20/33	97,609.39	105,482.58			(590.39)		97,019.00	104,045.89	(826.30)	0.00
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	47,616.13	51,447.62			(229.18)		47,386.95	50,819.55	(398.89)	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	50,970.27	55,072.20			(243.78)		50,726.49	54,401.60	(426.82)	0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	47,479.80	51,301.08			(231.11)		47,248.69	50,672.10	(397.87)	0.00
GNMA	2001 A-E RMRB				49,978.59	54,001.21			(49,978.59)				(4,022.82)	0.00
GNMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	88,407.62	95,523.64			(827.39)		87,780.23	94,141.29	(755.16)	0.00
GNMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	51,382.22	56,167.63			(312.33)		51,669.89	55,415.31	(439.99)	0.00
GNMA	2001 A-E RMRB				51,539.12	55,890.43			(51,539.12)				(4,151.31)	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	47,707.50	51,551.32			(231.69)		47,475.81	50,919.82	(399.81)	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	50,386.11	55,075.76			(240.72)		50,727.39	54,408.37	(426.67)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	60,952.57	65,863.89			(313.35)		60,639.22	65,038.21	(512.13)	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	236,201.64	255,241.81			(1,114.02)		235,087.62	252,150.61	(1,977.18)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	57,503.86	62,247.92			(274.60)		57,329.26	61,490.92	(482.40)	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	90,540.44	96,359.01			(2,453.70)		88,086.74	92,851.42	(1,053.89)	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	242,858.50	257,642.76			(1,529.59)		241,128.91	253,565.50	(2,547.69)	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	50,030.05	54,065.14			(231.58)		49,798.47	53,415.06	(418.50)	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	49,330.28	53,308.93			(231.98)		49,098.30	52,664.00	(412.95)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	49,425.17	53,412.01			(273.42)		49,151.75	52,721.85	(416.74)	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	50,420.86	54,423.43			(231.47)		50,189.39	53,794.89	(397.07)	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	122,762.94	130,658.34			(608.19)		122,154.75	128,768.17	(1,281.98)	0.00
GNMA	2001 A-E RMRB	4.95	04/09/04	02/20/34	96,758.40	102,739.59			(477.70)		96,280.70	101,252.75	(1,009.14)	0.00
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	90,929.11	98,250.81			(42,791.95)		48,137.16	51,645.62	(3,813.24)	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	269,722.64	288,970.17			(1,697.62)		266,025.02	284,437.07	(2,835.48)	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	78,923.64	83,248.30			(2,604.85)		76,318.79	79,633.57	(1,009.88)	0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	78,260.61	82,571.28			(1,199.95)		77,060.66	80,429.83	(941.50)	0.00
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	136,943.89	144,451.87			(1,088.97)		135,854.92	141,759.70	(1,603.20)	0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	227,105.95	243,328.89			(1,214.23)		225,891.72	239,739.93	(2,374.53)	0.00
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	82,558.02	87,087.07			(460.63)		92,097.39	85,688.41	(958.03)	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	214,445.77	229,776.16			(1,170.61)		213,275.16	226,361.49	(2,244.06)	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	207,785.24	219,206.59			(1,390.45)		206,394.79	215,394.26	(2,421.88)	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	52,326.04	56,023.85			(518.78)		51,807.28	54,961.26	(543.81)	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	23,858.39	25,567.22			(231.72)		23,626.67	25,079.49	(258.01)	0.00
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	496.12	496.12	0.05				496.17	496.17	-	0.00
Repo Agmt	2001 A-E RMRB	0.11	02/26/10	03/01/10	183.83	183.83	0.00				193.83	163.83	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,649.41	5,027.22			(22.75)		4,625.66	4,965.03	(39.44)	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,253.25	12,170.33			(55.76)		11,197.49	12,019.02	(95.55)	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	19,396.89	20,977.72			(113.05)		19,283.84	20,698.72	(165.95)	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	10,604.53	11,230.39			(59.95)		10,544.58	11,068.58	(101.88)	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	47,578.71	50,387.36			(256.66)		47,322.05	49,574.29	(456.41)	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	43,120.92	46,838.47			(252.38)		42,868.54	46,015.08	(369.01)	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,006.65	9,538.31			(51.58)		8,955.07	9,400.18	(86.55)	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	10,697.74	11,329.35			(57.31)		10,640.43	11,169.44	(102.60)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	6,704.31	7,250.99			(33.03)		6,671.28	7,161.03	(56.93)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,126.97	9,665.80			(51.71)		9,075.26	9,526.41	(87.68)	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	26,724.02	28,903.40			(132.46)		26,591.56	28,544.00	(226.94)	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	14,431.42	15,608.38			(70.23)		14,361.19	15,415.70	(122.45)	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	13,416.24	14,209.57			(77.82)		13,338.42	14,001.77	(128.98)	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	35,670.69	38,580.02			(200.71)		35,469.98	38,074.64	(304.67)	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	24,877.35	26,346.68			(12,143.79)		12,733.56	13,388.88	(836.01)	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	5,679.35	6,142.62			(29.61)		5,649.74	6,064.68	(48.33)	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	18,981.85	20,082.03			(101.92)		18,859.93	19,798.22	(181.89)	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	10,774.36	11,653.27			(51.96)		10,722.40	11,509.90	(91.41)	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	8,653.73	9,165.00			(47.19)		8,606.54	9,034.74	(83.07)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	5,517.87	5,968.06			(26.49)		5,491.39	5,894.78	(48.80)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	9,980.15	10,589.95			(52.78)		9,927.39	10,421.51	(95.88)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	12,384.71	13,395.12			(63.88)		12,320.83	13,225.89	(105.35)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	8,359.00	8,734.75			(34.26)		8,324.74	8,639.49	(61.00)	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	4,844.68	5,240.00			(27.05)		4,817.63	5,171.59	(41.38)	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	14,097.55	15,247.87			(124.27)		13,973.28	14,999.90	(123.70)	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	14,669.76	15,866.91			(70.55)		14,599.21	15,671.91	(124.45)	0.00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	13,581.33	14,384.19			(72.25)		13,509.08	14,181.66	(130.26)	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	48,901.88	51,792.79			(318.30)		48,583.58	51,002.54	(471.95)	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	36,936.66	39,950.38			(266.99)		36,669.67	39,361.38	(320.01)	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	37,324.93	39,531.87			(202.47)		37,122.46	38,971.24	(358.16)	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	6,566.02	7,102.00			(31.21)		6,534.61	7,015.12	(55.67)	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	26,048.37	28,174.79			(175.31)		25,873.06	27,774.85	(224.63)	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	10,346.16	10,957.95			(54.74)		10,291.42	10,804.00	(99.21)	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	15,504.89	16,770.77			(74.40)		15,430.49	16,564.87	(131.50)	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	30,115.24	31,896.42			(159.39)		29,955.85	31,448.24	(288.79)	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	5,997.50	6,487.23			(29.43)		5,968.07	6,406.86	(50.94)	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	12,199.64	12,921.58			(66.82)		12,133.02	12,737.65	(117.11)	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,075.17	5,489.60			(27.98)		5,047.19	5,418.31	(43.31)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	31,923.71	34,531.15			(161.59)		31,762.13	34,098.19	(271.38)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	32,337.69	34,251.51			(170.25)		32,167.44	33,771.19	(310.07)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	7,111.70	7,532.58			(36.90)		7,074.80	7,427.51	(58.17)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	41,351.98	44,729.86			(5,742.03)		35,609.95	38,229.31	(758.52)	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	32,841.72	34,785.65			(237.61)		32,604.11	34,229.92	(318.12)	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	9,471.94	10,245.79			(47.49)		9,424.45	10,117.82	(80.48)	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	22,150.88	23,918.95			(104.44)		22,048.44	23,626.97	(187.54)	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	164,568.05	173,900.80			(946.55)		163,621.50	171,376.25	(1,578.00)	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	10,264.82	11,084.25			(48.56)		10,216.26	10,948.77	(86.92)	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	99,557.40	105,454.24			(529.81)		99,027.59	103,988.46	(954.97)	0.00
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	4,957.15	5,362.34			(30.48)		4,928.67	5,289.32	(42.54)	0.00
GNMA	2001 A-E RMRB	4.60	11/20/03	11/20/33	145,255.34	153,496.08			(820.76)		144,434.58	151,283.14	(1,392.18)	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	5,918.96	6,402.75			(64.07)		5,854.89	6,285.85	(52.83)	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	50,120.51	53,089.99			(15,907.71)		34,212.60	35,920.72	(1,261.56)	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	55,908.31	59,081.09			(381.61)		55,526.70	58,160.50	(538.88)	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	4,795.75	5,187.76			(22.65)		4,773.10	5,124.45	(40.66)	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	41,508.69	43,864.47			(10,043.60)		31,465.09	32,957.71	(863.16)	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	9,974.86	10,790.20			(55.03)		9,919.83	10,650.02	(85.15)	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,377.99	5,817.73			(26.64)		5,351.35	5,745.42	(45.67)	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	40,219.32	42,603.10			(27,565.32)		12,634.00	13,264.98	(1,752.80)	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	5,871.49	6,351.81			(27.35)		5,844.14	6,274.52	(49.74)	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	5,342.43	5,645.67			(27.19)		5,315.24	5,567.41	(51.07)	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	24,207.56	28,154.57			(5,610.47)		18,597.09	19,950.84	(593.26)	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	37,110.62	40,025.38			(235.38)		36,875.24	39,490.31	(299.69)	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	36,640.80	38,790.01			(193.42)		36,447.38	36,239.79	(356.80)	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	5,702.32	6,161.04			(31.49)		5,670.83	6,083.71	(45.84)	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	7,990.57	8,464.39			(42.20)		7,948.37	8,345.54	(76.65)	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	19,501.32	20,596.74			(113.94)		19,387.38	20,292.42	(190.38)	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	41,497.57	44,836.43			(8,198.01)		33,299.56	35,724.54	(913.88)	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	25,686.27	27,129.57			(139.58)		25,546.69	28,739.76	(250.23)	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	20,889.28	22,530.67			(10,895.60)		9,993.68	10,702.73	(932.34)	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	24,331.25	25,698.88			(13,558.83)		10,772.42	11,275.73	(864.30)	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	54,945.59	59,367.99			(270.21)		54,675.38	58,658.52	(439.26)	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	27,576.02	29,743.59			(125.01)		27,451.01	29,399.41	(219.17)	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	7,484.63	8,066.29			(36.99)		7,427.64	7,969.58	(59.72)	0.00
GNMA	2001 A-E RMRB	4.60	07/08/04	06/20/34	9,345.26	9,871.50			(47.05)		9,298.21	9,733.58	(90.87)	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	21,784.31	29,820.29			(46.67)		21,737.64	29,466.01	(307.61)	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	29,681.97	31,425.61			(2,545.13)		27,136.84	28,473.75	(406.73)	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	18,183.14	19,647.34			(83.63)		18,099.51	19,416.77	(144.94)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	21,424.94	22,830.07			(128.83)		21,296.11	22,291.93	(209.31)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,179.20	10,998.92			(48.06)		10,131.12	10,969.60	(61.24)	0.00
GNMA	2001 A-E RMRB	4.60	05/06/04	04/20/34	16,753.70	17,738.07			(86.01)		16,667.69	17,489.01	(163.05)	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	6,712.46	7,253.03			(30.12)		6,682.34	7,169.45	(53.46)	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	10,523.53	11,141.88			(52.40)		10,471.13	10,987.15	(102.33)	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	17,982.66	19,431.31			(84.37)		17,898.29	19,203.44	(143.50)	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,349.41	6,860.95			(26.24)		6,321.17	6,782.15	(50.58)	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,194.50	14,257.79			(9,745.59)		3,448.91	3,700.51	(811.69)	0.00
GNMA	2001 A-E RMRB	5.49	09/02/04	06/20/34	15,511.65	16,733.31			(70.83)		15,440.82	16,539.14	(129.34)	0.00
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	14,168.73	15,311.62			(81.74)		14,106.99	15,137.15	(112.73)	0.00
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	16,371.57	17,692.16			(71.26)		16,300.31	17,490.67	(130.25)	0.00
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	13,275.35	14,057.18			(64.30)		13,211.05	13,863.82	(129.06)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	9,181.60	9,922.34			(39.37)		9,142.23	9,809.97	(73.00)	0.00
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	11,817.71	12,771.22			(52.58)		11,765.13	12,624.53	(94.11)	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,060.98	13,830.27			(64.65)		12,996.33	13,838.59	(127.03)	0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,380.29	12,297.47			(51.55)		11,326.74	12,155.24	(90.68)	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,065.24	11,857.29			(48.87)		11,016.37	11,820.34	(88.08)	0.00
GNMA	2001 A-E RMRB				6,302.24	6,810.30			(5,302.24)				(508.06)	0.00
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	25,133.14	27,159.83			(18,315.57)		6,817.57	7,315.23	(1,528.83)	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	20,871.56	22,554.68			(116.00)		20,753.56	22,268.65	(168.03)	0.00
GNMA	2001 A-E RMRB				12,897.64	13,937.75			(12,897.64)				(1,040.11)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	36,215.24	39,139.29			(8,249.12)		27,966.12	30,010.54	(79.63)	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	24,587.03	26,036.56			(119.94)		24,487.09	25,677.58	(239.04)	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,079.31	3,260.66			(17.74)		3,061.57	3,212.84	(30.08)	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	9,391.12	9,920.93			(7,518.35)		1,872.77	1,960.65	(441.93)	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,176.08	15,320.19			(62.29)		14,113.79	15,145.07	(112.83)	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	23,312.14	25,194.98			(99.69)		23,212.45	24,909.91	(185.38)	0.00
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	14,313.71	15,157.98			(87.65)		14,245.05	14,951.24	(139.08)	0.00
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	10,703.86	11,559.06			(45.29)		10,656.57	11,425.19	(88.58)	0.00
GNMA	2001 A-E RMRB				11,649.27	12,590.30			(11,649.27)				(941.03)	0.00
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	40,213.21	43,350.37			(8,358.07)		31,655.14	34,086.34	(905.96)	0.00
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,357.19	12,275.17			(48.39)		11,308.80	12,136.47	(90.31)	0.00
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,301.94	6,806.05			(27.54)		6,274.40	6,726.26	(52.23)	0.00
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	7,818.06	8,443.98			(33.18)		7,784.88	8,346.09	(64.71)	0.00
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,270.68	8,598.97			(39.05)		8,231.63	8,484.00	(75.92)	0.00
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	33,119.98	34,353.97			(7,559.29)		25,560.69	26,282.12	(512.56)	0.00
GNMA	2001 A-E RMRB	5.49	09/09/05	08/20/35	13,562.49	14,623.50			(58.51)		13,503.98	14,452.73	(112.26)	0.00
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	25,319.31	27,300.27			(105.01)		25,214.30	26,986.03	(209.23)	0.00
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	33,574.74	36,263.96			(7,448.14)		26,126.60	28,010.96	(804.86)	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	12,714.96	13,218.41			(60.48)		12,654.48	13,041.22	(116.71)	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	21,035.22	22,721.44			(6,826.59)		14,408.63	15,448.77	(646.08)	0.00
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	19,030.70	20,557.44			(76.47)		18,954.23	20,323.72	(157.25)	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	25,706.66	27,770.39			(110.20)		25,596.46	27,447.24	(212.95)	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	23,842.42	24,475.86			(145.66)		23,696.76	24,117.80	(214.40)	0.00
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	21,497.82	22,347.47			(99.44)		21,398.38	22,050.82	(197.21)	0.00
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	18,749.40	20,253.67			(74.91)		18,674.49	20,023.64	(154.92)	0.00
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,103.50	8,742.36			(31.74)		-8,071.76	8,637.09	(73.53)	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	27,241.35	29,200.30			(135.77)		27,105.58	28,779.10	(273.43)	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,152.90	8,555.02			(44.08)		8,108.82	8,420.29	(90.65)	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	6,020.48	6,454.02			(30.38)		5,990.10	6,363.18	(60.46)	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	30,044.13	31,527.71			(258.31)		29,785.82	30,931.61	(337.79)	0.00
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	10,232.14	10,732.48			(110.64)		10,121.50	10,500.59	(121.25)	0.00
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,207.90	7,727.06			(45.61)		7,162.29	7,608.48	(72.99)	0.00
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	26,212.81	28,206.22			(118.69)		26,094.12	27,807.64	(281.69)	0.00
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,535.24	6,855.57			(31.76)		6,503.48	6,747.82	(75.99)	0.00
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,123.02	4,416.40			(17.85)		4,105.17	4,350.36	(48.19)	0.00
FNMA	2001 A-E RMRB				7,945.36	8,182.13			(7,945.36)				(236.77)	0.00
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	26,047.63	27,902.61			(120.86)		25,926.77	27,476.85	(304.90)	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	7,624.99	7,850.49			(55.78)		7,569.21	7,711.04	(63.67)	0.00
	2001 A-E RMRB Total				41,989,855.79	44,740,302.48	263,213.54	(1,270,016.42)	(2,524,334.49)	0.00	38,458,718.42	40,764,511.35	(444,853.76)	0.00
Repo Agmt	2002 RMRB	0.11	02/26/10	03/01/10	0.15	0.15	0.00				0.15	0.15	-	0.00
Repo Agmt	2002 RMRB	0.11	02/28/10	03/01/10	226,667.31	226,667.31	5,011.53				231,678.84	231,678.84	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	1,249,771.85	1,249,771.85	828,118.00				2,077,889.85	2,077,889.85	-	0.00
Repo Agmt	2002 RMRB	0.11	02/26/10	03/01/10			0.78				0.78	0.78	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	10.12	10.12	128,170.98				126,181.08	126,181.08	-	0.00
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	37,997.58	41,094.14			(185.93)		37,811.65	40,585.75	(322.46)	0.00
GNMA	2002 RMRB	5.49	03/20/03	02/20/33	91,987.74	99,484.14			(455.80)		91,531.94	98,247.27	(781.07)	0.00
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	158,554.61	171,478.42			(924.10)		157,630.51	169,197.86	(1,356.46)	0.00
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	86,684.75	91,800.81			(490.07)		86,194.68	90,478.09	(832.65)	0.00
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	368,923.43	411,882.06			(2,097.95)		366,825.48	406,053.20	(3,730.91)	0.00
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	352,464.04	381,221.08			(2,063.13)		350,400.91	378,141.66	(3,018.29)	0.00
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	73,623.19	77,969.16			(421.64)		73,201.55	78,840.03	(707.49)	0.00
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	67,446.63	92,609.64			(468.40)		66,978.23	91,302.53	(838.71)	0.00
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	54,803.37	59,271.86			(270.05)		54,533.32	58,536.49	(465.32)	0.00
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	74,606.67	79,011.27			(422.69)		74,183.98	77,871.88	(716.70)	0.00
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	218,450.66	236,265.40			(1,082.81)		217,367.85	233,327.56	(1,855.03)	0.00
GNMA	2002 RMRB	5.49	05/15/03	05/20/33	117,966.96	127,587.84			(574.06)		117,392.90	126,012.81	(1,000.97)	0.00
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	109,688.56	118,145.32			(636.08)		109,052.48	114,454.64	(1,054.40)	0.00
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	291,583.57	315,365.14			(1,840.68)		289,742.89	311,234.04	(2,490.42)	0.00
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	203,355.20	215,385.99			(99,267.10)		104,088.10	109,265.11	(6,933.78)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	46,425.10	50,211.74			(241.97)		46,183.13	49,574.66	(395.11)	0.00
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	155,000.40	164,156.85			(833.11)		154,167.29	161,836.90	(1,488.84)	0.00
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	88,072.92	95,257.50			(424.85)		87,648.07	94,085.49	(747.16)	0.00
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	70,738.14	74,917.61			(385.86)		70,352.28	73,852.83	(678.92)	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	45,104.79	48,784.80			(216.44)		44,886.35	48,185.84	(382.52)	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	81,581.03	86,402.13			(431.15)		81,149.86	85,188.73	(782.25)	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	101,236.23	109,495.97			(522.14)		100,714.09	108,112.62	(861.21)	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	51,980.08	55,051.97			(279.99)		51,700.09	54,273.30	(498.68)	0.00
GNMA	2002 RMRB	5.49	06/26/03	06/20/33	39,602.17	42,833.44			(221.09)		39,381.08	42,274.21	(338.14)	0.00
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	115,237.61	124,640.92			(1,015.70)		114,221.91	122,613.92	(1,011.30)	0.00
GNMA	2002 RMRB	5.49	07/10/03	06/20/33	119,915.44	129,701.10			(576.81)		119,338.63	128,107.09	(1,017.20)	0.00
GNMA	2002 RMRB	4.80	07/10/03	06/20/33	111,018.34	117,580.87			(590.58)		110,427.76	115,925.47	(1,064.82)	0.00
GNMA	2002 RMRB	4.80	07/17/03	06/20/33	399,738.84	423,370.47			(2,602.02)		397,136.82	416,910.70	(3,857.75)	0.00
GNMA	2002 RMRB	5.49	07/24/03	07/20/33	301,923.55	326,568.90			(2,198.90)		299,724.65	321,752.26	(2,615.74)	0.00
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	305,105.46	323,145.84			(1,655.05)		303,450.43	318,563.06	(2,927.73)	0.00
GNMA	2002 RMRB	5.49	07/30/03	07/20/33	53,672.98	58,054.03			(255.19)		53,417.79	57,343.81	(455.03)	0.00
GNMA	2002 RMRB	5.49	08/07/03	07/20/33	212,927.80	230,309.53			(1,433.12)		211,494.66	227,040.31	(1,836.10)	0.00
GNMA	2002 RMRB	4.80	08/07/03	06/20/33	84,572.75	89,573.77			(447.43)		84,125.32	88,315.36	(810.98)	0.00
GNMA	2002 RMRB	5.49	08/14/03	08/20/33	126,741.90	137,099.54			(608.13)		126,133.67	135,406.48	(1,074.93)	0.00
GNMA	2002 RMRB	4.80	08/14/03	07/20/33	246,171.61	260,731.26			(1,302.91)		244,868.70	257,067.69	(2,360.66)	0.00
GNMA	2002 RMRB	5.49	08/21/03	08/20/33	49,025.74	53,028.66			(240.74)		46,785.00	52,371.73	(416.19)	0.00
GNMA	2002 RMRB	4.80	08/28/03	08/20/33	99,725.23	105,625.11			(546.16)		99,179.07	104,121.58	(957.37)	0.00
GNMA	2002 RMRB	5.49	09/04/03	08/20/33	41,485.99	44,873.70			(228.65)		41,257.34	44,291.02	(354.03)	0.00
GNMA	2002 RMRB	5.49	09/18/03	09/20/33	260,954.48	282,268.41			(1,320.78)		259,633.70	278,729.25	(2,218.38)	0.00
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	264,338.36	279,982.61			(1,391.69)		262,946.67	276,056.28	(2,534.64)	0.00
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	56,133.17	61,573.66			(301.63)		57,831.54	60,714.84	(557.19)	0.00
GNMA	2002 RMRB	5.49	09/29/03	09/20/33	338,024.19	365,635.83			(46,937.17)		291,087.02	312,498.38	(6,200.28)	0.00
GNMA	2002 RMRB	4.80	09/29/03	09/20/33	268,458.38	284,346.61			(1,942.19)		266,516.19	279,806.06	(2,600.54)	0.00
GNMA	2002 RMRB	5.49	10/16/03	09/20/33	77,426.68	83,752.33			(388.17)		77,038.51	82,706.21	(657.95)	0.00
GNMA	2002 RMRB	5.49	10/30/03	10/20/33	181,068.16	195,521.01			(853.70)		180,214.46	193,134.23	(1,533.06)	0.00
GNMA	2002 RMRB	4.80	10/30/03	10/20/33	1,345,230.56	1,421,519.45			(7,737.34)		1,337,493.22	1,400,882.98	(12,899.13)	0.00
GNMA	2002 RMRB	5.49	11/13/03	10/20/33	83,907.70	90,606.15			(396.91)		83,510.79	89,498.70	(710.54)	0.00
GNMA	2002 RMRB	4.80	11/13/03	10/20/33	813,813.06	862,015.86			(4,330.85)		609,482.21	849,878.82	(7,806.19)	0.00
GNMA	2002 RMRB	5.49	11/20/03	11/20/33	40,521.40	43,833.54			(249.18)		40,272.22	43,236.61	(347.75)	0.00
GNMA	2002 RMRB	4.80	11/20/03	11/20/33	1,187,362.23	1,254,724.85			(6,709.23)		1,180,653.00	1,236,635.59	(11,380.03)	0.00
GNMA	2002 RMRB	5.49	11/26/03	10/20/33	48,383.52	52,338.18			(523.73)		47,859.79	51,382.58	(431.87)	0.00
GNMA	2002 RMRB	4.80	11/26/03	11/20/33	409,700.73	433,974.21			(130,034.51)		279,666.22	293,627.21	(10,312.49)	0.00
GNMA	2002 RMRB	4.80	12/04/03	12/20/33	457,012.25	482,947.27			(3,119.48)		453,892.77	475,422.05	(4,405.74)	0.00
GNMA	2002 RMRB	5.49	12/04/03	11/20/33	39,201.71	42,406.43			(185.18)		39,016.53	41,888.94	(332.31)	0.00
GNMA	2002 RMRB	4.80	12/11/03	12/20/33	339,304.90	358,561.87			(82,099.48)		257,205.42	269,406.61	(7,055.76)	0.00
GNMA	2002 RMRB	5.49	12/11/03	09/20/33	81,537.49	88,202.54			(449.85)		81,087.64	87,056.66	(696.03)	0.00
GNMA	2002 RMRB	5.49	12/18/03	12/20/33	43,961.43	47,555.91			(217.68)		43,743.75	46,984.82	(373.41)	0.00
GNMA	2002 RMRB	4.80	12/18/03	12/20/33	328,765.37	348,251.08			(225,491.03)		103,274.34	108,432.12	(14,327.93)	0.00
GNMA	2002 RMRB	5.49	12/23/03	12/20/33	47,995.52	51,920.07			(223.46)		47,772.06	51,289.92	(406.69)	0.00
GNMA	2002 RMRB	4.80	12/23/03	12/20/33	43,670.53	46,149.48			(222.26)		43,448.27	45,509.76	(417.46)	0.00
GNMA	2002 RMRB	5.49	01/15/04	01/20/34	197,879.81	213,795.62			(45,881.70)		152,016.11	163,084.42	(4,849.50)	0.00
GNMA	2002 RMRB	5.49	01/22/04	01/20/34	303,353.86	327,179.98			(1,924.16)		301,429.70	322,806.14	(2,449.68)	0.00
GNMA	2002 RMRB	4.80	01/22/04	01/20/34	299,513.38	317,081.71			(1,581.08)		297,932.30	312,584.00	(2,916.63)	0.00
GNMA	2002 RMRB	5.49	01/29/04	01/20/34	46,612.63	50,362.29			(257.40)		46,355.23	49,730.21	(374.68)	0.00
GNMA	2002 RMRB	4.80	01/29/04	11/20/33	65,317.53	69,190.60			(344.94)		64,972.59	66,219.13	(626.53)	0.00
GNMA	2002 RMRB	4.80	02/12/04	01/20/34	159,409.54	188,364.22			(931.43)		158,478.11	165,876.61	(1,556.18)	0.00
GNMA	2002 RMRB	5.49	02/12/04	02/20/34	339,213.93	366,507.07			(67,013.14)		272,200.79	292,023.55	(7,470.38)	0.00
GNMA	2002 RMRB	4.80	02/26/04	02/20/34	209,967.57	221,765.58			(1,140.92)		208,826.65	218,579.11	(2,045.55)	0.00
GNMA	2002 RMRB	5.49	02/26/04	02/20/34	170,755.46	184,172.72			(89,064.03)		81,691.43	87,467.45	(7,621.24)	0.00
GNMA	2002 RMRB	4.80	03/11/04	03/20/34	198,891.68	210,070.49			(110,834.08)		88,057.80	92,171.38	(7,065.03)	0.00
GNMA	2002 RMRB	5.49	03/11/04	03/20/34	449,142.35	485,292.53			(2,208.83)		446,933.52	479,493.10	(3,590.60)	0.00
GNMA	2002 RMRB	5.49	03/25/04	03/20/34	225,415.05	243,133.37			(1,021.91)		224,393.14	240,319.92	(1,791.54)	0.00
GNMA	2002 RMRB	5.49	07/09/04	07/20/34	61,018.07	85,936.36			(302.46)		60,715.61	65,145.85	(486.05)	0.00
GNMA	2002 RMRB	4.80	07/08/04	06/20/34	76,390.96	80,692.78			(384.47)		76,006.49	79,565.37	(742.94)	0.00
GNMA	2002 RMRB	5.49	04/01/04	04/20/34	178,071.76	243,760.37			(381.51)		177,690.25	240,864.34	(2,514.52)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	2002 RMRB	4.80	04/22/04	04/20/34	242,630.07	256,682.77			(20,804.66)		221,825.41	232,753.30	(3,324.81)	0.00
GNMA	2002 RMRB	5.49	04/22/04	04/20/34	146,634.67	160,603.54			(683.66)		147,951.11	156,735.12	(1,184.86)	0.00
GNMA	2002 RMRB	4.80	04/29/04	04/20/34	175,134.32	184,985.30			(1,052.99)		174,081.33	182,221.21	(1,711.10)	0.00
GNMA	2002 RMRB	5.49	04/29/04	04/20/34	83,207.87	69,908.66			(393.04)		82,614.83	88,851.56	(664.06)	0.00
GNMA	2002 RMRB	4.80	05/06/04	04/20/34	136,950.27	144,996.55			(703.02)		136,247.25	142,960.71	(1,332.82)	0.00
GNMA	2002 RMRB	5.49	05/06/04	04/20/34	54,869.51	59,288.52			(246.25)		54,623.26	58,605.31	(436.96)	0.00
GNMA	2002 RMRB	4.80	05/13/04	04/20/34	86,022.72	91,077.29			(88.32)		85,594.40	89,812.43	(836.54)	0.00
GNMA	2002 RMRB	5.49	05/27/04	05/20/34	146,995.76	156,837.63			(689.65)		146,306.11	156,974.99	(1,172.99)	0.00
GNMA	2002 RMRB	5.49	06/03/04	05/20/34	51,902.11	56,083.56			(230.93)		51,871.18	55,439.46	(413.19)	0.00
GNMA	2002 RMRB	5.49	06/24/04	06/20/34	107,855.94	116,547.67			(79,663.45)		28,192.49	30,249.13	(6,635.09)	0.00
GNMA	2002 RMRB	5.49	09/02/04	08/20/34	128,797.10	136,783.35			(578.96)		128,218.14	135,196.12	(1,008.27)	0.00
GNMA	2002 RMRB	5.49	09/01/04	09/20/34	115,820.25	125,161.96			(504.72)		115,315.53	123,735.83	(921.41)	0.00
GNMA	2002 RMRB	5.49	09/16/04	09/20/34	183,825.81	144,621.44			(582.61)		133,243.20	142,974.20	(1,064.63)	0.00
GNMA	2002 RMRB	4.80	09/29/04	09/20/34	106,516.81	114,907.84			(525.71)		107,991.10	113,327.25	(1,054.86)	0.00
GNMA	2002 RMRB	5.49	09/29/04	09/20/34	75,053.04	81,108.34			(321.77)		74,731.27	80,189.78	(596.79)	0.00
GNMA	2002 RMRB	5.49	10/07/04	09/20/34	96,601.64	104,395.99			(429.90)		96,171.74	103,196.89	(769.20)	0.00
GNMA	2002 RMRB	4.80	10/07/04	09/20/34	106,764.58	113,052.99			(528.56)		106,236.02	111,486.12	(1,038.31)	0.00
GNMA	2002 RMRB	5.49	07/15/04	04/20/34	93,026.15	100,523.41			(421.38)		92,604.77	99,360.77	(741.26)	0.00
GNMA	2002 RMRB	5.49	07/22/04	07/20/34	90,451.09	97,742.66			(399.52)		90,051.57	96,623.22	(719.92)	0.00
GNMA	2002 RMRB				51,516.32	55,669.53			(51,516.32)				(4,153.21)	0.00
GNMA	2002 RMRB	5.49	08/05/04	08/20/34	205,446.22	222,011.30			(149,717.06)		55,729.16	59,796.97	(12,497.27)	0.00
GNMA	2002 RMRB	5.49	08/19/04	06/20/34	170,610.62	184,368.99			(964.69)		169,645.93	182,030.90	(1,373.40)	0.00
GNMA	2002 RMRB				105,428.91	113,931.52			(105,428.91)				(8,502.61)	0.00
GNMA	2002 RMRB	5.49	12/02/04	11/20/34	296,034.80	319,936.73			(67,430.76)		228,603.84	245,315.48	(7,190.49)	0.00
GNMA	2002 RMRB	4.80	12/02/04	11/20/34	200,982.28	212,830.96			(980.36)		200,001.92	209,896.59	(1,954.01)	0.00
GNMA	2002 RMRB	4.80	10/14/04	09/20/34	25,170.89	26,653.65			(145.05)		25,025.84	26,262.77	(245.83)	0.00
GNMA	2002 RMRB	4.80	10/28/04	09/20/34	76,766.00	81,096.88			(61,457.41)		15,308.59	16,026.98	(3,612.49)	0.00
GNMA	2002 RMRB	5.49	10/28/04	10/20/34	115,879.54	125,232.01			(509.13)		115,370.41	123,800.49	(922.39)	0.00
GNMA	2002 RMRB	5.49	12/29/04	12/20/34	190,560.45	205,951.58			(814.96)		189,745.49	203,621.41	(1,515.31)	0.00
GNMA	2002 RMRB	4.80	12/29/04	12/20/34	117,005.04	123,906.05			(553.10)		116,451.94	122,216.11	(1,136.84)	0.00
GNMA	2002 RMRB	5.49	01/06/05	01/20/35	67,497.07	94,487.38			(370.18)		87,126.89	93,393.14	(724.06)	0.00
GNMA	2002 RMRB				95,224.76	102,917.05			(95,224.76)				(7,692.29)	0.00
GNMA	2002 RMRB	5.49	01/27/05	01/20/35	328,715.13	354,359.47			(68,321.50)		260,393.63	278,632.41	(7,405.58)	0.00
GNMA	2002 RMRB	5.49	03/10/05	12/20/34	92,837.39	100,341.06			(395.55)		92,441.84	99,207.33	(738.18)	0.00
GNMA	2002 RMRB	5.49	05/05/05	03/20/35	51,513.77	55,634.64			(225.19)		51,288.58	54,982.72	(426.93)	0.00
GNMA	2002 RMRB	5.49	07/07/05	06/20/35	83,907.07	69,023.76			(271.18)		63,635.89	68,223.56	(529.02)	0.00
GNMA	2002 RMRB	4.80	07/07/05	06/20/35	87,807.46	70,290.69			(319.25)		67,288.21	69,350.87	(620.57)	0.00
GNMA	2002 RMRB	4.80	06/02/05	04/20/35	270,733.28	280,820.13			(61,792.05)		208,941.23	214,636.31	(4,189.77)	0.00
GNMA	2002 RMRB	5.49	09/08/05	06/20/35	110,864.27	119,537.08			(478.35)		110,385.92	118,141.16	(917.57)	0.00
GNMA	2002 RMRB	5.49	09/15/05	09/20/35	206,967.99	223,180.91			(858.33)		206,109.66	220,592.21	(1,710.37)	0.00
GNMA	2002 RMRB	5.49	08/04/05	08/20/35	274,450.75	296,433.00			(60,883.51)		213,567.24	228,970.37	(6,579.12)	0.00
GNMA	2002 RMRB	5.49	09/01/05	09/20/35	228,590.64	246,472.57			(1,225.72)		227,364.92	243,338.34	(1,908.51)	0.00
GNMA	2002 RMRB	4.80	10/13/05	09/20/35	104,157.91	108,051.42			(484.96)		103,672.93	106,603.06	(963.38)	0.00
GNMA	2002 RMRB	5.49	10/13/05	10/20/35	171,948.45	185,732.19			(54,167.81)		117,780.64	126,283.13	(5,281.25)	0.00
GNMA	2002 RMRB	5.49	12/19/05	12/20/35	155,562.77	168,043.00			(625.03)		154,937.74	166,132.47	(1,285.50)	0.00
GNMA	2002 RMRB	5.49	11/17/05	11/20/35	210,150.60	227,003.81			(900.66)		209,249.74	224,362.35	(1,740.80)	0.00
GNMA	2002 RMRB	4.80	11/22/05	10/20/35	192,460.18	200,073.32			(1,153.37)		191,306.79	197,146.39	(1,773.56)	0.00
GNMA	2002 RMRB	4.80	12/22/05	12/20/35	175,729.69	182,675.28			(812.94)		174,916.75	180,250.35	(1,611.99)	0.00
GNMA	2002 RMRB	5.49	12/29/05	11/20/35	153,263.41	165,559.83			(612.45)		152,650.96	163,681.12	(1,266.26)	0.00
GNMA	2002 RMRB	5.49	01/12/06	01/20/36	279,330.34	301,352.23			(1,093.94)		278,236.40	297,723.48	(2,534.81)	0.00
GNMA	2002 RMRB	5.49	03/09/06	03/20/36	136,400.97	147,162.05			(843.11)		135,557.86	145,059.42	(1,259.52)	0.00
GNMA	2002 RMRB	5.49	03/02/06	03/20/36	149,450.51	151,240.26			(583.30)		148,867.21	159,300.80	(1,358.16)	0.00
GNMA	2002 RMRB	5.49	02/23/06	02/20/36	275,202.85	296,909.91			(4,076.91)		271,125.74	290,125.34	(2,707.66)	0.00
GNMA	2002 RMRB	5.49	03/16/06	03/20/36	149,809.25	161,629.06			(695.48)		149,113.77	159,566.41	(1,367.19)	0.00
GNMA	2002 RMRB	5.49	03/30/06	03/20/36	239,122.81	257,538.82			(978.00)		238,144.81	254,369.84	(2,171.78)	0.00
GNMA	2002 RMRB	5.49	04/06/06	04/20/36	289,528.07	312,377.90			(60,118.90)		229,409.17	245,495.33	(6,783.67)	0.00
FNMA	2002 RMRB	5.49	05/29/03	04/01/33	222,679.22	238,692.35			(1,109.79)		221,569.43	235,347.44	(2,235.12)	0.00
FNMA	2002 RMRB	4.80	09/18/03	07/01/33	66,644.15	69,931.48			(360.34)		66,283.81	68,830.11	(741.03)	0.00
FNMA	2002 RMRB	5.49	12/04/03	11/01/33	49,213.72	52,757.19			(248.32)		48,965.40	52,014.64	(494.23)	0.00
FNMA	2002 RMRB	4.80	01/15/04	11/01/33	245,589.82	257,717.36			(2,111.57)		243,478.25	252,844.87	(2,761.12)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
FNMA	2002 RMRB	4.80	02/26/04	01/01/34	83,640.59	87,730.66			(304.48)		82,736.11	85,835.09	(991.09)	0.00
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	58,919.10	63,163.44			(372.93)		58,546.17	62,194.01	(596.50)	0.00
FNMA	2002 RMRB	5.49	09/02/04	08/01/34	214,271.84	230,582.83			(970.16)		213,301.88	227,309.98	(2,302.69)	0.00
FNMA	2002 RMRB	4.80	11/10/04	10/01/34	53,420.87	56,039.61			(259.63)		53,161.24	55,158.79	(621.19)	0.00
FNMA	2002 RMRB	5.49	07/14/05	05/01/35	33,702.80	36,101.10			(145.98)		33,556.82	35,561.24	(393.88)	0.00
FNMA	2002 RMRB				64,947.85	66,883.36			(64,947.85)				(1,935.51)	0.00
FNMA	2002 RMRB	5.49	11/03/05	10/01/35	212,921.44	228,084.70			(987.96)		211,933.48	224,604.36	(2,492.38)	0.00
FNMA	2002 RMRB	4.80	12/15/05	10/01/35	62,329.04	64,172.42			(455.93)		61,873.11	63,032.46	(664.03)	0.00
FNMA	2002 RMRB	5.49	04/27/06	03/01/36	133,810.02	143,164.70			(522.39)		133,287.63	141,099.85	(1,542.46)	0.00
Repo Agmt	2002 RMRB	0.11	02/26/10	03/01/10	6,100.77	6,100.77	1.54				6,102.31	6,102.31	-	0.00
	2002 RMRB Total				26,316,994.79	28,068,848.45	959,302.81	0.00	(2,006,252.77)	0.00	25,270,044.83	26,682,509.86	(339,288.63)	0.00
Repo Agmt	2009 AB RMRB	0.11	02/26/10	03/01/10	3,047,318.44	3,047,318.44		(696,766.87)			2,350,551.57	2,350,551.57	-	0.00
Repo Agmt	2009 AB RMRB	0.11	02/26/10	03/01/10	1,533,301.08	1,533,301.08		(303,044.82)			1,230,256.26	1,230,256.26	-	0.00
Repo Agmt	2009 AB RMRB	0.11	02/26/10	03/01/10	2,800,975.68	2,600,975.68		(1,431,306.65)			1,369,669.03	1,369,669.03	-	0.00
GNMA	2009 AB RMRB	8.18	08/01/90	06/20/20	153,289.73	173,434.65			(3,544.97)		149,744.76	169,806.88	(82.80)	0.00
GNMA	2009 AB RMRB	7.18	08/01/90	06/20/20	59,163.41	66,022.67			(1,470.38)		57,693.03	64,026.84	(525.65)	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	171,362.15	193,884.92			(55,760.58)		115,601.57	131,091.21	(7,033.13)	0.00
GNMA	2009 AB RMRB				9,332.94	10,559.32			(9,332.94)				(1,226.38)	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	09/20/20	146,411.80	165,659.85			(3,001.53)		143,410.27	162,630.58	(27.74)	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	08/20/20	107,533.54	121,668.17			(2,660.50)		104,873.04	116,926.24	(81.43)	0.00
GNMA	2009 AB RMRB	6.18	09/04/90	07/20/20	91,354.81	103,361.92			(2,055.32)		89,299.49	101,264.90	(41.70)	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	08/20/20	68,866.65	77,919.47			(992.78)		67,873.87	76,969.74	43.05	0.00
GNMA	2009 AB RMRB	8.16	11/01/90	09/20/20	61,411.82	69,485.33			(1,491.29)		59,920.53	67,951.29	(42.75)	0.00
GNMA	2009 AB RMRB	7.18	11/01/90	09/20/20	74,448.06	83,083.08			(1,208.41)		73,239.67	81,283.61	(591.06)	0.00
GNMA	2009 AB RMRB	8.18	12/03/90	10/20/20	7,879.20	8,915.23			(439.36)		7,439.64	8,437.14	(38.73)	0.00
GNMA	2009 AB RMRB	8.75	12/28/89	09/20/16	771,219.08	866,851.70			(17,964.10)		754,154.98	849,743.16	(44.44)	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	10/20/18	80,692.46	90,699.08			(1,643.90)		79,048.58	89,068.47	13.29	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	09/20/18	81,931.30	92,090.61			(31,034.54)		50,896.76	57,347.70	(3,708.37)	0.00
GNMA	2009 AB RMRB	6.75	01/01/90	11/20/18	180,829.71	203,257.22			(4,513.40)		176,316.31	198,668.22	(75.60)	0.00
GNMA	2009 AB RMRB	8.75	01/01/90	12/20/18	17,535.05	19,710.01			(833.47)		16,701.58	18,619.02	(57.52)	0.00
GNMA	2009 AB RMRB	8.75	02/27/90	01/20/19	89,202.87	100,479.09			(2,132.23)		87,070.64	98,299.03	(47.83)	0.00
GNMA	2009 AB RMRB	8.75	05/29/90	04/20/19	112,848.78	127,232.23			(2,140.18)		110,608.60	125,103.59	11.54	0.00
GNMA	2009 AB RMRB	8.75	06/26/90	05/20/19	42,021.13	47,335.78			(755.58)		41,265.55	46,589.74	9.54	0.00
GNMA	2009 AB RMRB	7.18	02/01/91	11/20/20	90,448.59	100,942.89			(2,627.97)		87,820.62	97,469.30	(845.62)	0.00
GNMA	2009 AB RMRB	8.18	02/25/91	11/20/20	59,258.71	67,051.65			(966.84)		58,292.07	66,107.02	22.01	0.00
GNMA	2009 AB RMRB	7.18	05/02/91	02/20/21	59,230.07	68,357.83			(906.66)		58,323.21	64,917.86	(533.11)	0.00
GNMA	2009 AB RMRB	8.75	09/28/90	08/20/19	49,323.99	55,564.72			(1,666.59)		47,657.40	53,808.59	(89.54)	0.00
GNMA	2009 AB RMRB	8.75	10/23/90	09/20/19	34,839.49	39,248.11			(584.91)		34,254.56	38,676.38	13.18	0.00
GNMA	2009 AB RMRB	6.75	11/28/90	09/20/19	83,715.80	94,309.78			(1,061.84)		82,653.96	93,323.99	76.05	0.00
GNMA	2009 AB RMRB	8.75	12/21/90	09/20/19	44,822.21	50,494.55			(811.95)		44,010.26	49,691.88	9.28	0.00
GNMA	2009 AB RMRB	8.75	01/25/91	12/20/19	72,422.76	81,590.78			(935.94)		71,486.82	80,718.45	63.61	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	02/20/20	36,056.95	40,757.71			(1,516.53)		34,540.42	39,128.98	(112.20)	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	12/20/19	49,111.74	55,329.36			(774.24)		48,337.50	54,580.17	25.05	0.00
GNMA	2009 AB RMRB	8.18	05/02/91	03/20/21	134,479.63	152,822.50			(2,521.07)		131,958.56	150,267.34	(34.09)	0.00
GNMA	2009 AB RMRB	6.10	07/28/00	07/20/30	1,177,552.40	1,275,642.52			(7,840.01)		1,169,712.39	1,273,465.87	5,663.36	0.00
FNMA	2009 AB RMRB	6.10	04/28/00	04/01/30	115,780.24	125,767.44			(753.49)		115,026.75	124,119.61	(894.34)	0.00
GNMA	2009 AB RMRB	6.10	04/20/00	04/20/30	669,067.18	724,800.47			(6,192.52)		662,874.66	721,671.62	3,063.67	0.00
GNMA	2009 AB RMRB	6.10	04/27/00	04/20/30	771,931.69	838,233.54			(97,921.69)		674,010.00	733,794.64	(4,517.21)	0.00
GNMA	2009 AB RMRB	6.10	06/26/00	06/20/30	1,070,058.51	1,159,194.34			(48,502.63)		1,021,555.68	1,112,167.64	1,476.13	0.00
GNMA	2009 AB RMRB	6.10	05/30/00	03/20/30	1,493,771.81	1,618,203.03			(10,605.93)		1,483,165.88	1,614,722.70	7,125.60	0.00
FNMA	2009 AB RMRB	6.10	05/30/00	05/01/30	197,356.43	214,380.38			(2,466.15)		194,890.28	210,296.33	(1,617.90)	0.00
FNMA	2009 AB RMRB	6.10	06/26/00	06/01/30	87,148.64	94,666.08			(808.15)		86,340.49	93,165.70	(692.23)	0.00
GNMA	2009 AB RMRB	6.10	09/14/00	08/20/30	1,945,702.74	2,107,779.78			(73,593.44)		1,872,109.30	2,038,165.33	3,978.99	0.00
GNMA	2009 AB RMRB	6.10	10/19/00	09/20/30	707,997.82	766,973.85			(13,234.51)		694,763.11	758,388.61	2,649.27	0.00
GNMA	2009 AB RMRB	6.10	10/23/00	10/20/30	242,716.78	262,937.25			(1,494.36)		241,224.42	262,621.03	1,178.14	0.00
GNMA	2009 AB RMRB	6.10	10/27/00	10/20/30	244,015.85	264,342.35			(1,620.44)		242,395.41	263,895.86	1,173.95	0.00
GNMA	2009 AB RMRB	6.10	10/30/00	10/20/30	135,356.43	146,631.59			(769.19)		134,587.24	146,525.10	662.70	0.00
GNMA	2009 AB RMRB	6.10	01/16/01	12/20/30	97,317.72	105,424.28			(1,082.90)		96,234.82	104,770.84	429.46	0.00
GNMA	2009 AB RMRB	6.10	01/29/01	12/20/30	52,414.95	56,781.11			(449.51)		51,965.44	56,574.77	243.17	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2009 AB RMRB	6.10	12/21/00	11/20/30	434,385.68	470,569.97			(3,186.81)		431,198.87	469,446.17	2,063.01	0.00
GNMA	2009 AB RMRB	6.10	12/27/00	12/20/30	226,225.54	247,236.72			(2,152.17)		226,073.37	246,126.07	1,041.52	0.00
GNMA	2009 AB RMRB	6.10	02/20/01	01/20/31	56,602.17	63,670.96			(341.92)		58,460.25	83,645.64	316.60	0.00
GNMA	2009 AB RMRB	6.10	03/15/01	03/20/31	191,207.19	207,039.14			(61,083.64)		130,123.55	141,665.49	(4,290.01)	0.00
GNMA	2009 AB RMRB	6.10	03/29/01	03/20/31	100,189.33	108,483.92			(554.86)		99,633.47	108,470.95	541.89	0.00
GNMA	2009 AB RMRB	6.10	05/10/01	04/20/31	437,095.82	473,287.36			(60,788.43)		376,327.39	409,707.62	(2,811.31)	0.00
FNMA	2009 AB RMRB	6.10	09/11/00	08/01/30	703,865.92	764,581.40			(60,669.67)		643,196.25	694,040.92	(9,670.81)	0.00
FNMA	2009 AB RMRB	6.10	10/06/00	10/01/30	95,623.56	103,872.03			(2,036.52)		93,587.04	100,985.06	(650.43)	0.00
GNMA	2009 AB RMRB	6.10	05/30/01	05/20/31	247,609.21	268,111.24			(1,647.26)		245,961.95	267,778.77	1,314.79	0.00
GNMA	2009 AB RMRB	6.10	06/18/01	04/20/31	194,049.26	210,116.53			(41,525.33)		152,523.93	166,052.79	(2,538.41)	0.00
GNMA	2009 AB RMRB	6.10	07/25/01	06/20/31	415,388.46	449,782.62			(167,510.19)		247,876.27	269,865.06	(12,407.35)	0.00
GNMA	2009 AB RMRB	6.10	08/31/01	08/20/31	424,245.13	459,372.63			(2,351.93)		421,693.20	459,315.13	2,294.43	0.00
FNMA	2009 AB RMRB	6.10	12/27/00	11/01/30	132,783.02	144,236.86			(1,529.73)		131,253.29	141,626.85	(1,076.28)	0.00
FNMA	2009 AB RMRB	6.10	01/12/01	12/01/30	37,161.21	40,388.45			(902.40)		36,278.81	39,146.64	(339.41)	0.00
FNMA	2009 AB RMRB	6.10	02/05/01	01/01/31	233,548.88	253,694.80			(1,924.39)		231,624.49	249,934.40	(1,836.01)	0.00
GNMA	2009 AB RMRB	6.10	12/27/01	10/20/31	49,817.00	53,941.64			(529.39)		49,287.61	53,659.42	246.97	0.00
GNMA	2009 AB RMRB	6.10	09/20/01	08/20/31	226,906.42	245,694.24			(1,609.43)		225,296.99	245,280.60	1,195.99	0.00
GNMA	2009 AB RMRB	6.10	10/17/01	09/20/31	102,713.22	111,217.87			(552.83)		102,160.39	111,222.01	556.97	0.00
GNMA	2009 AB RMRB	6.10	10/30/01	05/20/31	39,380.61	42,641.32			(275.42)		39,105.19	42,573.81	207.91	0.00
FNMA	2009 AB RMRB	6.10	03/15/01	02/01/31	220,846.13	239,679.06			(1,709.84)		218,936.29	236,243.19	(1,726.03)	0.00
GNMA	2009 AB RMRB	6.10	02/25/02	02/20/32	719,517.78	777,201.50			(4,420.83)		715,097.15	776,974.50	4,193.83	0.00
GNMA	2009 AB RMRB	6.10	05/24/02	05/20/32	225,552.80	243,635.38			(160,193.22)		65,359.58	71,015.14	(12,427.00)	0.00
GNMA	2009 AB RMRB	6.10	03/21/02	03/20/32	313,538.33	338,674.73			(2,172.97)		311,365.36	336,307.84	1,806.08	0.00
GNMA	2009 AB RMRB	6.10	04/17/02	03/20/32	549,675.47	593,742.68			(93,523.81)		456,151.66	495,622.40	(4,596.67)	0.00
GNMA	2009 AB RMRB	6.10	04/29/02	04/20/32	365,636.34	416,552.79			(2,497.21)		363,139.13	416,292.14	2,236.56	0.00
GNMA	2009 AB RMRB	6.10	06/03/02	05/20/32	295,837.46	319,554.74			(74,600.76)		221,238.70	240,360.31	(4,573.67)	0.00
GNMA	2009 AB RMRB	6.10	06/19/02	04/20/32	201,056.78	217,177.66			(985.64)		200,073.14	217,385.46	1,193.44	0.00
GNMA	2009 AB RMRB	6.10	06/28/02	06/20/32	57,988.23	62,431.91			(282.77)		57,515.46	62,492.27	343.13	0.00
GNMA	2009 AB RMRB	6.10	01/30/03	01/20/33	102,504.41	110,201.46			(473.14)		102,031.27	110,323.34	595.02	0.00
FNMA	2009 AB RMRB	6.10	10/17/01	09/01/31	74,545.66	80,929.96			(498.42)		74,049.44	79,866.02	(567.52)	0.00
FNMA	2009 AB RMRB	6.10	01/28/02	11/01/31	193,936.21	210,544.90			(1,050.57)		192,885.64	208,036.80	(1,457.53)	0.00
FNMA	2009 AB RMRB	6.10	04/17/02	02/01/32	33,467.92	36,296.29			(167.20)		33,300.72	35,883.19	(245.90)	0.00
GNMA	2009 AB RMRB	5.75	10/29/09	09/20/39	216,531.37	233,537.08			(608.88)		215,922.49	232,344.39	(583.61)	0.00
GNMA	2009 AB RMRB	5.75	11/24/09	11/20/39	1,376,510.98	1,484,655.42			(4,696.78)		1,371,814.20	1,476,185.85	(3,772.79)	0.00
GNMA	2009 AB RMRB	5.75	11/24/09	09/20/39	135,338.94	145,971.73			(379.27)		134,959.67	145,227.80	(364.66)	0.00
GNMA	2009 AB RMRB	5.75	12/17/09	11/20/39			1,626,417.69				1,626,417.69	1,965,422.60	139,004.91	0.00
GNMA	2009 AB RMRB	5.75	12/17/09	10/20/39			134,819.59				134,819.59	145,080.29	10,280.70	0.00
GNMA	2009 AB RMRB	5.75	12/29/09	12/20/39			2,478,004.51				2,478,004.51	2,668,629.99	188,625.48	0.00
GNMA	2009 AB RMRB	5.75	12/29/09	12/20/39			710,400.54				710,400.54	764,476.18	54,075.64	0.00
GNMA	2009 AB RMRB	5.75	12/29/09	11/20/39			269,112.55				269,112.55	289,597.37	20,484.82	0.00
GNMA	2009 AB RMRB	5.75	01/20/10	12/20/39			1,594,445.51				1,594,445.51	1,715,852.72	121,407.21	0.00
GNMA	2009 AB RMRB	5.75	01/27/10	12/20/39			207,072.32				207,072.32	222,841.18	15,768.86	0.00
GNMA	2009 AB RMRB	5.75	01/20/10	12/20/39			240,306.13				240,306.13	258,603.96	18,297.83	0.00
GNMA	2009 AB RMRB	5.75	01/27/10	01/20/40			3,065,860.50				3,065,860.50	3,299,330.23	233,469.73	0.00
GNMA	2009 AB RMRB	5.75	01/27/10	12/20/39			320,414.32				320,414.32	344,614.34	24,400.02	0.00
GNMA	2009 AB RMRB	5.75	02/17/10	01/20/40			2,044,207.11				2,044,207.11	2,199,920.94	155,713.63	0.00
GNMA	2009 AB RMRB	5.75	02/17/10	12/20/39			1,333,845.06				1,333,845.06	1,435,448.33	101,603.27	0.00
GNMA	2009 AB RMRB	5.75	02/17/10	12/20/39			181,457.50				181,457.50	195,279.70	13,622.20	0.00
GNMA	2009 AB RMRB	5.75	02/23/10	02/20/40			2,063,858.63				2,063,858.63	2,221,082.85	157,224.22	0.00
GNMA	2009 AB RMRB	5.75	02/23/10	01/20/40			482,299.23				482,299.23	519,040.66	36,741.43	0.00
Repo Agmt	2009 AB RMRB	0.11	02/26/10	03/01/10	74,094,268.00	74,094,268.00								
	2009 AB RMRB Total				102,980,312.30	104,890,468.99	16,952,521.19	(16,995,498.94)	(1,183,196.55)	0.00	89,323,019.66	102,462,856.51	1,249,660.16	0.00
Mutual Fund	2009C RMRB	0.00	02/01/10	03/01/10			32,364.98				32,364.98	32,384.98	-	0.00
Repo Agmt	2009C RMRB				33,079.93	33,079.93		(33,079.93)					-	0.00
Mutual Fund	2009C RMRB	0.00	02/01/10	03/01/10			300,000,000.00				300,000,000.00	300,000,000.00	-	0.00
Repo Agmt	2009C RMRB	0.11	02/28/10	03/01/10			57,931.27				57,931.27	57,931.27	-	0.00
	2009C RMRB Total				33,079.93	33,079.93	300,090,296.25	(33,079.93)	0.00	0.00	300,090,296.25	300,090,296.25	0.00	0.00
Repo Agmt	1999 B-D RMRB	0.11	02/26/10	03/01/10	568.69	568.69	513.78				1,082.47	1,082.47	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	1999 B-D RMRB	0.11	02/26/10	03/01/10	2,123,425.00	2,123,425.00					2,119,387.72	2,119,387.72	-	0.00
	1999 B-D RMRB Total				2,123,993.69	2,123,993.69	513.78	(4,037.28)	0.00	0.00	2,120,470.19	2,120,470.19	0.00	0.00
Repo Agmt	2000 A RMRB	0.11	02/26/10	03/01/10	36,966.87	36,966.87	8.82				36,975.89	36,975.89	-	0.00
Repo Agmt	2000 A RMRB	0.11	02/26/10	03/01/10	10,287.84	10,287.84	343,571.61				353,859.45	353,859.45	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	1,895,180.51	1,695,160.51		(721,426.46)			973,754.05	973,754.05	-	0.00
Repo Agmt	2000 A RMRB	0.11	02/26/10	03/01/10			0.06				0.06	0.06	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	323,871.38	323,871.38	10,568.04				334,439.42	334,439.42	-	0.00
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	198,600.74	216,937.48			(1,127.94)		197,472.80	216,364.95	555.41	0.00
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	1,679,358.61	1,634,413.76			(136,728.67)		1,542,631.94	1,690,215.45	(7,471.64)	0.00
GNMA	2000 A RMRB	6.45	10/16/00	09/20/30	149,272.18	163,054.45			(813.24)		146,458.94	162,661.96	420.75	0.00
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	410,865.25	446,600.39			(96,791.20)		314,074.05	344,121.46	(7,887.73)	0.00
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	402,988.55	440,196.45			(67,491.56)		335,496.99	367,593.97	(5,110.92)	0.00
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	50,240.86	54,600.21			(366.34)		49,874.52	54,105.87	(328.00)	0.00
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	155,250.13	169,584.35			(845.88)		154,404.25	169,176.07	437.80	0.00
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	105,042.53	114,669.64			(1,452.96)		103,589.57	113,481.31	284.63	0.00
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	560,246.21	611,973.74			(3,597.92)		556,648.29	609,902.82	1,527.00	0.00
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	239,249.83	261,339.77			(1,482.69)		237,766.94	260,514.12	657.24	0.00
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	283,142.80	309,285.34			(2,738.61)		280,404.19	307,230.43	683.70	0.00
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	123,681.82	135,213.77			(754.04)		123,107.78	134,863.35	403.62	0.00
GNMA	2000 A RMRB	6.45	02/26/01	02/20/31	229,264.88	250,276.98			(1,635.58)		227,629.30	249,365.60	724.20	0.00
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	310,076.74	338,495.28			(1,732.24)		306,344.50	337,788.33	1,025.29	0.00
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	92,537.76	101,018.84			(818.01)		91,919.75	100,697.16	296.33	0.00
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	176,034.78	192,168.42			(931.57)		175,103.21	191,823.86	587.01	0.00
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	327,472.35	357,190.45			(2,229.06)		325,243.29	352,836.92	(2,124.47)	0.00
FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	27,225.60	29,696.32			(150.39)		27,075.21	29,372.27	(173.68)	0.00
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	64,966.43	70,662.13			(361.76)		64,604.67	70,085.73	(414.64)	0.00
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	391,901.09	427,819.02			(2,146.00)		389,755.09	426,973.00	1,299.96	0.00
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	201,157.23	219,593.28			(1,272.95)		199,884.28	216,971.22	650.89	0.00
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	120,522.79	131,568.70			(1,182.90)		119,339.89	130,735.65	349.85	0.00
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	125,776.11	137,303.48			(638.42)		125,137.69	137,087.08	422.02	0.00
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	97,573.26	106,515.81			(514.77)		97,058.49	106,326.57	325.53	0.00
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	195,778.50	213,545.40			(1,205.48)		194,573.02	211,080.60	(1,259.32)	0.00
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	78,366.67	85,478.44			(677.79)		77,688.88	84,280.00	(520.65)	0.00
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	380,545.04	415,421.90			(87,072.07)		293,472.97	321,496.61	(6,853.22)	0.00
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	144,656.81	157,914.57			(2,438.75)		142,218.06	155,798.42	322.60	0.00
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	411,528.65	449,245.24			(2,222.50)		409,306.15	448,390.76	1,368.04	0.00
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	84,545.21	92,293.75			(1,219.76)		83,325.45	91,282.17	206.18	0.00
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	460,267.39	502,450.87			(3,516.31)		456,751.08	500,366.22	1,431.66	0.00
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	249,786.02	272,678.66			(2,683.08)		247,102.94	270,698.77	703.97	0.00
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	248,462.67	271,234.28			(1,266.11)		247,196.56	270,801.37	833.20	0.00
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	186,696.93	203,609.91			(49,990.47)		136,708.46	149,762.78	(4,056.66)	0.00
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	104,038.45	113,479.93			(550.89)		103,487.56	112,267.44	(661.60)	0.00
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	533,738.12	580,493.56			(4,033.86)		529,704.26	578,219.85	1,760.15	0.00
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	44,836.42	46,945.67			(217.14)		44,619.28	48,879.97	151.44	0.00
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,075,930.30	1,170,161.76			(108,909.60)		967,020.70	1,055,590.08	(5,682.08)	0.00
GNMA	2000 A RMRB				39,906.87	42,413.15			(38,906.87)				(3,506.28)	0.00
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	85,206.61	92,670.70			(52,102.77)		33,103.84	36,135.82	(4,432.11)	0.00
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	197,015.05	214,273.56			(1,106.70)		195,908.35	213,851.59	684.73	0.00
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	370,483.56	402,937.95			(1,986.23)		368,497.33	402,248.03	1,296.31	0.00
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	230,702.60	250,912.10			(2,612.95)		228,089.65	248,980.34	681.19	0.00
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	87,602.15	95,276.09			(46,811.60)		40,790.55	44,526.55	(3,837.94)	0.00
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	63,303.48	68,848.86			(313.65)		62,989.83	68,759.06	223.85	0.00
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	61,071.97	66,421.67			(280.29)		60,791.68	66,359.58	216.00	0.00
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	56,132.81	61,050.04			(1,527.27)		54,605.54	59,606.86	84.09	0.00
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	58,337.74	63,446.12			(271.89)		58,065.85	63,384.10	207.87	0.00
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	125,860.93	136,886.34			(571.83)		125,289.10	136,764.32	449.81	0.00
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	70,284.79	76,441.73			(317.44)		69,967.35	76,375.65	251.36	0.00
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	36,880.80	40,111.55			(288.04)		36,592.76	39,944.29	128.78	0.00
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	63,601.14	69,172.59			(283.31)		63,317.83	69,117.10	227.82	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2000 A RMRB				74,364.85	80,424.84			(74,364.85)				(6,059.99)	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	49,402.94	53,428.78			(237.78)		49,165.16	53,334.36	143.36	0.00
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	147,323.18	160,599.94			(929.27)		148,393.91	158,805.18	(865.49)	0.00
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	152,364.56	166,095.65			(71,312.78)		81,051.78	87,923.34	(6,859.53)	0.00
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	72,144.00	76,645.61			(1,142.11)		71,001.89	77,021.42	(482.08)	0.00
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	112,828.02	122,918.22			(712.41)		112,115.61	121,606.19	(599.62)	0.00
Repo Agmt	2000 A RMRB	0.11	02/26/10	03/01/10	401.93	401.93	0.00				401.93	401.93	-	0.00
	<b>2000 A RMRB Total</b>				<b>14,942,334.29</b>	<b>16,109,636.44</b>	<b>354,148.53</b>	<b>(721,426.46)</b>	<b>(889,696.75)</b>	<b>0.00</b>	<b>13,685,369.61</b>	<b>14,805,384.59</b>	<b>(47,289.17)</b>	<b>0.00</b>
Repo Agmt	2003A RMRB	0.11	02/26/10	03/01/10	14.83	14.83	0.00				14.83	14.83	-	0.00
Repo Agmt	2003A RMRB	0.11	02/26/10	03/01/10	3,069,952.86	3,069,952.86	1,178,741.87				4,248,694.73	4,248,694.73	-	0.00
Repo Agmt	2003A RMRB	0.11	02/26/10	03/01/10	0.77	0.77	366,437.54				366,438.31	366,438.31	-	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	8,565,804.16	8,864,676.12			(772,481.79)		7,793,322.37	8,004,159.93	(108,034.40)	0.00
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,600,765.13	1,660,381.24			(9,084.18)		1,591,700.95	1,634,767.15	(16,529.91)	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	989,673.42	1,026,614.49			(216,422.57)		773,250.85	794,246.91	(15,945.01)	0.00
GNMA	2003A RMRB	5.48	07/08/04	06/20/34	159,363.73	172,208.00			(775.37)		158,588.36	170,159.01	(1,273.62)	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	168,452.28	175,244.36			(964.41)		167,487.87	172,589.41	(1,690.54)	0.00
GNMA	2003A RMRB				82,418.02	88,904.94			(82,418.02)				(6,486.92)	0.00
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,296,922.78	1,338,702.78			(140,045.53)		1,146,877.25	1,181,713.66	(16,943.59)	0.00
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	930,061.59	967,487.99			(5,247.60)		924,813.99	952,910.05	(9,330.34)	0.00
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	59,689.32	64,495.50			(283.41)		59,405.91	63,735.63	(476.46)	0.00
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	1,001,568.99	1,041,878.14			(102,109.15)		899,458.84	926,790.30	(12,978.69)	0.00
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	1,009,038.44	1,046,632.66			(5,421.44)		1,003,617.00	1,030,799.60	(10,411.64)	0.00
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	57,213.63	61,821.09			(387.84)		56,825.79	60,968.07	(465.18)	0.00
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	626,264.09	651,678.23			(119,690.57)		508,573.52	522,353.34	(9,634.32)	0.00
GNMA	2003A RMRB	4.49	05/13/04	05/20/34	406,679.13	421,837.36			(2,548.36)		404,130.77	415,062.79	(4,206.21)	0.00
GNMA	2003A RMRB	5.49	05/01/04	04/20/34	87,896.11	94,974.64			(770.69)		87,125.42	93,476.56	(727.39)	0.00
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	1,053,748.59	1,093,031.81			(216,861.49)		836,887.10	859,571.26	(16,599.06)	0.00
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	500,226.73	518,877.57			(2,656.85)		497,569.68	511,059.30	(5,161.42)	0.00
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	893,339.75	926,656.97			(49,248.52)		844,091.23	866,984.59	(10,423.86)	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	520,757.57	540,182.05			(2,881.85)		517,875.72	531,924.20	(5,376.00)	0.00
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,116,068.89	1,157,704.52			(121,282.10)		994,786.79	1,021,777.63	(14,844.79)	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,199,859.98	1,244,627.73			(6,355.17)		1,193,504.79	1,225,893.45	(12,379.11)	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	893,593.90	965,605.33			(241,518.67)		652,075.23	699,643.80	(24,442.86)	0.00
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	126,572.19	131,302.76			(660.06)		125,912.13	129,337.02	(1,305.70)	0.00
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	75,073.89	61,129.63			(513.64)		74,560.25	86,005.11	(610.88)	0.00
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	146,963.16	152,457.39			(758.44)		146,204.72	150,183.09	(1,515.86)	0.00
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	161,118.97	174,116.29			(699.62)		160,419.35	172,135.06	(1,281.61)	0.00
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	962,059.31	998,031.02			(102,030.19)		860,029.12	883,435.80	(12,565.03)	0.00
GNMA	2003A RMRB	5.49	09/23/04	09/20/34	72,227.86	78,054.84			(317.83)		71,910.05	77,162.16	(574.85)	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	185,608.70	193,313.48			(1,083.72)		164,724.98	190,364.22	(1,865.52)	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	422,349.15	438,145.35			(2,192.40)		420,156.75	431,595.73	(4,357.22)	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	192,499.71	207,865.74			(925.14)		191,574.57	205,206.33	(1,534.27)	0.00
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	130,356.78	140,874.65			(565.73)		129,791.03	139,272.00	(1,036.92)	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	310,776.83	322,403.38			(1,941.34)		308,835.49	317,247.20	(3,214.84)	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	50,509.63	54,580.84			(223.28)		50,286.35	53,955.53	(402.03)	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	336,058.12	348,601.69			(128,953.81)		207,102.31	212,726.83	(6,921.05)	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	59,522.64	64,320.97			(281.60)		59,261.04	63,585.71	(473.66)	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	430,136.60	446,196.62			(2,237.25)		427,899.35	439,522.54	(4,436.83)	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	523,537.15	544,654.64			(103,252.52)		420,284.63	433,092.69	(8,309.43)	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	200,156.25	216,292.64			(883.56)		199,272.69	213,816.00	(1,593.08)	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	221,754.43	230,701.49			(1,368.50)		220,385.93	227,104.43	(2,228.56)	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	103,742.12	112,106.39			(456.34)		103,283.76	110,822.19	(825.86)	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	359,941.92	374,456.65			(2,428.68)		357,513.26	368,413.96	(3,624.03)	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	81,479.78	68,049.58			(357.69)		81,122.09	87,043.42	(648.07)	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	362,804.87	377,447.03			(1,909.21)		360,895.66	371,901.72	(3,636.10)	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	200,139.07	216,278.65			(1,324.55)		198,814.52	213,328.91	(1,625.19)	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	132,807.38	137,781.68			(670.84)		132,136.52	135,741.11	(1,369.73)	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	133,025.81	138,009.57			(694.88)		132,330.93	135,942.19	(1,372.50)	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	110,212.12	119,112.56			(581.04)		109,651.06	117,688.69	(862.83)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change in Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	278,895.01	289,346.61			(2,189.11)		276,705.90	284,259.98	(2,697.52)	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	321,565.73	333,596.24			(2,195.93)		319,369.80	328,068.43	(3,331.88)	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	38,796.64	41,927.22			(187.26)		38,609.38	41,429.92	(310.04)	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	176,506.83	190,751.25			(826.67)		175,680.16	188,516.09	(1,408.49)	0.00
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	135,309.85	140,776.52			(678.70)		134,831.15	138,744.63	(1,355.19)	0.00
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	238,715.81	247,650.46			(1,203.44)		237,512.37	243,985.15	(2,461.87)	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	51,170.90	55,300.81			(238.05)		50,932.85	54,654.49	(408.27)	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	449,901.86	485,364.39			(6,096.59)		443,605.27	475,402.11	(3,665.69)	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	178,601.80	185,287.42			(896.18)		177,705.62	182,549.62	(1,841.62)	0.00
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	62,853.46	67,927.22			(273.38)		62,580.08	67,153.80	(500.04)	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	109,549.47	113,978.74			(580.56)		108,968.91	112,300.01	(1,096.17)	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	101,733.37	109,946.32			(443.38)		101,290.01	108,693.53	(809.43)	0.00
GNMA	2003A RMRB	5.49	11/18/04	10/20/34	228,132.94	237,358.17			(1,149.97)		226,982.97	233,923.09	(2,285.11)	0.00
GNMA	2003A RMRB	4.49	11/23/04	11/20/34	254,176.17	274,698.68			(1,238.30)		252,937.87	271,426.49	(2,031.89)	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	165,264.12	171,471.56			(987.62)		164,296.50	168,775.33	(1,708.63)	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	310,251.38	335,309.84			(53,748.26)		256,503.12	275,260.96	(6,300.62)	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	148,496.50	154,062.97			(852.35)		147,644.15	151,676.22	(1,534.40)	0.00
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	49,687.32	53,656.93			(273.50)		49,413.82	52,967.71	(415.72)	0.00
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	164,622.67	170,892.39			(1,478.97)		163,343.70	167,563.41	(1,850.01)	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	211,756.56	228,875.35			(982.56)		210,774.00	225,934.24	(1,756.55)	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	101,708.91	105,755.40			(637.36)		101,071.55	104,014.30	(1,103.74)	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	629,709.41	652,866.03			(3,176.99)		626,530.42	642,685.35	(7,003.69)	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	121,525.51	131,006.85			(70,120.60)		51,404.91	55,005.75	(5,880.50)	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	596,971.31	620,731.20			(3,246.70)		593,724.61	611,020.43	(6,464.07)	0.00
GNMA	2003A RMRB	5.49	02/17/05	01/20/35	52,961.26	57,194.22			(225.59)		52,735.67	56,530.24	(438.39)	0.00
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	99,861.74	107,845.54			(420.07)		99,441.67	106,599.10	(826.37)	0.00
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	26,249.56	27,295.09			(129.30)		26,120.26	26,881.91	(283.88)	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	113,521.19	122,598.16			(520.67)		113,000.52	121,135.09	(942.40)	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	296,325.20	320,025.32			(150,016.60)		146,308.60	156,844.08	(13,164.54)	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	214,292.95	231,434.46			(1,030.52)		213,262.43	228,621.46	(1,782.46)	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	58,972.57	61,323.67			(286.03)		58,684.54	60,398.17	(637.67)	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	174,047.41	187,970.77			(69,519.47)		104,527.94	112,056.67	(6,394.63)	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	150,150.84	162,164.83			(3,563.22)		146,587.62	157,147.95	(1,453.66)	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,162,485.84	1,226,098.62			(143,861.68)		1,038,624.15	1,065,512.24	(16,724.69)	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	542,326.79	585,752.17			(73,564.86)		468,763.93	502,560.06	(9,627.25)	0.00
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	342,638.59	369,841.02			(1,892.13)		340,346.46	364,882.84	(2,885.95)	0.00
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	120,316.21	125,118.70			(586.21)		119,732.00	123,231.36	(1,301.13)	0.00
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	310,409.22	335,249.64			(1,382.18)		309,027.04	331,293.36	(2,574.10)	0.00
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	270,269.75	291,922.57			(1,352.23)		268,937.52	288,318.18	(2,252.16)	0.00
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	267,247.06	286,638.97			(1,103.60)		266,143.46	265,325.36	(2,210.01)	0.00
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	171,491.41	184,894.54			(719.13)		170,772.26	182,757.83	(1,417.58)	0.00
GNMA	2003A RMRB	5.49	09/08/05	09/20/35	264,216.38	285,367.86			(1,124.77)		263,091.61	282,075.45	(2,187.64)	0.00
GNMA	2003A RMRB	5.49	09/15/05	09/20/35	486,137.46	503,491.26			(1,975.93)		464,161.53	497,656.42	(3,658.91)	0.00
GNMA	2003A RMRB	5.49	09/22/05	09/20/35	129,037.40	139,378.49			(532.98)		128,504.42	137,776.27	(1,067.24)	0.00
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	82,298.90	65,587.66			(422.79)		81,876.11	84,274.25	(890.62)	0.00
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	329,061.64	355,412.62			(2,226.99)		326,832.65	350,399.58	(2,784.05)	0.00
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	218,389.15	235,857.41			(70,202.92)		148,166.23	158,851.01	(6,803.48)	0.00
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	256,494.01	277,036.93			(1,861.45)		254,632.56	272,996.37	(2,179.11)	0.00
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	248,258.71	268,155.26			(1,021.34)		247,247.37	265,080.98	(2,052.96)	0.00
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	296,420.09	320,184.28			(1,222.98)		295,197.11	316,489.60	(2,451.70)	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	813,881.74	679,087.73			(232,007.32)		581,874.42	623,853.62	(23,226.79)	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	297,898.92	321,765.79			(220,705.57)		77,193.35	82,762.45	(18,297.77)	0.00
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	252,761.22	273,047.70			(1,072.42)		251,708.80	269,882.45	(2,092.83)	0.00
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	461,101.36	496,057.10			(1,954.75)		459,146.61	492,285.05	(3,617.30)	0.00
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	399,942.55	431,998.81			(123,916.93)		276,025.62	295,949.01	(12,132.87)	0.00
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	312,520.66	337,572.94			(1,256.78)		311,263.88	333,733.77	(2,562.39)	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	314,170.71	339,356.98			(95,391.36)		218,779.35	234,574.03	(9,391.59)	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	278,003.99	298,130.53			(1,295.74)		274,708.25	294,540.70	(2,294.09)	0.00
GNMA	2003A RMRB	5.49	12/15/05	12/20/35	146,954.79	158,743.95			(603.77)		146,351.02	158,924.85	(1,215.33)	0.00
GNMA	2003A RMRB	5.49	11/03/05	09/20/35	196,568.60	212,328.72			(796.79)		195,769.61	209,904.82	(1,625.11)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
GNMA	2003A RMRB	5.49	11/03/05	10/20/35	201,687.12	217,858.26			(804.36)		200,882.76	215,387.79	(1,666.13)	0.00
GNMA	2003A RMRB	5.49	11/10/05	11/20/35	154,393.98	166,774.71			(615.11)		153,778.87	164,884.20	(1,275.40)	0.00
GNMA	2003A RMRB	5.49	11/17/05	07/20/35	116,652.68	126,005.83			(473.51)		116,179.17	124,567.93	(964.39)	0.00
GNMA	2003A RMRB	5.49	11/17/05	10/20/35	153,957.53	166,303.80			(855.46)		153,102.07	164,373.30	(1,274.84)	0.00
GNMA	2003A RMRB	5.49	11/22/05	11/20/35	210,618.27	227,509.88			(99,458.05)		111,160.22	119,186.88	(8,862.95)	0.00
GNMA	2003A RMRB	5.49	12/29/05	12/20/35	412,545.72	444,884.11			(2,135.05)		410,410.67	439,289.52	(3,439.54)	0.00
GNMA	2003A RMRB	5.49	01/12/06	01/20/36	205,201.40	221,379.11			(951.96)		204,249.44	218,554.65	(1,672.50)	0.00
GNMA	2003A RMRB	5.49	01/12/06	12/20/35	75,830.23	81,915.38			(298.03)		75,532.20	80,991.09	(626.26)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	304,394.35	327,830.85			(1,237.70)		303,156.65	323,829.70	(2,783.25)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	105,219.63	113,520.34			(417.37)		104,802.26	112,147.71	(955.26)	0.00
GNMA	2003A RMRB	5.49	02/09/06	01/20/38	68,078.79	73,447.64			(266.64)		67,812.15	72,563.18	(617.82)	0.00
GNMA	2003A RMRB	5.49	02/23/06	01/20/36	89,786.66	98,849.09			(350.55)		89,418.11	95,683.88	(814.88)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	350,695.84	378,362.02			(1,382.15)		349,313.69	373,796.82	(3,183.25)	0.00
GNMA	2003A RMRB	5.49	03/30/06	03/20/36	329,134.16	355,106.52			(116,762.87)		212,371.49	227,260.90	(11,082.95)	0.00
GNMA	2003A RMRB	5.49	04/27/06	03/20/36	134,691.71	145,323.62			(536.04)		134,155.67	143,564.39	(1,223.19)	0.00
GNMA	2003A RMRB	4.49	04/27/06	03/20/36	115,790.97	119,718.48			(525.87)		115,265.30	117,837.63	(1,355.18)	0.00
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	190,264.27	197,301.81			(1,014.43)		189,249.84	193,899.81	(2,387.57)	0.00
FNMA	2003A RMRB	4.49	07/29/04	07/01/34	293,136.32	303,996.01			(1,549.00)		291,587.32	296,758.57	(3,678.44)	0.00
FNMA	2003A RMRB	4.49	08/28/04	08/01/34	99,745.23	103,441.79			(597.59)		99,147.64	101,590.79	(1,253.41)	0.00
FNMA	2003A RMRB	5.49	09/23/04	08/01/34	193,333.35	207,190.77			(868.21)		192,465.14	204,268.00	(2,056.58)	0.00
FNMA	2003A RMRB	4.49	09/28/04	09/01/34	311,978.56	323,545.06			(1,808.17)		310,370.39	318,022.65	(3,914.04)	0.00
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	155,117.64	160,871.48			(610.48)		154,307.18	158,114.60	(1,946.40)	0.00
FNMA	2003A RMRB	4.49	03/29/05	01/20/35	216,242.42	223,877.16			(1,098.16)		215,144.26	220,199.97	(2,579.03)	0.00
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	337,972.60	362,020.87			(1,447.17)		336,525.43	356,624.86	(3,948.64)	0.00
FNMA	2003A RMRB	5.49	08/18/05	08/01/35	295,689.00	316,735.10			(1,741.46)		293,947.54	311,510.20	(3,483.44)	0.00
FNMA	2003A RMRB	5.49	09/08/05	08/01/35	176,122.32	190,802.54			(738.44)		177,383.88	187,984.40	(2,079.70)	0.00
FNMA	2003A RMRB	5.49	10/06/05	10/01/35	250,824.54	268,684.09			(101,593.95)		149,230.59	158,150.89	(8,939.25)	0.00
FNMA	2003A RMRB	5.49	10/20/05	10/01/35	177,335.46	189,963.49			(1,199.05)		176,136.41	186,888.14	(2,098.30)	0.00
FNMA	2003A RMRB	5.49	12/29/05	12/01/35	298,274.29	319,523.98			(1,235.13)		297,039.16	314,806.14	(3,482.71)	0.00
FNMA	2003A RMRB	4.49	01/12/06	12/01/35	70,950.95	73,465.41			(331.02)		70,619.93	72,288.73	(845.86)	0.00
FNMA	2003A RMRB	5.49	02/02/06	01/01/36	109,477.47	117,128.94			(432.13)		109,045.34	115,432.49	(1,262.32)	0.00
Repo Agmt	2003A RMRB	0.11	02/26/10	03/01/10	4,121.72	4,121.72	0.95				4,122.67	4,122.67	-	0.00
	2003A RMRB Total				53,866,317.67	56,529,795.93	1,565,180.36	0.00	(4,163,341.82)	0.00	51,268,156.41	53,248,854.35	(682,780.32)	0.00
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	250,230.42	274,958.89			(5,853.95)		244,376.47	289,158.53	53.59	0.00
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	445,448.71	489,481.24			(23,220.80)		422,225.91	485,057.09	(1,203.35)	0.00
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	52,620.78	59,145.49			(1,941.31)		50,679.47	57,102.60	(101.58)	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	466,455.12	516,245.63			(11,423.91)		455,031.21	504,844.37	22.65	0.00
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	31,974.30	36,557.51			(1,278.49)		30,697.81	35,194.49	(86.53)	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	237,885.29	261,408.92			(7,271.28)		230,614.01	254,015.13	(122.51)	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	101,769.25	114,391.28			(1,779.80)		99,989.45	112,685.29	53.81	0.00
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	143,035.78	157,161.89			(2,952.23)		140,083.55	154,299.88	70.40	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	28,165.31	30,951.08			(557.45)		27,607.86	30,409.95	16.32	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	50,129.66	56,488.08			(2,096.01)		48,033.65	54,229.33	(142.74)	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	196,543.48	216,787.32			(4,140.72)		192,502.74	212,706.85	60.25	0.00
GNMA	1999 A RMRB	6.75	03/30/90	01/20/19	15,871.98	17,878.46			(278.03)		15,593.95	17,604.96	4.55	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	156,862.19	172,714.52			(3,437.06)		153,225.13	169,311.07	33.81	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	109,400.00	123,232.63			(3,038.60)		106,363.40	120,063.14	(113.09)	0.00
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	296,700.86	327,106.89			(8,452.71)		290,247.95	320,723.45	69.47	0.00
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	14,195.09	15,990.27			(475.00)		13,720.09	15,490.13	(25.14)	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	29,904.20	32,970.59			(517.80)		29,386.40	32,473.89	20.90	0.00
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	21,452.53	23,652.68			(374.75)		21,077.78	23,292.53	14.60	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	23,936.58	26,392.68			(8,717.69)		15,218.89	18,818.79	(856.20)	0.00
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	103,891.11	117,434.82			(3,224.93)		100,666.18	114,038.71	(171.16)	0.00
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	19,884.76	21,682.94			(127.17)		19,537.61	21,591.89	36.12	0.00
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	21,141.18	22,583.23			(133.39)		21,007.79	22,294.52	(155.32)	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	137,995.35	146,960.90			(899.54)		137,095.81	145,627.27	(434.09)	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	140,643.67	150,251.03			(1,201.01)		139,442.66	147,297.46	(1,752.56)	0.00
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	59,468.57	63,360.85			(871.74)		58,794.83	62,063.82	(645.09)	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	37,186.34	39,750.33			(211.08)		38,975.25	39,270.31	(268.94)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	1999 A RMRB	0.11	02/26/10	03/01/10	401,199.23	401,199.23	0.00				401,199.23	401,199.23	-	0.00
	1999 A RMRB Total				3,593,667.54	3,916,758.98	0.00	0.00	(92,272.45)	0.00	3,501,395.09	3,818,864.48	(5,622.05)	0.00
<b>Total Residential Mortgage Revenue Bonds Investment Summary</b>					352,926,916.31	370,576,940.45	320,856,399.42	(25,427,701.05)	(15,170,351.71)	0.00	633,185,262.97	650,032,993.23	(802,293.88)	0.00

**Texas Department of Housing and Community Affairs  
Collateralized Home Mortgage Revenue Bonds Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	1992 A-C CHMRB	0.11	02/26/10	03/01/10	40,300.27	40,300.27	76,071.90				116,372.17	116,372.17	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	517,831.77	517,831.77		(494,844.29)			22,987.48	22,987.48	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	27,265.98	30,508.37			(312.97)		26,952.99	29,978.33	(217.07)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	94,607.74	105,851.87			(1,193.28)		93,414.46	103,893.36	(765.23)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	170,735.07	191,732.20			(3,472.82)		167,262.25	186,412.44	(1,848.94)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	879,638.21	984,882.07			(33,419.44)		846,218.77	943,856.27	(7,606.36)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	493,552.27	552,606.92			(7,017.47)		486,534.80	542,675.42	(2,914.03)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	124,034.59	138,875.64			(2,328.02)		121,706.57	135,750.16	(797.46)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	495,638.70	554,951.86			(7,846.73)		487,791.97	544,085.80	(3,019.35)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	582,356.18	652,590.01			(10,190.20)		572,165.98	638,587.24	(3,812.57)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	114,519.71	126,932.82			(1,553.72)		112,965.99	125,758.54	379.44	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	150,903.19	167,242.03			(2,543.34)		148,359.85	165,156.62	457.93	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	102,221.93	113,294.46			(3,300.33)		98,921.60	110,125.81	131.68	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	301,861.55	334,572.09			(4,208.82)		297,652.73	331,379.48	1,016.21	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	73,503.97	81,470.24			(997.45)		72,506.52	80,723.26	250.47	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	11,722.01	12,992.62			(557.41)		11,164.60	12,430.01	(5.20)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	202,822.77	224,584.60			(2,921.27)		199,701.50	222,344.44	871.11	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	38,201.35	40,123.18			(414.32)		35,787.03	39,840.91	132.05	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	443,382.75	492,615.20			(6,080.21)		437,302.54	487,955.12	1,420.13	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	387,520.84	430,555.35			(52,227.48)		335,293.36	374,134.49	(4,193.38)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/25	297,806.08	330,881.63			(3,528.55)		294,279.53	328,373.78	1,016.70	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	100,802.46	112,781.94			(1,881.20)		98,921.26	110,017.14	(883.60)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	505,757.28	560,517.46			(13,521.97)		492,235.31	547,965.48	969.99	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,479,962.46	1,644,194.55			(54,856.99)		1,425,105.49	1,590,076.21	738.65	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,154,689.37	1,282,818.95			(58,184.58)		1,096,484.79	1,223,428.99	(1,205.38)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	1,175,499.26	1,305,975.10			(14,510.14)		1,160,989.12	1,295,416.90	3,951.94	0.00
Repo Agmt	1992 A-C CHMRB	0.11	02/26/10	03/01/10	13,044.84	13,044.84	3.14				13,047.98	13,047.98	-	0.00
<b>1992 A-C CHMRB Total</b>					<b>10,077,982.60</b>	<b>11,144,738.06</b>	<b>76,075.04</b>	<b>(494,844.29)</b>	<b>(287,066.71)</b>	<b>0.00</b>	<b>9,372,126.64</b>	<b>10,422,773.83</b>	<b>(16,128.27)</b>	<b>0.00</b>
<b>Total CHMRB Investment Summary</b>					<b>10,077,982.60</b>	<b>11,144,738.06</b>	<b>76,075.04</b>	<b>(494,844.29)</b>	<b>(287,066.71)</b>	<b>0.00</b>	<b>9,372,126.64</b>	<b>10,422,773.83</b>	<b>(16,128.27)</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Multi Family Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.00	02/01/10	03/01/10	43,449.96	43,449.98		(2,749.98)			40,700.00	40,700.00	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.00	02/01/10	03/01/10	31,989.49	31,989.49	6,258.45				38,247.94	38,247.94	-	0.00
	<b>1996 A&amp;B MF (Brighton/LasColi) Total</b>				<b>75,439.47</b>	<b>75,439.47</b>	<b>6,258.45</b>	<b>(2,749.98)</b>	<b>0.00</b>	<b>0.00</b>	<b>78,947.94</b>	<b>78,947.94</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1996 A&B MF (Braxton's)	0.00	02/01/10	03/01/10	73,817.87	73,817.87		(4,607.23)			69,210.64	69,210.64	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	0.00	02/01/10	03/01/10	46,862.49	46,862.49	9,938.52				56,801.01	56,801.01	-	0.00
	<b>1996 A&amp;B MF (Braxton's) Total</b>				<b>120,680.36</b>	<b>120,680.36</b>	<b>9,938.52</b>	<b>(4,607.23)</b>	<b>0.00</b>	<b>0.00</b>	<b>126,011.65</b>	<b>126,011.65</b>	<b>0.00</b>	<b>0.00</b>
Money Market	1987 South Tx. Rental Housing	0.00	02/01/10	03/01/10	20.09	20.09	0.00				20.09	20.09	-	0.00
Repo Agmt	1987 South Tx. Rental Housing	0.11	02/26/10	03/01/10	522,557.18	522,557.18	126.65				522,683.83	522,683.83	-	0.00
Mutual Fund	1987 South Tx. Rental Housing	0.00	02/01/10	03/01/10	1,532.85	1,532.85	0.00				1,532.85	1,532.85	-	0.00
	<b>1987 South Tx. Rental Housing Total</b>				<b>524,110.12</b>	<b>524,110.12</b>	<b>126.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>524,236.77</b>	<b>524,236.77</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1998 M/F (Pebble Brook)	0.00	02/01/10	03/01/10	119,132.82	119,132.82	34,715.39				153,848.21	153,848.21	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/90	323,421.94	323,421.94	61,753.96				385,175.90	385,175.90	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	4.01	09/14/01	06/01/34			61,634.67				61,634.67	61,634.67	-	0.00
Money Market	1998 M/F (Pebble Brook)	0.00	02/01/10	03/01/10	3,006.71	3,006.71	0.00				3,006.71	3,006.71	-	0.00
	<b>1998 M/F (Pebble Brook) Total</b>				<b>445,561.47</b>	<b>445,561.47</b>	<b>158,104.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>603,665.49</b>	<b>603,665.49</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	02/01/10	03/01/10	73,096.20	73,096.20	167,056.41				240,152.61	240,152.61	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	02/01/10	03/01/10	5,736.07	5,736.07	0.00				5,736.07	5,736.07	-	0.00
Money Market	1998 M/F (Residence Oaks Proj)	0.00	02/01/10	03/01/10	710.24	710.24	0.00				710.24	710.24	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	02/01/10	03/01/10	13,790.10	13,790.10	0.00				13,790.10	13,790.10	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	02/01/10	03/01/10	34,940.78	34,940.78	0.00				34,940.76	34,940.76	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	02/01/10	03/01/10	25,161.70	25,161.70	0.00				25,161.70	25,161.70	-	0.00
	<b>1998 M/F (Residence Oaks Proj) Total</b>				<b>153,435.07</b>	<b>153,435.07</b>	<b>167,056.41</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>320,491.48</b>	<b>320,491.48</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	02/01/10	03/01/10	91,754.54	91,754.54	15,454.64				107,209.18	107,209.18	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	02/01/10	03/01/10	212,334.42	212,334.42		(117,985.22)			94,349.20	94,349.20	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.01	02/01/10	03/01/10	67,500.00	67,500.00	67,500.00				135,000.00	135,000.00	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.01	02/01/10	03/01/10	155,695.91	155,695.91	155,017.50				310,713.41	310,713.41	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.01	02/01/10	03/01/10	22,473.77	22,473.77	16,933.58				39,407.35	39,407.35	-	0.00
	<b>1998 M/F (Greens-Hickory Trail) Total</b>				<b>549,756.64</b>	<b>549,756.64</b>	<b>254,905.72</b>	<b>(117,985.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>686,679.14</b>	<b>686,679.14</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	02/01/10	03/01/10	155,521.29	155,521.29		(94,509.87)			61,011.42	61,011.42	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	02/01/10	03/01/10	102,882.96	102,882.96		(90,469.71)			12,413.25	12,413.25	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	02/01/10	03/01/10	11,319.15	11,319.15		(10,534.31)			784.84	784.84	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	02/01/10	03/01/10	0.03	0.03	77,333.32				77,333.35	77,333.35	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	02/01/10	03/01/10	0.01	0.01	189,544.00				189,544.01	189,544.01	-	0.00
	<b>1999 M/F (Mayfield Apts) Total</b>				<b>269,723.44</b>	<b>269,723.44</b>	<b>286,877.32</b>	<b>(195,513.89)</b>	<b>0.00</b>	<b>0.00</b>	<b>341,088.87</b>	<b>341,088.87</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	02/01/10	03/01/10	2,001.87	2,001.87	4,426.00				6,427.87	6,427.87	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	02/01/10	03/01/10	46,625.25	46,625.25	328.02				46,953.27	46,953.27	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	02/01/10	03/01/10	101,494.40	101,494.40		(86,570.00)			34,924.40	34,924.40	-	0.00
	<b>2000 M/F (Timber Point Apts) Total</b>				<b>150,121.52</b>	<b>150,121.52</b>	<b>4,754.02</b>	<b>(86,570.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>88,305.54</b>	<b>88,305.54</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	02/01/10	03/01/10	190,442.91	190,442.91		(119,528.52)			70,914.39	70,914.39	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	02/01/10	03/01/10	302,157.36	302,157.36		(112,467.11)			189,690.25	189,690.25	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	02/01/10	03/01/10	92,624.57	92,624.57	453.95				93,078.52	93,078.52	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	02/01/10	03/01/10	23,722.34	23,722.34	3,273.30				26,995.64	26,995.64	-	0.00
	<b>2000 A&amp;B M/F (Oaks at Hampton) Total</b>				<b>608,947.18</b>	<b>608,947.18</b>	<b>3,727.25</b>	<b>(231,995.63)</b>	<b>0.00</b>	<b>0.00</b>	<b>380,678.80</b>	<b>380,678.80</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Deerwood Apts)	0.01	02/01/10	03/01/10	18,995.60	18,995.60	6,000.00				24,995.60	24,995.60	-	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	249,083.34	249,083.34		(122,261.33)			126,822.01	126,822.01	-	0.00
	<b>2000 M/F (Deerwood Apts) Total</b>				<b>268,078.94</b>	<b>268,078.94</b>	<b>6,000.00</b>	<b>(122,261.33)</b>	<b>0.00</b>	<b>0.00</b>	<b>151,817.61</b>	<b>151,817.61</b>	<b>0.00</b>	<b>0.00</b>

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	02/01/10	03/01/10	9,814.38	9,814.38	5,872.56				15,686.94	15,686.94	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	02/01/10	03/01/10	27,408.09	27,408.09		(2,347.47)			25,060.62	25,060.62	-	0.00
Money Market	2000 M/F (Creek Point Apts)	0.00	02/01/10	03/01/10	115,350.73	115,350.73		(75,844.00)			39,506.73	39,506.73	-	0.00
	<b>2000 M/F (Creek Point Apts) Total</b>				<b>152,573.20</b>	<b>152,573.20</b>	<b>5,872.56</b>	<b>(78,191.47)</b>	<b>0.00</b>	<b>0.00</b>	<b>80,254.29</b>	<b>80,254.29</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	02/01/10	03/01/10	23,448.37	23,448.37	3,333.57				28,781.94	26,781.94	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	02/01/10	03/01/10	289,765.84	289,765.84		(30,795.67)			258,970.17	258,970.17	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	02/01/10	03/01/10	91,719.97	91,719.97	21.42				91,741.39	91,741.39	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	02/01/10	03/01/10	211,014.12	211,014.12		(119,146.93)			91,867.19	91,867.19	-	0.00
	<b>2000 M/F (Parks @ Westmoreld) Total</b>				<b>615,948.30</b>	<b>615,948.30</b>	<b>3,354.99</b>	<b>(149,942.60)</b>	<b>0.00</b>	<b>0.00</b>	<b>469,360.69</b>	<b>469,360.69</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A-C MF Highland Meadows				138,806.05	138,806.05		(138,806.05)					-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	02/01/10	03/01/10	106,628.50	106,628.50	17,255.55				123,882.05	123,882.05	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	02/01/10	03/01/10	67,631.38	67,631.38	4,465.12				92,296.50	92,296.50	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	02/01/10	03/01/10			33,000.00				33,000.00	33,000.00	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	02/01/10	03/01/10	5,704.10	5,704.10	141,412.50				147,116.60	147,116.60	-	0.00
	<b>2000 A-C MF Highland Meadows Total</b>				<b>338,968.03</b>	<b>338,968.03</b>	<b>196,133.17</b>	<b>(138,806.05)</b>	<b>0.00</b>	<b>0.00</b>	<b>396,295.15</b>	<b>396,295.15</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A/B MF Greenbridge	0.01	02/01/10	03/01/10	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	02/01/10	03/01/10	32,276.16	32,276.16		8.29			32,284.45	32,284.45	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	02/01/10	03/01/10	15,025.48	15,025.48	11.09				15,036.57	15,036.57	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	02/01/10	03/01/10	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	02/01/10	03/01/10	48,164.88	48,164.88	1,137.38				49,302.26	49,302.26	-	0.00
	<b>2000 A/B MF Greenbridge Total</b>				<b>123,386.65</b>	<b>123,386.65</b>	<b>1,156.76</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>124,543.41</b>	<b>124,543.41</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A-C MF Collingham Park				78,756.84	78,756.64		(78,756.84)					-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	02/01/10	03/01/10	13,772.67	13,772.67	360.80				14,133.47	14,133.47	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	02/01/10	03/01/10	139,750.97	139,750.97	101,179.80				240,930.77	240,930.77	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	02/01/10	03/01/10			37,666.66				37,666.66	37,666.66	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	02/01/10	03/01/10			140,593.60				140,593.60	140,593.60	-	0.00
	<b>2000 A-C MF Collingham Park Total</b>				<b>232,280.48</b>	<b>232,280.48</b>	<b>279,800.86</b>	<b>(78,756.84)</b>	<b>0.00</b>	<b>0.00</b>	<b>433,324.50</b>	<b>433,324.50</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A/B MF Williams Run	0.01	02/01/10	03/01/10	13.09	13.09		0.00			13.09	13.09	-	0.00
Mutual Fund	2000 A/B MF Williams Run	0.01	02/01/10	03/01/10	14.72	14.72		0.00			14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Williams Run	0.01	02/01/10	03/01/10	11,659.83	11,659.83	1,003.02				12,662.85	12,662.85	-	0.00
Mutual Fund	2000 A/B MF Williams Run	0.01	02/01/10	03/01/10	1,593.67	1,593.67	0.40				1,594.07	1,594.07	-	0.00
	<b>2000 A/B MF Williams Run Total</b>				<b>13,281.31</b>	<b>13,281.31</b>	<b>1,003.42</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14,284.73</b>	<b>14,284.73</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	02/01/10	03/01/10	24,639.17	24,639.17	5,327.89				29,967.06	29,967.06	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	02/01/10	03/01/10	206,700.19	206,700.19		(114,271.34)			92,428.85	92,428.85	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	02/01/10	03/01/10	216,388.51	216,388.51		(106,321.47)			110,067.04	110,067.04	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	02/01/10	03/01/10	103,092.84	103,092.84		(4,884.81)			98,208.03	98,208.03	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	02/01/10	03/01/10	42,062.84	42,062.84	10.82				42,073.68	42,073.68	-	0.00
	<b>2001A MF Bluffview Sr. Apts. Total</b>				<b>592,883.55</b>	<b>592,883.55</b>	<b>5,338.71</b>	<b>(225,477.62)</b>	<b>0.00</b>	<b>0.00</b>	<b>372,744.64</b>	<b>372,744.64</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	02/01/10	03/01/10	13,969.43	13,969.43	6,182.64				20,132.07	20,132.07	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	02/01/10	03/01/10	201,919.39	201,919.39		(125,827.81)			76,091.58	76,091.58	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	02/01/10	03/01/10	136,610.91	136,610.91	14,920.34				153,531.25	153,531.25	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	02/01/10	03/01/10	120,083.99	120,083.99	0.00				120,083.99	120,083.99	-	0.00
	<b>2001A MF Knollwood Villas Apts Total</b>				<b>474,583.72</b>	<b>474,583.72</b>	<b>21,082.98</b>	<b>(125,827.81)</b>	<b>0.00</b>	<b>0.00</b>	<b>369,838.89</b>	<b>369,838.89</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	29,160.23	29,160.23		(1,266.05)			27,894.16	27,894.16	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	240,481.57	240,481.57	14,499.99				254,961.56	254,961.56	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	5,659.31	5,659.31		(1,426.47)			4,232.84	4,232.64	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	128,393.34	128,393.34		(111,261.53)			17,131.81	17,131.61	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	37,199.40	37,199.40	29,328.51				66,527.91	66,527.91	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	53,333.38	53,333.38		(25,000.01)			28,333.37	28,333.37	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	02/01/10	03/01/10	223,734.29	223,734.29		(80,913.11)			142,821.16	142,821.16	-	0.00
	<b>2001A MF Skyway Villas Total</b>				<b>717,961.52</b>	<b>717,961.52</b>	<b>43,828.50</b>	<b>(219,867.17)</b>	<b>0.00</b>	<b>0.00</b>	<b>541,922.85</b>	<b>541,922.85</b>	<b>0.00</b>	<b>0.00</b>

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Mutual Fund	2001AB MF Cobb Park Apts	0.01	02/01/10	03/01/10	318,662.67	318,662.67		(93,288.50)			225,374.17	225,374.17	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	0.01	02/01/10	03/01/10	38,396.68	38,396.68	0.80				38,397.48	36,397.48	-	0.00
	<b>2001AB MF Cobb Park Apts Total</b>				<b>357,059.35</b>	<b>357,059.35</b>	<b>0.80</b>	<b>(93,288.50)</b>	<b>0.00</b>	<b>0.00</b>	<b>263,771.65</b>	<b>263,771.65</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Greens Road Apts	0.00	02/01/10	03/01/10	1.50	1.50	0.00				1.50	1.50	-	0.00
Mutual Fund	2001A MF Greens Road Apts	0.00	02/01/10	03/01/10	7,906.14	7,908.14		(975.22)			6,932.92	6,932.92	-	0.00
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/34	275,760.29	275,780.29	139,989.26				415,749.55	415,749.55	-	0.00
	<b>2001A MF Greens Road Apts Total</b>				<b>283,669.93</b>	<b>283,669.93</b>	<b>139,989.26</b>	<b>(975.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>422,683.97</b>	<b>422,683.97</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Meridian Apts	0.00	02/01/10	03/01/10	12,916.42	12,916.42	0.00				12,916.42	12,916.42	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	02/01/10	03/01/10	48,825.42	48,825.42	0.00				48,825.42	48,825.42	-	0.00
Money Market	2001AB MF Meridian Apts	0.00	02/01/10	03/01/10	103,892.80	103,892.80		(33,736.59)			70,156.21	70,156.21	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	02/01/10	03/01/10	258,612.68	258,612.68		(51,223.46)			207,389.22	207,389.22	-	0.00
	<b>2001AB MF Meridian Apts Total</b>				<b>424,247.32</b>	<b>424,247.32</b>	<b>0.00</b>	<b>(84,960.05)</b>	<b>0.00</b>	<b>0.00</b>	<b>339,287.27</b>	<b>339,287.27</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Wildwood Branch	0.00	02/01/10	03/01/10	8,977.25	8,977.25		(6,702.19)			2,275.06	2,275.06	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	02/01/10	03/01/10	259,418.00	259,416.00		(195,858.70)			63,557.30	63,557.30	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	02/01/10	03/01/10	146,030.12	146,030.12	115,178.70				281,206.82	261,206.82	-	0.00
Money Market	2001AB MF Wildwood Branch	0.00	02/01/10	03/01/10	61,265.76	61,265.76	0.00				61,265.76	61,265.76	-	0.00
	<b>2001AB MF Wildwood Branch Total</b>				<b>475,689.13</b>	<b>475,689.13</b>	<b>115,178.70</b>	<b>(202,560.89)</b>	<b>0.00</b>	<b>0.00</b>	<b>388,306.94</b>	<b>388,306.94</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	02/01/10	03/01/10	204,385.52	204,385.52		(164,074.82)			40,310.70	40,310.70	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	02/01/10	03/01/10	45,069.58	45,069.58		(37,377.08)			7,692.50	7,692.50	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	02/01/10	03/01/10	36,497.83	36,497.83	1.20				36,499.03	36,499.03	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	02/01/10	03/01/10	0.12	0.12	0.00				0.12	0.12	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	02/01/10	03/01/10	151,079.00	151,079.00	15,170.39				166,249.39	166,249.39	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	02/01/10	03/01/10	115,002.54	115,002.54		(52,999.76)			62,003.78	62,003.78	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	02/01/10	03/01/10	419,735.06	419,735.06		(213,842.99)			205,892.09	205,892.09	-	0.00
	<b>2001ABC MF Fallbrook Apts Total</b>				<b>971,769.67</b>	<b>971,769.67</b>	<b>15,171.59</b>	<b>(469,293.65)</b>	<b>0.00</b>	<b>0.00</b>	<b>518,647.81</b>	<b>518,647.81</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001 MF Oak Hollow Apts	0.01	02/01/10	03/01/10	36,852.58	36,652.58		(10,480.52)			26,172.06	26,172.06	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	02/01/10	03/01/10	59,252.17	59,252.17	8,839.88				68,091.85	68,091.85	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	02/01/10	03/01/10	56,478.75	56,478.75	0.00				56,478.75	56,478.75	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	02/01/10	03/01/10	118,824.91	118,824.91		(68,375.09)			50,449.82	50,449.82	-	0.00
	<b>2001 MF Oak Hollow Apts Total</b>				<b>271,208.41</b>	<b>271,208.41</b>	<b>8,839.88</b>	<b>(78,655.61)</b>	<b>0.00</b>	<b>0.00</b>	<b>201,192.48</b>	<b>201,192.48</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Hillside Apts	0.01	02/01/10	03/01/10	28,770.23	28,770.23		(18,845.57)			9,924.66	9,924.66	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	02/01/10	03/01/10	72,322.08	72,322.08	13,057.05				85,379.13	85,379.13	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	02/01/10	03/01/10	102,505.66	102,505.66		(109.84)			102,395.82	102,395.82	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	02/01/10	03/01/10	188,230.96	188,230.96		(111,160.78)			77,070.18	77,070.18	-	0.00
	<b>2001AB MF Hillside Apts Total</b>				<b>391,828.93</b>	<b>391,828.93</b>	<b>13,057.05</b>	<b>(130,118.19)</b>	<b>0.00</b>	<b>0.00</b>	<b>274,769.79</b>	<b>274,769.79</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	11,136.78	11,136.78		(11,136.74)			0.04	0.04	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	184,931.81	184,931.81	20,676.92				205,608.53	205,608.53	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	131,129.19	131,129.19		(69,856.73)			41,272.46	41,272.46	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	42,851.70	42,851.70	54,160.80				97,012.50	97,012.50	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	54,188.25	54,188.25		(21,666.23)			32,502.02	32,502.02	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	215,671.80	215,671.80		(71,316.89)			144,354.91	144,354.91	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	02/01/10	03/01/10	203,545.34	203,545.34		(118,260.17)			85,285.17	85,285.17	-	0.00
	<b>2002A MF Millstone Apts Total</b>				<b>843,434.67</b>	<b>843,434.67</b>	<b>74,837.72</b>	<b>(312,256.76)</b>	<b>0.00</b>	<b>0.00</b>	<b>806,015.63</b>	<b>806,015.63</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF SugarCreek Apts	0.01	02/01/10	03/01/10	275.19	275.19	0.01				275.20	275.20	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.01	02/01/10	03/01/10	412,216.89	412,216.89		(308,147.95)			104,068.94	104,068.94	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.01	02/01/10	03/01/10	3,590.51	3,590.51		(3,590.36)			0.15	0.15	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.01	02/01/10	03/01/10	0.05	0.05	0.00				0.05	0.05	-	0.00
	<b>2002 MF SugarCreek Apts Total</b>				<b>416,082.64</b>	<b>416,082.64</b>	<b>0.01</b>	<b>(311,736.31)</b>	<b>0.00</b>	<b>0.00</b>	<b>104,344.34</b>	<b>104,344.34</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF West Oaks Apts	0.01	02/01/10	03/01/10	880.32	880.32	0.23				880.55	880.55	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	02/01/10	03/01/10	48,593.44	48,593.44	9,424.58				58,018.02	58,018.02	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Money Market	2002 MF West Oaks Apts	0.01	02/01/10	03/01/10	15,203.52	15,203.52		(15,096.55)			106.97	106.97	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	02/01/10	03/01/10			36,831.54				36,831.54	36,831.54	-	0.00
Mutual Fund	2002 MF West Oaks Apts				82,178.56	82,178.56		(82,178.56)					-	0.00
Mutual Fund	2002 MF West Oaks Apts				102,872.59	102,872.59		(102,872.59)					-	0.00
	<b>2002 MF West Oaks Apts Total</b>				<b>249,728.43</b>	<b>249,728.43</b>	<b>46,256.35</b>	<b>(200,147.70)</b>	<b>0.00</b>	<b>0.00</b>	<b>95,837.08</b>	<b>95,837.08</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Park Meadows Apts	0.00	02/01/10	03/01/10	176,267.56	176,267.56		(84,281.25)			91,986.31	91,986.31	-	0.00
Mutual Fund	2002 MF Park Meadows Apts	0.00	02/01/10	03/01/10	52.41	52.41	0.00				52.41	52.41	-	0.00
	<b>2002 MF Park Meadows Apts Total</b>				<b>176,319.97</b>	<b>176,319.97</b>	<b>0.00</b>	<b>(84,281.25)</b>	<b>0.00</b>	<b>0.00</b>	<b>92,038.72</b>	<b>92,038.72</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	02/01/10	03/01/10	13,696.91	13,696.91	6,105.01				19,801.92	19,601.92	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	02/01/10	03/01/10	147,458.35	147,458.35		(19,320.23)			128,138.12	128,138.12	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	02/01/10	03/01/10	115,030.67	115,030.67	533.33				115,564.00	115,564.00	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	0.01	02/01/10	03/01/10	225,722.53	225,722.53		(138,767.95)			88,954.58	88,954.58	-	0.00
	<b>2002 MF Clarkridge Villas Apts Total</b>				<b>501,908.46</b>	<b>501,908.46</b>	<b>6,638.34</b>	<b>(156,088.18)</b>	<b>0.00</b>	<b>0.00</b>	<b>352,458.62</b>	<b>352,458.62</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Hickory Trace Apts	0.01	02/01/10	03/01/10	2,214.46	2,214.46	5,105.41				7,319.87	7,319.87	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	02/01/10	03/01/10	64,502.43	64,502.43		(21,303.08)			43,199.35	43,199.35	-	0.00
Money Market	2002 MF Hickory Trace Apts	0.01	02/01/10	03/01/10	91,442.59	91,442.59	0.00				91,442.59	91,442.59	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	02/01/10	03/01/10	156,081.96	156,081.96		(91,025.16)			65,056.80	65,056.80	-	0.00
	<b>2002 MF Hickory Trace Apts Total</b>				<b>314,241.44</b>	<b>314,241.44</b>	<b>5,105.41</b>	<b>(112,328.24)</b>	<b>0.00</b>	<b>0.00</b>	<b>207,018.61</b>	<b>207,018.61</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Green Crest Apts	0.01	02/01/10	03/01/10	103,016.02	103,016.02		(55,134.24)			47,881.76	47,881.76	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	02/01/10	03/01/10	154,365.91	154,365.91		(28,524.99)			125,840.92	125,840.92	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	02/01/10	03/01/10			0.38				0.38	0.38	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	02/01/10	03/01/10	1,580.82	1,580.82	0.40				1,561.22	1,561.22	-	0.00
	<b>2002 MF Green Crest Apts Total</b>				<b>258,962.75</b>	<b>258,962.75</b>	<b>0.78</b>	<b>(83,659.23)</b>	<b>0.00</b>	<b>0.00</b>	<b>175,304.30</b>	<b>175,304.30</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Ironwood Apts	0.01	02/01/10	03/01/10	292,539.05	292,539.05		(188,256.08)			104,280.97	104,280.97	-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	02/01/10	03/01/10	3,997.80	3,997.80	1.02				3,996.62	3,996.62	-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	02/01/10	03/01/10	33,725.40	33,725.40		(23,896.27)			9,829.13	9,829.13	-	0.00
	<b>2002 MF Ironwood Apts Total</b>				<b>330,262.25</b>	<b>330,262.25</b>	<b>1.02</b>	<b>(212,154.35)</b>	<b>0.00</b>	<b>0.00</b>	<b>118,108.92</b>	<b>116,108.92</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Woodway Village				2,393.63	2,393.63		(2,393.63)					-	0.00
Mutual Fund	2002 MF Woodway Village	0.00	02/01/10	03/01/10	273,203.91	273,203.91		(122,415.69)			150,788.02	150,788.02	-	0.00
	<b>2002 MF Woodway Village Total</b>				<b>275,597.54</b>	<b>275,597.54</b>	<b>0.00</b>	<b>(124,809.52)</b>	<b>0.00</b>	<b>0.00</b>	<b>150,788.02</b>	<b>150,788.02</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	9,291.94	9,291.94	0.00				9,291.94	9,291.94	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	66,097.75	66,097.75		(39,582.49)			26,535.26	26,535.26	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	6,854.64	6,854.64		(2,120.87)			4,733.77	4,733.77	-	0.00
Money Market	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	176,088.39	176,088.39	40,193.39				216,281.78	216,281.76	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	02/01/10	03/01/10	0.16	0.16	0.00				0.16	0.16	-	0.00
	<b>2003 AB MF Reading Road Total</b>				<b>258,348.80</b>	<b>256,348.80</b>	<b>40,193.39</b>	<b>(41,683.38)</b>	<b>0.00</b>	<b>0.00</b>	<b>256,858.83</b>	<b>258,858.83</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	64,079.00	64,079.00		(57,331.89)			6,747.11	6,747.11	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	398.66	398.66	0.00				398.66	398.66	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	197,208.54	197,208.54		(102,515.91)			94,692.63	94,692.63	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	148,534.57	148,534.57	11,486.47				160,021.04	160,021.04	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	1.04	1.04	37,060.17				37,061.21	37,061.21	-	0.00
Money Market	2003 AB MF North Vista Apts	0.01	02/01/10	03/01/10	85,000.18	85,000.18		(42,500.02)			42,500.16	42,500.16	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	247,953.97	247,953.97		(122,227.51)			125,726.46	125,726.46	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.00	02/01/10	03/01/10	9,366.14	9,366.14	37,317.99				46,684.13	46,684.13	-	0.00
	<b>2003 AB MF North Vista Apts Total</b>				<b>752,542.10</b>	<b>752,542.10</b>	<b>85,864.63</b>	<b>(324,575.33)</b>	<b>0.00</b>	<b>0.00</b>	<b>513,831.40</b>	<b>513,831.40</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	66,243.61	66,243.61		(1,532.14)			64,711.47	64,711.47	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	110,930.95	110,930.95		(66,038.97)			44,891.98	44,891.98	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	121,680.30	121,680.30		(101,630.47)			20,049.83	20,049.83	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	105,072.48	105,072.48		(19,818.11)			85,254.37	85,254.37	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Mutual Fund	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	162.21	162.21	31,845.03				32,007.24	32,007.24	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	63,372.07	63,372.07		(32,499.78)			30,872.29	30,872.29	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.03	02/01/10	03/01/10	177,995.55	177,995.55		(88,942.49)			89,053.06	89,053.06	-	0.00
	<b>2003 AB MF West Virginia Apts Total</b>				<b>645,457.17</b>	<b>645,457.17</b>	<b>31,845.03</b>	<b>(310,461.96)</b>	<b>0.00</b>	<b>0.00</b>	<b>368,840.24</b>	<b>368,840.24</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003AB MF Sphinx @ Murdeaux	0.01	02/01/10	03/01/10	2,054.21	2,054.21		(60.17)			1,994.04	1,994.04	-	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	14,399,667.27	14,399,667.27			(39,907.82)		14,359,779.45	14,359,779.45	-	0.00
Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	372,843.71	372,843.71		(227,633.85)			145,209.86	145,209.86	-	0.00
	<b>2003AB MF Sphinx @ Murdeaux Total</b>				<b>14,774,585.19</b>	<b>14,774,585.19</b>	<b>0.00</b>	<b>(227,694.02)</b>	<b>(39,907.82)</b>	<b>0.00</b>	<b>14,506,983.35</b>	<b>14,506,983.35</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB MF Primrose Houston	0.01	02/01/10	03/01/10	99,828.00	99,828.00	0.09				99,828.09	99,828.09	-	0.00
Money Market	2003 AB MF Primrose Houston	0.01	02/01/10	03/01/10	19,276.21	19,276.21	5,687.57				24,963.78	24,963.78	-	0.00
	<b>2003 AB MF Primrose Houston Total</b>				<b>119,104.21</b>	<b>119,104.21</b>	<b>5,687.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>124,791.87</b>	<b>124,791.87</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	02/01/10	03/01/10	36,728.01	36,728.01	14,067.58				50,795.59	50,795.59	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	02/01/10	03/01/10	245,697.63	245,697.63		(81,593.85)			184,103.98	184,103.98	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	02/01/10	03/01/10	3.68	3.68	18.95				22.63	22.63	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	02/01/10	03/01/10	12,158.40	12,158.40	3,636.38				15,794.78	15,794.78	-	0.00
	<b>2003 AB MF Timber Oaks Apts Total</b>				<b>294,587.72</b>	<b>294,587.72</b>	<b>17,722.91</b>	<b>(61,593.65)</b>	<b>0.00</b>	<b>0.00</b>	<b>250,716.98</b>	<b>250,716.98</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB MF Ash Creek	0.01	02/01/10	03/01/10	1,217.33	1,217.33	1.55				1,218.88	1,218.88	-	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	02/01/10	03/01/10	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	02/01/10	03/01/10	99,271.74	99,271.74	0.11				99,271.85	99,271.85	-	0.00
Money Market	2003 AB MF Ash Creek	0.01	02/01/10	03/01/10	2,138.60	2,138.60	5,545.89				7,684.49	7,684.49	-	0.00
	<b>2003 AB MF Ash Creek Total</b>				<b>107,456.15</b>	<b>107,456.15</b>	<b>5,547.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>113,003.70</b>	<b>113,003.70</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB MF Peninsula	0.01	02/01/10	03/01/10	12.00	12.00	0.00				12.00	12.00	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	02/01/10	03/01/10	141,199.44	141,199.44	205,267.85				346,467.29	346,467.29	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	02/01/10	03/01/10	2,087.81	2,087.81	0.06				2,087.87	2,087.87	-	0.00
	<b>2003 AB MF Peninsula Total</b>				<b>143,299.25</b>	<b>143,299.25</b>	<b>205,267.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>348,567.16</b>	<b>348,567.16</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	31.43	31.43	0.01				31.44	31.44	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	140,816.82	140,816.82	10,165.57				150,982.39	150,982.39	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	82,805.99	82,805.99		(934.48)			81,871.53	81,871.53	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	1,013.02	1,013.02	0.26				1,013.28	1,013.28	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	0.03	0.03	0.00				0.03	0.03	-	0.00
Money Market	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	37.65	37.65	0.01				37.66	37.66	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	02/01/10	03/01/10	18,139.69	18,139.69	5,133.57				23,273.26	23,273.26	-	0.00
	<b>2003 A MF Evergreen @ Mesquite Total</b>				<b>242,844.63</b>	<b>242,844.63</b>	<b>15,299.42</b>	<b>(934.46)</b>	<b>0.00</b>	<b>0.00</b>	<b>257,209.59</b>	<b>257,209.59</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB Arlington Villas	0.01	02/01/10	03/01/10	108,426.66	108,426.66	41.67				108,488.33	108,488.33	-	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	02/01/10	03/01/10	6,737.84	6,737.84	5,845.03				12,582.87	12,582.67	-	0.00
	<b>2003 AB Arlington Villas Total</b>				<b>115,164.30</b>	<b>115,164.30</b>	<b>5,886.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>121,051.00</b>	<b>121,051.00</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2003 AB Parkview Twnhms	0.01	02/01/10	03/01/10	5,710.80	5,710.80		(4,496.60)			1,212.20	1,212.20	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	02/01/10	03/01/10	95,435.64	95,435.64		(35,064.57)			60,371.07	60,371.07	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	02/01/10	03/01/10			1.65				1.65	1.65	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	02/01/10	03/01/10	275,223.84	275,223.84		(151,992.38)			123,231.28	123,231.28	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	02/01/10	03/01/10	221,121.38	221,121.38	56.84				221,178.22	221,178.22	-	0.00
	<b>2003 AB Parkview Twnhms Total</b>				<b>597,491.46</b>	<b>597,491.46</b>	<b>58.49</b>	<b>(191,555.53)</b>	<b>0.00</b>	<b>0.00</b>	<b>405,994.42</b>	<b>405,994.42</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2003 MF NHP-Asmara-Refunding	0.01	02/01/10	03/01/10	176,141.58	176,141.58	67,156.39				243,299.97	243,299.97	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	02/01/10	03/01/10	82,310.61	82,310.61		(44,310.47)			38,000.14	38,000.14	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	02/01/10	03/01/10	682.74	682.74	0.00				682.74	682.74	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	02/01/10	03/01/10	99,605.51	99,605.51	25.81				99,631.12	99,631.12	-	0.00
	<b>2003 MF NHP-Asmara-Refunding Total</b>				<b>358,740.44</b>	<b>358,740.44</b>	<b>87,184.00</b>	<b>(44,310.47)</b>	<b>0.00</b>	<b>0.00</b>	<b>381,613.97</b>	<b>381,613.97</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2004 A&B Timber Ridge	0.01	02/01/10	03/01/10	13,987.02	13,987.02		(8,580.31)			5,406.71	5,406.71	-	0.00
Money Market	2004 A&B Timber Ridge	0.01	02/01/10	03/01/10	54,742.09	54,742.09	614.70				55,356.79	55,356.79	-	0.00
	<b>2004 A&amp;B Timber Ridge Total</b>				<b>88,729.11</b>	<b>88,729.11</b>	<b>614.70</b>	<b>(8,580.31)</b>	<b>0.00</b>	<b>0.00</b>	<b>60,763.50</b>	<b>60,763.50</b>	<b>0.00</b>	<b>0.00</b>

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	38,061.02	38,061.02		(14,223.34)			23,837.68	23,837.68	-	0.00
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	16,893.80	16,893.60	45,937.53				62,831.33	62,631.33	-	0.00
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	6,597.09	6,597.09	1.70				6,598.79	6,598.79	-	0.00
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	18,755.51	16,755.51		(16,753.47)			2.04	2.04	-	0.00
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	75,653.20	75,653.20		(32,481.63)			43,371.57	43,371.57	-	0.00
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	92,298.89	92,298.89	15,023.75				107,322.64	107,322.64	-	0.00
Money Market	2004 A&B Century Park	0.01	02/01/10	03/01/10	272,309.64	272,309.64		(127,928.74)			144,380.90	144,380.90	-	0.00
	<b>2004 A&amp;B Century Park Total</b>				520,769.15	520,769.15	60,962.98	(193,387.18)	0.00	0.00	388,344.95	388,344.95	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	02/01/10	03/01/10	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	02/01/10	03/01/10	205,584.65	205,584.65		(199,404.04)			6,180.61	6,180.61	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	02/01/10	03/01/10	97,460.74	97,460.74		(66,427.23)			31,033.51	31,033.51	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	02/01/10	03/01/10			0.73				0.73	0.73	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	02/01/10	03/01/10	0.91	0.91	0.00				0.91	0.91	-	0.00
	<b>2004 A&amp;B MF Veterans Memorial Total</b>				303,048.47	303,048.47	0.73	(265,831.27)	0.00	0.00	37,215.93	37,215.93	0.00	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	90,399.39	90,399.39	7,870.09				98,269.48	98,269.48	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	1,329.93	1,329.93	0.03				1,329.96	1,329.96	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	0.13	0.13	0.00				0.13	0.13	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	71,357.26	71,357.26		(686.39)			70,670.87	70,870.87	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	73.26	73.26	0.00				73.26	73.26	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	20,281.12	20,281.12	0.53				20,261.65	20,281.65	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	19,811.71	19,811.71		(12,941.85)			6,869.86	6,869.86	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	164,265.69	164,265.69		(111,233.95)			53,031.74	53,031.74	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	0.30	0.30	0.00				0.30	0.30	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	02/01/10	03/01/10	325.73	325.73	0.00				325.73	325.73	-	0.00
	<b>2004 MF Rush Creek Apts Total</b>				367,844.52	367,844.52	7,870.65	(124,862.19)	0.00	0.00	250,852.98	250,852.98	0.00	0.00
Money Market	2004 MF Humble Parkway	0.01	02/01/10	03/01/10	110,019.38	110,019.38	11,375.97				121,395.35	121,395.35	-	0.00
Money Market	2004 MF Humble Parkway	0.01	02/01/10	03/01/10	175,202.27	175,202.27		(127,280.86)			47,921.41	47,921.41	-	0.00
Inv Agmt	2004 MF Humble Parkway				396,300.96	396,300.96		(396,300.96)					-	0.00
Money Market	2004 MF Humble Parkway	0.01	02/01/10	03/01/10			184,872.16				184,872.16	184,872.16	-	0.00
Money Market	2004 MF Humble Parkway	0.01	02/01/10	03/01/10	12,066.70	12,066.70		(5,538.09)			6,528.61	6,528.61	-	0.00
	<b>2004 MF Humble Parkway Total</b>				693,589.33	693,589.33	196,248.13	(529,119.93)	0.00	0.00	360,717.53	360,717.53	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	02/01/10	03/01/10	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	02/01/10	03/01/10	117,514.71	117,514.71		(59,703.36)			57,811.33	57,611.33	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	02/01/10	03/01/10	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	02/01/10	03/01/10	18,996.58	18,996.58	6,525.41				25,521.99	25,521.99	-	0.00
	<b>2004 MF Chisholm Trail Apts Total</b>				140,240.06	140,240.06	6,525.41	(59,703.38)	0.00	0.00	67,062.09	67,062.09	0.00	0.00
Money Market	2004 MF Evergreen at Plano	0.00	02/01/10	03/01/10	143,950.95	143,950.95		(67,426.78)			76,524.17	76,524.17	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	02/01/10	03/01/10	13,504.93	13,504.93	8,129.39				21,634.32	21,634.32	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	02/01/10	03/01/10	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	02/01/10	03/01/10	7,467.53	7,467.53	122.80				7,590.33	7,590.33	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	02/01/10	03/01/10	79,503.44	79,503.44		(122.83)			79,380.61	79,380.61	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	02/01/10	03/01/10	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	02/01/10	03/01/10	210,041.22	210,041.22	13,659.12				223,700.34	223,700.34	-	0.00
	<b>2004 MF Evergreen at Plano Total</b>				457,805.44	457,805.44	21,911.31	(67,549.61)	0.00	0.00	412,167.14	412,167.14	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	02/01/10	03/01/10	3,860.44	3,860.44	4,488.51				8,348.95	8,348.95	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	02/01/10	03/01/10	56,923.65	56,923.65	44,131.76				101,055.41	101,055.41	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	02/01/10	03/01/10	1,087.28	1,087.28	0.00				1,087.28	1,087.28	-	0.00
	<b>2004 MF Montgomery Pines Apts Total</b>				61,871.37	61,871.37	48,620.27	0.00	0.00	0.00	110,491.64	110,491.64	0.00	0.00
Money Market	2004 MF Bristol Apts	0.00	02/01/10	03/01/10	392.77	392.77	0.00				392.77	392.77	-	0.00
Money Market	2004 MF Bristol Apts	0.00	02/01/10	03/01/10	0.04	0.04	0.01				0.05	0.05	-	0.00
Money Market	2004 MF Bristol Apts	0.00	02/01/10	03/01/10	9,450.00	9,450.00	7,024.89				16,474.89	16,474.89	-	0.00
Money Market	2004 MF Bristol Apts	0.00	02/01/10	03/01/10	100,645.43	100,645.43		(74,990.11)			25,655.32	25,655.32	-	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
	<b>2004 MF Bristol Apts Total</b>				110,488.24	110,488.24	7,024.90	(74,990.11)	0.00	0.00	42,523.03	42,523.03	0.00	0.00
Money Market	2004 MF Pinnacle Apts	0.00	02/01/10	03/01/10	4,720.84	4,720.84	359.13				5,079.97	5,079.97	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	02/01/10	03/01/10	31,959.08	31,959.08	29,024.03				60,983.11	60,983.11	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	02/01/10	03/01/10	1,027.27	1,027.27	0.00				1,027.27	1,027.27	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	02/01/10	03/01/10	51.54	51.54	0.00				51.54	51.54	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	02/01/10	03/01/10	0.08	0.08	88.63				88.71	88.71	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	02/01/10	03/01/10	44.36	44.36	0.00				44.36	44.36	-	0.00
	<b>2004 MF Pinnacle Apts Total</b>				37,803.17	37,803.17	29,471.79	0.00	0.00	0.00	67,274.96	67,274.96	0.00	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	02/01/10	03/01/10	93,625.93	93,625.93		(20,268.21)			73,357.72	73,357.72	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	02/01/10	03/01/10	262.15	262.15	75,999.93				76,262.08	76,262.08	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	02/01/10	03/01/10	1,188.80	1,188.80	0.00				1,186.80	1,186.80	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	02/01/10	03/01/10	106,170.39	106,170.39	91,531.56				197,701.95	197,701.95	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	02/01/10	03/01/10	35,353.24	35,353.24		(3,390.75)			31,962.49	31,962.49	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	02/01/10	03/01/10	2.01	2.01	8,013.12				8,015.13	8,015.13	-	0.00
	<b>2004 MF Tranquility Bay Apts Total</b>				236,600.52	236,600.52	175,544.61	(23,658.96)	0.00	0.00	388,486.17	388,486.17	0.00	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,016,503.64	11,016,503.64			(26,556.65)		10,989,946.99	10,989,946.99	-	0.00
Inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	235,736.41	235,736.41		(174,343.61)			61,392.80	61,392.80	-	0.00
Money Market	2004 MF Sphinx @ Delafield	0.01	02/01/10	03/01/10	8,849.43	8,849.43	0.01				8,849.44	8,849.44	-	0.00
	<b>2004 MF Sphinx @ Delafield Total</b>				11,261,089.48	11,261,089.48	0.01	(174,343.61)	(26,556.65)	0.00	11,060,189.23	11,060,189.23	0.00	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	8,443.23	8,443.23	0.00				8,443.23	8,443.23	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	248,102.75	248,102.75		(111,643.43)			136,459.32	136,459.32	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	359.01	359.01	0.00				359.01	359.01	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	167,351.10	167,351.10	10,821.17				178,172.27	178,172.27	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	6,290.39	6,290.39	103.52				6,393.91	6,393.91	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	54,326.02	54,326.02		(103.55)			54,222.47	54,222.47	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	754.16	754.16	0.00				754.16	754.16	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	02/01/10	03/01/10	4,370.64	4,370.64	9,067.82				13,438.46	13,438.46	-	0.00
	<b>2004 MF Churchill @ Pinnacle Total</b>				489,997.30	489,997.30	19,992.51	(111,746.98)	0.00	0.00	398,242.83	398,242.83	0.00	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.00	02/01/10	03/01/10	3,043.43	3,043.43	0.00				3,043.43	3,043.43	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.00	02/01/10	03/01/10	2.89	2.89	0.00				2.89	2.89	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.00	02/01/10	03/01/10	6.01	6.01	0.00				6.01	6.01	-	0.00
	<b>2004 A/B MF Post Oak East Apts Total</b>				3,052.33	3,052.33	0.00	0.00	0.00	0.00	3,052.33	3,052.33	0.00	0.00
Money Market	2004 MF Village Fair	0.01	02/01/10	03/01/10	314,691.83	314,691.83		(101,891.81)			212,800.02	212,800.02	-	0.00
Money Market	2004 MF Village Fair	0.01	02/01/10	03/01/10	96,422.30	96,422.30		(5,869.11)			90,553.19	90,553.19	-	0.00
Money Market	2004 MF Village Fair	0.01	02/01/10	03/01/10	111,330.40	111,330.40	90.21				111,420.61	111,420.61	-	0.00
Money Market	2004 MF Village Fair	0.01	02/01/10	03/01/10	28,372.50	28,372.50		(12,436.59)			15,935.91	15,935.91	-	0.00
	<b>2004 MF Village Fair Total</b>				550,817.03	550,817.03	90.21	(120,197.51)	0.00	0.00	430,709.73	430,709.73	0.00	0.00
Money Market	2005 MF Pecan Grove	0.01	02/01/10	03/01/10			0.87				0.87	0.87	-	0.00
	<b>2005 MF Pecan Grove Total</b>				0.00	0.00	0.87	0.00	0.00	0.00	0.87	0.87	0.00	0.00
Money Market	2005 MF Prairie Oaks	0.01	02/01/10	03/01/10	34,382.18	34,382.18		(15,554.20)			18,827.98	18,827.96	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	02/01/10	03/01/10	94,075.00	94,075.00	1,733.29				95,808.29	95,808.29	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	02/01/10	03/01/10	25,575.37	25,575.37	6.58				25,581.95	25,581.95	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	02/01/10	03/01/10	88,060.49	88,060.49	722.17				88,782.66	88,782.66	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	02/01/10	03/01/10	222,868.18	222,868.18		(102,411.82)			120,456.36	120,456.36	-	0.00
	<b>2005 MF Prairie Oaks Total</b>				484,961.22	484,961.22	2,462.04	(117,966.02)	0.00	0.00	349,457.24	349,457.24	0.00	0.00
Money Market	2005 MF Port Royal	0.01	02/01/10	03/01/10			1.23				1.23	1.23	-	0.00
	<b>2005 MF Port Royal Total</b>				0.00	0.00	1.23	0.00	0.00	0.00	1.23	1.23	0.00	0.00
Money Market	2005 MF Mission Del Rio	0.01	02/01/10	03/01/10			57.44				57.44	57.44	-	0.00
	<b>2005 MF Mission Del Rio Total</b>				0.00	0.00	57.44	0.00	0.00	0.00	57.44	57.44	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Money Market	2005 MF Atascocita Apts	0.01	02/01/10	03/01/10	18,695.74	18,695.74	6,656.57				25,352.31	25,352.31	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	02/01/10	03/01/10	1.03	1.03	0.49				1.52	1.52	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	02/01/10	03/01/10	27.36	27.36	0.00				27.36	27.36	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	02/01/10	03/01/10	50,480.02	50,480.02	29,903.50				80,383.52	80,383.52	-	0.00
	<b>2005 MF Atascocita Apts Total</b>				<b>69,204.15</b>	<b>69,204.15</b>	<b>36,560.56</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>105,764.71</b>	<b>105,764.71</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Tower Ridge	0.00	02/01/10	03/01/10	6,523.68	6,523.68	333.91				6,857.59	6,857.59	-	0.00
Money Market	2005 MF Tower Ridge	0.00	02/01/10	03/01/10	916.51	916.51	0.00				916.51	916.51	-	0.00
Money Market	2005 MF Tower Ridge	0.00	02/01/10	03/01/10	86.21	86.21	0.00				86.21	86.21	-	0.00
Money Market	2005 MF Tower Ridge	0.00	02/01/10	03/01/10	1,826.66	1,826.66	0.00				1,826.66	1,826.66	-	0.00
	<b>2005 MF Tower Ridge Total</b>				<b>9,353.06</b>	<b>9,353.06</b>	<b>333.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,686.97</b>	<b>9,686.97</b>	<b>0.00</b>	<b>0.00</b>
GNMA	2005 MF Prairie Ranch	4.99	03/28/06	01/15/45	11,890,416.17	11,890,418.17			(29,582.26)		11,860,835.91	11,860,835.91	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	315,438.71	315,438.71		(182,210.12)			133,228.59	133,228.59	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	02/01/10	03/01/10	3,585.14	3,585.14	0.92				3,586.06	3,586.06	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	02/01/10	03/01/10	4,222.89	4,222.89	5,936.18				10,159.07	10,159.07	-	0.00
	<b>2005 MF Prairie Ranch Total</b>				<b>12,213,664.91</b>	<b>12,213,664.91</b>	<b>5,937.10</b>	<b>(182,210.12)</b>	<b>(29,582.26)</b>	<b>0.00</b>	<b>12,007,809.63</b>	<b>12,007,809.63</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF St. Augustine	0.00	02/01/10	03/01/10	0.05	0.05	0.00				0.05	0.05	-	0.00
Money Market	2005 MF St. Augustine	0.00	02/01/10	03/01/10	76,392.11	76,392.11	21,602.55				97,994.66	97,994.66	-	0.00
Money Market	2005 MF St. Augustine	0.00	02/01/10	03/01/10	6,771.68	6,771.68	3,037.48				9,809.16	9,809.16	-	0.00
Money Market	2005 MF St. Augustine	0.00	02/01/10	03/01/10	12.50	12.50	0.00				12.50	12.50	-	0.00
	<b>2005 MF St. Augustine Total</b>				<b>83,176.34</b>	<b>83,176.34</b>	<b>24,640.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>107,816.37</b>	<b>107,816.37</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2005 MF Park Manor	0.00	02/01/10	03/01/10	101.27	101.27	0.03				101.30	101.30	-	0.00
Money Market	2005 MF Park Manor	0.00	02/01/10	03/01/10	118.99	118.99	0.03				119.02	119.02	-	0.00
Money Market	2005 MF Park Manor	0.00	02/01/10	03/01/10	6,604.82	6,604.82	(1,179.98)				5,424.84	5,424.84	-	0.00
	<b>2005 MF Park Manor Total</b>				<b>6,825.08</b>	<b>6,825.08</b>	<b>0.06</b>	<b>(1,179.98)</b>	<b>0.00</b>	<b>0.00</b>	<b>5,845.16</b>	<b>5,845.16</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Pr Mockingbird	0.01	02/01/10	03/01/10	50,548.75	50,548.75	10,159.56				60,708.31	60,708.31	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	02/01/10	03/01/10	187,823.12	187,823.12	(44,456.64)				143,366.48	143,366.48	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	02/01/10	03/01/10	112,372.39	112,372.39	(1.87)				112,370.52	112,370.52	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	02/01/10	03/01/10	19,940.65	19,940.65	6,044.03				25,984.68	25,984.68	-	0.00
	<b>2005 MF Pr Mockingbird Total</b>				<b>370,684.91</b>	<b>370,684.91</b>	<b>16,203.59</b>	<b>(44,458.51)</b>	<b>0.00</b>	<b>0.00</b>	<b>342,429.99</b>	<b>342,429.99</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF PI @ Chase Oaks	0.00	02/01/10	03/01/10	411.19	411.19	0.00				411.19	411.19	-	0.00
Money Market	2005 MF PI @ Chase Oaks	0.00	02/01/10	03/01/10	120.06	120.06	0.00				120.06	120.06	-	0.00
	<b>2005 MF PI @ Chase Oaks Total</b>				<b>531.25</b>	<b>531.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>531.25</b>	<b>531.25</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Canal Place	0.01	02/01/10	03/01/10	12,464.19	12,464.19	6,650.42				19,114.61	19,114.61	-	0.00
Money Market	2005 MF Canal Place	0.01	02/01/10	03/01/10	107,353.84	107,353.84	2.06				107,355.90	107,355.90	-	0.00
Money Market	2005 MF Canal Place	0.01	02/01/10	03/01/10	33,271.25	33,271.25	6,117.91				39,389.16	39,389.16	-	0.00
	<b>2005 MF Canal Place Total</b>				<b>153,089.28</b>	<b>153,089.28</b>	<b>12,770.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>165,859.67</b>	<b>165,859.67</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Coral Hills	0.00	02/01/10	03/01/10	160,780.16	160,780.16	(80,064.23)				80,715.93	80,715.93	-	0.00
	<b>2006 MF Coral Hills Total</b>				<b>160,780.16</b>	<b>160,780.16</b>	<b>0.00</b>	<b>(80,064.23)</b>	<b>0.00</b>	<b>0.00</b>	<b>80,715.93</b>	<b>80,715.93</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Harris Branch	0.01	02/01/10	03/01/10	21,548.98	21,548.98	49,468.84				71,017.82	71,017.82	-	0.00
Money Market	2006 MF Harris Branch	0.01	02/01/10	03/01/10	4,733.64	4,733.64	1.22				4,734.86	4,734.86	-	0.00
Money Market	2006 MF Harris Branch	0.01	02/01/10	03/01/10	26,735.29	26,735.29	13,675.02				40,410.31	40,410.31	-	0.00
Money Market	2006 MF Harris Branch	0.01	02/01/10	03/01/10	3,558.08	3,558.08	0.91				3,556.99	3,556.99	-	0.00
Money Market	2006 MF Harris Branch	0.01	02/01/10	03/01/10	17,326.39	17,326.39	11.87				17,338.26	17,338.26	-	0.00
	<b>2006 MF Harris Branch Total</b>				<b>73,900.36</b>	<b>73,900.36</b>	<b>63,157.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>137,058.24</b>	<b>137,058.24</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Bella Vista	0.01	02/01/10	03/01/10	74,553.08	74,553.08	(56,609.14)				17,943.94	17,943.94	-	0.00
Money Market	2006 MF Bella Vista	0.01	02/01/10	03/01/10	240,401.58	240,401.58	81.79				240,463.37	240,463.37	-	0.00
Money Market	2006 MF Bella Vista	0.01	02/01/10	03/01/10	30,000.78	30,000.78	7,507.74				37,508.52	37,508.52	-	0.00
Money Market	2006 MF Bella Vista	0.01	02/01/10	03/01/10	69,090.29	69,090.29	69,103.00				138,193.29	138,193.29	-	0.00
Money Market	2006 MF Bella Vista	0.01	02/01/10	03/01/10	9,848.66	9,848.66	4,163.24				14,009.90	14,009.90	-	0.00
	<b>2006 MF Bella Vista Total</b>				<b>423,882.39</b>	<b>423,882.39</b>	<b>80,635.77</b>	<b>(56,609.14)</b>	<b>0.00</b>	<b>0.00</b>	<b>448,119.02</b>	<b>448,119.02</b>	<b>0.00</b>	<b>0.00</b>

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Money Market	2006 MF Village Park	0.00	02/01/10	03/01/10	3.62	3.82	13,444.04				13,447.86	13,447.86	-	0.00
Money Market	2006 MF Village Park	0.00	02/01/10	03/01/10	380,017.32	380,017.32		(184,356.79)			195,660.53	195,660.53	-	0.00
	2006 MF Village Park Total				380,021.14	380,021.14	13,444.04	(184,356.79)	0.00	0.00	209,108.39	209,108.39	0.00	0.00
Money Market	2006 MF Oakmoor	0.00	02/01/10	03/01/10	44,179.72	44,179.72	8,591.19				52,770.91	52,770.91	-	0.00
Money Market	2006 MF Oakmoor	0.00	02/01/10	03/01/10	57,879.32	57,879.32	12,399.99				70,279.31	70,279.31	-	0.00
Money Market	2006 MF Oakmoor	0.00	02/01/10	03/01/10	80,637.00	80,637.00	0.00				80,637.00	80,637.00	-	0.00
Money Market	2006 MF Oakmoor	0.00	02/01/10	03/01/10	256,393.54	256,393.54		(220,680.15)			35,713.39	35,713.39	-	0.00
	2006 MF Oakmoor Total				439,089.58	439,089.58	20,991.18	(220,680.15)	0.00	0.00	239,400.61	239,400.61	0.00	0.00
Money Market	2006 MF Hillcrest	0.00	02/01/10	03/01/10	157,894.68	157,894.68	185,752.65				343,647.31	343,647.31	-	0.00
	2006 MF Hillcrest Total				157,894.68	157,894.68	185,752.65	0.00	0.00	0.00	343,647.31	343,647.31	0.00	0.00
Money Market	2006 MF Pleasant Village	0.00	02/01/10	03/01/10	121,753.96	121,753.96	4,331.88				128,085.84	126,085.84	-	0.00
Mutual Fund	2006 MF Pleasant Village	0.00	02/01/10	03/01/10	36,224.25	36,224.25		(11,168.80)			25,055.45	25,055.45	-	0.00
Money Market	2006 MF Pleasant Village	0.00	02/01/10	03/01/10	284,960.00	284,960.00		(11,414.57)			273,545.43	273,545.43	-	0.00
Money Market	2006 MF Pleasant Village	0.00	02/01/10	03/01/10	36,295.12	36,295.12	0.00				36,295.12	36,295.12	-	0.00
	2006 MF Pleasant Village Total				479,233.33	479,233.33	4,331.88	(22,583.37)	0.00	0.00	460,981.84	460,981.84	0.00	0.00
Money Market	2006 MF Grove Village	0.00	02/01/10	03/01/10	146,282.36	146,282.36	7,799.44				154,081.60	154,081.60	-	0.00
Money Market	2006 MF Grove Village	0.00	02/01/10	03/01/10	14,555.35	14,555.35	4,633.45				19,188.80	19,188.80	-	0.00
Money Market	2006 MF Grove Village	0.00	02/01/10	03/01/10	2.61	2.61	0.00				2.61	2.61	-	0.00
Money Market	2006 MF Grove Village	0.00	02/01/10	03/01/10	37,383.97	37,383.97	0.00				37,383.97	37,383.97	-	0.00
	2006 MF Grove Village Total				198,224.29	198,224.29	12,432.89	0.00	0.00	0.00	210,657.18	210,657.18	0.00	0.00
Money Market	2006 MF Red Hills	0.01	02/01/10	03/01/10	19,145.18	19,145.18	3,621.00				22,766.18	22,766.18	-	0.00
Money Market	2006 MF Red Hills	0.01	02/01/10	03/01/10	17,359.76	17,359.76	11,006.50				28,368.26	28,368.26	-	0.00
Money Market	2006 MF Red Hills	0.01	02/01/10	03/01/10	1.77	1.77	4.93				6.70	6.70	-	0.00
	2006 MF Red Hills Total				36,506.71	36,506.71	14,634.43	0.00	0.00	0.00	51,141.14	51,141.14	0.00	0.00
Money Market	2006 MF Champion Crossing	0.01	02/01/10	03/01/10	97.44	97.44	0.43				97.87	97.87	-	0.00
Money Market	2006 MF Champion Crossing	0.01	02/01/10	03/01/10	17,868.15	17,868.15	2,482.23				20,350.36	20,350.36	-	0.00
Money Market	2006 MF Champion Crossing	0.01	02/01/10	03/01/10	8,048.75	8,048.75	17,836.81				23,885.36	23,885.36	-	0.00
Money Market	2006 MF Champion Crossing	0.01	02/01/10	03/01/10	1.66	1.68	4.59				6.27	6.27	-	0.00
	2006 MF Champion Crossing Total				24,016.02	24,016.02	20,323.86	0.00	0.00	0.00	44,339.86	44,339.88	0.00	0.00
Money Market	2006 MF Stonehaven	0.01	02/01/10	03/01/10	9,789.93	9,789.93	4,020.09				13,810.02	13,810.02	-	0.00
	2006 MF Stonehaven Total				9,789.93	9,789.93	4,020.09	0.00	0.00	0.00	13,810.02	13,810.02	0.00	0.00
Money Market	2006 MF Center Ridge	0.00	02/01/10	03/01/10	79.60	79.60	0.00				79.60	79.60	-	0.00
Money Market	2006 MF Center Ridge	0.00	02/01/10	03/01/10	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	02/01/10	03/01/10	462,946.02	462,946.02	0.32				462,946.34	462,946.34	-	0.00
Money Market	2006 MF Meadowlands	0.01	02/01/10	03/01/10	25,417.58	25,417.58	32,020.44				57,438.02	57,438.02	-	0.00
Money Market	2006 MF Meadowlands	0.01	02/01/10	03/01/10	300,496.44	300,496.44		(201,871.56)			98,624.88	98,624.88	-	0.00
Money Market	2006 MF Meadowlands	0.01	02/01/10	03/01/10	80,393.16	80,393.16		(60,072.93)			20,320.23	20,320.23	-	0.00
Money Market	2006 MF Meadowlands	0.01	02/01/10	03/01/10	15,733.32	15,733.32	27,533.32				43,266.64	43,266.64	-	0.00
	2006 MF Meadowlands Total				884,986.52	884,986.52	59,554.06	(261,944.49)	0.00	0.00	682,596.11	682,596.11	0.00	0.00
Money Market	2006 MF East Texas Pines	0.01	02/01/10	03/01/10	3,646.83	3,848.63	8,188.45				9,835.28	9,835.28	-	0.00
Money Market	2006 MF East Texas Pines	0.01	02/01/10	03/01/10	183,001.43	183,001.43		(109,848.41)			73,153.02	73,153.02	-	0.00
Money Market	2006 MF East Texas Pines	0.01	02/01/10	03/01/10	143,842.34	143,842.34	215,741.01				359,583.35	359,583.35	-	0.00
Money Market	2006 MF East Texas Pines	0.01	02/01/10	03/01/10	93,814.71	93,814.71	15,649.12				109,463.83	109,463.83	-	0.00
	2006 MF East Texas Pines Total				424,305.31	424,305.31	237,578.58	(109,848.41)	0.00	0.00	552,035.48	552,035.48	0.00	0.00
Money Market	2006 MF Villas at Henderson	0.01	02/01/10	03/01/10	3.11	3.11	0.00				3.11	3.11	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	02/01/10	03/01/10	7,555.00	7,555.00	8,124.09				15,679.09	15,679.09	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	02/01/10	03/01/10	19.00	19.00	0.00				19.00	19.00	-	0.00

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Money Market	2006 MF Villas at Henderson	0.01	02/01/10	03/01/10	8.38	8.38	0.00				8.38	8.38	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	02/01/10	03/01/10	13,714.30	13,714.30	1,254.27				14,968.57	14,968.57	-	0.00
	<b>2006 MF Villas at Henderson Total</b>				<b>21,299.79</b>	<b>21,299.79</b>	<b>9,378.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,678.15</b>	<b>30,678.15</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Aspen Parks Apts	0.00	02/01/10	03/01/10	289,274.26	269,274.26		(240,261.05)			49,013.21	49,013.21	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	02/01/10	03/01/10	2.33	2.33	9,150.02				9,152.35	9,152.35	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	02/01/10	03/01/10	38,086.76	38,086.76	73,142.11				111,228.87	111,228.87	-	0.00
	<b>2006 MF Aspen Parks Apts Total</b>				<b>327,363.35</b>	<b>327,363.35</b>	<b>82,292.13</b>	<b>(240,261.05)</b>	<b>0.00</b>	<b>0.00</b>	<b>169,394.43</b>	<b>169,394.43</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Idlewild Apts	0.01	02/01/10	03/01/10	16,709.78	16,709.78		(563.22)			16,146.56	16,146.56	-	0.00
Money Market	2006 MF Idlewild Apts	0.01	02/01/10	03/01/10	27,640.26	27,640.26	30,687.94				58,328.20	58,328.20	-	0.00
Money Market	2006 MF Idlewild Apts	0.01	02/01/10	03/01/10	22,611.12	22,611.12	10.05				22,621.17	22,621.17	-	0.00
Money Market	2006 MF Idlewild Apts	0.01	02/01/10	03/01/10	0.79	0.79	0.00				0.79	0.79	-	0.00
	<b>2006 MF Idlewild Apts Total</b>				<b>66,961.95</b>	<b>66,961.95</b>	<b>30,697.99</b>	<b>(563.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>97,096.72</b>	<b>97,096.72</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Landcaster Apts	0.01	02/01/10	03/01/10	37,770.68	37,770.68		(22,723.70)			15,046.98	15,046.98	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	02/01/10	03/01/10	888.02	888.02	0.00				888.02	888.02	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	02/01/10	03/01/10	27,640.26	27,640.26	30,687.94				58,328.20	58,328.20	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	02/01/10	03/01/10	28,832.43	28,832.43		(27,132.00)			1,700.43	1,700.43	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	02/01/10	03/01/10	0.79	0.79	0.00				0.79	0.79	-	0.00
	<b>2007 MF Landcaster Apts Total</b>				<b>95,132.18</b>	<b>95,132.18</b>	<b>30,687.94</b>	<b>(49,855.70)</b>	<b>0.00</b>	<b>0.00</b>	<b>75,964.42</b>	<b>75,964.42</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Park Place	0.01	02/01/10	03/01/10	12,600.04	12,600.04	8,400.53				21,000.57	21,000.57	-	0.00
Money Market	2007 MF Park Place	0.01	02/01/10	03/01/10	822,034.84	822,034.84	24.56				822,059.40	822,059.40	-	0.00
Money Market	2007 MF Park Place	0.01	02/01/10	03/01/10	188,641.45	188,641.45		(113,960.49)			74,680.96	74,680.96	-	0.00
Money Market	2007 MF Park Place	0.01	02/01/10	03/01/10	35,340.29	35,340.29	3,801.00				39,141.29	39,141.29	-	0.00
	<b>2007 MF Park Place Total</b>				<b>1,058,616.62</b>	<b>1,058,616.62</b>	<b>12,226.09</b>	<b>(113,960.49)</b>	<b>0.00</b>	<b>0.00</b>	<b>958,882.22</b>	<b>958,882.22</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Terrace @ Cibolo	0.01	02/01/10	03/01/10	10,056.00	10,056.00	30,170.73				40,226.73	40,226.73	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	02/01/10	03/01/10	142,061.91	142,061.91		(64,681.31)			77,380.60	77,380.60	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	02/01/10	03/01/10	26,907.00	26,907.00	6.92				26,913.92	26,913.92	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	02/01/10	03/01/10	18,715.85	18,715.85	4,042.35				22,758.20	22,758.20	-	0.00
	<b>2007 MF Terrace @ Cibolo Total</b>				<b>197,740.76</b>	<b>197,740.76</b>	<b>34,220.00</b>	<b>(64,681.31)</b>	<b>0.00</b>	<b>0.00</b>	<b>167,279.45</b>	<b>167,279.45</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Santora Villas	0.01	02/01/10	03/01/10	210,002.10	210,002.10		(166,618.93)			43,383.17	43,383.17	-	0.00
Money Market	2007 MF Santora Villas	0.01	02/01/10	03/01/10			6,400.00				6,400.00	6,400.00	-	0.00
Money Market	2007 MF Santora Villas	0.01	02/01/10	03/01/10	1,161,624.80	1,161,624.80	34.73				1,161,859.53	1,161,659.53	-	0.00
Money Market	2007 MF Santora Villas	0.01	02/01/10	03/01/10	39,010.66	39,010.66	47,389.40				86,400.06	86,400.06	-	0.00
Money Market	2007 MF Santora Villas	0.01	02/01/10	03/01/10	15,135.48	15,135.48	18,518.59				33,654.07	33,654.07	-	0.00
	<b>2007 MF Santora Villas Total</b>				<b>1,425,773.04</b>	<b>1,425,773.04</b>	<b>72,342.72</b>	<b>(166,618.93)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,331,498.63</b>	<b>1,331,496.63</b>	<b>0.00</b>	<b>0.00</b>
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	02/01/10	03/01/10	2,614.10	2,614.10	854,914.22				857,528.32	857,528.32	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite				848,914.22	848,914.22		(848,914.22)					-	0.00
Money Market	2007 A/B MF Villas @ Mesquite				3,566.27	3,566.27		(3,568.27)					-	0.00
GNMA	2007 A/B MF Villas @ Mesquite	4.76	08/23/07	07/20/47	326,923.60	326,923.60		(216,682.55)			110,241.05	110,241.05	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	02/01/10	03/01/10	22,058.73	22,058.73	9,526.20				31,584.93	31,584.93	-	0.00
	<b>2007 A/B MF Villas @ Mesquite Total</b>				<b>17,198,625.92</b>	<b>17,198,625.92</b>	<b>864,440.42</b>	<b>(1,069,165.04)</b>	<b>0.00</b>	<b>0.00</b>	<b>16,993,901.30</b>	<b>16,993,901.30</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Summit Point	0.01	02/01/10	03/01/10	10,000.57	10,000.57		(0.52)			10,000.05	10,000.05	-	0.00
GNMA	2007 MF Summit Point	5.32	07/30/07	06/15/10	11,674,248.00	11,674,248.00	0.00				11,674,248.00	11,674,248.00	-	0.00
Money Market	2007 MF Summit Point	0.01	02/01/10	03/01/10	384,520.02	384,520.02		(251,052.56)			133,467.48	133,467.48	-	0.00
	<b>2007 MF Summit Point Total</b>				<b>12,068,768.59</b>	<b>12,068,768.59</b>	<b>0.00</b>	<b>(251,053.08)</b>	<b>0.00</b>	<b>0.00</b>	<b>11,817,715.51</b>	<b>11,817,715.51</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Costa Rialto	0.01	02/01/10	03/01/10	0.01	0.01	0.00				0.01	0.01	-	0.00
Money Market	2007 MF Costa Rialto				0.02	0.02		(0.02)					-	0.00
Money Market	2007 MF Costa Rialto	0.01	02/01/10	03/01/10			0.07				0.07	0.07	-	0.00
	<b>2007 MF Costa Rialto Total</b>				<b>0.03</b>	<b>0.03</b>	<b>0.07</b>	<b>(0.02)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.08</b>	<b>0.08</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Windshire Apts	0.01	02/01/10	03/01/10	16,874.70	16,874.70	4,839.06				23,713.76	23,713.76	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Money Market	2007 MF Windshire Apts	0.01	02/01/10	03/01/10	4.45	4.45	0.00				4.45	4.45	-	0.00
Money Market	2007 MF Windshire Apts	0.01	02/01/10	03/01/10	25,090.39	25,090.39	25,520.35				50,610.74	50,610.74	-	0.00
Money Market	2007 MF Windshire Apts	0.01	02/01/10	03/01/10	560.17	560.17	5.10				565.27	565.27	-	0.00
	<b>2007 MF Windshire Apts Total</b>				<b>44,529.71</b>	<b>44,529.71</b>	<b>30,364.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>74,894.22</b>	<b>74,894.22</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Residences @ Onion Crk	0.00	02/01/10	03/01/10	222,645.76	222,645.76		(14,112.33)			208,533.43	208,533.43	-	0.00
Money Market	2007 MF Residences @ Onion Crk	0.00	02/01/10	03/01/10	16,583.83	16,583.83	0.00				16,583.83	16,583.83	-	0.00
Money Market	2007 MF Residences @ Onion Crk	0.00	02/01/10	03/01/10	147.91	147.91	0.00				147.91	147.91	-	0.00
	<b>2007 MF Residences @ Onion Crk Total</b>				<b>239,377.50</b>	<b>239,377.50</b>	<b>0.00</b>	<b>(14,112.33)</b>	<b>0.00</b>	<b>0.00</b>	<b>225,265.17</b>	<b>225,265.17</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2008 MF West Oaks Apts	0.01	02/01/10	03/01/10	198,388.42	198,388.42		(134,811.14)			63,577.28	63,577.28	-	0.00
Money Market	2008 MF West Oaks Apts				28.17	28.17		(28.17)					-	0.00
Money Market	2008 MF West Oaks Apts	0.01	02/01/10	03/01/10	67,539.95	67,539.95		(46,626.95)			20,913.00	20,913.00	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	02/01/10	03/01/10	3,671.40	3,671.40		(2,642.98)			1,028.42	1,028.42	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	02/01/10	03/01/10	27,905.07	27,905.07	3,808.57				31,713.64	31,713.64	-	0.00
	<b>2008 MF West Oaks Apts Total</b>				<b>297,533.01</b>	<b>297,533.01</b>	<b>3,808.57</b>	<b>(184,109.24)</b>	<b>0.00</b>	<b>0.00</b>	<b>117,232.34</b>	<b>117,232.34</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2008 MF Costa Ibiza Apts	0.01	02/01/10	03/01/10			0.94				0.94	0.94	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.00	02/01/10	03/01/10			0.01				0.01	0.01	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	02/01/10	03/01/10	2,937.53	2,937.53	0.00				2,937.53	2,937.53	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	02/01/10	03/01/10	88,535.68	88,535.68	29.10				88,564.78	88,564.78	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	02/01/10	03/01/10	452,164.75	452,164.75		(205,237.41)			246,927.34	246,927.34	-	0.00
	<b>2008 MF Costa Ibiza Apts Total</b>				<b>543,637.96</b>	<b>543,637.96</b>	<b>30.05</b>	<b>(205,237.41)</b>	<b>0.00</b>	<b>0.00</b>	<b>338,430.60</b>	<b>338,430.60</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2008 MF Addison Park Apts	0.01	02/01/10	03/01/10	2.18	2.18	0.47				2.65	2.65	-	0.00
Mutual Fund	2008 MF Addison Park Apts	0.01	02/01/10	03/01/10	78,880.24	78,880.24		(60,357.20)			18,523.04	18,523.04	-	0.00
Money Market	2008 MF Addison Park Apts	0.01	02/01/10	03/01/10	0.08	0.08	0.00				0.08	0.08	-	0.00
	<b>2008 MF Addison Park Apts Total</b>				<b>78,882.50</b>	<b>78,882.50</b>	<b>0.47</b>	<b>(60,357.20)</b>	<b>0.00</b>	<b>0.00</b>	<b>18,525.77</b>	<b>18,525.77</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2008 MF Alta Cullen Ref	0.00	02/01/10	03/01/10	0.49	0.49	0.00				0.49	0.49	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	02/01/10	03/01/10	25,985.92	25,985.92	6,750.02				32,735.94	32,735.94	-	0.00
	<b>2008 MF Alta Cullen Ref Total</b>				<b>25,986.41</b>	<b>25,986.41</b>	<b>6,750.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32,736.43</b>	<b>32,736.43</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2009 MF Costa Mariposa	0.01	02/01/10	03/01/10			9,358.78				9,358.78	9,358.78	-	0.00
GIC's	2009 MF Costa Mariposa	0.88	06/25/09	11/01/10	7,400,963.06	7,400,963.06		(5,974,668.01)			1,428,295.05	1,428,295.05	-	0.00
Money Market	2009 MF Costa Mariposa	0.01	02/01/10	03/01/10	5,001.05	5,001.05	0.13				5,001.18	5,001.18	-	0.00
GIC's	2009 MF Costa Mariposa	0.68	06/25/09	11/01/10	20,875.94	20,875.94	35.11				20,911.05	20,911.05	-	0.00
	<b>2009 MF Costa Mariposa Total</b>				<b>7,426,840.05</b>	<b>7,426,840.05</b>	<b>9,394.02</b>	<b>(5,974,668.01)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,461,566.06</b>	<b>1,461,566.06</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2009 MF Woodmont Apts	0.01	02/01/10	03/01/10	11,494,961.48	11,494,961.48		(2,567,908.92)			8,927,052.56	8,927,052.56	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	02/01/10	03/01/10	66,738.65	66,738.65	1.78				66,740.43	66,740.43	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	02/01/10	03/01/10	1,275,390.16	1,275,390.16		(97,313.85)			1,178,076.31	1,178,076.31	-	0.00
	<b>2009 MF Woodmont Apts Total</b>				<b>12,837,090.29</b>	<b>12,837,090.29</b>	<b>1.78</b>	<b>(2,665,222.77)</b>	<b>0.00</b>	<b>0.00</b>	<b>10,171,869.30</b>	<b>10,171,869.30</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Multi-Family Investment Summary</b>					<b>117,713,027.01</b>	<b>117,713,027.01</b>	<b>4,918,492.59</b>	<b>(19,713,613.32)</b>	<b>(96,046.73)</b>	<b>0.00</b>	<b>102,821,859.55</b>	<b>102,821,859.55</b>	<b>0.00</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Commercial Paper Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	Commercial Paper	0.11	02/26/10	03/01/10	26,431.26	26,431.26	6.42	0.00	0.00	0.00	26,437.68	26,437.68	-	0.00
	<b>Commercial Paper Total</b>				26,431.26	26,431.26	6.42	0.00	0.00	0.00	26,437.68	26,437.68	0.00	0.00
	<b>Total Commercial Paper Investment Summary</b>				26,431.26	26,431.26	6.42	0.00	0.00	0.00	26,437.68	26,437.68	0.00	0.00

**Texas Department of Housing and Community Affairs  
General Fund Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	3,679,014.84	3,679,014.84	1,424,489.52				5,103,504.36	5,103,504.36	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	225,703.44	225,703.44	27.02				225,730.46	225,730.46	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	63,669.51	63,669.51	15.42				63,684.93	63,684.93	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	588,316.87	588,316.87	111,790.87				700,107.74	700,107.74	-	0.00
Repo Agmt	General Fund	0.11	02/28/10	03/01/10	502,381.28	502,381.28	61.71				502,442.99	502,442.99	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	4,504.03	4,504.03	2,658.84				7,162.67	7,162.67	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	721,923.90	721,923.90		(265,472.88)			456,451.02	456,451.02	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10			2,500.00				2,500.00	2,500.00	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	345,015.22	345,015.22	83.58				345,098.80	345,098.80	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	427,656.13	427,656.13	103.62				427,759.75	427,759.75	-	0.00
Repo Agmt	General Fund	0.11	02/28/10	03/01/10	1,378,806.42	1,378,806.42		(803,923.80)			574,882.62	574,882.62	-	0.00
Repo Agmt	General Fund	0.11	02/26/10	03/01/10	283,828.83	283,828.83	68.80				283,897.63	283,897.63	-	0.00
Repo Agmt	General Fund	0.11	02/28/10	03/01/10	1,404.27	1,404.27	29,587.43				30,991.70	30,991.70	-	0.00
<b>General Fund Total</b>					<b>8,222,224.74</b>	<b>8,222,224.74</b>	<b>1,571,386.61</b>	<b>(1,069,396.68)</b>	<b>0.00</b>	<b>0.00</b>	<b>8,724,214.67</b>	<b>8,724,214.67</b>	<b>0.00</b>	<b>0.00</b>
<b>Total General Fund Investment Summary</b>					<b>8,222,224.74</b>	<b>8,222,224.74</b>	<b>1,571,386.61</b>	<b>(1,069,396.68)</b>	<b>0.00</b>	<b>0.00</b>	<b>8,724,214.67</b>	<b>8,724,214.67</b>	<b>0.00</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Housing Trust Fund Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	0.11	02/26/10	03/01/10	233,410.21	233,410.21	6,384.39				239,794.60	239,794.60	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	33,384.59	33,384.59	0.00				33,384.59	33,384.59	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	132,294.60	132,294.60	22,134.00				154,428.60	154,428.60	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	471,069.92	471,069.92	46,845.33				519,915.25	519,915.25	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	124,974.31	124,974.31	3,700.45				128,674.76	128,674.76	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	97,210.58	97,210.58	11.94				97,222.52	97,222.52	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	150,748.71	150,748.71	27,528.60				178,277.31	178,277.31	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	91,195.68	91,195.68	10.51				91,206.19	91,206.19	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	314,962.45	314,962.45		(31,306.30)			283,654.15	283,654.15	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	894,455.00	694,455.00		(213,715.27)			680,739.73	680,739.73	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/26/10	03/01/10	1,000,000.00	1,000,000.00		(112,069.11)			887,930.89	887,930.89	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/28/10	03/01/10	1,952,200.59	1,952,200.59	36,445.16				1,990,645.77	1,990,645.77	-	0.00
Repo Agmt	Housing Trust Fund	0.11	02/28/10	03/01/10	431,904.39	431,904.39		(41,257.67)			390,646.52	390,646.52	-	0.00
Repo Agmt	General Revenue Appn	0.11	02/28/10	03/01/10	251,358.63	251,358.63	139,506.32				390,864.95	390,864.95	-	0.00
Repo Agmt	General Revenue Appn	0.11	02/26/10	03/01/10	146,181.47	146,181.47	233,845.08				379,826.55	379,826.55	-	0.00
Repo Agmt	General Revenue Appn	0.11	02/26/10	03/01/10	9,230,734.12	9,230,734.12	15,529.31				9,246,263.43	9,246,263.43	-	0.00
Repo Agmt	General Revenue Appn	0.11	02/26/10	03/01/10	844,397.00	844,397.00	0.00				844,397.00	844,397.00	-	0.00
Repo Agmt	General Revenue Appn	0.11	02/26/10	03/01/10	1,732,300.00	1,732,300.00		(109,846.00)			1,622,454.00	1,622,454.00	-	0.00
Repo Agmt	Disaster Recover - GR	0.11	02/26/10	03/01/10	309,216.29	309,216.29		(122,559.75)			186,656.54	186,656.54	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.11	02/28/10	03/01/10	750,000.00	750,000.00	0.00				750,000.00	750,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.11	02/26/10	03/01/10	990,000.00	990,000.00		(30,000.00)			960,000.00	960,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.11	02/26/10	03/01/10	1,000,000.00	1,000,000.00	0.00				1,000,000.00	1,000,000.00	-	0.00
Repo Agmt	Bootstrap -GR	0.11	02/26/10	03/01/10	30,580.75	30,580.75	0.00				30,580.75	30,580.75	-	0.00
Repo Agmt	Bootstrap -GR	0.11	02/28/10	03/01/10	1,216,824.74	1,216,824.74		(63,070.00)			1,153,554.74	1,153,554.74	-	0.00
Repo Agmt	Bootstrap -GR	0.11	02/26/10	03/01/10	2,062,180.40	2,082,180.40		(86,419.84)			1,995,760.56	1,995,760.56	-	0.00
Repo Agmt	Bootstrap -GR	0.11	02/26/10	03/01/10	636,767.42	636,767.42		(288,785.26)			367,982.16	367,982.16	-	0.00
<b>Housing Trust Fund Total</b>					<b>25,648,151.85</b>	<b>25,648,151.85</b>	<b>535,741.11</b>	<b>(1,079,031.40)</b>	<b>0.00</b>	<b>0.00</b>	<b>25,104,861.56</b>	<b>25,104,861.56</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Housing Trust Fund Investment Summary</b>					<b>25,648,151.85</b>	<b>25,648,151.85</b>	<b>535,741.11</b>	<b>(1,079,031.40)</b>	<b>0.00</b>	<b>0.00</b>	<b>25,104,861.56</b>	<b>25,104,861.56</b>	<b>0.00</b>	<b>0.00</b>



**Texas Department of Housing and Community Affairs  
Administration Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	Administration	0.11	02/26/10	03/01/10	158,792.02	158,792.02	0.46	0.00	0.00	0.00	158,792.48	158,792.48	-	0.00
	<b>Administration Total</b>				158,792.02	158,792.02	0.46	0.00	0.00	0.00	158,792.48	158,792.48	0.00	0.00
	<b>Total Administration Investment Summary</b>				158,792.02	158,792.02	0.46	0.00	0.00	0.00	158,792.48	158,792.46	0.00	0.00

**Texas Department of Housing and Community Affairs  
Compliance Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	RTC	0.11	02/26/10	03/01/10	118,542.81	118,542.81		(495.42)			118,047.39	118,047.39	-	0.00
Repo Agmt	Multi Family	0.11	02/26/10	03/01/10	744,550.38	744,550.38	33,065.77				777,616.15	777,616.15	-	0.00
Repo Agmt	Multi Family	0.11	02/26/10	03/01/10	206,029.98	206,029.96	9.54				206,039.50	206,039.50	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.11	02/26/10	03/01/10	2,110,068.40	2,110,066.40	507,803.81				2,617,870.21	2,617,870.21	-	0.00
<b>Compliance Total</b>					<b>3,179,189.55</b>	<b>3,179,189.55</b>	<b>540,879.12</b>	<b>(495.42)</b>	<b>0.00</b>	<b>0.00</b>	<b>3,719,573.25</b>	<b>3,719,573.25</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Compliance Investment Summary</b>					<b>3,179,189.55</b>	<b>3,179,189.55</b>	<b>540,879.12</b>	<b>(495.42)</b>	<b>0.00</b>	<b>0.00</b>	<b>3,719,573.25</b>	<b>3,719,573.25</b>	<b>0.00</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Housing Initiatives Investment Summary  
For Period Ending February 28, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/09	Beginning Market Value 11/30/09	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 02/28/10	Ending Market Value 02/28/10	Change In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	0.11	02/28/10	03/01/10	536,802.09	536,802.09	173.01				536,975.10	536,975.10	-	0.00
Repo Agmt	S/F Interim Construction	0.11	02/26/10	03/01/10	197.66	197.66	0.00				197.66	197.66	-	0.00
Repo Agmt	S/F Interim Construction	0.11	02/26/10	03/01/10	7.26	7.26	0.00				7.26	7.26	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.11	02/26/10	03/01/10	339,942.17	339,942.17	56,202.14				396,144.31	396,144.31	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.11	02/26/10	03/01/10	7,361,088.28	7,361,088.28		(93,277.59)			7,267,810.69	7,267,810.69	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.11	02/26/10	03/01/10	389,036.38	389,036.38		(13,457.50)			375,578.88	375,578.88	-	0.00
<b>Low Income Tax Credit Prog. Total</b>					<b>8,627,073.84</b>	<b>8,627,073.84</b>	<b>56,375.15</b>	<b>(106,735.09)</b>	<b>0.00</b>	<b>0.00</b>	<b>8,576,713.90</b>	<b>8,576,713.90</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Housing Initiatives Investment Summary</b>					<b>8,627,073.84</b>	<b>8,627,073.84</b>	<b>56,375.15</b>	<b>(106,735.09)</b>	<b>0.00</b>	<b>0.00</b>	<b>8,576,713.90</b>	<b>8,576,713.90</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Investment Summary</b>					<b>1,587,521,291.14</b>	<b>1,865,382,876.92</b>	<b>446,546,541.17</b>	<b>(78,001,281.56)</b>	<b>(99,005,619.54)</b>	<b>0.00</b>	<b>1,857,062,931.19</b>	<b>1,921,675,333.81</b>	<b>(13,249,183.16)</b>	<b>0.00</b>

**Financial Administration Division  
Board Action Request  
May 12, 2010**

**Recommended Action**

The Board approve a third amendment to the FY 2010 Operating Budget.

**RESOLVED**, that the third 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 \$35 million in March 2010. The budget added resources for the implementation of the Weatherization Program under the American Recovery and Reinvestment Act of 2009 (ARRA). The amendment added five (5) Article IX, Temporary Full Time Equivalents (FTEs), benefits and computer equipment. Those activities were 100% federally funded and did not add to the authorized permanent FTE Cap of 314.

Since the adoption of the March budget, the Department has realized that additional resources are needed to support its significant increase in Low Income Home Energy Assistance Program (LIHEAP) funds, namely the monitoring functions associated with the Comprehensive Energy Assistance Program (CEAP). Funding for the LIHEAP Program has increased from \$51 million in 2008 to \$211 million in 2010. The Department has sufficient administrative funds to support the requested resources.

This amendment will add four (4) Article IX, Temporary Full Time Equivalents (FTEs), benefits, computer equipment, communication/utilities and materials/supplies for CEAP's additional staff. These activities will be 100% federally funded and the FTEs will not add to the authorized permanent FTE Cap of 314.

The proposed amendment will increase the budget from \$35,101,474 to \$35,183,721 a change of \$82,247 or 0.2%. The proposed FY 2010 internal Operating Budget will incorporate the new appropriations, four (4) additional FTE's and costs associated with the expansion. Attached, please find the proposed Operating Budget schedule detailing the increased cost per expense object.

If the Board approves the recommended third amendment to the FY 2010 Operating Budget, the Department will submit the amended budget to the LBB and Governor's Office.

	Description	Budget Category	Amount
1.	Add four Article IX, temp employees to support LIHEAP, Comprehensive Energy Assistance Program efforts Article IX, §§ 6.10(f) and (g) (SB 1, 81 <sup>st</sup> Legislature, regular session).	Salaries	\$59,069
2.	Funding for computer equipment for four new FTEs.	Furniture/ Equipment	6,000
3.	Other	Communication/ Materials/Supplies	3,592
	Subtotal		\$68,661
		Payroll Related Costs	13,586
	Total		\$82,247

**Texas Department of Housing and Community 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	\$ 19,587,169	\$ 19,646,238	\$ 59,069	0.3%
Payroll Related Costs	4,505,049	4,518,635	13,586	0.3%
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	639,335	1,592	0.2%
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	375,630	381,630	6,000	1.6%
Communication and Utilities	329,887	331,887	2,000	0.6%
Capital Outlay	88,298	88,298	-	0.0%
State Office of Risk Management	39,423	39,423	-	0.0%
<b>Total Department</b>	<b>\$ 35,101,474</b>	<b>\$ 35,183,721</b>	<b>\$ 82,247</b>	<b>0.2%</b>
FTE's	319.00	323.00	4.00	1.3%
Method of Finance:				
General Revenue	\$ 3,220,111	\$ 3,220,111	\$ 0	0.0%
ARRA Stimulus Earned Federal Funds	790,065	790,065	0	0.0%
Federal Funds	6,145,744	6,227,991	82,247	1.3%
CDBG/FEMA Disaster Recovery	3,278,526	3,278,526	(0)	0.0%
ARRA Stimulus	6,589,696	6,589,696	0	0.0%
Neighborhood Stabilization Program	1,111,320	1,111,320	(0)	0.0%
Appropriated Receipts - Housing Finance	13,368,845	13,368,845	0	0.0%
Interagency Contracts	80,982	80,982	(0)	0.0%
Appropriated Receipts - Manufact. Housing	516,185	516,185	0	0.0%
<b>Total, Method of Finance</b>	<b>\$ 35,101,474</b>	<b>\$ 35,183,721</b>	<b>\$ 82,247</b>	<b>0.2%</b>

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Requested Action**

Approve the requests for extensions related to two (2) 2004, two (2) 2007, one (1) 2008 and (2) 2009 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. 04608 (Grove Village Apartments), Application No. 04609 (Pleasant Village Apts), Application No. 07257/08938 (Palm Garden Apartment Homes), Application No. 07619 (Costa Rialto), Application No. 08195 (St. James Village) Application No. 09013 (Desert Villas) and Application No. 09019 (Timber Village II) 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. 04608 Grove Village Apartments  
(Cost Certification Extension)**

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 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 of this development elected to initiate the credit period in 2006 and missed the January 15, 2008 deadline to submit cost certification documentation for the above referenced development. The reason given for the request was that additional time is required to reach agreements

necessary for the filing of the LURA and to secure clarification regarding some items required to achieve a final inspection.

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:	Grove Village Limited Partnership.
General Partner:	Walker Guardian LLC
Developer:	Guardian Affordable Housing Development, LLC
Principals/Interested Parties:	Rob Walker and Thomas B. Brenneke
Syndicator:	WNC & Associates
City/County:	Dallas/Dallas
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	232 HTC units
2004 Allocation:	\$402,329
Allocation per HTC Unit:	\$1,734
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2008
New Deadline Requested:	July 15, 2010
<b>New Deadline Recommended:</b>	<b>July 15, 2010</b>
Previous Extensions:	N/A



March 9, 2010

Kent Bedell  
Multifamily Housing Specialist  
Texas Department of Housing & Community Affairs  
221 East 11<sup>th</sup> Street  
P.O. Box 13941  
Austin, TX 78711-3941

Re; Cost Certification Submission Extension – Grove Village  
TDHCA File No. 04608/04608B – CMTS 4198

Dear Mr. Bedell,

Please accept this letter as a formal request to extend Grove Village's (TDHCA File No. 04608/04608B – CMTS 4198) Cost Certification Submission to July 15<sup>th</sup>, 2010. This request is made necessary by the time required to reach agreements necessary for the filing of the LURA and to secure clarification of the items required to achieve final inspection.

Should you need additional information or have any questions feel free to contact me directly at (503) 802-3655 or via email [dsteffey@gres.com](mailto:dsteffey@gres.com). A \$2,500.00 check is attached to cover the cost of the extension fee.

Sincerely,

A handwritten signature in black ink that reads 'J. Daniel Steffey' with a stylized flourish at the end.

J. Daniel Steffey  
Vice President, Development

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

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**HTC No. 04609 Pleasant Village Apartments**  
**(Cost Certification Extension)**

Summary of Request: As with the immediate prior development, the owner of this development elected to initiate the credit period in 2006 and missed the January 15, 2008 deadline to submit cost certification documentation for the above referenced development. The reason given for the request was that additional time is required to reach agreements necessary for the filing of the LURA and to secure clarification regarding some items required to achieve a final inspection.

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:	Pleasant Village Apartments Limited Partnership.
General Partner:	Walker Guardian LLC
Developer:	Guardian Affordable Housing Development, LLC
Principals/Interested Parties:	Rob Walker and Thomas B. Brenneke
Syndicator:	WNC & Associates
City/County:	Dallas/Dallas
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	200 HTC units
2004 Allocation:	\$307,152
Allocation per HTC Unit:	\$1,536
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2008
New Deadline Requested:	July 15, 2010
<b>New Deadline Recommended:</b>	<b>July 15, 2010</b>
Previous Extensions:	N/A



March 9, 2010

Kent Bedell  
Multifamily Housing Specialist  
Texas Department of Housing & Community Affairs  
221 East 11<sup>th</sup> Street  
P.O. Box 13941  
Austin, TX 78711-3941

Re; Cost Certification Submission Extension – Pleasant Village  
TDHCA File No. 04609/04609B – CMTS 4199

Dear Mr. Bedell,

Please accept this letter as a formal request to extend Pleasant Village's (TDHCA File No. 04609/04609B – CMTS 4199) Cost Certification Submission to July 15<sup>th</sup>, 2010. This request is made necessary by the time required to reach agreements necessary for the filing of the LURA and to secure clarification of the items required to achieve final inspection.

Should you need additional information or have any questions feel free to contact me directly at (503) 802-3655 or via email [dsteffey@gres.com](mailto:dsteffey@gres.com). A \$2,500.00 check is attached to cover the cost of the extension fee.

Sincerely,

  
J. Daniel Steffey  
Vice President, Development

710 NORTHWEST 14TH AVENUE, SECOND FLOOR PORTLAND, OREGON 97209  
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**HTC No. 07257/08938 Palm Garden Apartment Homes**  
**(Cost Certification Extension)**

Summary of Request: 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 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 approximately one month after the deadline on February 10, 2010. The documentation is currently under review by staff.

Owner:	Orange Palm Garden Apartment Homes, LP
General Partner:	Orange Palm Garden Apartment Homes I, LLC
Developer:	Del Mar Development, LLC
Principals/Interested Parties:	Marc Caldwell
City/County:	Orange/Orange
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly
Units:	76 HTC units
2007 Allocation:	\$736,658
Allocation per HTC Unit:	\$9,692
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2010
New Deadline Requested:	February 10, 2010
<b>Submission Received:</b>	<b>February 10, 2010</b>
Previous Extensions:	N/A

# Orange Palm Garden Apartment Homes, L.P.

April 9, 2010

Mr. Kent Bedell  
Multifamily Division  
TDHCA  
221 East 11<sup>th</sup>  
Austin, TX 78711

**RE: Cost Certification extension request for Palm Garden Apartment Homes  
(TDHCA #07257 / 08938)**

Dear Kent,

This letter is being written as a request for an extension of the Cost Certification submittal deadline. In an effort to submit a complete and comprehensive Cost Certification I missed the January 15<sup>th</sup> submittal date. I was able to submit the Cost Certification on February 10<sup>th</sup>, so this is a request of extension to that date.

With this letter, I am also submitting the required extension fee of \$2,500.

If you have any questions, please call me at 713-269-3106.

Sincerely,



Marc Caldwell  
Manager, GP  
Orange Palm Garden Apartment Homes, L.P.

04-13-10 11:03:31 IN

**HTC No. 07619 Costa Rialto**  
**(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 for the above referenced development. The owner originally requested a change in the deadline from January 15, 2010 to May 15, 2010 that was approved by the executive director January 21, 2010. However, the owner has now indicated that an additional 6 month is needed based on unforeseen noise attenuation work that must be completed in order to receive HUD Environmental clearance for TCAP funds.

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:	Costa Rialto, Ltd
General Partner:	NRP Costa Rialto, LLC
Developer:	NRP Holdings, LLC and Costa Rialto E-Group, LLC
Principals/Interested Parties:	J. David Heller, T, Richard Bailey, Jr., Alan F. Scott, Andrew Tanner, Kenneth W. Outcalt, Charles Holman, and Daniel B. Markson
City/County:	Houston/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	216 HTC units
2007 Allocation:	\$942,498
Allocation per HTC Unit:	\$4,363
Extension Request Fee Paid:	\$2,500
Original Deadline	January 15, 2010
Current Deadline:	May 15, 2010
New Deadline Requested:	November 15, 2010
<b>New Deadline Recommended:</b>	<b>November 15, 2010</b>
Previous Extensions:	(1) January 21, 2010

# COSTA RIALTO, LTD.

111 Soledad ~ Suite 1220 • San Antonio, Texas 78205 • ph (210) 487-7878 • fax (210) 487-7880

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April 21, 2010

Mr. Kent Bedell  
TDHCA  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701-2410

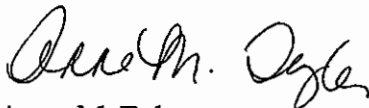
**Re: Costa Rialto (TDHCA# 07619)**

Dear Kent,

We respectfully request an extension of our cost certification deadline for the above-named development. We previously requested and received an extension to May 15, 2010 and are now seeking an additional six month extension, providing a revised due date of November 15<sup>th</sup>, 2010. This request is based upon unforeseen noise attenuation work that must be completed in order to meet HUD Environmental Clearance for TCAP funds.

In an effort to facilitate prompt payment, should this request be granted, enclosed please find our check in the amount of \$2,500, which represents the required extension fee. Should you have any questions, please do not hesitate in contacting our Development Accountant, David Conrad, at (216) 584-0616 or by email at [dconrad@nrpgroup.com](mailto:dconrad@nrpgroup.com).

Respectfully yours,



Anne M. Tyler  
Applications Specialist

**HTC No. 08195, St. James Village Apartments (fka Chateau Village Apartments)**  
**(Commencement of Substantial Construction)**

Summary of Request: Pursuant to §50.14(c) of the 2008 Qualified Allocation Plan, “The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with a possibility of an extension...”. The owner of this development missed the December 1, 2009 deadline to submit the commencement of substantial construction documentation. The owner in this case submitted the full cost certification documentation on April 15, 2010 approximately four and a half months after the deadline. The documentation is currently under review by staff.

Owner:	Houston Leased Housing Associates I, LP
General Partner:	Housing Services Incorporated
Developer:	Houston Leased Housing Development I, LLC
Principals/Interested Parties:	Polaris Holdings, David L Brierton, Jack W Safar, Armand E Brachman, Paul R Sween, and Mark S Moorhouse
City/County:	Houston/Harris
Set-Aside:	Nonprofit
Type of Area:	Urban
Type of Development:	Rehabilitation
Population Served:	Family
Units:	150 HTC units
2008 Allocation:	\$1,219,712
Allocation per HTC Unit:	\$8,131
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2009
New Deadline Requested:	April 15, 2010
<b>Submission Received:</b>	<b>April 15, 2010</b>
Previous Extensions:	N/A



# DOMINIUM

Development & Acquisition, LLC

April 19, 2010

Kent Bedell  
Multifamily Housing Specialist  
Texas Department of Housing and Community Affairs

RE: Substantial Construction Commencement Extension  
St. James Village Apartments (fka Chateau Village Apartments)  
TDHCA #08195

Mr. Bedell:

Please accept this letter as a formal request by Houston Leased Housing Associates I, Limited Partnership to request a 6-month extension to the December 1, 2009 deadline for submitting the Commencement of Substantial Construction form and documentation.

The renovation of St. James Village Apartments is Dominium's first experience with an award of 9% tax credits with the Department. We have completed other 4%/tax-exempt bond deals with the Department and did not realize that the Commencement of Substantial Requirement for 9% deals was needed until we received a letter from Mr. Gavin Reid on April 6, 2010 notifying us we missed the filing deadline.

As the enclosed G702/G703 executed by the Contractor and certified by the Architect of record documents 20% construction completion as required by the Commencement of Substantial Construction was completed in February of 2010. In addition, on April 15, 2010 we submitted to Mr. Gavin Reid the executed Commencement of Substantial Construction form and all appropriate back-up.

I'm hopeful that the documentation that has been provided previously and with this letter will be sufficient to allow the Department to process our request for the extension. The project as of the date of this letter is approximately 40% complete and will be completed, placed-in-service, and 100% tax credit qualified by December 31, 2010.



If any additional documentation is needed to process this request please contact me at (763) 354-5618 or ometz@dominiuminc.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Owen Metz', with a long horizontal flourish extending to the right.

Owen Metz

Representative of Houston Leased Housing Associates I, Limited Partnership

Cc: Gavin Reid, TDHCA  
Mark S. Moorhouse, Dominion

encl

**HTC No. 09013, Desert Villas (Tax Credit Assistance Program Application)**  
**(Closing Deadline)**

Summary of Request: The owner of this development is requesting approval for an extension of the deadline to submit evidence of construction loan and syndication closing for the Development named above. The extension requested a change in the deadline from March 31, 2010 to May 31, 2010. The owner's original deadline to submit evidence of construction loan and syndication closing was December 30, 2009. At the January 20, 2010 Board meeting they received approval to extend the original deadline to March 31, 2010.

The reason given for the additional request is that the Applicant's equity and construction lenders are requesting additional time to review all Department loan documents associated with the TCAP program. Additionally, the equity and the construction lender are requiring concurrent closing with the TCAP loan as a specific condition to closing on the loans; therefore, additional time is needed to review and submit the final TCAP draft documents to the Department for final approval so a closing date can be finalized for all three sources of funding.

Owner:	Desert Villas, Ltd.
General Partner:	Investments Builders, Inc.
Developer:	Investments Builders, Inc.
Principals/Interested Parties:	Ike J. Monty
City/County:	El Paso/El Paso
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	94 HTC units
2009 Allocation:	\$1,085,932
Allocation per HTC Unit:	\$11,552
Extension Request Fee Paid:	\$2,500
Original Deadline:	December 30, 2009
Current Deadline:	March 31, 2010
New Deadline Requested:	May 31, 2010
<b>New Deadline Recommended:</b>	<b>May 31, 2010</b>
Previous Extensions:	(1) January 20, 2010

March 29, 2010

**VIA E-MAIL**

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

Re: Desert Villas (El Paso)  
TDHCA No. 08183/09013 (HTC) and 09704 (TCAP)  
**Request for Extension of Deadline for Construction and Equity  
Closing**

Dear Robbye:

We represent Desert Villas, Ltd. (the "**Development Owner**"), which is the Development Owner with respect to the referenced development (the "**Project**"). The Project is a proposed new development in El Paso that will help to meet a critical housing need due to the expansion at Fort Bliss. The Project applied for 9% tax credits in the 2008 application round, and the Board approved a 2009 forward commitment. The Project has also received a commitment for a \$3,100,000 TCAP loan from the Department (the "**TCAP Loan**").

Like all other 2009 forward commitments, the Project was originally subject to a December 30, 2009 deadline to close on its financing. The Department subsequently approved an extension of the closing deadline to March 31, 2010. The Development Owner has secured all of the financing commitments for the Project and is moving toward closing with the various financing parties. However, the Development Owner does not anticipate that closing can occur by the March 31 deadline, due to the time needed to complete the closing process on the TCAP loan. Furthermore, the tax credit investor and the construction lender are requiring concurrent closing of the TCAP Loan as a specific condition to closing of the equity and the construction loan.

Drafts of the TCAP Loan documents have been prepared and are under review by the financing parties, and the Development Owner expects to submit the draft documents to the Department very soon to begin the closing process. The upper tier equity investor requires an extensive review of the documents, which has prevented the Development

Ms. Meyer  
March 29, 2010

Owner from being able to submit the draft documents to the Department up until this point. However, even after the draft documents are submitted to the Department, it is anticipated that the Department will require some time to review and finalize the documents and prepare for closing, and it is not expected that this process can be completed before March 31.

In light of the foregoing, we respectfully request that the closing deadline for the Project be extended until **May 31, 2010**.

If there is any additional information that the Department needs to process this request, please let us know.

Thank you for your assistance.

Sincerely,



Christine R. Richardson

cc: Tom Gouris (TDHCA)  
Lisa Vecchietti (TDHCA)  
Kent Bedell (TDHCA)  
Ike J. Monty (Investment Builders, Inc.)  
Cynthia Bast (Firm)  
*all via e-mail*

**HTC No. 09019, Timber Village II (Tax Credit Assistance Program Application)**  
**(Closing Deadline)**

Summary of Request: The owner of this development is requesting approval for an extension of the deadline to submit evidence of construction loan and syndication closing for the Development named above. The extension requested a change in the deadline from March 31, 2010 to June 30, 2010. The owner's original deadline to submit evidence of construction loan and syndication closing was December 30, 2009. At the January 20, 2010 Board meeting they received approval to extend the original deadline to March 31, 2010.

The reason given for the additional request is that the Applicant's construction lender is requesting additional time to review all Department loan documents associated with the TCAP program because of the Developments location is outside of the Lender's standard lending footprint. The lender has indicated that they do not foresee any difficulties with obtaining the necessary approvals; however, more time is needed to complete their internal review process. The Applicant also noted that the Department is already aware of the issue regarding the delay in closing.

Owner:	Timber Village Apartments II, Ltd.
General Partner:	Timber Village II, LLC
Developer:	Timber Village Development II, LLC
Principals/Interested Parties:	Rick Deyoe and John Boyd
City/County:	Marshall/Harrison
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Family
Units:	72 HTC units
2009 Allocation:	\$817,794
Allocation per HTC Unit:	\$11,358
Extension Request Fee Paid:	\$2,500
Original Deadline:	December 30, 2009
Current Deadline:	March 31, 2010
New Deadline Requested:	June 30, 2010
<b>New Deadline Recommended:</b>	<b>June 30, 2010</b>
Previous Extensions:	(1) January 20, 2010

February 19, 2010

**VIA E-MAIL**

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

Re: Timber Village II (Marshall)  
TDHCA No. 08240/09019 (HTC) / 09703 (TCAP)  
**Request for Extension of Deadline for Construction and Equity  
Closing**

Dear Robbye:

We represent Timber Village Apartments II, Ltd. (the "**Development Owner**"), which is the Development Owner with respect to the referenced development (the "**Project**"). The Project is a second phase of a successful tax credit project that is currently occupied at 100 percent with a waiting list of 200 families. The Project applied for 9% tax credits in the 2008 application round, and the Board approved a 2009 forward commitment.

Like all other 2009 forward commitments, the Project was originally subject to a December 30, 2009 deadline to close on its financing. The Department subsequently approved an extension of the closing deadline to March 31, 2010. The Project has secured all of its financing commitments and has been expeditiously moving toward closing. However, the construction lender, Sterling Bank (the "**Lender**"), recently advised the Development Owner that some additional internal approvals would need to be obtained due to the Project's location being outside of the Lender's standard lending footprint. The Lender has further advised that the time needed for its internal approval process would delay closing past the current March 31 deadline. It is our understanding that the Lender does not foresee any difficulties with obtaining the necessary approvals. But rather, it is simply a matter of the time needed to process this.

In light of the foregoing, we respectfully request that the closing deadline for the Project be extended until **June 30, 2010**.

Ms. Meyer  
February 19, 2010

We understand that Mahesh Aiyer from the Lender has spoken with Tom Gouris regarding the delay in closing, and that the Department is thus already aware of this issue. However, if there is any additional information that the Department needs to process this request, please let us know.

Thank you for your assistance.

Sincerely,



Christine R. Richardson

cc: Tom Gouris (TDHCA)  
Lisa Vecchietti (TDHCA)  
Kent Bedell (TDHCA)  
Rick Deyoe (Realtex Development Corporation)  
Cynthia Bast (Firm)  
*all via e-mail*

**HOME PROGRAM DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**Recommended Action**

Approve HOME Program Award Recommendations from 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), involving the award of fifteen (15) applications, totaling \$5,320,770 in project funds and \$260,172 in administrative funds, which will result in assistance for 112 low income households.

**RESOLVED**, that the award of contracts to Haskell County, Zavala County, City of Aransas Pass, City of Asherton, City of Ingleside, City of Sinton, City of Texarkana, City of West Tawakoni, City of Brownfield, Cochran County, Terry County, Hill Country Home Opportunity Council, City of Texarkana, Buckner Children & Family Services, Inc. dba Buckner Family Place, and Burke Center, totaling \$5,320,770 in project funds and \$260,172 in administrative funds, resulting in assistance for 112 low income households, are hereby approved in the form presented to this meeting.

**Background**

Staff is recommending for award applications received in response to the 2009 Single Family Programs NOFA. The award recommendations total \$5,320,770 in project funds and \$260,172 in administrative funds to assist 112 households for the following fifteen applications:

**Haskell County**  
**Zavala County**

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 6 homes owned by low-income households that are in significant disrepair.

**City of Aransas Pass**  
**City of Asherton**  
**City of Ingleside**  
**City of Sinton**  
**City of Texarkana**  
**City of West Tawakoni**

Each 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 Brownfield  
Cochran County  
Terry County**

Each Applicant will receive \$375,000 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.

**Hill Country Home  
Opportunity Council**

Applicant will receive \$240,000 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of 3 homes owned by low-income households that are in significant disrepair.

**City of Texarkana**

Applicant will receive \$100,000 in project funds to provide up to \$20,000 in downpayment and closing costs assistance to 5 eligible low-income first-time homebuyers.

**Buckner Children &  
Family Services, Inc. dba  
Buckner Family Place**

Applicant will receive \$300,000 in project funds to provide rental assistance to at least 18 low-income households. The rental assistance will be in the form of a grant for vouchers that can be used for a safe, decent, and affordable unit of their choice.

**Burke Center**

Applicant will receive \$291,770 in project funds to provide rental assistance to at least 18 low-income households. The rental assistance will be in the form of a grant for vouchers that can be used for a safe, decent, and affordable unit of their choice.

The Board previously approved funding for 30 applications totaling \$11,167,772 in project funds and \$494,708 in administrative funds under this NOFA. In addition to the 15 applications being recommended for funding, 21 applications requesting a total of \$6,972,743 in project funds are still under review.

The 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 and expired on April 30, 2010. The unsubscribed balance of funds totaling approximately \$2,500,000 is being recommended for reprogramming in separate action items today.

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: \$14,756,197**

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
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
2009-0024 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
2009-0023 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
2009-0031 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

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
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

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
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

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0059 2009 HBA	12/21/2009	4:04 PM	City of Hillsboro	8	\$300,000	\$12,000	13	\$300,000	\$12,000	14	Awarded 3/11/2010
2009-0060 2009 OCC	12/27/2009	5:36 PM	City of Albany	2	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 3/11/2010
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	Awarded 3/11/2009
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	Awarded 3/11/2010
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	Awarded 3/11/2010
2009-0068 2009 TBRA	1/29/2010	4:47 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$300,000	\$36,000	18	\$300,000	\$36,000	18	Pending Award
2009-0069 2009 OCC	2/3/2010	4:44 PM	City of Asherton	11	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0066 2009 OCC	2/3/2010	4:45 PM	City of Ingleside	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0073 2009 OCC	2/18/2010	2:00 PM	Hill Country Home Opportunity Council, Inc.	9	\$240,000	\$9,600	3	\$240,000	\$9,600	3	Pending Award
2009-0072 2009 OCC	2/18/2010	4:33 PM	City of Sinton	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0070 2009 OCC	2/19/2010	4:55 PM	City of Encinal	11	\$432,000	\$18,000	7				Withdrawn
2009-0074 2009 OCC	2/22/2010	4:59 PM	City of West Tawakoni	3	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0071 2009 HBA	2/23/2010	10:54 AM	Town of Combes	11	\$300,000	\$12,000	15	\$300,000	\$12,000	15	Awarded 3/11/2010
2009-0076 2009 OCC	3/12/2010	12:12 PM	Zavala County	11	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Pending Award
2009-0075 2009 OCC	3/18/2010	10:42 AM	Terry County	1	\$375,000	\$15,000	5	\$375,000	\$15,000	5	Pending Award
2009-0077 2009 OCC	3/18/2010	10:43 AM	City of Brownfield	1	\$375,000	\$15,000	5	\$375,000	\$15,000	5	Pending Award
2009-0078 2009 OCC	3/18/2010	10:44 AM	Cochran County	1	\$375,000	\$15,000	5	\$375,000	\$15,000	5	Pending Award
2009-0079 2009 OCC	3/23/2010	10:42 AM	City of Aransas Pass	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0080 2009 TBRA	4/6/2010	3:13 PM	Burke Center	5	\$291,770	\$35,012	30	\$291,770	\$35,012	30	Pending Award
2009-0082 2009 HBA	4/9/2010	1:50 AM	City of Texarkana	4	\$100,000	\$4,000	5	\$100,000	\$4,000	5	Pending Award
2009-0081 2009 OCC	4/9/2010	1:49 PM	City of Texarkana	4	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0083 2009 OCC	4/9/2010	1:52 PM	Haskell County	2	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0085 2009 OCC	4/15/2010	1:37 PM	Willacy County	11	\$400,000	\$16,000	6				Under Review
2009-0089 2009 OCC	4/22/2010	4:48 PM	City of Beeville	10	\$400,000	\$16,000	5				Under Review
2009-0088 2009 HBA	4/26/2010	1:03 PM	Community Development Corporation of Brownsville	11	\$300,000	\$12,000	30				Under Review
2009-0090 2009 TBRA	4/26/2010	1:12 PM	Texas Star Homes Consultant	6	\$250,000	\$10,000	10				Under Review
2009-0094 2009 HBA	4/26/2010	1:14 PM	City Of Paris	4	\$300,000	\$12,000	14				Under Review
2009-0091 2009 HBA	4/27/2010	11:12 AM	City of Whitney	8	\$300,000	\$12,000	14				Under Review
2009-0093 2009 OCC	4/27/2010	11:45 AM	Rockwall Housing Development Corporation	3	\$160,000	\$6,400	2				Under Review
2009-0092 2009 TBRA	4/27/2010	11:41 PM	Affordable Housing of Parker County, Inc.	3	\$301,350	\$12,054	14				Under Review
2009-0101 2009 OCC	4/30/2010		City of Bonham	3	\$432,700	\$17,300	5				Under Review
2009-0105 2009 OCC	4/30/2010		City of Deport	4	\$432,693	\$17,307	5				Under Review
2009-0095 2009 HBA	4/30/2010	9:22 AM	El Paso Collaborative for Community and Economic Development	13	\$500,000	\$20,000	25				Under Review
2009-0097 2009 OCC	4/30/2010	9:23 AM	City of Queen City	4	\$400,000	\$16,000	5				Under Review



<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0096 2009 OCC	4/30/2010	9:23 AM	El Paso Collaborative for Community and Economic Development	13	\$432,000	\$18,000	5				Under Review
2009-0098 2009 HBA	4/30/2010	9:24 AM	City of Rio Hondo	11	\$300,000	\$12,000	15				Under Review
2009-0087 2009 HBA	4/30/2010	9:25 AM	Midessa Homes, LLC	12	\$100,000	\$4,000	5				Under Review
2009-0086 2009 HBA	4/30/2010	9:26 AM	Midland Community Development Corp.	12	\$300,000	\$12,000	14				Under Review
2009-0100 2009 HBA	4/30/2010	10:32 AM	Starr County	11	\$300,000	\$12,000	20				Under Review
2009-0099 2009 HBA	4/30/2010	10:32 AM	Fannin County	5	\$200,000	\$8,000	10				Under Review
2009-0102 2009 OCC	4/30/2010	4:45 PM	City of Primera	11	\$432,000	\$18,000	6				Under Review
2009-0103 2009 HBA	4/30/2010	4:45 PM	City of Primera		\$300,000	\$12,000	15				Under Review
2009-0104 2009 OCC	4/30/2010	4:45 PM	City of Santa Rosa	11	\$432,000	\$18,000	6				Under Review
<b>Totals:</b>					<b>\$27,339,069</b>	<b>\$1,268,985</b>	<b>791</b>	<b>\$16,488,542</b>	<b>\$754,880</b>	<b>346</b>	

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

May 04, 2010

*Sorted by Date and Time Received*

<b>Statewide Summary</b>	<b>Totals</b>
<b>SF NOFA Amount:</b>	<b>\$25,923,970</b>
<b>OCC Set-Aside Amount:</b>	<b>\$18,146,779</b>
<b>Total Recommended:</b>	<b>\$4,629,000</b>
<b>Total Apps. Recommended:</b>	<b>12</b>

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0069	2/3/2010	4:44 PM	City of Asherton	11	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0066	2/3/2010	4:45 PM	City of Ingleside	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0073	2/18/2010	2:00 PM	Hill Country Home Opportunity Council, Inc.	9	\$240,000	\$9,600	3	\$240,000	\$9,600	3	Pending Award
2009-0072	2/18/2010	4:33 PM	City of Sinton	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0074	2/22/2010	4:59 PM	City of West Tawakoni	3	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0076	3/12/2010	12:12 PM	Zavala County	11	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Pending Award
2009-0075	3/18/2010	10:42 AM	Terry County	1	\$375,000	\$15,000	5	\$375,000	\$15,000	5	Pending Award
2009-0077	3/18/2010	10:43 AM	City of Brownfield	1	\$375,000	\$15,000	5	\$375,000	\$15,000	5	Pending Award
2009-0078	3/18/2010	10:44 AM	Cochran County	1	\$375,000	\$15,000	5	\$375,000	\$15,000	5	Pending Award
2009-0079	3/23/2010	10:42 AM	City of Aransas Pass	10	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0081	4/9/2010	1:49 PM	City of Texarkana	4	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0083	4/9/2010	1:52 PM	Haskell County	2	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
<b>Totals:</b>					<b>\$4,629,000</b>	<b>\$185,160</b>	<b>59</b>	<b>\$4,629,000</b>	<b>\$185,160</b>	<b>59</b>	

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

May 04, 2010

*Sorted by Date and Time Received*

<b>Statewide Summary</b>	<b>Totals</b>
<b>SF NOFA Amount:</b>	<b>\$25,923,970</b>
<b>HBA Set-Aside Amount:</b>	<b>\$3,888,595</b>
<b>Total Recommended:</b>	<b>\$100,000</b>
<b>Total Apps. Recommended:</b>	<b>1</b>

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0082	4/9/2010	1:50 AM	City of Texarkana	4	\$100,000	\$4,000	5	\$100,000	\$4,000	5	Pending Award
<b>Totals:</b>					<b>\$100,000</b>	<b>\$4,000</b>	<b>5</b>	<b>\$100,000</b>	<b>\$4,000</b>	<b>5</b>	

# ***2009 HOME SF NOFA (2009 TBRA) - Award Recommendations Log***

May 04, 2010

*Sorted by Date and Time Received*

<b>Statewide Summary</b>	<b>Totals</b>
<b>SF NOFA Amount:</b>	<b>\$25,923,970</b>
<b>TBRA Set-Aside Amount:</b>	<b>\$3,888,595</b>
<b>Total Recommended:</b>	<b>\$591,770</b>
<b>Total Apps. Recommended:</b>	<b>2</b>

<b>App number</b>	<b>Received Date</b>	<b>Time Received</b>	<b>Applicant</b>	<b>Region</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2009-0068	1/29/2010	4:47 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$300,000	\$36,000	18	\$300,000	\$36,000	18	Pending Award
2009-0080	4/6/2010	3:13 PM	Burke Center	5	\$291,770	\$35,012	30	\$291,770	\$35,012	30	Pending Award
<b>Totals:</b>					<b>\$591,770</b>	<b>\$71,012</b>	<b>48</b>	<b>\$591,770</b>	<b>\$71,012</b>	<b>48</b>	

**HOME PROGRAM DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**Recommended Action**

Approve HOME Program Award Recommendation from the 2010 Rental Housing Development (RHD) Program Notice of Funding Availability (NOFA), involving the award of one application, totaling \$500,000 in project funds.

**RESOLVED**, that the award of a contract to Abilene Senior Village, totaling \$500,000 in project funds, subject to the conditions of the underwriting report, is hereby approved in the form presented to this meeting.

**Background**

On January 20, 2010, the Board approved the 2010 HOME Rental Housing Development (RHD) Program Notice of Funding Availability (NOFA) with \$11,527,136 in funds. The NOFA included \$5,000,000 in deobligated funds under the General Set-Aside, \$5,527,136 (\$3,000,000 in deobligated funds and \$2,527,136 in PY 2009 CHDO funds) under the CHDO Set-Aside, and \$1,000,000 in PY 2009 funds under the Persons with Disabilities Set-Aside. The Board's approval included the addition of \$8,000,000 in deobligated funds to the NOFA in anticipation of high demand for HOME RHD funding in conjunction with applications submitted under the 2010 9% competitive housing tax credit cycle and the transfer of three applications received in response to the 2009 NOFA. These applications have priority due to their earlier received date and include two received under the CHDO Set-Aside and one received under the Persons With Disabilities Set-Aside.

Staff is recommending for award one of the transferred applications received in response to the Persons with Disabilities Set-Aside. The application received a 2009 9% tax credit allocation and subsequently, a tentative allocation of Exchange funds in the amount of \$8,672,364 at the November 9, 2009 Board meeting. The applicant is seeking HOME funds in the amount of \$500,000 in order to fill a gap in financing. This application has completed the three review stages, including an evaluation by the Real Estate Analysis Division. Additionally, the compliance history for the ownership and development team has been reviewed and no Material Noncompliance or outstanding issues of noncompliance were identified.

In addition to this application, thirty-nine applications are under review for requests totaling \$49,663,704. The vast majority of these applications are requesting HOME funds in conjunction with the 9% tax credit round.



If the recommended application is approved, \$500,000 will remain available under the Persons with Disabilities Set-Aside. Additionally, \$5,000,000 in General Set-Aside funds and \$5,527,136 in CHDO funds are currently available. Additional funding for the 2010 RHD NOFA is being presented today under a separate board item.

Attached are the Application and Award Recommendations Logs and the underwriting report.

## 2010 HOME Rental Housing Development Program - Application Log

Monday, May 03, 2010

Application Acceptance Period: 1/24/2010 to 12/31/2010

Total NOFA Amount: \$11,527,136

Total Set-Aside Funding Level\*: \$5,000,000

Available Balance: \$5,000,000

### General Set-Aside

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status
									9%	4%	HTF						
10039	4	2/23/2010	Paris Retirement Village II	Paris	NC	19	80	Elderly	Yes	No	No	\$1,850,000		N	\$0		Under Review
10220	10	2/24/2010	Casa Ricardo	Kingsville	R	19	60	Elderly	Yes	No	No	\$2,000,000		N	\$0		Under Review
10223	11	2/25/2010	Sunset Terrace Senior Village	Pharr	NC	22	80	Elderly	Yes	No	No	\$2,000,000		N	\$0		Under Review
10033	4	2/26/2010	Sulphur Springs Pioneer Crossing for Seniors	Sulphur Springs	NC	20	80	Elderly	Yes	No	No	\$2,000,000		N	\$0		Under Review
10262	11	3/1/2010	Las Brisas Manor	Del Rio	NC	15	48	Elderly	Yes	No	No	\$1,907,548		N	\$0		Under Review
10257	3	3/1/2010	The Colony at Lake Granbury	Granbury	NC	16	80	Elderly	Yes	No	No	\$990,000		N	\$0		Under Review
10283	5	3/1/2010	Lufkin Pioneer Crossing	Lufkin	NC	20	80	General	Yes	No	No	\$2,000,000		N	\$0		Under Review
10279	5	3/9/2010	Hudson Green	Hudson	NC	80	80	General	Yes	No	No	\$415,000		N	\$0		Under Review
10271	5	3/9/2010	Hudson Manor	Hudson	NC	80	80	Elderly	Yes	No	No	\$517,970		N	\$0		Under Review
10112	10	3/12/2010	Country Village Apts	Mathis	R	8	36	Elderly	Yes	No	No	\$617,040		N	\$0		Under Review
10252	5	3/15/2010	Terracewood Apts	Woodville	R	19	40	General	Yes	No	No	\$1,355,566		N	\$0		Under Review
10226	3	3/15/2010	Red Oak Apts	Red Oak	R	115	116	General	Yes	No	No	\$1,150,000		N	\$0		Under Review
10121	9	3/16/2010	Mesquite Place	Pearsall	NC	16	80	General	Yes	No	No	\$1,300,000		N	\$0		Under Review
10130	3	3/22/2010	Meadow Vista	Weatherford	NC	16	80	Elderly	Yes	No	No	\$500,000		N	\$0		Under Review

Sorted by Date and Time Received

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status	
									9%	4%	HTF							
10132	10	3/22/2010	Seaside Manor	Ingleside	NC	20	100	Elderly	Yes	No	No	\$550,000		N	\$0		Under Review	
10213	6	3/22/2010	Heritage Square Apts	Wallis	R	7	24	General	Yes	No	No	\$626,111		N	\$0		Under Review	
10212	8	3/23/2010	Longbridge Apts	Groesbeck	R	7	28	General	Yes	No	No	\$567,779		N	\$0		Under Review	
10023	2	3/26/2010	Burkburnett Pioneer Crossing for Seniors	Burkburnett	NC	20	80	Elderly	Yes	No	No	\$2,000,000		N	\$0		Under Review	
10237	5	3/29/2010	Prince Hall Manor	Crockett	R		70	General	Yes	No	No	\$458,402		N	\$0		Under Review	
10238	8	3/30/2010	Prince Hall Plaza	Navasota	R	3	60	General	Yes	No	No	\$354,594		N	\$0		Under Review	
10014	11	3/31/2010	Artisan at Port Isabel	Port Isabel	R		73	General	Yes	No	No	\$2,000,000		N	\$0		Under Review	
10270	12	3/31/2010	Gateway to Eden	Eden	NC		17	General	Yes	No	No	\$639,436		N	\$0		Under Review	
10026	4	3/31/2010	Silverleaf at Chandler II	Chandler	NC	9	44	Elderly	Yes	No	No	\$1,539,272		N	\$0		Under Review	
10211	4	4/1/2010	Riverplace Apts	Hooks	R	14	40	General	Yes	No	No	\$1,313,082		N	\$0		Under Review	
10143	7	4/1/2010	Oak Creek Townhomes	Marble Falls	R	18	80	General	Yes	No	No	\$2,000,000		N	\$0		Under Review	
10235	7	4/1/2010	Villas of Giddings	Giddings	NC	22	36	General	Yes	No	No	\$2,000,000		N	\$0		Under Review	
10174	3		Westgate Senior Villas	Wylie	NC		120	Elderly	Yes	No	No	\$1,500,000		N	\$0		Terminated	
10151	11		Sunflower Estates	La Feria	NC	8	80	General	Yes	No	No	\$792,008		N	\$0		Incomplete Pending 3rd Party Reports	
10253	6		Brookwood Apts	West Columbia	R	24	50	Elderly	Yes	No	No	\$1,651,152		N	\$0		Incomplete Pending 3rd Party Reports	
<b>Total HOME Applications</b>					<b>29</b>	<b>Unit Totals:</b>			<b>617</b>	<b>1,922</b>	<b>Fund Totals:</b>			<b>\$36,594,960</b>		<b>\$0</b>		

Sorted by Date and Time Received

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

**CHDO Set-Aside**

Total Set-Aside Funding Level: \$5,527,136

Available Balance: \$5,527,136

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status
									9%	4%	HTF						
10500	5	4/27/2009	Magnolia Place	Newton	NC		12	Family	No	No	No	\$750,000		Y	\$30,000		Terminated
10501	3	4/29/2009	West Park Senior Housing	Corsicana	NC		40	Elderly	No	No	No	\$4,000,000		Y	\$50,000		Withdrawn
10502	7	12/15/2009	Luling Senior Housing Phase II	Luling	NC	29	29	Elderly	No	No	No	\$2,580,845		Y	\$50,000		Under Review
10503	5	12/18/2009	Angelina Development	Lufkin	NC	11	11	Family	No	No	No	\$962,899		Y	\$50,000		Under Review
10040	9	2/22/2010	Ashton Senior Village	Schertz	NC	36	176	Elderly	Yes	No	No	\$2,000,000		Y	\$0		Under Review
10136	3	2/23/2010	Evergreen at Richardson	Richardson	NC	32	170	Elderly	Yes	No	No	\$2,000,000		Y	\$50,000		Under Review
10137	3	3/1/2010	Evergreen at Wylie	Wylie	NC	32	160	Elderly	Yes	No	No	\$2,000,000		Y	\$50,000		Under Review
10050	3	3/1/2010	West Park Senior Housing	Corsicana	NC	25	48	Elderly	Yes	No	No	\$1,025,000		Y	\$50,000		Under Review
10241	5	3/10/2010	Timberland Trails Apts	Lufkin	R	31	80	General	Yes	No	No	\$2,000,000		Y	\$0		Under Review
<b>Total HOME Applications</b>					<b>9</b>	<b>Unit Totals:</b>		<b>196</b>	<b>726</b>	<b>Fund Totals:</b>			<b>\$17,318,744</b>		<b>\$330,000</b>		

Sorted by Date and Time Received

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

**PWD Set-Aside**

Total Set-Aside Funding Level: \$1,000,000

Available Balance: \$1,000,000

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status	
									9%	4%	HTF							
10504	2	8/4/2009	Abilene Senior Village	Abilene	NC	5	92	Elderly	Yes	No	No	\$500,000	\$500,000	N	\$0	\$0	Pending Award 5/12/2010	
10125	10	2/28/2010	Costa Tarragona II	Corpus Christi	NC	10	96	General	Yes	No	No	\$500,000		N	\$0		Under Review	
10093	3	3/1/2010	Greenhaus at East Side Apts	Dallas	NC	13	24	General	Yes	No	No	\$500,000		N	\$0		Under Review	
10126	5	3/11/2010	Auburn Square	Vidor	NC	28	80	General	Yes	No	No	\$500,000		N	\$0		Under Review	
10153	3	3/31/2010	Britain Way	Irving	R	36	168	General	Yes	No	No	\$500,000		N	\$0		Under Review	
<b>Total HOME Applications</b>						<b>5</b>	<b>Unit Totals:</b>		<b>92</b>	<b>460</b>	<b>Fund Totals:</b>			<b>\$2,500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>	

Sorted by Date and Time Received

1 = Housing Activity: New Construction=NC, Rehabilitation = R  
 2 = Target Population Abbreviation: Intergenerational=Intg  
 3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

# 2010 HOME Rental Housing Development Program - Award Recommendations

Monday, May 03, 2010

Application Acceptance Period: 1/24/2010 to 12/31/2010

Total NOFA Amount: \$11,527,136

Total Set-Aside Funding Level: \$1,000,000

Available Balance: \$1,000,000

## PWD Set-Aside

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status
									9%	4%	HTF						
10504	2	8/4/2009	Abilene Senior Village	Abilene	NC	5	92	Elderly	Yes	No	No	\$500,000	\$500,000	N	\$0	\$0	Pending Award 5/12/2010
<b>Total HOME Applications</b>		1	<b>Unit Totals:</b>				5	92	<b>Fund Totals:</b>			\$500,000	\$500,000		\$0	\$0	

Sorted by Date and Time Received

1 = Housing Activity: New Construction=NC, Rehabilitation = R

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund



<b>Development Name:</b>	Abilene Senior Village	<b>Date:</b>	April 28, 2010
<b>Address:</b>	Lot 2 at the corner of Covenant Drive and Memorial Drive	<b>FILE NUMBER:</b>	09956/09175
<b>City:</b>	Abilene	<b>Population:</b>	Seniors
<b>County:</b>	Taylor	<b>Activity:</b>	New Construction

	Award Amount	Exchange Price	Credits Exchanged	
<b>Request: Tax Credit Exchange</b>	\$8,672,364	\$0.77	\$1,126,281	
<b>Recommendation:</b>	<b>\$8,668,329</b>	<b>\$0.77</b>	<b>\$1,125,757</b>	
	Amount	Amort/Term	Interest	Lien Position
<b>Request: HOME Loan</b>	\$500,000	30/30	4.00%	2nd
<b>Recommendation:</b>	<b>\$500,000</b>	<b>30/30</b>	<b>4.00%</b>	<b>2nd</b>

The recommended Tax Credit Exchange award amount was calculated using the previously awarded housing tax credit allocation, as reflected in the Carryover Allocation Agreement. The Applicant's request is based on the amount of tax credits originally committed, \$1,126,281; however, the credit allocation was reduced to \$1,125,757 at the time the development was last underwritten, and this amount was committed in the Carryover Allocation Agreement. The Applicant is also requesting a HOME loan in the amount of \$500,000 at 4% interest and a 30-year amortization and term.

**Conditions to Recommendation**

- 1 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated 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**

<b># Units</b>	92	<b>Acreage:</b>	10.5
<b>Year Built</b>	N/A	<b>Units/Acre:</b>	8.76
<b>Current Occupancy</b>	0%	<b>Flood Zone:</b>	Zone C
<b>Number Buildings</b>	23	<b>Zoning:</b>	PDD-33
<b>Units/Building</b>	4	<b>Stabilized DCR:</b>	1.25

The development was underwritten in December 2009 and recommended for an award of TCAP Permanent Loan Replacement Initiative funds. The Applicant has since returned the TCAP award. 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 \$0.77. The proposed permanent loan amount has decreased to \$989,555, and the Applicant is also requesting a HOME loan of \$500,000. Of note, an application for TCAP funds (#09397) was submitted and underwritten for this development in 2009. However, the tax credits could not be sold, and the transaction could not be completed.

**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	41
60% of AMI	60% of AMI	46

### **Salient Issues**

- The Applicant's high expense to income ratio of 64.77% is within 1% of the maximum guideline, reflecting extensive deep rent targeting but is still acceptable. The Underwriter's pro forma also reflects an expense to income ratio of 64.77%.

### **Operating Pro Forma**

Rents based on: current 2009 HTC program gross rent limits & PHA utility allowances as of November 25, 2008. The Applicant has added five Low HOME units, and the rents for these units are based on the lower of the 2009 HTC or HOME program rent limits less utility allowances.

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. However, the recommended financing structure is based on the requirements of the Exchange Program Policy.

### **Uses of Funds/Scope of Work**

Since the previous underwriting, the Applicant and the seller of the site agreed to extend the closing date on a month by month basis through June 2010. The Applicant paid \$60K for extensions through March 30, 2010. Additional extension fees of \$7,500 must be paid for every month up to May 2010 and \$15K for June 2010.

Additionally, the site acreage has been clarified since original application. At original application, the contract was for approximately 10 acres pending a survey. Although most application exhibits stated that the site was 10 acres, a survey was also included in the original application that indicated site acreage of 10.5 acres. The contract amendment and extension number two included in the Exchange application indicates that the actual acreage of the site to be acquired is 10.5 acres based on the survey included in the original application. The original contract states that the purchase price will be \$1.50 per sq. ft. The Applicant's acquisition costs appear to be based on the original estimate of 10 acres and include extension fees up to March 2010. In contrast, the Underwriter's figure is based on 10.5 acres and also includes the extension fee for April 2010.

The Applicant's total development costs increased by \$79,059 from original underwriting.

The Underwriter reduced the Applicant's eligible interim financing fees by \$20,961 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.

Due to the adjustment to the eligible interest expense, the Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$3,144, 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 \$9,627,378 supports annual tax credits of \$1,126,403.

### **Source of Funds**

The exchange price of \$0.77 is \$0.05 higher than the syndication rate utilized at original underwriting and \$0.12 higher than the rate used for TCAP underwriting, resulting in an increase in proceeds created by the tax credit allocation.



The amount of Exchange funds requested by the Applicant is based on the originally approved tax credit amount of \$1,126,281. However, the underwriting analysis for TCAP indicated that the development did not have sufficient eligible basis to support the originally approved credit amount, and the housing tax credit allocation was reduced to \$1,125,757, which is the amount indicated in the Carryover Allocation Agreement. The recommended Exchange award is based on this lower tax credit amount, which results in Exchange funds \$4,035 lower than the amount requested by the Applicant.

The Applicant is also requesting interim and permanent HOME financing in the amount of \$500,000. The Applicant is requesting a term of 18 months with no interest accrual for the construction loan and a 30-year amortization and term for the permanent loan at 4% interest.

The Applicant provided a term sheet from Citizens Bank, N.A. for construction and permanent financing in the amount of \$989,555. The construction loan will have a 24-month term and an interest rate of prime plus 2.0% with a rate floor of 8.00%. The term sheet identifies an interest rate of 9.50%, a 30-year amortization, and a 15-year term for the permanent loan.

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 letter of interest would still result in a recommended Exchange award equal to \$8,668,329, which is \$4,035 lower than the Applicant's request.

However, 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 (\$1,206,506). This increase in the assumed permanent debt results in a recommended Exchange award of \$8,668,329, which is \$4,035 less than 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.

The recommended financing structure includes deferred developer fee in the amount of \$212,108, which appears to be repayable from cash flow within ten years 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:	<u>Rosalio Banuelos</u>	Date:	<u>28-Apr-10</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>28-Apr-10</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>28-Apr-10</u>

MULTIFAMILY COMPARATIVE ANALYSIS

Abilene Senior Village, Abilene, Tax Credit Exchange / 9% HTC #09956/09175

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	HOME Gross Rent	HOME Net Rent	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30%	5	1	1	853	\$286	215			\$1,075	\$0.25	\$71.00	\$40.00
TC 50% LH	5	1	1	853	\$476	405	\$476	405	\$2,025	\$0.47	\$71.00	\$40.00
TC 50%	36	1	1	853	\$476	405			\$14,580	\$0.47	\$71.00	\$40.00
TC 60%	34	1	1	853	\$572	501			\$17,034	\$0.59	\$71.00	\$40.00
TC 60%	12	2	2	1,113	\$687	595			\$7,140	\$0.53	\$92.00	\$46.00
<b>TOTAL:</b>	<b>92</b>		<b>AVERAGE:</b>	<b>887</b>					<b>\$41,854</b>	<b>\$0.51</b>	<b>\$73.74</b>	<b>\$40.78</b>

<b>INCOME</b>				Total Net Rentable Sq Ft:	81,596					COUNTY	IREM REGION	COMPT. REGION	
<b>POTENTIAL GROSS RENT</b>						<b>TDHCA-Exchange</b>	<b>TDHCA - UW</b>	<b>APPLICATION</b>	<b>APPLICANT-Exchange</b>		Taylor	Fort Worth	2
Secondary Income		Per Unit Per Month:	\$14.00		\$502,248	\$491,208	\$491,208	\$502,248	\$502,248	\$14.00	Per Unit Per Month		
Other Support Income:					15,456	15,456	15,456	15,456	15,456	\$0.00	Per Unit Per Month		
<b>POTENTIAL GROSS INCOME</b>					\$517,704	\$506,664	\$506,664	\$517,704	\$517,704				
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%		(38,828)	(38,000)	(38,004)	(38,832)	(38,832)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions					0	0	0	0	0				
<b>EFFECTIVE GROSS INCOME</b>					\$478,876	\$468,664	\$468,660	\$478,872	\$478,872				
<b>EXPENSES</b>				% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% OF EGI
General & Administrative				4.80%	\$250	0.28	\$22,985	\$22,907	\$11,027	\$21,188	\$0.26	\$230	4.42%
Management				5.00%	260	0.29	23,944	23,433	23,433	23,944	0.29	260	5.00%
Payroll & Payroll Tax				16.69%	869	0.98	79,909	78,869	75,000	81,000	0.99	880	16.91%
Repairs & Maintenance				7.58%	395	0.44	36,294	36,294	37,000	37,000	0.45	402	7.73%
Utilities				4.25%	221	0.25	20,352	19,112	15,000	15,000	0.18	163	3.13%
Water, Sewer, & Trash				4.83%	252	0.28	23,147	23,147	23,640	28,499	0.35	310	5.95%
Property Insurance				3.82%	199	0.22	18,308	18,308	20,240	18,308	0.22	199	3.82%
Property Tax	2.2907			7.81%	407	0.46	37,411	39,287	48,484	37,411	0.46	407	7.81%
Reserve for Replacements				4.80%	250	0.28	23,000	23,000	23,000	23,000	0.28	250	4.80%
TDHCA Compliance Fees				0.77%	40	0.05	3,680	3,680	3,680	3,680	0.05	40	0.77%
TCEP Asset Oversight Fees				0.96%	50	0.06	4,600			4,600	0.06	50	0.96%
Other: Supportive Services				3.45%	180	0.20	16,526	7,888	7,888	16,526	0.20	180	3.45%
<b>TOTAL EXPENSES</b>				64.77%	\$3,371	\$3.80	\$310,157	\$295,925	\$288,392	\$310,156	\$3.80	\$3,371	64.77%
<b>NET OPERATING INC</b>				35.23%	\$1,834	\$2.07	\$168,719	\$172,739	\$180,268	\$168,716	\$2.07	\$1,834	35.23%
<b>DEBT SERVICE</b>													
Citizens Bank, NA				20.85%	\$1,085	\$1.22	\$99,849	\$139,512	\$139,512	\$99,849	\$1.22	\$1,085	20.85%
TDHCA HOME				5.98%	\$311	\$0.35	28,645	0	0	28,645	\$0.35	\$311	5.98%
Additional Financing				0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>				8.40%	\$437	\$0.49	\$40,226	\$33,227	\$40,756	\$40,222	\$0.49	\$437	8.40%
<b>AGGREGATE DEBT COVERAGE RATIO</b>							1.31	1.24	1.29	1.31			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>									1.29	1.25			

<b>CONSTRUCTION COST</b>													
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-Exchange	TDHCA - UW	APPLICATION	APPLICANT-Exchange	PER SQ FT	PER UNIT	% of TOTAL		
Acquisition Cost (site or bldg)		7.19%	\$8,191	\$9.24	\$753,570	\$653,400	\$653,400	\$713,400	\$8.74	\$7,754	6.74%		
Off-Sites		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%		
Sitework		7.90%	9,000	10.15	828,000	828,000	828,000	828,000	10.15	9,000	7.82%		
Direct Construction		51.33%	58,512	65.97	5,383,114	5,383,114	5,286,740	5,531,192	67.79	60,122	52.25%		
Contingency	4.92%	2.92%	3,323	3.75	305,737	305,737	305,737	305,737	3.75	3,323	2.89%		
Contractor's Fees	13.78%	8.16%	9,305	10.49	856,063	856,063	856,063	856,063	10.49	9,305	8.09%		
Indirect Construction		5.50%	6,271	7.07	576,893	821,355	821,355	576,893	7.07	6,271	5.45%		
Ineligible Costs		0.89%	1,011	1.14	93,021	74,869	74,869	93,021	1.14	1,011	0.88%		
Developer's Fees	15.00%	11.76%	13,408	15.12	1,233,533	1,258,889	1,258,889	1,258,889	15.43	13,684	11.89%		
Interim Financing		2.61%	2,976	3.35	273,748	272,831	272,831	273,748	3.35	2,976	2.59%		
Reserves		1.75%	1,994	2.25	183,450	150,000	150,000	150,000	1.84	1,630	1.42%		
<b>TOTAL COST</b>				100.00%	\$113,991	\$128.53	\$10,487,129	\$10,604,258	\$10,507,884	\$10,586,943	\$129.75	\$115,075	100.00%
<b>Construction Cost Recap</b>				70.30%	\$80,140	\$90.36	\$7,372,914		\$7,520,992	\$92.17	\$81,750	71.04%	

<b>SOURCES OF FUNDS</b>												
				<b>RECOMMENDED</b>								
Citizens Bank, NA		9.44%	\$10,756	\$12.13	\$989,555	\$1,747,474	\$1,747,474	\$989,555	\$1,206,506		Developer Fee Available	
TDHCA HOME		4.77%	\$5,435	\$6.13	500,000	0	0	500,000	500,000		\$1,255,745	
<b>Tax Credit Exchange Program</b>				82.70%	\$94,265	\$106.28	8,672,364	0	8,672,364	8,668,329		
HTC Syndication Proceeds		0.00%	\$0	\$0.00	0	8,130,410	8,130,410	0	0		% of Dev. Fee Deferred	
Deferred Developer Fees		4.05%	\$4,620	\$5.21	425,024	630,000	630,000	425,024	212,108		17%	
Additional (Excess) Funds Req'd		-0.95%	(\$1,085)	(\$1.22)	(99,814)	96,374	0	0	0		15-Yr Cumulative Cash Flow	
<b>TOTAL SOURCES</b>							\$10,487,129	\$10,604,258	\$10,507,884	\$10,586,943	\$10,586,943	\$520,091

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Abilene Senior Village, Abilene, Tax Credit Exchange / 9% HTC #09956/09175*

<b>DIRECT CONSTRUCTION COST ESTIMATE</b>				
Marshall & Swift Residential Cost Handbook				
Average Quality Multiple Residence Basis				
CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
<b>Adjustments</b>				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.42)	(187,462)
Floor Cover			2.38	194,198
Breezeways/Balconies	\$22.95		0.00	0
Plumbing Fixtures	\$935		0.00	0
Rough-Ins	\$410		0.00	0
Built-In Appliances	\$1,600	\$2	2.03	165,600
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			1.83	149,321
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other fire sprinkler	\$2.15	\$1,506	2.15	175,431
<b>SUBTOTAL</b>			<b>5.97</b>	<b>487,888</b>
Current Cost Multiplier	1.01		0.06	4,871
Local Multiplier			(5.97)	(487,888)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$0.06</b>	<b>\$4,871</b>
Plans, specs, survy, bid prmts	3.90%		(\$0.00)	(\$190)
Interim Construction Interest	3.38%		(0.00)	(164)
Contractor's OH & Profit	11.50%		(0.01)	(560)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$0.05</b>	<b>\$3,956</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$989,555	Amort	360
Int Rate	9.50%	DCR	1.69

<b>Secondary</b>	\$500,000	Amort	360
Int Rate	4.00%	Subtotal DCR	1.31

<b>Additional</b>	\$0	Amort	
Int Rate		Aggregate DCR	1.31

**RECOMMENDED FINANCING STRUCTURE**

**APPLICANT'S NOI:**

Primary Debt Service	\$106,235
Secondary Debt Service	28,645
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$33,836</b>

<b>Primary</b>	\$1,206,506	Amort	360
Int Rate	8.00%	DCR	1.59

<b>Secondary</b>	\$500,000	Amort	360
Int Rate	4.00%	Subtotal DCR	1.25

<b>Additional</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$502,248	\$512,293	\$522,539	\$532,990	\$543,649
Secondary Income	15,456	15,765	16,080	16,402	16,730
Other Support Income:	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>	<b>517,704</b>	<b>528,058</b>	<b>538,619</b>	<b>549,392</b>	<b>560,379</b>
Vacancy & Collection Loss	(38,828)	(39,604)	(40,396)	(41,204)	(42,028)
Employee or Other Non-Rental Units or	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$478,876</b>	<b>\$488,454</b>	<b>\$498,223</b>	<b>\$508,187</b>	<b>\$518,351</b>
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
General & Administrative	\$22,985	\$23,675	\$24,385	\$25,117	\$25,870
Management	23,944	24,423	24,911	25,409	25,918
Payroll & Payroll Tax	79,909	82,306	84,776	87,319	89,938
Repairs & Maintenance	36,294	37,383	38,504	39,660	40,849
Utilities	20,352	20,963	21,591	22,239	22,906
Water, Sewer & Trash	23,147	23,841	24,557	25,293	26,052
Insurance	18,308	18,857	19,423	20,006	20,606
Property Tax	37,411	38,534	39,690	40,880	42,107
Reserve for Replacements	23,000	23,690	24,401	25,133	25,887
TDHCA Compliance Fee	3,680	3,790	3,904	4,021	4,142
TCAP Asset Oversight Fee	4,600	4,738	4,880	5,027	5,177
Other	16,526	17,022	17,532	18,058	18,600
<b>TOTAL EXPENSES</b>	<b>\$310,157</b>	<b>\$319,222</b>	<b>\$328,554</b>	<b>\$338,162</b>	<b>\$348,053</b>
<b>NET OPERATING INCOME</b>	<b>\$168,719</b>	<b>\$169,232</b>	<b>\$169,668</b>	<b>\$170,025</b>	<b>\$170,298</b>
<b>DEBT SERVICE</b>					
First Lien Financing	\$106,235	\$106,235	\$106,235	\$106,235	\$106,235
Second Lien	28,645	28,645	28,645	28,645	28,645
Other Financing	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$33,840</b>	<b>\$34,352</b>	<b>\$34,789</b>	<b>\$35,145</b>	<b>\$35,418</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.25</b>	<b>1.25</b>	<b>1.26</b>	<b>1.26</b>	<b>1.26</b>

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$600,233	\$662,706	\$731,680	\$891,914
18,471	20,394	22,516	27,447
0	0	0	0
<b>618,704</b>	<b>683,099</b>	<b>754,197</b>	<b>919,362</b>
(46,403)	(51,232)	(56,565)	(68,952)
0	0	0	0
<b>\$572,301</b>	<b>\$631,867</b>	<b>\$697,632</b>	<b>\$850,410</b>
\$29,991	\$34,768	\$40,305	\$54,167
28,615	31,593	34,882	42,520
104,263	120,870	140,121	188,311
47,356	54,898	63,642	85,529
26,555	30,784	35,687	47,961
30,202	35,012	40,588	54,547
23,888	27,692	32,103	43,144
48,813	56,588	65,601	88,162
30,010	34,790	40,331	54,201
4,802	5,566	6,453	8,672
6,002	6,958	8,066	10,840
21,563	24,997	28,978	38,945
<b>\$402,058</b>	<b>\$464,516</b>	<b>\$536,758</b>	<b>\$717,000</b>
<b>\$170,243</b>	<b>\$167,351</b>	<b>\$160,875</b>	<b>\$133,410</b>
\$106,235	\$106,235	\$106,235	\$106,235
28,645	28,645	28,645	28,645
0	0	0	0
<b>\$35,364</b>	<b>\$32,471</b>	<b>\$25,995</b>	<b>(\$1,470)</b>
1.26	1.24	1.19	0.99

**HTC ALLOCATION ANALYSIS -Abilene Senior Village, Abilene, Tax Credit Exchange / 9% HTC  
#09956/09175**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$713,400	\$753,570		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$828,000	\$828,000	\$828,000	\$828,000
<b>Construction Hard Costs</b>	\$5,531,192	\$5,383,114	\$5,531,192	\$5,383,114
<b>Contractor Fees</b>	\$856,063	\$856,063	\$856,063	\$856,063
<b>Contingencies</b>	\$305,737	\$305,737	\$305,737	\$305,737
<b>Eligible Indirect Fees</b>	\$576,893	\$576,893	\$576,893	\$576,893
<b>Eligible Financing Fees</b>	\$273,748	\$273,748	\$273,748	\$273,748
<b>All Ineligible Costs</b>	\$93,021	\$93,021		
<b>Developer Fees</b>			\$1,255,745	
Developer Fees	\$1,258,889	\$1,233,533		\$1,233,533
<b>Development Reserves</b>	\$150,000	\$183,450		
<b>TOTAL DEVELOPMENT COSTS</b>	\$10,586,943	\$10,487,129	\$9,627,378	\$9,457,088

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		\$9,627,378	\$9,457,088
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$12,515,592	\$12,294,215
Applicable Fraction		100%	100%
<b>TOTAL QUALIFIED BASIS</b>		\$12,515,592	\$12,294,215
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$1,126,403	\$1,106,479

<b>Syndication Proceeds</b>	<b>0.7700</b>	<b>\$8,673,305</b>	<b>\$8,519,891</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$1,126,403</b>	<b>\$1,106,479</b>
<b>Syndication Proceeds</b>		<b>\$8,673,305</b>	<b>\$8,519,891</b>
<b>Previously Awarded Tax Credits - Original</b>		<b>\$1,125,757</b>	
<b>Syndication Proceeds</b>		<b>\$8,668,329</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$8,880,437</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$1,153,304</b>	
<b>Exchange Funds Requested</b>		<b>\$8,672,364</b>	
<b>Amount of Credits Returned (Applicant)</b>		<b>\$1,126,281</b>	

**HOME PROGRAM DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**Recommended Action**

Approve the HOME Program Award Recommendations from the 2009 Colonia Model Subdivision and Single Family Development Program Notice of Funding Availability (NOFA), involving the award of two (2) applications totaling \$1,475,811 in project funds and \$50,000 in CHDO operating funds, which will result in assistance for 15 low income households.

**RESOLVED**, that the award of contracts to Community Development Corporation of Brownsville and Midland Community Housing Development Corporation, totaling \$1,475,811 in project funds and \$50,000 in CHDO operating funds, resulting in assistance for 15 low income households, are hereby approved in the form presented to this meeting.

**Background**

At the May 21, 2009 meeting, the TDHCA Board approved the 2009 Colonia Model Subdivision and Single Family Development Notice of Funding Availability (NOFA), setting aside \$3,000,000 for the development of affordable single family housing. Due to a delay in receiving the 2009 Funding Approval and Grant Agreement from HUD, the Board approved a revised NOFA on July 16, 2009 which extended the regional allocation period. Funds were subject to the regional allocation as required by §2306.111(d) until August 31, 2009. In addition, applications were restricted to those proposing activities entirely within a Colonia until October 30, 2009. Funding was restricted to applications submitted by Community Housing Development Organizations (CHDOs). The application acceptance period ended January 29, 2010.

Two applications requesting a total of \$1,486,000 were received. One application for single family development in a Colonia was received from Community Development Corporation of Brownsville. The second application is for funding in Midland which is an area outside of traditionally defined Colonia areas but qualifies for assistance after the initial October 30 deadline under the NOFA. Funding in both cases will be utilized for the new construction of affordable single family housing, as well as for down payment assistance in the form of deferred forgivable loans and mortgage financing to individual homebuyers purchasing homes constructed or rehabilitated with program funds.

Both applications have completed the three review stages, including an evaluation by the Real Estate Analysis Division. Additionally, the compliance history for each ownership and development team has been reviewed and no Material Noncompliance or outstanding issues of noncompliance were identified. Finally, the applicants have completed the Department's CHDO Certification process.

If the two applications are approved, \$1,524,189 in funds will remain unused. The Department has received interest from several other organizations since the expiration of this NOFA in January. Therefore, staff is recommending approval of a 2010 Single Family Development NOFA under a separate action item on today's agenda which will utilize the above noted balance and additional funds from the Department's balance of funds available for programming.

Attached are the Application and Award Recommendations Log and underwriting reports.

**2009 Colonia Model Subdivision and Single Family Development Program - Application and Award Recommendations Log**

Application Acceptance Period: 7/16/2009 to 1/29/2009

TOTAL NOFA Amount: \$3,000,000

App #	Region	Date Received	Applicant	Service Area	Urban / Rural	Units	Requested Project Funds	Awarded Project Funds	CHDO Operating Request	CHDO Operating Awarded	Status	Notes
09590	12	8/31/2009	Midland Community Housing Development Organization	Midland County	Urban	5	\$ 545,000	\$ 534,811	\$ 50,000	\$ 50,000	Pending Award	Eligible for funds after 10/30/09 Statewide Collapse
09591	11	10/28/2009	Community Development Corporation of Brownsville	Cameron County	Rural	10	\$ 941,000	\$ 941,000	\$ -		Pending Award	Serving Colonia area. Eligible for funds prior to 10/30/2009 Statewide Collapse
<b>Total Applications: 2</b>			<b>Total Units/Funds:</b>			<b>15</b>	<b>\$ 1,486,000</b>	<b>\$ 1,475,811</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>		



REPORT DATE: 04/23/10 PROGRAM: HOME CMS/CHDO FILE NUMBER: 09590

**DEVELOPMENT**

Midland Community Housing Development Organization

Location: 1224, 1226, 1228, 1230 Elm St.; 200, 202 E. Cuthbert Region: 12

City: Midland County: Midland Zip: 79701

Key Attributes: Single Family, New Construction, Urban

**ALLOCATION**

	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	
TDHCA Program							
HOME Activity Funds	\$545,000	See Below*			\$534,811	See Below*	
HOME CHDO Operating Expenses	\$50,000			\$50,000			

\*The Applicant is requesting interim to permanent HOME Colonia Model Subdivision ("CSM") funds totaling \$545K, broken out into first and second lien tranches per program guidelines. The Underwriter recommends a HOME CMS award not to exceed \$534,811, structured as an interim loan to be converted to up to 5 individual loans, each partitioned to include a permanent repayable first lien at 0% interest and 30-year amortization, and a deferred forgivable second lien, structured per program guidelines. The reduction in the recommended award amount is due to the Applicant's overstatement of contractor fees.

**CONDITIONS**

- 1 Partition of the permanent loans to include a permanent repayable first lien and a deferred forgivable second lien, per the program guidelines, based on the Department's determination that a deferred forgivable second lien is necessary to achieve affordability.
- 2 Receipt, review, and acceptance of confirmation that each of the lots are re-platted appropriately for the proposed homes.
- 3 Receipt, review, and acceptance of evidence that total developer fees do not exceed the lesser of \$59,625 in total, \$11,925 per unit, or 14.25% of actual costs less the fee itself. Any cost savings should accrue to the homebuyer and any unused funds should be retained by the Department for use in other affordable housing programs.
- 4 Receipt, review, and acceptance of documentation, should the development of any home exceed the average development cost per unit of \$109K, of additional financing or identified budget savings.
- 5 Receipt, review, and acceptance before commencement of construction on any lot of environmental clearance meeting the HOME rules in Title 24 of the Code of Federal Regulations (CFR) Part 58.

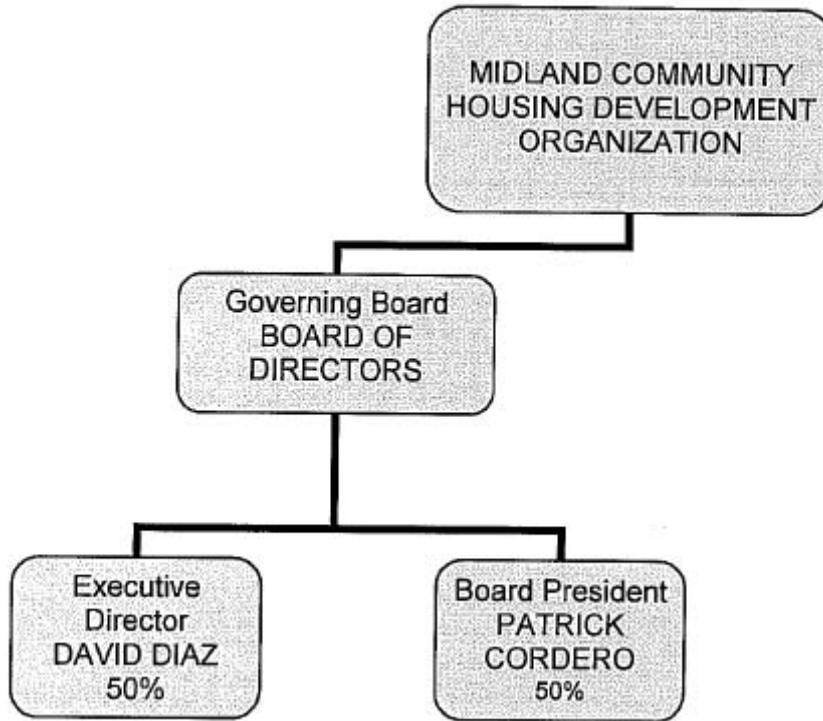
**PREVIOUS UNDERWRITING REPORTS**

No previous reports.



**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: David Diaz Phone: (432) 682-2520 Fax: (432) 687-3972  
Email: davidd@midlandhcc.com

**IDENTITIES of INTEREST**

- The Applicant and Developer are related entities. Also of note, the Applicant is the current Owner of the Subject property.

**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Plan Type	TH32	TH22	SF								Total Homes
Floors/Stories	1	1	1								
Number Planned	2	1	2								<b>5</b>

BR/BA	SF	Units								Total Units	Total SF
3	2	1,250	1							2	2,500
2	2	1,150		1						1	1,150
3	2	1,250			1					2	2,500
Units per Building			1	1	1					<b>5</b>	<b>6,150</b>

**SITE ISSUES**

Average Lot Size: 0.148 acres      Scattered site?       Yes       No  
 Flood Zone:      Zone C      Within 100-yr floodplain?       Yes       No  
 Zoning:      Mixed      Needs to be re-zoned?       Yes       No       N/A

Comments:

The Applicant provided a letter dated August 25, 2009 from the City of Midland indicating that the current zoning for the Subject lots allow for one-family development. However, the Applicant indicates that although, "The residential development is currently allowed under the current zoning...we also had to go [through] a re-platt of the property so that we can fit our townhouses on the designated property." The preliminary platt was approved by the Midland Planning & Zoning Commission during the November 2, 2009 Agenda; however, the final approval is contingent upon approval of the TDHCA funds. Receipt, review and acceptance of confirmation that each of the lots is re-platted appropriately for the proposed homes is a condition of this report.

## HIGHLIGHTS of ENVIRONMENTAL REPORTS

The Applicant did not submit a Phase 1 Environmental Site Assessment for the subject property. However, a letter dated February 10, 2010 from the City of Midland Development Services was provided, reaffirming the findings of a previous ESA submitted to TDHCA and performed by Alpha Testing on the Subject undeveloped property. Per the HOME rule in 24 CFR 58, all HOME funds are subject to environmental regulations and clearance. However, the Department historically has not used HOME funds to reimburse pre-award expenses. Therefore, it is typical for environmental clearance, per the HOME rules in 24 CFR 58, to be evaluated and expensed after the award has been approved. Receipt, review, and acceptance before commencement of construction on any lot of environmental clearance meeting the HOME rules in 24 CFR 58 standards is a condition of this report.

## MARKET ANALYSIS

The Applicant did not provide a third-party market study for the proposed development. However, the Underwriter was able to obtain the following market information per the Texas A&M Real Estate Center,:

- Median family incomes in the Midland MSA is \$56,400, while median sales prices for homes is \$172,600, and the required income to qualify is at \$40,647. According to the Texas Affordable Housing Index (4th Quarter 2009), 68.7% of the Midland County families earning the median income have a sufficient income to purchase a median priced home using traditional mortgage financing.
- The average household size in the MSA is 2.68 people, compared to 2.74 at the national level.
- Midland's Projected Growth Forecast is expected to be almost 15% by 2020, as compared to an overall growth forecast of ~35% for Texas alone.
- The National Association of Homebuilders lists Midland as the 14th least affordable housing market in the Southern Region of the United States when comparing median income to average home sales price.
- The vacancy rate for renter-residences is 2.3% in the MSA.

Furthermore, the Applicant provided the following information regarding the market area: "Midland, during 2006-2008 was in a critical housing shortage. There was virtually no housing available under \$100,000. Since 2009 the market adjusted after annual increase in housing prices of 10-20% per year. In 2010 we have been flooded with families coming into our office seeking housing. Currently we have 18 families pre-qualified for housing waiting in line. Midland's housing market is getting very tight again. Any time our inventory of housing shrinks prices start escalating...Midland has a healthy (low) unemployment rate [and] we are seeing many families move to Midland to seek work and they are taking up any available housing inventory."

## HOMEBUYER AFFORDABILITY ANALYSIS

Proposed Sale Prices: \_\_\_\_\_ Date of Last Applicant Revision: \_\_\_\_\_ N/A

The Applicant has proposed to sell each home for \$105K to \$114K. Based on the proposed sale prices and the Applicant's projected unit mix, the total mortgage financing, to include 5 individual permanent mortgages, is projected to be \$545K. Based on the Underwriter's evaluation of the development proforma, the actual sales prices may need to be higher than those proposed due to the absence of measurable contingency, low projected construction costs, and moderate level of construction savings (discussed below in cost section). Any unanticipated increase in costs could result in the necessity to raise sales prices and reduce the total number of units developed in order to maintain financial feasibility.

Down Payment Assistance: \_\_\_\_\_ Date of Last Applicant Revision: \_\_\_\_\_ N/A

The Colonia Model Subdivision Program allows the permanent debt to be structured in two tranches if necessary: 1) a permanent repayable first lien with a 30-year term at 0% interest and 2) up to \$15,000 in down payment assistance structured as a deferred forgivable second lien, which will be assessed based on each household's income ability to pay.

Both the Applicant and the Underwriter's affordability analysis assume the program maximum of \$15K in down payment assistance.

**Affordability Analysis:**

The underwriting affordability analysis estimates the monthly mortgage payment plus taxes and property insurance for each unit in order to determine the level of affordability for households at the target income levels. Based on the Underwriter's analysis of the proposed sale prices, the proposed units will be affordable to households of one to five persons earning an annual income at 50% & 60% of AMFI, assuming a repayable first lien mortgage with a 30-year term at 0% interest and a \$15K deferred forgivable second lien. Of note, without the \$15K second lien, not all of the proposed units are affordable to one-person households at 50% AMFI.

However, per the program guidelines, the TDHCA will offer each qualified buyer a combination of a repayable 0% interest loan and a deferred forgivable loan based on the buyer's income and ability to pay. The buyers' income will be evaluated to ensure that each qualifies for the proposed payments. Since current program guidelines limit the deferred second lien to \$15K, households earning incomes below the affordable threshold are excluded.

A fully amortized loan at 5.66% and 8.11% (including \$15K in down payment assistance) would be affordable to five person households at 50% and 60% of AMFI respectively. Without any down payment assistance, the interest rate on the repayable portion would decrease to 4.42% & 6.68% respectively.

The program guidelines do not explicitly dictate the terms of the deferred forgivable second lien. Specifically, the Underwriter is concerned that as the loan is forgiven, the homeowner may be required to report this forgiven amount as phantom income, leading to a higher taxable income and resulting in burdensome and unanticipated taxes. The Underwriter suggests that the forgivable portion of each loan, if any, is forgiven over time to mitigate any unintended effects that may burden the homebuyer.

<b>AFFORDABILITY ANALYSIS (Based on 4-person household)</b>						
<b>Plan Type</b>	<b>Proposed Price</b>	<b>Monthly PITI</b>	<b>60% HH Max</b>	<b>Differential</b>	<b>50% HH Max</b>	<b>Differential</b>
Plan TH32 1250 -	\$114,000	\$516	\$903	(\$387)	\$753	(\$237)
Plan TH22 1150 -	\$107,000	\$482	\$903	(\$421)	\$753	(\$271)
Plan SF 1250 - 3BR	\$105,000	\$472	\$903	(\$431)	\$753	(\$281)

**Market Rate Comparison:**

In addition to the affordability analysis at the program interest rate of 0%, the Underwriter performed an analysis of the affordability at the market interest rate of 6.21%, based on data for the Midland MSA from the Real Estate Center at Texas A&M University for the second quarter of 2009. The principal, interest, taxes, and insurance payment for the least expensive home would rise to \$866 per month or \$37 per month less than the targeted affordability for a four person household earning 60% of AMI. Assuming a market interest rate of 6.21%, monthly PITI payments for the proposed units would range from \$866 to \$940, which is below the maximum monthly payment of \$975 & \$1,300 for five person households earning 60% & 80% or less of AMI respectively.

Based on the Underwriter's analysis, the Subject units would be marginally affordable for five person households earning 60% of AMI at conventional interest rates without a grant subsidy. In order to reach target households of five persons at 50% of AMI, a subsidy ranging from \$8.6K to \$21K would be needed and a subsidy of between \$62K and \$74K for five person households at 30% of AMI at conventional interest rates.

**Conclusion:**

In order to achieve a reasonable level of affordability, Staff believes that HOME CHDO funded single family units should be affordable to households at 80% of AMI at market rates, and due to the benefit from the 0% interest rate and \$15K deferred forgivable second lien, should be affordable to the 50% and 60% of AMI target populations.

**ACQUISITION INFORMATION**

**ASSESSED VALUE**

Tax Year: 2009  
 Valuation by: Midland CAD  
 Tax Rate: 2.17 Total Assessed Value: \$4,390

<b>(Lot 13, Block 7, Lynside Addition):</b>	<b>(Lot 14, Block 7, Lynside Addition):</b>
Land Only: 0.16 acres <u>\$710</u>	Land Only: 0.16 acres <u>\$710</u>
<b>(Lot 15, Block 7, Lynside Addition):</b>	<b>(Lot 16, Block 7, Lynside Addition):</b>
Land Only: 0.16 acres <u>\$710</u>	Land Only: 0.16 acres <u>\$710</u>
<b>(Tract 1, Blocks 1 &amp; 2, Harris WW, Sec 2 Addition):</b>	<b>(Tract 2, Blocks 1 &amp; 2, Harris WW, Sec 2 Addition):</b>
Land Only: 0.12 acres <u>\$520</u>	Land Only: 0.12 acres <u>\$1,030</u>

**EVIDENCE of PROPERTY CONTROL**

Type: Gift Warranty Deed Acreage: 0.888  
 Contract Expiration: N/A Valid Through Board Date?  Yes  No  
 Acquisition Cost: N/A Other: \_\_\_\_\_  
 Seller: Gilbert & Bettina Riojas & City of Midland Related to Development Team?  Yes  No

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: None Date of Last Applicant Revision: N/A

**Acquisition Value:**

The Applicant submitted a Gift Warranty Deed dated June 23, 1993 between Gilbert & Bettina Riojas and Midland Hispanic Chamber of Commerce Educational/Development Foundation (The Applicant, now named Midland Community Development Organization), granting the four contiguous lots on Elm (Lynside Addition). Of note, the Applicant is also the current owner of the two lots on Cuthbert.  
 The proposed acquisition price presented in the application materials for the subject lots is set at \$5K. The Applicant indicates, the \$5K is for "costs associated with legal/closing costs to get the ownership of the property conveyed to satisfy the interest of the entity providing the interim construction cost." The Underwriter found these costs to be generally acceptable.

**Off-Site Cost:**

The Applicant claimed off-site costs of \$35K, largely associated with the cost to extend approximately 100 feet of water and 200 feet of sewer lines for the 4 contiguous lots on Elm (Lynside Addition).

**Sitework Cost:**

The Applicant's claimed sitework costs of \$1,150 per unit are within current Department guidelines.

**Direct Construction Cost:**

The Applicant's development cost schedule reflects a direct construction cost estimate of \$375K or \$75K per unit. The Applicant indicates that the three (3) town home units are to be constructed individually and per each buyer's specifications (2BR-2BA or 3BR-2BA). In addition, each buyer will have a choice of one of the four contiguous lots on Elm (Lynside Addition). Therefore, the size and location of these units are not predetermined, making it difficult to positively ascertain a true cost estimate using current standard underwriting practices. However, the Underwriter believes that the proposed units possess several unique characteristics (i.e. sharing a common wall, contiguous lots, etc.), that will facilitate the development process and allow the project to obtain some level of cost savings. Conversely, since the Subject also consists of components typical of single family construction transactions, it must also be held to some standard level of cost efficiency expected of these types of developments.

Therefore, the Underwriter has evaluated the transaction utilizing Marshall & Swift's Residential Cost Handbook in order to estimate the direct construction costs for the units as proposed, considering both options: full single family construction & partial townhome construction.

Based on the single family evaluation, the Applicant's costs appear to be below the extreme low end of reasonable verifiable costs based on the current underwriting standards. Effectively, the Applicant must achieve a level of cost savings over the Underwriter's Marshall & Swift-derived cost estimate that the Department's underwriting tools cannot independently verify. This difference represents an estimated cost savings of as much as 12.5% on direct construction costs alone.

Despite the uncertainty of the Applicant's construction plans mentioned previously, the Underwriter's townhome cost evaluation would not be greatly impacted. The Underwriter has determined that the cost differential would be less than 1% regardless of where the proposed 1,150 s.f. unit is located. Based on the partial townhome evaluation, the Applicant's costs appear to be within a reasonable range of verifiable costs based on the current underwriting standards.

**Fees:**

The Applicant's contractor fees exceed the 14% maximum allowed by HTC guidelines by a total of \$10,189 based on their own construction costs. Consequently the Applicant's allowable fees in these areas have been reduced by the same amount with the overage effectively reducing the total recommended proceeds.

Developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

The maximum developer fee is limited to 15% of the total development cost or \$81,750 (\$16,350 x 5) for the subject transaction, which is the maximum allowed under TDHCA guidelines.

**Conclusion:**

As discussed above, the Applicant's development structure is not typical based on previous single family or townhome transactions evaluated. In addition, the Applicant's development budget appears to require a level of efficiency that is above the verifiable maximum of single family construction alone. The budgeted costs appear to have limited the built-in project contingency and profit and therefore, also limit the margin for error or unanticipated future cost increases.

In addition, the program guidelines limit the Department's exposure during the development process. Prior to closing on the construction loan, a qualified homebuyer must be identified for each home included in the closing and a sales contract must be executed with the homebuyer. This limits the Department's exposure and increases the Applicant's accountability for the development plan. However, as a result of the concerns, receipt, review, and acceptance of documentation, should the development of any home exceed the average development cost per unit of \$109K, of additional financing or identified budget savings is a condition of this report.

The Applicant's total development cost is within 5% of the Underwriter's estimate assuming moderate cost savings realized from a cost evaluation based on a partial townhome construction design; therefore, the Applicant's cost schedule, reflecting a total net development cost of \$545K, based upon the Applicant's projected unit mix, will be used to determine the development's need for interim funds and permanent mortgage financing. Moreover, if the homebuyers ultimately choose the most expensive unit type proposed, the total development cost could increase to \$552K, or 1.28% more than currently proposed. If this is the case, the Applicant's development plan will be reduced from 5 homes to 4 homes in order to prevent the total development cost from exceeding the Applicant's request and program limit of \$545K.

**FINANCING STRUCTURE**

<i>SOURCES &amp; USES</i>		Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Source:	<u>TDHCA</u>	Type:	<u>Interim to Permanent Financing</u>		
1st Lien:	<u>\$470,000</u>	Interest Rate:	<u>0.00%</u>	<input checked="" type="checkbox"/> Fixed	Amort: <u>360</u> months
2nd Lien:	<u>\$75,000</u>	Interest Rate:	<u>N/A</u>		Amort: <u>N/A</u> months

**Comments:**

The Applicant anticipates as many as 5 permanent first lien mortgages up to \$99K, each with a term of 30 years at 0% interest, and as many as 5 deferred forgivable second lien loans up to \$15K each per program guidelines. As proposed, the total permanent mortgage financing will amount to a maximum of \$545K.

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's recommended funding will be determined using the Applicant's adjusted development cost schedule as reflected in the recommended uses of funds and based on the gap in financing from the Underwriter's recommended financing structure. The recommended financing structure, based on the development plan and unit mix as submitted, indicates a gap in financing of \$534,811 (includes the In-Kind contribution from the City), which is \$10,189 less than the Applicant's requested amount. If changes to the unit mix, to the acquisition cost, or construction cost increases materialize, the development could face a deficit in funding. However, the Underwriter believes that any potential deficit may be managed through close, ongoing budget scrutiny. Therefore, based on the Underwriter's analysis, the requested HOME loan should not exceed \$534,811 to be released in accordance with current program guidelines and restrictions.

The Underwriter also recommends a HOME CHDO Operating Expense award of \$50K to be issued per program guidelines.

Underwriter:	<i>Diamond Unique Thompson</i>	Date:	April 23, 2010
Manager of Real Estate Analysis:	<i>Audrey Martin</i>	Date:	April 23, 2010
Director of Real Estate Analysis:	<i>Brent Stewart</i>	Date:	April 23, 2010

# SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

*Midland Community Housing Development Organization, Midland, HOME CMS/CHDO #09590*

FLOOR PLAN NUMBER		TH32	TH22	SF	AVERAGE	TDHCA TOTAL	APPLICANT	
NUMBER PLOTTED		2	1	2		5		
SQUARE FOOTAGE		1,250	1,150	1,250	1,230	6,150	6,150	
DESCRIPTION	Max.	3BR 2BA	2BR 2BA	3BR 2BA				
Raw Land Acquisition Cost		\$1,000	\$1,000	\$1,000	\$1,000	\$5,000	\$5,000	
Off-Sites		10,937	10,937	1,200	7,042	35,210	35,210	
Site Work		1,150	1,150	1,150	1,150	5,750	5,750	\$ 0.93
Direct Construction Costs		67,955	67,955	83,097	74,012	370,060	375,150	\$ 61.00
Indirect Construction Costs		0	0	0	0	0		\$ -
<hr/>								
Contractor's Fees	14.0%	9,675	9,675	11,795	10,523	52,613	63,515	16.67%
Developer's Overhead	13.8%	11,925	11,925	11,925	11,925	59,625	59,625	12.72%
Contingency	0.0%	0	0	0	0	0		0.00%
Financing		450	450	450	450	2,250	2,250	
Other: Closing Costs		0	0	0	0	0		
<b>SUBTOTAL COSTS</b>		<b>\$103,092</b>	<b>\$103,092</b>	<b>\$110,617</b>	<b>\$106,102</b>	<b>\$530,509</b>	<b>\$546,500</b>	<b>\$ 88.86</b>
Sales Commission	0.0%	0	0	0	0	0	0	0.00%
Buyer's closing csts pd by Dev.		0	0	0	0	0	0	
<b>TOTAL COST</b>		<b>\$103,092</b>	<b>\$103,092</b>	<b>\$110,617</b>	<b>\$106,102</b>	<b>\$530,509</b>	<b>\$546,500</b>	<b>\$ 88.86</b>
Less: Gifts In-Kind (Building Permit Fees & Land)		(300)	(300)	(300)	(300)	(1,500)	(1,500)	
<b>NET COST</b>		<b>\$102,792</b>	<b>\$102,792</b>	<b>\$110,317</b>	<b>\$105,802</b>	<b>\$529,009</b>	<b>\$545,000</b>	<b>\$ 88.62</b>
<b>GROSS SALES PROCEEDS</b>		<b>\$114,000</b>	<b>\$107,000</b>	<b>\$105,000</b>	<b>\$109,000</b>	<b>545,000</b>	<b>\$545,000</b>	<b>\$ 88.62</b>
<b>NET PROFIT</b>		<b>\$11,208</b>	<b>\$4,208</b>	<b>(\$5,317)</b>	<b>\$3,198</b>	<b>\$15,991</b>	<b>\$0</b>	
<hr/>								
DIRECT CONSTRUCTION COST per SF		\$54.36	\$59.09	\$66.48	\$60.17	\$60.17	\$61.00	
SUBTOTAL COST per SQ FT		\$82.47	\$89.65	\$88.49	\$86.26	\$86.26	\$88.86	
TOTAL COST per SQ FT		\$82.47	\$89.65	\$88.49	\$86.26	\$86.26	\$88.86	
SALES PRICE per SQ FT		\$91.20	\$93.04	\$84.00	\$88.62	\$88.62	\$88.62	
DEVELOPER FEES to COST RATIO		22.44%	15.65%	5.97%	14.25%	14.25%	10.91%	
TOTAL PROFIT to COST RATIO		20.26%	13.47%	5.86%	12.93%	12.93%	11.62%	



# SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

Midland Community Housing Development Organization, Midland, HOME CMS/CHDO #09590

## DIRECT CONSTRUCTION COST ESTIMATE

Single Family Residence Average Quality Basis

Plan TH32 1250 - 3BR 2BA (With Garage)					Plan TH22 1150 - 2BR 2BA					Plan SF 1250 - 3BR 2BA (With Carport)			
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT	CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT	CATEGORY	FACTOR	UNITS/SF	PER SF
Base Cost		1,250	\$82.76	\$103,444	Base Cost		1,150	\$84.24	\$96,876	Base Cost		1,250	\$82.76
Adjustments					Adjustments					Adjustments			
Roofing			0.00	0	Roofing			\$0.00	\$0	Roofing			\$0.00
Subfloor			(2.50)	(3,125)	Subfloor			(2.50)	(2,875)	Subfloor			(2.50)
Floor Cover			7.25	9,056	Floor Cover			7.25	8,332	Floor Cover			7.25
Plumbing	\$1,160	0	0.00	0	Plumbing	\$1,160	0	0.00	0	Plumbing	\$1,160	0	0.00
Built-In Appliances	\$2,700	1	2.16	2,700	Built-In Appliances	\$2,700	1	2.35	2,700	Built-In Appliances	\$2,700	1	2.16
Heating/Cooling			1.86	2,325	Heating/Cooling			1.86	2,139	Heating/Cooling			1.86
Garages	\$28.86	301	6.95	8,688	Garages	\$29.50	301	7.72	8,881	Carports	\$10.25	280	2.30
Porches	\$22.52	75	1.35	1,689	Porches	\$22.52	75	1.47	1,689	Porches	\$22.52	75	1.35
Subdivision Discount	0.00%		0.00	0	Subdivision Discount	0.00%		0.00	0	Subdivision Discount	0.00%		0.00
Other:				0	Other:				0	Other:			
SUBTOTAL			\$99.82	\$124,777	SUBTOTAL			\$102.38	\$117,741	SUBTOTAL			\$95.17
Current Cost Multiplier	0.99		98.82	123,529	Current Cost Multiplier	0.99		101.36	116,564	Current Cost Multiplier	0.99		94.22
Local Multiplier	0.87		(12.98)	(16,221)	Local Multiplier	0.87		(13.31)	(15,306)	Local Multiplier	0.87		(12.37)
TOTAL DIRECT CONSTRUCTION COSTS			\$85.85	\$107,308	TOTAL DIRECT CONSTRUCTION COSTS			\$88.05	\$101,258	TOTAL DIRECT CONSTRUCTION COSTS			\$81.84
Plans/specs, svy, prmts	3.90%		(\$3.35)	(4,185)	Plans/specs, svy, prmts	3.90%		(\$3.43)	(3,949)	Plans/specs, svy, prmts	3.90%		(\$3.19)
Interim Construction Int.	3.38%		(\$2.90)	(3,622)	Interim Construction Int.	3.38%		(\$2.97)	(3,417)	Interim Construction Int.	3.38%		(\$2.76)
Contractor's OH & Profit	11.50%		(\$9.87)	(12,340)	Contractor's OH & Profit	11.50%		(\$10.13)	(11,645)	Contractor's OH & Profit	11.50%		(\$9.41)
NET DIRECT CONSTRUCTION COSTS			\$69.73	\$87,161	NET DIRECT CONSTRUCTION COSTS			\$71.52	\$82,247	NET DIRECT CONSTRUCTION COSTS			\$66.48

# SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

## DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook*

Average Quality Townhome Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$ 62.65	\$228,669
<b>Adjustments</b>				
Exterior Wall Finish	7.00%		\$4.39	\$16,006.80
Elderly			0.00	0.00
9-Ft. Ceilings			0.00	0.00
Roofing			0.00	0.00
Subfloor			(1.95)	(7,118)
Floor Cover			7.32	26,718
Breezeways	\$23.05		0.00	0.00
Balconies			0.00	0.00
Plumbing Fixtures	\$1,015	3	0.50	1,807
Rough-ins	\$445		0.00	0.00
Built-In Appliances	\$2,525	3	1.23	4,496
Exterior Stairs	\$1,575		0.00	0.00
Enclosed Corridors			0.00	0.00
<b>Other:</b>			0.00	0.00
<b>Other:</b>			0.00	0.00
Carports	\$9.70		0.00	0.00
Heating/Cooling			1.86	6,789.00
Garages	\$27.02	903	3.97	14,481
Comm &/or Aux Bldgs	\$68.75		0.00	0.00
Other: fire sprinkler	\$2.15		0.00	0.00
<b>SUBTOTAL</b>			<b>79.96</b>	<b>291,848</b>
Current Cost Multiplier	0.99		(0.80)	(2,918.48)
Local Multiplier	0.87		(10.39)	(37,940.30)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$68.76</b>	<b>250,990</b>
Plans, specs, survy, bld prmts	3.90%		(\$2.68)	(9,788.60)
Interim Construction Interest	3.38%		(2.32)	(8,470.90)
Contractor's OH & Profit	11.50%		(7.91)	(28,863.81)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$55.85</b>	<b>\$203,866</b>

# HOMEBUYER AFFORDABILITY ANALYSIS EXHIBIT

## 0% DOWNPAYMENT ASSUMPTION

**Midland Community Housing Development Organization, Midland, HOME CMS/CHDO  
#09590**

ASSUMPTIONS			
Interest Rate:	0.00%	Tax Rate per \$100:	2.17
Loan Term (mos):	360	Property Insurance:	0.58%
Assessed Value (est.):	90%	Mortgage Insurance:	0.00%

LOAN CALCULATIONS			
	<u>Plan - 1250</u> <u>(Garage)</u>	<u>Plan - 1150</u>	<u>Plan - 1250</u> <u>(Carport)</u>
Sales Price:	\$114,000	\$107,000	\$105,000
0.0% Downpayment	-	-	-
Deferred Forgivable	15,000	15,000	15,000
Loan Amount:	\$99,000	\$92,000	\$90,000

MONTHLY PAYMENT			
P & I	\$275.00	\$255.56	\$250.00
Taxes	185.88	174.47	171.21
Insurance	55.10	51.72	50.75
MIP	0.00	0.00	0.00
<b>TOTAL PAYMENT</b>	<b>\$516</b>	<b>\$482</b>	<b>\$472</b>

QUALIFYING INCOME					
	<u>1-Person</u>	<u>2-Person</u>	<u>3-Person</u>	<u>4-Person</u>	<u>5-Person</u>
30% of Median Annual Income	\$12,650	\$14,450	\$16,250	\$18,050	\$19,500
Monthly Income	\$1,054	\$1,204	\$1,354	\$1,504	\$1,625
PITI Affordability @ 30%	<b>\$316</b>	<b>\$361</b>	<b>\$406</b>	<b>\$451</b>	<b>\$488</b>
50% of Median Annual Income	\$21,050	\$24,100	\$27,100	\$30,100	\$32,500
Monthly Income	\$1,754	\$2,008	\$2,258	\$2,508	\$2,708
PITI Affordability @ 30%	<b>\$526</b>	<b>\$603</b>	<b>\$678</b>	<b>\$753</b>	<b>\$813</b>
60% of Median Annual Income	\$25,260	\$28,920	\$32,520	\$36,120	\$39,000
Monthly Income	\$2,105	\$2,410	\$2,710	\$3,010	\$3,250
PITI Affordability @ 30%	<b>\$632</b>	<b>\$723</b>	<b>\$813</b>	<b>\$903</b>	<b>\$975</b>
80% of Median Annual Income	\$33,700	\$38,500	\$43,350	\$48,150	\$52,000
Monthly Income	\$2,808	\$3,208	\$3,613	\$4,013	\$4,333
PITI Affordability @ 30%	<b>\$843</b>	<b>\$963</b>	<b>\$1,084</b>	<b>\$1,204</b>	<b>\$1,300</b>

**SINGLE FAMILY RESIDENCE DEVELOPMENT  
SOURCES and USES OF FUNDS EXHIBIT**

**Midland Community Housing Development Organization, Midland, HOME CMS/CHDO #09590**

<b>SOURCE OF FUNDS</b>						
	<b>TYPE OF CREDIT FACILITY</b>	<b>RECYCLE FACTOR</b>	<b>TDHCA AMOUNT</b>	<b>APPLICANT AMOUNT</b>	<b>RECOMMENDED AMOUNT</b>	<b>SOURCE/PRIORITY</b>
1	HOME Loan	1	\$75,000	\$75,000	\$75,000	TDHCA
2	Neighborhood Partnership	1				
3	Housing Trust Fund Loan	1				
4	TX Community Dev. Program	1				
5	Other TDHCA Program Loan	1	470,000	470,000	470,000	TDHCA
6	Cash Equity	1				
7	In-Kind Equity	1				
8	Other CDBG	1				
9	Other HOME Loan	2.5				TDHCA
10	RECD Loan(s)	1				
11	Other Federal Loan or Grant	1				
12	Local Municipality Loan or Grant	1				
13	Private Loan or Grant	1				
14	Conventional Loan	1				
15	Lot Equity	1				
<b>TOTAL SOURCES OF FUNDS</b>			<b>\$545,000</b>	<b>\$545,000</b>	<b>\$545,000</b>	

<b>USES OF FUNDS</b>				
	<b>DESCRIPTION</b>	<b>TDHCA AMOUNT</b>	<b>APPLICANT AMOUNT</b>	<b>RECOMMENDED AMOUNT</b>
1	Raw Land Acquisition Cost	\$5,000	\$5,000	\$5,000
2	Off-Sites	35,210	35,210	35,210
3	Site Work	5,750	5,750	5,750
4	Direct Construction Costs	370,060	375,150	375,150
5	Indirect Construction Costs	-	-	-
6	Contractor's Fees	52,613	63,515	53,326
7	Developer's Overhead	59,625	59,625	59,625
8	Contingency	-	-	-
9	Financing	2,250	2,250	2,250
10	Other: Closing Costs	-	-	-
11	Sales Commission	-	-	-
12	Buyer's closing csts pd by Dev.	-	-	-
13	Other: Net Developer Profit	15,991	-	-
<b>TOTAL USES OF FUNDS</b>		<b>\$546,500</b>	<b>\$546,500</b>	<b>\$534,811</b>



REPORT DATE: 04/23/10 PROGRAM: HOME/CMS FILE NUMBER: 09591

**DEVELOPMENT**

Community Development Corporation of Brownsville

Location: 10 contiguous lots in Villa Cavasos Colonia/Campo Real Subdivision (Lots 5-6 & 22-29 Block 2 Campo Real) Region: 11  
 City: Brownsville County: Cameron Zip: 78520  
 Key Attributes: Single Family, New Construction, Urban

**ALLOCATION**

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$941,000	0.00%	30/30	<b>\$941,000</b>		<b>See Below*</b>

\*The Applicant is requesting interim to permanent HOME Colonia Model Subdivision ("CSM") funds totaling \$941K, broken out into first and second lien tranches per program guidelines. The Underwriter recommends a HOME CMS award not to exceed \$941K, structured as an interim loan to be converted to up to 10 individual loans, each partitioned to include a permanent repayable first lien at 0% interest and 30-year amortization, and a deferred forgivable second lien, structured per program guidelines.

**CONDITIONS**

- 1 Partition of the permanent loans to include a permanent repayable first lien and a deferred forgivable second lien, per the program guidelines, based on the Department's determination that a deferred forgivable second lien is necessary to achieve affordability.
- 2 Receipt, review, and acceptance of documentation, should the development of any home exceed the average development cost per unit of \$94,100 of additional financing or identified budget savings.
- 3 Receipt, review, and acceptance of evidence that total developer fees do not exceed the lesser of \$80K in total, \$8K per unit, or 9.33% of actual costs less the fee itself is a condition of this report. Any cost savings should accrue to the homebuyer and any unused funds should be retained by the Department for use in other affordable housing programs.
- 4 Receipt, review, and acceptance of confirmation of the absence of zoning or appropriate zoning for each site.
- 5 Receipt, review, and acceptance before commencement of construction on any lot of environmental clearance meeting the HOME rules in Title 24 of the Code of Federal Regulations (CFR) Part 58.

**PREVIOUS UNDERWRITING REPORTS**

The Applicant was awarded \$1,835,000 in HOME CMS funds in 2006 for a 20-unit new construction development. The original contract was for scattered sites located in San Benito; however, that contract was eliminated and a new contract for a parcel of land adjacent to the Subject development was obtained.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**

Community Development Corporation  
of Brownsville

Board of Directors



**CONTACT**

Contact: Nick Mitchell-Bennett Phone: (956) 541-4955 Fax: (956) 541-4990  
 Email: nitchell@cdcb.org



Also of note, the subject sites appear to be located in Zone C Un-shaded based on the FEMA Flood Zone Map included in the report.

Per the HOME rule in 24 CFR 58, all HOME funds are subject to environmental regulations and clearance. However, the Department historically has not used HOME funds to reimburse pre-award expenses. Therefore, it is typical for environmental clearance, per the HOME rules in 24 CFR 58, to be evaluated and expensed after the award has been approved. Receipt, review, and acceptance before commencement of construction on any lot of environmental clearance meeting the HOME rules in 24 CFR 58 standards is a condition of this report.

### MARKET ANALYSIS

The Applicant did not provide a third-party market study for the proposed development. However, the Underwriter was able to obtain the following updated market information per the Texas A&M Real Estate Center:

- Median family incomes in the MSA is \$31K, while median sales prices for homes is \$92,700, and the required income to qualify is at \$21,548. According to the Texas Affordable Housing Index (4th Quarter 2009), only 59.8% of the Cameron County families earning the median income have a sufficient income to purchase a median priced home using traditional mortgage financing.
- Brownsville's Projected Growth Forecast is expected to be almost 50% by 2020, as compared to an overall growth forecast of ~35% for Texas alone.
- The National Association of Homebuilders lists Cameron County as the 6th least affordable housing market in the Southern Region of the United States when comparing median income to average home sales price.
- The vacancy rate for renter-residences is 3.8% in the MSA.
- The average household size in the MSA is 3.4 people, compared to 2.74 at the national level.

Also of note, the Applicant provided a copy of the official Intake and Homebuyer Ready lists as of April 14, 2010. According to the form, there are 210 families on the Homebuyer Ready list, 394 in-process, and 49 prospective families. The Applicant believes, "This... gives a good indication of the direct market CDCB is able and ready to serve."

### HOMEBUYER AFFORDABILITY ANALYSIS

Proposed Sale Prices: Date of Last Applicant Revision: N/A

The Applicant has proposed to sell each home for \$92K to \$95,400. Based on the proposed sale prices and the Applicant's projected unit mix, the total mortgage financing, to include 10 individual permanent mortgages, is projected to be \$941K. Based on the Underwriter's evaluation of the development proforma, the actual sales prices may need to be higher than those proposed due to the absence of measurable contingency, low projected construction costs, and high level of multiple unit construction savings (discussed below in cost section). Any unanticipated increase in costs could result in the necessity to raise sales prices and reduce the total number of units developed in order to maintain financial feasibility.

Down Payment Assistance: Date of Last Applicant Revision: N/A

The Colonia Model Subdivision Program allows the permanent debt to be structured in two tranches if necessary: 1) a permanent repayable first lien with a 30-year term at 0% interest and 2) up to \$15,000 in down payment assistance structured as a deferred forgivable second lien, which will be assessed based on each household's income ability to pay.

Of note, the Applicant has indicated \$30K per unit in down payment assistance; however, as indicated previously, current program guidelines only allow a maximum of \$15K per unit in down payment assistance. Therefore, the Underwriter's affordability analysis will assume the program maximum of \$15K.

#### Affordability Analysis:

The underwriting affordability analysis estimates the monthly mortgage payment plus taxes and property insurance for each unit in order to determine the level of affordability for households at the target income levels. Based on the Underwriter's analysis of the proposed sale prices, the proposed units will be affordable to households of one to five persons earning an annual income at 50% & 60% of AMFI, assuming a repayable first lien mortgage with a 30-year term at 0% interest and a \$15K deferred forgivable second lien. Of note, without the \$15K second lien, the proposed units are no longer affordable to one-person households at 50% AMFI.



However, per the program guidelines, the TDHCA will offer each qualified buyer a combination of a repayable 0% interest loan and a deferred forgivable loan based on the buyer's income and ability to pay. The buyers' income will be evaluated to ensure that each qualifies for the proposed payments. Since current program guidelines limit the deferred second lien to \$15K, households earning incomes below the affordable threshold are excluded.

A fully amortized loan at 5.15% and 7.50% (including \$15K in down payment assistance) would be affordable to five person households at 50% and 60% of AMFI respectively. Without any down payment assistance, the interest rate on the repayable portion would decrease to 3.70% & 5.84% respectively. Households earning 30% of AMFI can only marginally support a loan of \$74K at 0% interest and the remaining \$15K would be needed in the form of a deferred forgivable second lien.

The program guidelines do not explicitly dictate the terms of the deferred forgivable second lien. Specifically, the Underwriter is concerned that as the loan is forgiven, the homeowner may be required to report this forgiven amount as phantom income, leading to a higher taxable income and resulting in burdensome and unanticipated taxes. The Underwriter suggests that the forgivable portion of each loan, if any, is forgiven over time to mitigate any unintended effects that may burden the homebuyer.

<b>AFFORDABILITY ANALYSIS (Based on 4-person household)</b>						
<b>Plan Type</b>	<b>Proposed Price</b>	<b>Monthly PITI</b>	<b>60% HH Max</b>	<b>Differential</b>	<b>50% HH Max</b>	<b>Differential</b>
Plan A 1162 - 3BR 2BA	\$92,000	\$384	\$684	(\$300)	\$570	(\$186)
Plan B 1171 - 3BR 2BA	\$93,600	\$391	\$684	(\$293)	\$570	(\$179)
Plan C 1221 - 3BR 2BA	\$94,500	\$395	\$684	(\$289)	\$570	(\$175)
Plan D 1258 - 3BR 2BA	\$95,000	\$397	\$684	(\$287)	\$570	(\$173)
Plan E 1262 - 3BR 2BA	\$95,400	\$399	\$684	(\$285)	\$570	(\$171)

**Market Rate Comparison:**

In addition to the affordability analysis at the program interest rate of 0%, the Underwriter performed an analysis of the affordability at the market interest rate of 6.09%, based on data for the Brownsville/Harlingen MSA from the Real Estate Center at Texas A&M University for the second quarter of 2009. The principal, interest, taxes, and insurance payment for the least expensive home would rise to \$727 per month or \$43 per month more than the targeted affordability for a four person household earning 60% of AMI. Assuming a market interest rate of 6.09%, monthly PITI payments for the proposed units would range from \$727 to \$753, which is below the maximum monthly payment of \$985 for five person households earning 80% or less of AMI.

Based on the Underwriter's analysis, only the least expensive of the Subject units would be affordable to households of five persons earning 60% of AMI at conventional interest rates without a grant subsidy. In order to reach target households of five persons at 60% of AMI, a subsidy ranging from \$0 to \$2,553 would be needed; to reach target households of five persons at 50% of AMI, a subsidy ranging from \$18K to \$23K would be needed; and to reach target households of five persons at 30% of AMI, a subsidy ranging from \$59K to \$63K would be needed at conventional interest rates.

**Conclusion:**

In order to achieve a reasonable level of affordability, Staff believes that HOME CHDO funded single family units should be affordable to households at 80% of AMI at market rates, and due to the benefit from the 0% interest rate and \$15K deferred forgivable second lien, should be affordable to the 50% and 60% of AMI target populations.

**ACQUISITION INFORMATION****ASSESSED VALUE**

Tax Year: 2009  
 Valuation by: Cameron CAD  
 Tax Rate: 1.814868 Total Assessed Value: \$164,000

<b>(Lot 5, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>	<b>(Lot 6., Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>
<b>(Lot 22, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>	<b>(Lot 23, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>
<b>(Lot 24, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>	<b>(Lot 25, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>
<b>(Lot 26, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>	<b>(Lot 27, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>
<b>(Lot 28, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>	<b>(Lot 29, Block 2, Campo Real Subdivision Phase I):</b> Land Only: 0.17 acres <u>\$16,400</u>

**EVIDENCE of PROPERTY CONTROL**

Type: Settlement Statement & Warranty Deed w/ Vendor's Lien Acreage: 36.735  
 Contract Expiration: N/A Valid Through Board Date?  Yes  No  
 Acquisition Cost: \$165,000 Other: 60 total lots purchased for \$990K; 10 will be used for Subject development  
 Seller: Captiva Development Related to Development Team?  Yes  No

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: None Date of Last Applicant Revision: N/A

**Acquisition Value:**

A Settlement Statement dated June 27, 2008 between Captiva Development and CDC Brownsville (The Applicant) was provided and indicates a purchase price of \$990K for 60 developed lots, including the ten Subject lots. Therefore, the allocated acquisition cost of \$165K (\$16,500 per unit/lot) for the ten Subject lots is assumed to be reasonable.

**Sitework Cost:**

The Applicant's sitework cost estimate is effectively included in the acquisition cost estimate for each lot because the lots were developed prior to purchase. Subsequent to the Underwriter's request for clarification, the Applicant indicated, "The consolidation of these line items is due to the development construction method utilized by CDCB to produce single family homes for the lowest and most economical cost for both CDCB and the individual homebuyer. [Specifically]...All lots were purchased fully developed (curb, cutter, water & sewer connection). CDCB "development cost" is the cost to purchase the lot. These lots were purchased by CDCB on 6/28/2009. All profit and fees for the development cost is part of the cost paid by CDCB." This is discussed in more detail below.

#### Direct Construction Cost:

The Applicant's development cost schedule reflects a direct construction cost estimate of \$636K or \$63,600 per unit. However, the Applicant has consolidated a number of line items into this estimate, including: indirect construction costs, and contractor's profit. In addition, this estimate may also include some portion of the contingency. As noted above, the Underwriter requested clarification from the Applicant explaining why these costs were not broken out into separate line items. The Applicant explained that their method of coordinating the development and construction of units does not allow for such a breakdown. The Underwriter has utilized Marshall & Swift's Residential Cost Handbook in order to estimate the direct construction costs for the units as proposed. However, the Applicant's direct estimate is not comparable to the Underwriter's direct estimate.

Therefore, the Underwriter has evaluated the transaction on a total development cost basis. Based on this evaluation the Applicant's costs appear to be below the extreme low end of reasonable verifiable costs based on the current underwriting standards. Effectively, the Applicant must achieve a level of cost savings over the Underwriter's Marshall & Swift-derived cost estimate that the Department's underwriting tools cannot independently verify. This difference represents an estimated cost savings of as much as 23% on direct construction costs alone. The Applicant has provided a list of cost savings techniques that have been successfully implemented in the past and will be applied to the subject development, which includes the following items:

- Engineering: Windstorm analysis re-printing costs only for existing plan designs.
- Surveying: working with connecting properties allows for reduction in the cost improvement surveys by 30%.
- Building permits waived by County Inspections Department.
- Shared servicing expenses: Each home build next to each other allows CDCB to share to the cost of Temporary Electrical Poles and Sanitary Portable bathrooms.
- Reducing exposure expenses by minimizing delays, tracking construction progress for completion of projects on a timely manner.
- CDCB's construction Inspections are done all at once when all homes are built contiguous.
- Using pre-developed lots - requiring no additional site preparation.
- Material and Labor cost negotiated per group of units: Concrete; Building Materials; Plumbing; Electrical; & HVAC
- Using readily available material from local supplier versus special order items which increases cost and delays.
- Using advanced framing techniques (ladder tees, reduced headers, non bearing walls) reducing material consumption.
- Minimizing interior finish selections (flooring, interior paint) utilizing unused portions on next units.
- Third party inspection fees - CDCB has on staff a Certified HERRS Rater, FHA Inspector, and Weatherization Inspector.
- The use of efficient floor plan and designs. Eliminating off-sets, unnecessary hall space and one car garages allows for less expensive construction costs.

In order to understand the development process that allows the level of cost savings that is claimed, the Applicant provided the following explanation: "CDCB works with different sub-contractors and professionals in "bulk"... By working with engineers, surveyors etc ... for all 10 units to arrive at a significant cost savings. CDCB's CHDO project in Campo Real is made up of 10 lots that set one next to the other. By eliminating travel time from one site to the next for the different sub-contractors, surveyors, and engineers a cost savings [as outlined above] is produced."

It should be noted, the Applicant received funds from the Department in 2006 to complete a 20-unit Colonia Model Subdivision adjacent to the Subject; however, the Applicant did not provide any evidence of completion of these units (such as previous written agreements with builders or AIA documents) to support the projected costs for the proposed Subject units. In addition, as stated above, based on the Underwriter's evaluative tools, the Applicant's development costs require a level of efficiency above the maximum level expected for a typical single family development transaction.

**Fees:**

The Applicant's contractor profit appear to be embedded into the direct construction cost estimate provided by the Applicant. However, as stated above, the analysis indicates that an above maximum level of efficiency will be required in order to develop the proposed units within the projected budget. As a result, there appears to be minimal risk that the contractor will be able to extract fees that exceed the maximums typically allowed by the Department.

The maximum developer fee is limited to 15% of the total development cost or \$141,150 (\$14,115 x 10) for the subject transaction, which is the maximum allowed under TDHCA guidelines.

**Conclusion:**

As discussed above, the Applicant's development structure is not typical based on previous single family transactions evaluated. The Applicant is unable to provide the detailed breakdown of development costs that is generally expected of an Applicant. In addition, the Applicant's development budget appears to require a level of efficiency that is above the verifiable maximum. The budgeted costs appear to have limited the built-in project contingency and profit and therefore, also limit the margin for error or unanticipated future cost increases. However, the Applicant has extensive experience in single family development and provides a record of successful implementation of the proposed development model.

In addition, the program guidelines limit the Department's exposure during the development process. Prior to closing on the construction loan, a qualified homebuyer must be identified for each home included in the closing and a sales contract must be executed with the homebuyer. This limits the Department's exposure and increases the Applicant's accountability for the development plan. However, as a result of the concerns, receipt, review, and acceptance of documentation, should the development of any home exceed the average development cost per unit of \$94,100, of additional financing or identified budget savings is a condition of this report.

The Applicant's total development cost is within 5% of the Underwriter's estimate assuming significant cost savings based on the CDCB's prior experience; therefore, the Applicant's cost schedule, reflecting a total net development cost of \$941K, based upon the Applicant's projected unit mix, will be used to determine the development's need for interim funds and permanent mortgage financing. Moreover, if the homebuyers ultimately choose the most expensive unit type proposed, the total development cost could increase to \$954K, or 1% more than currently proposed. If this is the case, the Applicant's development plan will be reduced from 10 homes to 9 homes in order to prevent the total development cost from exceeding the Applicant's request and program limit of \$941K.

**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: None Date of Last Applicant Revision: N/A  
 Source: TDHCA Type: Interim to Permanent Financing  
 Permanent: \$941,000\* Interest Rate: 0.00%  Fixed Amort: 360 months  
 Comments:

\*The Applicant anticipates as many as 10 permanent first lien mortgages up to \$80,400, each with a term of 30 years at 0% interest, and as many as 10 deferred forgivable second lien loans up to \$15K each per program guidelines. As proposed, the total permanent mortgage financing will amount to a maximum of \$941K.

## CONCLUSIONS

### Recommended Financing Structure:

The Underwriter's recommended funding will be determined using the Applicant's adjusted development cost schedule as reflected in the recommended uses of funds and based on the gap in financing from the Underwriter's recommended financing structure. The recommended financing structure, based on the development plan and unit mix as submitted, indicates a gap in financing of \$941K, which is equal to the Applicant's requested amount. If changes to the unit mix, to the acquisition cost, or construction cost increases materialize, the development could face a deficit in funding. However, the Underwriter believes that any potential deficit may be managed through close, ongoing budget scrutiny. Therefore, based on the Underwriter's analysis, the requested HOME loan should not exceed \$941K to be released in accordance with current program guidelines and restrictions.

Underwriter:

\_\_\_\_\_  
*Diamond Unique Thompson*

Date:

\_\_\_\_\_  
April 23, 2010

Manager of Real Estate Analysis:

\_\_\_\_\_  
*Audrey Martin*

Date:

\_\_\_\_\_  
April 23, 2010

Director of Real Estate Analysis:

\_\_\_\_\_  
*Brent Stewart*

Date:

\_\_\_\_\_  
April 23, 2010

## SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

### Community Development Corporation of Brownsville, Brownsville, HOME/CMS #09591

FLOOR PLAN NUMBER		A	B	C	D	E	AVERAGE	TDHCA TOTAL	APPLICANT	
NUMBER PLOTTED		2	2	2	2	2		10		
SQUARE FOOTAGE		1,162	1,171	1,221	1,258	1,262	1,215	12,148	12,148	
DESCRIPTION	Max.	3BR 2BA	3BR 2BA	3BR 2BA	3BR 2BA	3BR 2BA				
Developed Land Acquisition Cost		\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$165,000	\$165,000	
Off-Sites		0	0	0	0	0	0	0		
Site Work		0	0	0	0	0	0	0		\$ -
Direct Construction Costs		61,573	61,779	62,839	64,832	64,707	63,146	631,459	636,000	\$ 52.35
Indirect Construction Costs		0	0	0	0	0	0	0		\$ -
Contractor's Fees	4.8%	2,925	2,935	2,985	3,080	3,074	3,000	30,000	30,000	4.72%
Developer's Fees	12.1%	7,801	7,827	7,961	8,000	8,000	7,918	79,177	80,000	9.68%
Contingency	0.0%	0	0	0	0	0	0	0		0.00%
Financing		0	0	0	0	0	0	0		
Other: Closing Costs		0	0	0	0	0	0	0		
<b>SUBTOTAL COSTS</b>		<b>\$88,799</b>	<b>\$89,041</b>	<b>\$90,285</b>	<b>\$92,412</b>	<b>\$92,281</b>	<b>\$90,564</b>	<b>\$905,636</b>	<b>\$911,000</b>	<b>\$ 74.99</b>
Sales Commission	0.0%	0	0	0	0	0	0	0	0	0.00%
Buyer's closing csts pd by Dev.		3,000	3,000	3,000	3,000	3,000	3,000	30,000	30,000	
<b>TOTAL COST</b>		<b>\$91,799</b>	<b>\$92,041</b>	<b>\$93,285</b>	<b>\$95,412</b>	<b>\$95,281</b>	<b>\$93,564</b>	<b>\$935,636</b>	<b>\$941,000</b>	<b>\$ 77.46</b>
Less: Grants & Gifts In-Kind		0	0	0	0	0	0	0	0	
<b>NET COST</b>		<b>\$91,799</b>	<b>\$92,041</b>	<b>\$93,285</b>	<b>\$95,412</b>	<b>\$95,281</b>	<b>\$93,564</b>	<b>\$935,636</b>	<b>\$941,000</b>	<b>\$ 77.46</b>
<b>GROSS SALES PROCEEDS</b>		<b>\$92,000</b>	<b>\$93,600</b>	<b>\$94,500</b>	<b>\$95,000</b>	<b>\$95,400</b>	<b>\$94,100</b>	<b>941,000</b>	<b>\$941,000</b>	<b>\$ 77.46</b>
<b>NET PROFIT</b>		<b>\$201</b>	<b>\$1,559</b>	<b>\$1,215</b>	<b>(\$412)</b>	<b>\$119</b>	<b>\$536</b>	<b>\$5,364</b>	<b>\$0</b>	
DIRECT CONSTRUCTION COST per SF		\$52.99	\$52.76	\$51.46	\$51.54	\$51.27	\$51.98	\$51.98	\$52.35	
SUBTOTAL COST per SQ FT		\$76.42	\$76.04	\$73.94	\$73.46	\$73.12	\$74.55	\$74.55	\$74.99	
TOTAL COST per SQ FT		\$79.00	\$78.60	\$76.40	\$75.84	\$75.50	\$77.02	\$77.02	\$77.46	
SALES PRICE per SQ FT		\$79.17	\$79.93	\$77.40	\$75.52	\$75.59	\$77.46	\$77.46	\$77.46	
DEVELOPER FEES to COST RATIO		9.01%	10.54%	10.16%	8.21%	8.80%	9.33%	9.33%	8.78%	
TOTAL PROFIT to COST RATIO		3.52%	5.05%	4.65%	2.89%	3.46%	3.90%	3.90%	3.29%	

# SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

**Community Development Corporation of Brownsville, Brownsville, HOME/CMS #09591**

## DIRECT CONSTRUCTION COST ESTIMATE

Single Family Residence Average Quality Basis

Plan A 1162 - 3BR 2BA

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost		1,162	\$81.52	\$94,721
Adjustments				
Roofing			0.00	0
Subfloor			(2.50)	(2,905)
Floor Cover			7.25	8,419
Plumbing	\$1,160	0	0.00	0
Built-In Appliances	\$2,700	1	2.32	2,700
Heating/Cooling			1.86	2,161
Garages/Carports	\$25.24	272	5.91	6,864
Porches	\$21.64	105	1.96	2,272
Subdivision Discount	23.00%		(18.75)	(21,786)
Other:				0
SUBTOTAL			\$79.56	\$92,446
Current Cost Multiplier	0.99		78.76	91,522
Local Multiplier	0.83		(13.52)	(15,716)
TOTAL DIRECT CONSTRUCTION COSTS			\$65.24	\$75,806
Plans/specs, svy, prmts	3.90%		(\$2.54)	(2,956)
Interim Construction Int.	3.38%		(\$2.20)	(2,558)
Contractor's OH & Profit	11.50%		(\$7.50)	(8,718)
NET DIRECT CONSTRUCTION COSTS			\$52.99	\$61,573

Plan B 1171 - 3BR 2BA

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost		1,171	\$81.38	\$95,295
Adjustments				
Roofing			\$0.00	\$0
Subfloor			(2.50)	(2,928)
Floor Cover			7.25	8,484
Plumbing	\$1,160	0	0.00	0
Built-In Appliances	\$2,700	1	2.31	2,700
Heating/Cooling			1.86	2,178
Garages/Carports	\$25.10	280	6.00	7,029
Porches	\$22.52	85	1.63	1,914
Subdivision Discount	23.00%		(18.72)	(21,918)
Other:				0
SUBTOTAL			\$79.21	\$92,755
Current Cost Multiplier	0.99		78.42	91,827
Local Multiplier	0.83		(13.47)	(15,768)
TOTAL DIRECT CONSTRUCTION COSTS			\$64.95	\$76,059
Plans/specs, svy, prmts	3.90%		(\$2.53)	(2,966)
Interim Construction Int.	3.38%		(\$2.19)	(2,567)
Contractor's OH & Profit	11.50%		(\$7.47)	(8,747)
NET DIRECT CONSTRUCTION COSTS			\$52.76	\$61,779

Plan C 1221 - 3BR 2BA

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost		1,221	\$80.75	\$98,601
Adjustments				
Roofing			\$0.00	\$0
Subfloor			(2.50)	(3,053)
Floor Cover			7.25	8,846
Plumbing	\$1,160	0	0.00	0
Built-In Appliances	\$2,700	1	2.21	2,700
Heating/Cooling			1.86	2,271
Garages/Carports	\$25.29	269	5.57	6,802
Porches	\$27.63	31	0.70	857
Subdivision Discount	23.00%		(18.57)	(22,678)
Other:				0
SUBTOTAL			\$77.27	\$94,346
Current Cost Multiplier	0.99		76.50	93,402
Local Multiplier	0.83		(13.14)	(16,039)
TOTAL DIRECT CONSTRUCTION COSTS			\$63.36	\$77,363
Plans/specs, svy, prmts	3.90%		(\$2.47)	(3,017)
Interim Construction Int.	3.38%		(\$2.14)	(2,611)
Contractor's OH & Profit	11.50%		(\$7.29)	(8,897)
NET DIRECT CONSTRUCTION COSTS			\$51.46	\$62,839

# SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

**Community Development Corporation of Brownsville, Brownsville, HOME/CMS #09591**

## **DIRECT CONSTRUCTION COST ESTIMATE**

Single Family Residence Average Quality Basis

Plan D 1258 - 3BR 2BA

Plan E 1262 - 3BR 2BA

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost		1,258	\$80.43	\$101,175
Adjustments				
Roofing			\$0.00	\$0
Subfloor			(2.50)	(3,145)
Floor Cover			7.25	9,114
Plumbing	\$1,160	0	0.00	0
Built-In Appliances	\$2,700	1	2.15	2,700
Heating/Cooling			1.86	2,340
Garages/Carports	\$25.27	270	5.59	6,823
Porches	\$23.65	59	1.11	1,395
Subdivision Discount	23.00%		(18.50)	(23,270)
Other:				0
SUBTOTAL			\$77.38	\$97,339
Current Cost Multiplier	0.99		76.60	96,365
Local Multiplier	0.83		(13.15)	(16,548)
TOTAL DIRECT CONSTRUCTION COSTS			\$63.45	\$79,818
Plans/specs, svy, prmts	3.90%		(\$2.47)	(3,113)
Interim Construction Int.	3.38%		(\$2.14)	(2,694)
Contractor's OH & Profit	11.50%		(\$7.30)	(9,179)
NET DIRECT CONSTRUCTION COSTS			\$51.54	\$64,832

CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost		1,262	\$80.39	\$101,452
Adjustments				
Roofing			\$0.00	\$0
Subfloor			(2.50)	(3,155)
Floor Cover			7.25	9,143
Plumbing	\$1,160	0	0.00	0
Built-In Appliances	\$2,700	1	2.14	2,700
Heating/Cooling			1.86	2,347
Garages/Carports	\$25.27	270	5.59	6,823
Porches	\$23.65	40	0.75	946
Subdivision Discount	23.00%		(18.49)	(23,334)
Other:				0
SUBTOTAL			\$76.98	\$97,151
Current Cost Multiplier	0.99		76.21	96,180
Local Multiplier	0.83		(13.09)	(16,516)
TOTAL DIRECT CONSTRUCTION COSTS			\$63.13	\$79,664
Plans/specs, svy, prmts	3.90%		(\$2.46)	(3,107)
Interim Construction Int.	3.38%		(\$2.13)	(2,689)
Contractor's OH & Profit	11.50%		(\$7.26)	(9,161)
NET DIRECT CONSTRUCTION COSTS			\$51.27	\$64,707



# HOMEBUYER AFFORDABILITY ANALYSIS EXHIBIT

## 0% DOWNPAYMENT ASSUMPTION

**Community Development Corporation of Brownsville, Brownsville, HOME/CMS  
#09591**

ASSUMPTIONS			
Interest Rate:	0.00%	Tax Rate per \$100:	1.814868
Loan Term (mos):	360	Property Insurance:	0.58%
Assessed Value (est.):	90%	Mortgage Insurance:	0.00%

LOAN CALCULATIONS					
	<u>Plan - 1162</u>	<u>Plan - 1171</u>	<u>Plan - 1221</u>	<u>Plan - 1258</u>	<u>Plan - 1262</u>
Sales Price:	\$92,000	\$93,600	\$94,500	\$95,000	\$95,400
0.0% Downpayment	-	-	-	-	-
Deferred Forgivable	15,000	15,000	15,000	15,000	15,000
Loan Amount:	<b>\$77,000</b>	<b>\$78,600</b>	<b>\$79,500</b>	<b>\$80,000</b>	<b>\$80,400</b>

MONTHLY PAYMENT					
P & I	\$213.89	\$218.33	\$220.83	\$222.22	\$223.33
Taxes	125.23	127.40	128.63	129.31	129.85
Insurance	44.47	45.24	45.68	45.92	46.11
MIP	0.00	0.00	0.00	0.00	0.00
<b>TOTAL PAYMENT</b>	<b>\$384</b>	<b>\$391</b>	<b>\$395</b>	<b>\$397</b>	<b>\$399</b>

QUALIFYING INCOME					
	<u>1-Person</u>	<u>2-Person</u>	<u>3-Person</u>	<u>4-Person</u>	<u>5-Person</u>
30% of Median Annual Income	\$9,600	\$10,950	\$12,350	\$13,700	\$14,800
Monthly Income	\$800	\$913	\$1,029	\$1,142	\$1,233
PITI Affordability @ 30%	<b>\$240</b>	<b>\$274</b>	<b>\$309</b>	<b>\$343</b>	<b>\$370</b>
50% of Median Annual Income	\$15,950	\$18,250	\$20,500	\$22,800	\$24,600
Monthly Income	\$1,329	\$1,521	\$1,708	\$1,900	\$2,050
PITI Affordability @ 30%	<b>\$399</b>	<b>\$456</b>	<b>\$513</b>	<b>\$570</b>	<b>\$615</b>
60% of Median Annual Income	\$19,140	\$21,900	\$24,600	\$27,360	\$29,520
Monthly Income	\$1,595	\$1,825	\$2,050	\$2,280	\$2,460
PITI Affordability @ 30%	<b>\$479</b>	<b>\$548</b>	<b>\$615</b>	<b>\$684</b>	<b>\$738</b>
80% of Median Annual Income	\$25,550	\$29,200	\$32,850	\$36,500	\$39,400
Monthly Income	\$2,129	\$2,433	\$2,738	\$3,042	\$3,283
PITI Affordability @ 30%	<b>\$639</b>	<b>\$730</b>	<b>\$821</b>	<b>\$913</b>	<b>\$985</b>

**SINGLE FAMILY RESIDENCE DEVELOPMENT  
SOURCES and USES OF FUNDS EXHIBIT**

**Community Development Corporation of Brownsville, Brownsville, HOME/CMS #09591**

SOURCE OF FUNDS					SOURCE/PRIORITY
TYPE OF CREDIT FACILITY	RECYCLE FACTOR	TDHCA AMOUNT	APPLICANT AMOUNT	RECOMMENDED AMOUNT	
1	HOME Loan	1			\$0
2	Neighborhood Partnership	1			
3	Housing Trust Fund Loan	1			
4	TX Community Dev. Program	1			
5	Other TDHCA Program Loan	1			
6	Cash Equity	1			
7	In-Kind Equity	1			
8	Other CDBG	1			
9	Other HOME Loan	1	941,000	941,000	941,000
10	RECD Loan(s)	1			
11	Other Federal Loan or Grant	1			
12	Local Municipality Loan or Grant	1			
13	Private Loan or Grant	1			
14	Conventional Loan	1			
15	Lot Equity	1			
TOTAL SOURCES OF FUNDS			\$941,000	\$941,000	\$941,000

USES OF FUNDS				
DESCRIPTION	TDHCA AMOUNT	APPLICANT AMOUNT	RECOMMENDED AMOUNT	
1	Developed Land Acquisition Cost	\$165,000	\$165,000	\$165,000
2	Off-Sites	-	-	-
3	Site Work	-	-	-
4	Direct Construction Costs	631,459	636,000	636,000
5	Indirect Construction Costs	-	-	-
6	Contractor's Fees	30,000	30,000	30,000
7	Developer's Fees	79,177	80,000	80,000
8	Contingency	-	-	-
9	Financing	-	-	-
10	Other: Closing Costs	-	-	-
11	Sales Commission	-	-	-
12	Buyer's closing csts pd by Dev.	30,000	30,000	30,000
13	Other: Net Developer Profit	5,364	-	-
TOTAL USES OF FUNDS		\$941,000	\$941,000	\$941,000

**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**Recommended Action**

Approve the 2010 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Projects. Based on the Department's scoring and ranking of the 2010 CSBG State Discretionary applications received for Innovative and Demonstration projects, staff recommends that the Board approve the staff recommendations. A total of five (5) applicants are recommended to receive funding totaling \$548,665.

**RESOLVED**, that the 2010 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Project Applications, 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 \$500,000 for Innovative and Demonstration projects. A total of 25 applications were received, requesting \$3,526,009 in funds. Based on available funding, staff has recommended the awarding of five (5) applicants. This would increase total funding in this category to \$548,665. The additional \$48,665 comes from Fiscal Year 2009 unexpended 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.

2010 Community Services Block Grant Discretionary Funds  
Award Recommendations for Innovative and Demonstration Projects

	<b>Applicant Name</b>	<b>City</b>	<b>Funds Requested</b>	<b>FINAL SCORE</b>	<b>Funding Recommendations</b>	<b>Project Description</b>
1	Seton Home for Pregnant Women	San Antonio	\$125,000	173.67	\$125,000	To support a program which provides a structured and stable environment for pregnant teen mothers to provide them with the skills to develop into nurturing mothers and productive citizens. The intent of the program is to contribute to ending the cycle of child abuse and domestic violence.
2	SafePlace - Austin	Austin	\$50,255	171.33	\$50,255	To support a Children's Services Program designed to enhance communication skills, build healthy relationships, develop social skills and individual self-esteem, and break cycles of child abuse and instability for children who come from abusive environments.
3	Project Quest, Inc.	San Antonio	\$125,000	162.00	\$125,000	To expand services to assist persons experiencing economic and scholastic barriers by providing education and training supports, work and income supports, and asset protection. The program will provide low-skilled unemployed and under-employed persons with the education and support services needed to succeed in today's job market and end their dependence on public assistance. The program will focus on asset building and asset protection and is designed to focus on the root causes of economic insecurity.
4	DePelchin Children's Center	Houston	\$123,410	159.67	\$123,410	To support a program which helps former foster youths with housing, educational and employment supports, and other assistance which will lead to long-term stability. Youth in the program will build critical assets and skills including gaining educational and employment skills, life skills, and gain a sense of accomplishment. The goal of the program is to enable these young adults to gain the skills and confidence needed to become stable and self-sufficient.
5	Project ARRIBA	El Paso	\$125,000	155.33	\$125,000	To support a program which will provide occupational and job skills to 30 individuals who lack the occupational skills necessary to work in demand occupations which pay a living wage. The program will provide long term, high skilled training and case management services.
6	Community Storehouse	Keller	\$125,000	153.67	\$0	
7	HOTCOG (Heart of TX Council of Governments)	Waco	\$92,000	152.33	\$0	

2010 Community Services Block Grant Discretionary Funds  
Award Recommendations for Innovative and Demonstration Projects

	Applicant Name	City	Funds Requested	FINAL SCORE	Funding Recommendations	Project Description
8	The Family Place	Dallas	\$107,285	147.67	\$0	
9	Foundation Communities	Austin	\$125,000	145.67	\$0	
10	West Central Texas Council of Governments		\$124,863	142.33	\$0	
11	Beaumont Housing Authority		\$125,000	142.00	\$0	
12	El Paso Collaborative for Community and Economic Devlpmnt		\$48,995	134.00	\$0	
13	Community Action Inc. of Hays, Caldwell, Blanco Counties		\$125,000	133.67	\$0	
14	Portfolio Resident Services		\$124,671	131.33	\$0	
15	START Center (South TX Adult Resource & Training Center)		\$116,821	130.67	\$0	
16	Interfaith Housing Coalition		\$125,000	129.67	\$0	
17	South East TX Regional Planning Commission		\$106,679	129.00	\$0	
18	St. Henry deOsso Family Project		\$124,656	125.67	\$0	
19	Bread of Life		\$125,000	116.33	\$0	
20	Today's Resident Services		\$123,519	103.67	\$0	
21	Val Verde Training Center		\$124,980	101.33	\$0	
22	Beyond Careers		\$125,000	78.00	\$0	
23	Community Action Program, Inc.		\$50,000	67.33	\$0	
24	Northeast TX Opportunities, Inc.(NETO)		\$57,875	27.33	\$0	
25	Caregivers of Faith Ministries		\$900,000	17.00	\$0	
	Totals		\$3,526,009		\$548,665	

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Approve the Emergency Shelter Grants Program (ESGP) Awards for Program Year 2010. Based on the Department's scoring and ranking of the 2010 ESGP applications, staff recommends that the Board approve the staff recommendations. A total of 76 applicants are recommended to receive funding totaling \$4,981,977.

**RESOLVED**, that the 2010 Emergency Shelter Grants Program (ESGP) Awards, in the form presented to this meeting, be and they hereby are approved.

**Background**

The Emergency Shelter Grants Program (ESGP) is funded by the U.S. Department of Housing and Urban Development (HUD). For Program Year 2010 the Department expects to receive total funding in the amount of \$5,236,361, of which \$4,974,543 is available to be awarded (the balance being utilized for administrative expenses). HUD requires that the Department commit ESGP grant awards within 65 days of official notification. The State received notification of the 2010 ESGP Allocation on April 15, 2010.

On October 19, 2009, the Department released a Notice of Funding Availability (NOFA) notifying prospective applicants of the availability of ESGP funds for Program Year 2010. Applications were due on December 17, 2009. The Department received 130 applicants from the 13 Service Regions. These applicants were chosen based on a standardized scoring instrument that evaluated and scored each eligible proposal. The attached table reflects all applications, and denotes the recommended awardees, their original request and the recommended award amount. Due to the large number of viable applicants, awardees are funded at 71% of the requested amount enabling 76 entities to be funded. Funds that were unallocated in a particular region were reallocated to bring up applicants in lower funded regions that were funded at below 71% based on scores.

The Emergency Shelter Grants Program is a limited program designed to provide additional resources and operational support to agencies assisting homeless individuals and families and those who may become homeless. This program consists of only a portion of a given organization's overall funding. In fact, successful applicants must provide a match of 100% of the ESGP award.

2010 ESGP Funding Recommendations

Region	Legal Name	FINAL SCORE	Total Funds Requested	Total Funds Recommended
1	The Salvation Army - Lubbock	106.00	\$100,000	\$80,000
1	Panhandle Crisis Center, Inc.	103.67	\$52,225	\$41,780
1	City of Amarillo	101.00	\$158,615	\$131,968
1	South Plains Community Action Association	95.33	\$100,000	\$0
1	Women's Protective Services of Lubbock, Inc.	93.00	\$75,000	\$0
1	Crisis Center of the Plains	92.67	\$100,000	\$0
1	Driskill Halfway House	88.67	\$100,000	\$0
<b>Region 1 Totals</b>			<b>\$685,840</b>	<b>\$253,748</b>
2	Abilene Hope Haven, Inc.	94.33	\$100,000	\$80,000
2	The Salvation Army - Abilene	91.33	\$79,834	\$63,867
2	Pecan Valley Regional Domestic Violence Shelter, Inc dba The ARK	84.67	\$51,613	\$0
<b>Region 2 Totals</b>			<b>\$231,447</b>	<b>\$143,867</b>
3	The Salvation Army - Denton Corps	97.67	\$100,000	\$80,000
3	The Family Place	94.33	\$100,000	\$80,000
3	Johnson County Family Crisis Center	94.00	\$100,000	\$80,000
3	Vogel Alcove	93.67	\$45,500	\$36,400
3	SafeHaven of Tarrant County	92.67	\$100,000	\$80,000
3	Hope's Door	92.00	\$30,000	\$24,000
3	All Church Home for Children	91.33	\$100,000	\$80,000
3	Interfaith Housing Coalition	90.33	\$99,726	\$79,781
3	City of Irving	88.67	\$100,000	\$83,200
3	Grayson County Juvenile Alternative, Inc. dba North Texas Connection	88.33	\$66,545	\$53,236
3	Four Rivers Outreach, Inc.	87.33	\$100,000	\$80,000
3	Grayson County Shelter	86.00	\$90,310	\$72,248
3	Family Gateway, Inc.	85.67	\$70,000	\$56,000
3	Promise House, Inc.	85.00	\$100,000	\$57,529
3	Daniel's Den, Inc.	83.00	\$37,000	\$0
3	Mission Granbury, Inc.	83.33	\$87,488	\$0
3	New Beginning Center, Inc.	81.33	\$68,564	\$0
3	The Salvation Army - Sherman	81.00	\$50,000	\$0
3	The Salvation Army - Arlington Family Life Center	78.67	\$100,000	\$0
3	City of Denton	77.33	\$174,151	\$0
3	The Salvation Army - Carr P. Collins Social Service C	73.33	\$99,640	\$0
3	Ayeni International, Inc.	14.00	\$40,000	\$0
<b>Region 3 Totals</b>			<b>\$1,858,924</b>	<b>\$942,394</b>
4	The Salvation Army - Tyler	76.67	\$100,000	\$80,000
4	Randy Sams' Outreach Shelter, Inc.	76.33	\$88,334	\$70,667
4	Sabine Valley Regional MHMR Center	76.33	\$56,294	\$45,035

2010 ESGP Funding Recommendations

Region	Legal Name	FINAL SCORE	Total Funds Requested	Total Funds Recommended
4	The Salvation Army - Longview	74.33	\$60,882	\$50,497
4	Shelter Agencies For Families in East Texas, Inc.	68.00	\$40,268	0.00
<b>Region 4 Totals</b>			<b>\$305,510</b>	<b>\$246,199</b>
5	Love INC of Nacogdoches	85.67	\$72,655	\$58,124
5	Port Cities Rescue Mission Ministries	79.33	\$100,000	\$80,000
5	Women's Shelter of East Texas	75.33	\$45,885	\$36,708
5	Just Out - Fresh Start, Inc.	72.00	\$100,000	\$0
5	H.O.W. Center	69.33	\$99,628	\$0
5	The Salvation Army - Beaumont	61.00	\$93,452	\$0
5	Family Service of Southeast Texas, Inc.	62.33	\$90,000	\$0
5	The Salvation Army - Lufkin	53.67	\$36,980	\$0
<b>Region 5 Totals</b>			<b>\$638,600</b>	<b>\$174,832</b>
6	Bay Area Homeless Services, Inc.	102.33	\$81,282	\$65,026
6	Westside Homeless Partnership	102.00	\$65,000	\$52,000
6	Santa Maria Hostel, Inc.	100.33	\$100,000	\$80,000
6	Matagorda County Women's Crisis Center, Inc.	100.00	\$83,405	\$66,724
6	SEARCH Homeless Services	94.67	\$175,684	\$140,547
6	The Bridge Over Troubled Waters, Inc.	94.67	\$70,000	\$56,000
6	The Women's Home	92.67	\$88,616	\$70,893
6	Memorial Assistance Ministries	92.00	\$100,000	\$80,000
6	Houston Area Women's Center	90.67	\$89,619	\$71,695
6	Northwest Assistance Ministries	90.00	\$100,000	\$80,000
6	The Salvation Army - Galveston	89.67	\$99,624	\$79,699
6	The Mission of Yahweh, Inc.	88.67	\$100,000	\$80,000
6	Angel Outreach, Inc.	85.00	\$99,062	\$79,250
6	Star of Hope Mission	83.33	\$100,000	\$44,809
6	Harmony House, Inc.	82.33	\$100,000	\$0
6	Covenant House Texas	82.00	\$100,000	\$0
6	AIDS Foundation Houston, Inc.	81.67	\$100,000	\$0
6	Harris County Community Services Department	79.67	\$100,000	\$0
6	Ultimate Changes, Inc.	79.33	\$195,488	\$0
6	Focusing Families	75.33	\$66,159	\$0
6	Good Shepherd Mission	70.00	\$78,300	\$0
6	The Children's Center Inc.	67.67	\$100,000	\$0
6	The Salvation Army - Freeport	67.67	\$51,426	\$0
6	Son Rise Community Church	61.67	\$99,960	\$0
6	The Salvation Army - Houston	59.33	\$100,000	\$0
6	The Salvation Army - Houston Area Command - Co	48.33	\$100,000	\$0
6	Bread of Life, Inc.	0.00	\$0	\$0
6	Wesley Community Center, Inc. of Houston, TX	0.00	\$0	\$0



2010 ESGP Funding Recommendations

Region	Legal Name	FINAL SCORE	Total Funds Requested	Total Funds Recommended
<b>Region 6 Totals</b>			<b>\$2,543,625</b>	<b>\$1,046,643</b>
7	Youth and Family Aliance dba Lifeworks	103.67	\$87,000	\$69,600
7	Bastrop County Women's Shelter, dba Family Crisi	103.33	\$80,000	\$64,000
7	Advocacy Outreach	101.00	\$100,000	\$80,000
7	Hays County Women's Center dba Hays-Caldwell Women's Center	99.67	\$105,040	\$0
7	Travis County Domestic Violence and Sexual Assault Survival Center dba SafePlace	99.33	\$80,000	\$0
7	Highland Lakes Family Crisis Center	98.00	\$40,000	\$0
7	Williamson-Burnet County Oportunities, Inc.	97.00	\$60,500	\$0
7	The Salvation Army - Austin	96.67	\$75,000	\$0
7	Foundation For The Homeless, Inc.	76.67	\$77,753	\$0
7	Mustard Seed Ministries	0.00	\$55,000	\$0
<b>Region 7 Totals</b>			<b>\$760,293</b>	<b>\$213,600</b>
8	Family Abuse Center	101.33	\$79,556	\$63,645
8	Families In Crisis, Inc.	105.00	\$69,113	\$55,290
8	Compassion Ministries of Waco	89.67	\$30,000	\$30,000
8	The Salvation Army - Waco	92.00	\$99,880	\$79,904
8	The Refuge Corporation	99.00	\$87,778	\$0
8	Twin City Mission, Inc.	87.67	\$100,000	\$0
8	Faith Mission and Help Center, Inc	92.00	\$95,943	\$0
8	EBIHN dba Family Promise of Bell County	78.33	\$100,000	\$0
<b>Region 8 Totals</b>			<b>\$662,270</b>	<b>\$228,839</b>
9	Family Violence Prevention Services, Inc. a.k.a. The Battered Women and Children's Shelter of Bexar County	84.00	\$100,000	\$80,000
9	Seton Home	81.00	\$100,000	\$80,000
9	San Antonio Metropolitan Ministry, Inc.	79.33	\$300,000	\$240,000
9	Connections Individual and Family Services, Inc.	75.33	\$100,000	\$30,000
9	The Salvation Army - Kerrville	72.67	\$100,000	\$0
9	Ellis Community Resources, Inc.	72.33	\$64,680	\$0
9	Comal County Family Violence Shelter, Inc.	71.33	\$55,000	\$0
9	Community Council of South Central Texas, Inc. (C	70.67	\$100,000	\$0
9	The Salvation Army - San Antonio	65.33	\$100,000	\$0
<b>Region 9 Totals</b>			<b>\$1,019,680</b>	<b>\$430,000</b>
10	Corpus Christi Metro Ministries, Inc.	80.00	\$75,000	\$60,000
10	Corpus Christi Hope House, Inc.	79.33	\$85,104	\$68,083
10	The Salvation Army - Corpus Christi	78.00	\$100,000	\$80,000

2010 ESGP Funding Recommendations

Region	Legal Name	FINAL SCORE	Total Funds Requested	Total Funds Recommended
10	Women's Shelter of South Texas	77.33	\$99,987	\$0
10	Mid-Coast Family Services, Inc.	74.33	\$73,080	\$0
10	Institute of Rural Development	72.00	\$98,729	\$0
10	The Salvation Army - Victoria	61.33	\$89,591	\$0
<b>Region 10 Totals</b>			<b>\$621,491</b>	<b>\$208,083</b>
11	Loaves & Fishes of the Rio Grande Valley, Inc.	86.00	\$100,000	\$80,000
11	Family Crisis Center	85.33	\$100,000	\$80,000
11	Friendship of Women, Inc.	85.33	\$200,000	\$160,000
11	South Texas Adult Resource and Training Center	84.33	\$99,995	\$79,996
11	Providence Ministry Corp. dba La Posada Providencia	82.00	\$65,934	\$52,747
11	Women Together Foundation, Inc.	63.67	\$100,000	\$80,000
11	The Bishop Enrique San Pedro Ozanam Center, Inc	63.33	\$299,923	\$194,038
11	Bethany House of Laredo	62.67	\$94,328	\$0
11	The Salvation Army - McAllen	58.33	\$93,475	\$0
11	Catholic Charities of the Rio Grande Valley	58.00	\$99,157	\$0
<b>Region 11 Totals</b>			<b>\$1,252,812</b>	<b>\$726,781</b>
12	Midland Fair Havens, Inc.	100.00	\$97,000	\$77,600
12	The Salvation Army - Odessa	93.33	\$49,759	\$39,807
12	Institute of Cognitive Development, Inc.	91.00	\$30,000	\$0
12	Family Promise of Odessa, Inc.	69.33	\$44,000	\$0
<b>Region 12 Totals</b>			<b>\$220,759</b>	<b>\$117,407</b>
13	Opportunity Center for the Homeless	101.00	\$100,000	\$80,000
13	El Paso Villa Maria Inc.	96.67	\$36,000	\$28,800
13	La Posada Home, Inc.	95.67	\$63,880	\$51,104
13	Child Crisis Center of El Paso	91.00	\$74,530	\$59,624
13	Project Vida	90.67	\$38,621	\$30,897
13	International AIDS Empowerment	89.67	\$54,900	\$0
13	El Paso Human Services, Inc.	85.67	\$100,000	\$0
13	Center Against Family Violence, Inc.	82.67	\$75,000	\$0
13	Sin Fronteras Organizing Project, Inc.	79.00	\$100,000	\$0
13	Young Women's Christian Association of El Paso, TX dba YWCA El Paso del Norte Region	74.67	\$55,000	\$0
13	El Paso County	67.67	\$100,000	\$0
<b>Region 13 Totals</b>			<b>\$797,931</b>	<b>\$250,425</b>
<b>Grand Totals</b>			<b>\$11,599,182</b>	<b>\$4,982,818</b>
<b>95% of Award</b>			<b>\$4,974,542</b>	
<b>shared admin</b>			<b>\$8,276</b>	

**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**Requested Action**

To expedite processing, staff requests advance authorization for the Executive Director to make commitments to eligible respondents to the Request for Applications for the American Recovery and Reinvestment Act (ARRA) Weatherization Assistance Program (WAP) and to authorize submission to Department of Energy of the eligible respondents to obtain their required approval, and with the condition that all commitments made are subsequently presented to the Board for ratification.

**RESOLVED**, that the Executive Director is authorized to make future commitments of ARRA WAP funds to eligible respondents to the Request for Applications without specific prior Board approval and to authorize submission to Department of Energy of those eligible respondents to obtain their required approval, and with the condition that all commitments made are subsequently presented to the Board for ratification.

**Background**

In an effort to ensure that ARRA WAP funds are fully expended statewide and that no funds are returned to Department of Energy, the Department has released a deobligation rule, as previously approved by the Board in draft form, which today is being presented for final adoption. As funds may be deobligated from existing subrecipients, in whole or in part, alternative providers to receive those funds need to have been identified. To identify those providers, the Department has released a Request for Applications (RFA).

The RFA is seeking to expand the Department's existing weatherization subrecipient network for the purposes of efficiently expending ARRA WAP funds. The Department is accepting Applications for additional statewide, regional or local providers to serve as an overlay to the Department's existing ARRA WAP Subrecipient network. It is planned that by so increasing the number of providers, the Department may complete weatherized units in Texas in a more effective and efficient manner, accommodating the increase in demand that the program has experienced under the American Reinvestment and Recovery Act (ARRA), and provide support to Subrecipients in the network that would benefit from such support. Through this RFA, the Department is seeking one or more entities that will implement a full subcontractor model to perform DOE WAP-compliant weatherization activities. Applicants responding to this RFA must meet the qualifications of the RFA and as provided in Department of Energy regulations, be a unit of government or non-profit organization to be an eligible subrecipient of ARRA WAP funds. The Department will work with the existing ARRA WAP network and any new Subrecipients awarded under this RFA to prioritize service in areas of the state that are most in need.

The RFA will be an open cycle release, allowing applicants to respond as early as May 14, and remaining open until approximately the end of the year. Upon identification of eligible respondents, the Department must still obtain DOE approval to expand the network to include those respondents. In the interest of expediting submission to DOE, staff requests that the Executive Director have the authority to determine final eligibility and submit an entity for DOE approval. All such submissions will be presented to the TDHCA Board for ratification.

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Approve the draft of the Program Year 2011 Low Income Home Energy Assistance Program (LIHEAP) State Plan for posting to the Department website, hosting of a public hearing to receive Public Comment and notification of the hearing published in the *Texas Register*.

**RESOLVED**, that the Program Year 2011 Low Income Home Energy Assistance Program (LIHEAP) State Plan is approved in the form presented to this meeting and staff is hereby authorized and directed to post said Plan to the Department's website, to hold a public hearing to receive Public Comment and to publish notice of said hearing in the *Texas Register*

**Background**

The Texas Department of Housing and Community Affairs (the Department) develops and submits a Low Income Home Energy Assistance Program (LIHEAP) Plan each year on or before September 1 to the U.S. Department of Health and Human Services (HHS). HHS provides a model plan to guide the format and content. The draft, upon approval by the Board, will be released for public comment and a public hearing held. The public hearing provides the opportunity for comment from the public and the subrecipient network. Upon completion of the public hearing and public comment period, staff will modify the Plan, if appropriate, based on public comment. Staff will present the revised Plan to the Board for review and final approval in July 2010. Staff recommends that if the Department does not receive significant public comment, the Board grant the Executive Director the authority to submit the State Plan to the U.S. Department of Health and Human Services as drafted without further authorization by the Board.

LIHEAP funds, as reflected in the Plan, are utilized in the following three ways:

- The Department allocates 75% of the LIHEAP funds to the Comprehensive Energy Assistance Program (CEAP) which provides utility assistance to eligible households.
- The Department allocates 15% of the LIHEAP funds to weatherization assistance. It should be noted that there is greater flexibility with LIHEAP weatherization funds than Department of Energy weatherization funds, so continuing to allocate some portion of these funds for this activity allows some households to receive more comprehensive assistance than were they served solely by DOE WAP.
- 10% of LIHEAP funds are used for Department and Subrecipient administration.

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**



**DRAFT  
DETAILED PLAN  
PUBLIC LAW 97-35,  
AS AMENDED  
FISCAL YEAR (FY) 2011**

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

**EIN: .....17426105429**

**ADDRESS:.....P.O. Box 13941  
.....Austin, TX 78711-3941**

**NAME OF LIHEAP COORDINATOR: ...Sharon Gamble**

**EMAIL:.....[sharon.gamble@tdhca.state.tx.us](mailto:sharon.gamble@tdhca.state.tx.us)**

**TELEPHONE: .....(512) 475-0471      FAX: (512) 475-3935**

**PLEASE CHECK ONE:  TRIBE     STATE     INSULAR AREA**

**[Department of Health and Human Services \(Federal government web site:  
http://www.acf.hhs.gov/programs/ocs/liheap/\)](http://www.acf.hhs.gov/programs/ocs/liheap/)  
Administration for Children and Families  
Office of Community Services  
Washington, DC 20447**

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01  
OMB Approval No. 0970-0075  
Expiration Date: 09/30/2011**

**THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)  
Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.**

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## **Assurances**

The Texas Department of Housing & Community Affairs agrees to:

*(Grantee Name)*

(1) use the funds available under this title to--

- (A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);
- (B) intervene in energy crisis situations;
- (C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and
- (D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

- (A) households in which one or more individuals are receiving--
  - (i) assistance under the State program funded under part A of title IV of the Social Security Act;
  - (ii) supplemental security income payments under title XVI of the Social Security Act;
  - (iii) food stamps under the Food Stamp Act of 1977; or
  - (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
- (B) households with incomes which do not exceed the greater of—
  - (i) an amount equal to 150 percent of the poverty level for such State; or
  - (ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program

under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--



(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

**\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

### **Certification to the Assurances**

As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: \_\_\_\_\_

Title: Executive Director

Date: August 1, 2010

**The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.**

**The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

## Components Operated Under LIHEAP

[Statutory references](#)

<http://www.acf.hhs.gov/programs/ocs/liheap/guidance/index.html#sr>

2605(a) 2605(b)(1)	Please check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)
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### Use of Funds

	Program Component	Dates of Operation
<input checked="" type="checkbox"/>	heating assistance	December – February
<input checked="" type="checkbox"/>	cooling assistance	March – November
<input checked="" type="checkbox"/>	crisis assistance	January - December
<input checked="" type="checkbox"/>	weatherization assistance	April - March

2605(c)(1)(C)	➤ Please estimate what amount of available LIHEAP funds will be used for each component that you will operate: <b>The total of all percentages must add up to 100%.</b>	
Use of Funds	10%	heating assistance
	50%	cooling assistance
	10%	crisis assistance
2605(k)(1)	15%	weatherization assistance
	0%	carryover to the following fiscal year
2605(b)(9)	10%	administrative and planning costs
2605(b)(16)	5%	services to reduce home energy needs including needs assessment (assurance 16)
	0%	used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).
	100%	<b>TOTAL</b>

### Alternate Use of Crisis Assistance Funds

2605(c)(1)(C)	➤ The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:	
	<input type="checkbox"/>	Heating assistance
	<input type="checkbox"/>	Cooling assistance
	<input type="checkbox"/>	weatherization assistance
	<input checked="" type="checkbox"/>	Other(specify): Year-round crisis

➤ Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)

Yes       No

**Eligibility**

2605(b)(2) 2605(c)(1)(A)	➤ What are your maximum eligibility limits? (Please check the components to which they apply.) <u><b>Current year guidelines must be used.</b></u> <a href="http://aspe.os.dhhs.gov/poverty/figures-fed-reg.shtml">http://aspe.os.dhhs.gov/poverty/figures-fed-reg.shtml</a>
<input checked="" type="checkbox"/>	150% of the poverty guidelines: <input checked="" type="checkbox"/> Heating <input checked="" type="checkbox"/> Cooling <input checked="" type="checkbox"/> Crisis <input checked="" type="checkbox"/> WX
<input type="checkbox"/>	125% of the poverty guidelines: <input type="checkbox"/> Heating <input type="checkbox"/> Cooling <input type="checkbox"/> Crisis <input type="checkbox"/> WX
<input type="checkbox"/>	110% of the poverty guidelines: <input type="checkbox"/> Heating <input type="checkbox"/> Cooling <input type="checkbox"/> Crisis <input type="checkbox"/> WX
<input type="checkbox"/>	60% of the State's median income: <input type="checkbox"/> Heating <input type="checkbox"/> Cooling <input type="checkbox"/> Crisis <input type="checkbox"/> WX

N/A	*	Households automatically eligible if one person is receiving						
	<input type="checkbox"/>	TANF	<input type="checkbox"/>	SSI	<input type="checkbox"/>	Food Stamps	<input type="checkbox"/>	WX
N/A	<b>NONE</b>	Certain means-tested veterans programs						
	<input type="checkbox"/>	Heating	<input type="checkbox"/>	Cooling	<input type="checkbox"/>	Crisis	<input type="checkbox"/>	WX

\* Subrecipient agencies will base applicant household eligibility on TAC Title 10, Part 1, Chapter 5, Subchapter A, §5.19 and §5.20.

2605(c)(1)(A) 2605(b)(2) (eligibility)	➤ Do you have additional eligibility requirements for:  <b>Heating Assistance?</b>	<b>Yes</b>	<b>No</b>
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use: Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you give priority in eligibility to:		
	Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Other: (If Yes, please describe) <b>High energy burden, High energy consumption.</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2605(c)(1)(A) 2605(b)(2) (eligibility)	➤ Do you have additional eligibility requirements for:  <b>Cooling Assistance?</b>	<b>Yes</b>	<b>No</b>
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use: Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you give priority in eligibility to:		
	Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Other: (If Yes, please describe) <b>High energy burden, High energy consumption.</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2604(c) 2605(c)(1)(A) (eligibility)	➤ Do you have additional eligibility requirements for:  <p style="text-align: center;"><b>Crisis Assistance?</b></p>	<b>Yes</b>	<b>No</b>
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use:		
	Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must the household have received a shut-off notice or have an empty tank?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must the household have exhausted regular benefit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must the household have received a rent eviction notice?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must heating/cooling be medically necessary?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Other (Please explain):	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ What constitutes a crisis? (Please describe)  A utility disconnection notice may constitute an energy crisis if brought about by sudden or unexpected events.  Extreme hot or cold weather, defined at the local level.		

2605(c)(1)(A) (eligibility)	➤ Do you have additional eligibility requirements for:  <p style="text-align: center;"><b>Weatherization?</b></p>	<b>Yes</b>	<b>No</b>
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use:		
	Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Priority groups? (Please list)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Other: (If Yes, please describe)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>High energy burden, High energy consumption.</b>		
	➤ Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules ( <a href="http://apps1.eere.energy.gov/weatherization/">http://apps1.eere.energy.gov/weatherization/</a> ) to establish eligibility or to establish priority eligibility for households with certain characteristics?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	➤ If Yes, are there exceptions? Please list below. <b><a href="#">Texas Administrative Code Title 10, Part 1, Chapter 5, Subchapter E.</a></b> <a href="http://info.sos.state.tx.us/pls/pub/readtac\$ext.ViewTAC?tac_view=5&amp;ti=10&amp;pt=1&amp;ch=5&amp;sch=E&amp;rl=Y">http://info.sos.state.tx.us/pls/pub/readtac\$ext.ViewTAC?tac_view=5&amp;ti=10&amp;pt=1&amp;ch=5&amp;sch=E&amp;rl=Y</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Outreach Activities**

2605(b)(3) 2605(c)(3)(A)	➤ Please check the outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance
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	available:
<input checked="" type="checkbox"/>	provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).
<input checked="" type="checkbox"/>	place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
<input checked="" type="checkbox"/>	publish articles in local newspapers or broadcast media announcements.
<input checked="" type="checkbox"/>	include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
<input type="checkbox"/>	Make mass mailing to past recipients of LIHEAP.
<input checked="" type="checkbox"/>	inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
<input checked="" type="checkbox"/>	execute interagency agreements with other low-income program offices to perform outreach to target groups.
<input type="checkbox"/>	other (Please specify):

**Coordination**

2605(b)(4)	<b>➤ Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.</b>
2605 (b)(1)(C) 2605(b)4	Subrecipients coordinate with other social service agencies to provide services to eligible households. In particular, subrecipients make documented referrals to the local WAP subrecipient.
2605(b)(7)(D)	Subrecipients coordinate with local energy vendors to arrange for arrearage reduction, reasonably reduced payment schedules, or cost reductions.
2605(b)(6)	Community Action Agencies, local government entities, and private nonprofit agencies, administer the LIHEAP program. To share information, enhance and develop service capacities, and integrate resources, The Department works with the Texas Association of Community Action Agencies, the Public Utility Commission, the Texas Railroad Commission, utility companies, and other State entities serving the low-income population.

**Benefit Levels: Equal Treatment**

2605(b)(5) 2605(b)(2) 2605(b)(8A)	<b>➤ The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.</b>
	There is no difference in treatment based on the receipt or non-receipt of public assistance benefits. Subrecipients will base applicant household eligibility on TAC Title 10, Part 1, §5.19 (Client Income Guidelines) and

	§5.20 (Determining Income Eligibility) for all Community Affairs programs.
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### Determination of Benefits

#### Heating Component

2605(b)(5)	➤ Please check the variables you use to determine your benefit levels (check all that apply):	
	<input checked="" type="checkbox"/>	Income
	<input checked="" type="checkbox"/>	family (household) size
	<input checked="" type="checkbox"/>	home energy cost or need
	<input type="checkbox"/>	fuel type
	<input type="checkbox"/>	climate/region
	<input checked="" type="checkbox"/>	individual bill
	<input type="checkbox"/>	dwelling type
	<input checked="" type="checkbox"/>	energy burden (% of income spent on home energy)
	<input checked="" type="checkbox"/>	energy need
	<input checked="" type="checkbox"/>	other (describe): Household contains inefficient or unsafe equipment.

#### Benefit Levels

2605(b)(5) 2605(c)(1)(B)	<input type="checkbox"/> <i>Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.</i>	
	<i>Please describe benefit levels or attach a copy of your payment matrix.</i>	
	Households With Incomes of:	Household may receive an amount needed to address their energy payment shortfall not to exceed:
	0 to 50% of Poverty	\$1,600.
	50% to 75% of Poverty	\$1,400.
	75% to 150% of Poverty	\$1,200.
	Income eligible household contains inefficient or unsafe equipment.	Allow equipment repair, replacement, and/or retrofit up to \$5,000.
	➤ Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please describe.	

#### Cooling Component

2605(b)(5) 2605(c)(1)(B)	➤ Please check the variables you use to determine your benefit levels (check all that apply):	
	<input checked="" type="checkbox"/>	Income
	<input checked="" type="checkbox"/>	family (household) size

<input checked="" type="checkbox"/>	home energy cost or need
<input type="checkbox"/>	fuel type
<input type="checkbox"/>	climate/region
<input checked="" type="checkbox"/>	individual bill
<input type="checkbox"/>	dwelling type
<input checked="" type="checkbox"/>	energy burden (% of income spent on home energy)
<input checked="" type="checkbox"/>	energy need
<input checked="" type="checkbox"/>	other (describe): Household contains inefficient or unsafe equipment.

**Benefit Levels**

2605(b)(5) 2605(c)(1)(B)	➤ Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. <b><i>Please describe benefit levels or attach a copy of your payment matrix.</i></b>	
	Households With Incomes of:	Household may receive an amount needed to address their energy payment shortfall not to exceed:
	0 to 50% of Poverty	\$1,600.
	50% to 75% of Poverty	\$1,400.
	75% to 150% of Poverty	\$1,200.
	Income eligible household contains inefficient or unsafe equipment.	Allow equipment repair, replacement, and/or retrofit up to \$6,000.
	➤ Do you provide in-kind (e.g., blankets, space heaters, fans) and/or other forms of benefits?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please describe.	

**Crisis Component**

2605(b)(5), 2605(c)(1)(B)	➤ How do you handle crisis situations?	
	<input checked="" type="checkbox"/> Separate component	<input type="checkbox"/> other (please explain)
	➤ If you have a separate component, how do you determine crisis assistance benefits?	
	<input checked="" type="checkbox"/>	amount to resolve crisis, up to maximum
	<input type="checkbox"/>	other (please describe)

**Benefit Levels**

	➤ Please indicate the maximum benefit for each type of crisis assistance offered.		
	Heating	\$ n/a	maximum benefit
	Cooling	\$ n/a	maximum benefit
	Year-round	\$1,600	maximum benefit



	➤ Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?		
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If Yes, please describe.	

**WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS**

2605(b)(5), 2605(c)(1), (B) & (D)	➤ What LIHEAP weatherization services/materials do you provide? (Check all categories that apply.)
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**Types of Assistance**

<input checked="" type="checkbox"/>	Weatherization needs assessments/audits.
<input checked="" type="checkbox"/>	Caulking, insulation, storm windows, etc.
<input checked="" type="checkbox"/>	Furnace/heating system modifications/repairs
<input checked="" type="checkbox"/>	Furnace replacement
<input checked="" type="checkbox"/>	Cooling efficiency modifications/repairs/replacement
<input checked="" type="checkbox"/>	Other <u>Energy Related Home Repair</u> (Please describe) a) roof, wall, and floor repair to complete weatherization measures; b) repair or replace essential electrical wiring to complete related weatherization measures, while complying with safety codes; c) solar screens or window film (where appropriate); d) replacement of refrigerators 1993 or older or metered to have an SIR of 1 or greater on the Departments refrigerator tool; e) mobile home skirting to protect belly insulation; f) overhangs to protect mobile home doors; g) carpentry work to protect outside water heater from exposure; and h) weatherization-related health and safety safeguards as defined by DOE.

**Benefit Levels**

	➤ Do you have a maximum LIHEAP weatherization benefit/expenditure per household?		
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, what is the maximum amount?	<b>\$4,000</b>

**Types of Rules (DOE or LIHEAP)**

	➤ Under what rules do you administer LIHEAP weatherization? (Check only one.)		
<input type="checkbox"/>	Entirely under LIHEAP (not DOE) rules		
<input type="checkbox"/>	Entirely under DOE LIWAP rules		
<input checked="" type="checkbox"/>	Mostly under LIHEAP rules with the following DOE LIWAP rule(s) where		

	<b>LIHEAP and LIWAP rules differ (Check all that apply):</b>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other (Please describe)
	<input type="checkbox"/>	Mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)
	<input checked="" type="checkbox"/>	Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit.
	<input checked="" type="checkbox"/>	Other <u>Energy Related Home Repair</u> (Please describe.) TDHCA will allow the use of a client's LIHEAP weatherization award for structural and ancillary repairs only if required to enable effective weatherization.

**Agency Designation**

2605(b)(6)	The state administers LIHEAP through the following types of local agencies:		
	<input type="checkbox"/>	county welfare offices	
	<input checked="" type="checkbox"/>	community action agencies (weatherization component only)	
	<input checked="" type="checkbox"/>	community action agencies (heating, cooling or crisis)	
	<input checked="" type="checkbox"/>	charitable organizations (nonprofit)	
	<input type="checkbox"/>	not applicable (i.e. state energy office)	
	<input type="checkbox"/>	tribal office	
	<input checked="" type="checkbox"/>	other, describe: <b>Units of local government and Councils of Government.</b>	
	➤ Have you changed local administering agencies from last year?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If Yes, please describe how you selected them. <b>Request for Application (RFA)</b>		
	➤ What components are affected by the change?	<b>Heating, cooling, crisis, weatherization.</b>	

**Targeting of Assistance**

2605(c)(1)(E)	➤ <i>Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. (This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)</i>		
<input checked="" type="checkbox"/>	The Heating & Cooling Equipment Replacement component targets assistance to high energy burden households where inefficient or malfunctioning equipment needlessly increases energy consumption and therefore impairs the household's ability to pay their own home energy bills.		

**Energy Suppliers**

2605(b)(7)	➤ Do you make payments directly to home energy suppliers?		
	Heating	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Cooling	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Crisis	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If Yes, are there exceptions?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please describe.		

2605(b)(7)(A)	➤ If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)		
	When the client applies for assistance, the subrecipient determines eligibility, the amount of assistance, and the appropriate component. This information is given to the client along with the client agreement.		
2605(b)(7), (B) & (C)	➤ How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.		
	Vendor agreements are used in all components. A sample copy is attached.		

**Owners & Renters**

2605(b)(8)(B)	➤ Is there any difference in the way owners and renters are treated? If Yes, please describe.		
	Heating Assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Cooling Assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Crisis Assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Weatherization	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Program, Fiscal Monitoring, and Audit**

2605(b)(10)	➤ How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)		
	<ol style="list-style-type: none"> <li>1. review annual audits;</li> <li>2. monitor fiscal records;</li> <li>3. review Monthly Expenditure and Performance Reports.</li> </ol>		
	➤ How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)		
	<ul style="list-style-type: none"> <li>• The Department requires each subrecipient to submit monthly funding and performance reports. Reports are due on the fifteenth of the following month.</li> </ul>		

	<ul style="list-style-type: none"> <li>• The Contract Specialist will complete a desk monitoring review of monthly funding and performance reports to ensure the subrecipient has the capacity to carry out program activities in a timely manner.</li> <li>• Assigned Program Officer for each subrecipient will track program compliance and performance activities.</li> <li>• Program Officers will perform an onsite monitoring visit of each subrecipient at least once every two years based on a Risk Assessment Module. On-site monitoring will be performed in conjunction with the Division’s Community Service Block Grant whenever possible. TDHCA may monitor a subrecipient more than once based on the previous monitoring report and current contract performance.</li> <li>• Program Officer will review the subrecipient’s financial records such as the single audit, general ledgers, receipts, bank statements, bank reconciliation reports, and checks to ensure that program funds are being expended on allowable program activities.</li> <li>• Program Officer will review individual client records to ensure the clients are eligible, prioritized, and served within the contract and TDHCA established guidelines. Client files will also be reviewed to ensure household needs have been identified, the client has been provided client education, and referred to other programs that have been identified by the subrecipient. The Department has set a minimum client record sample of 10 per component.</li> <li>• Program Officer will complete a monitoring check list and report that outlines findings and recommendations.</li> <li>• Upon the Manager’s review a report will be mailed to each subrecipient.</li> <li>• Subrecipient must submit a written response within 45 days of the report. The response must address any possible corrective actions if any.</li> <li>• A review of the response in order to ensure all possible corrective actions have been implemented by the subrecipient.</li> </ul>			
	<p>➤ How is your LIHEAP program audited?</p> <table border="1" data-bbox="380 1255 1440 1297"> <tr> <td data-bbox="380 1255 1089 1297">Under the Single Audit Act?</td> <td data-bbox="1089 1255 1263 1297"><input checked="" type="checkbox"/> Yes</td> <td data-bbox="1263 1255 1440 1297"><input type="checkbox"/> No</td> </tr> </table> <p>If not, please describe:</p>	Under the Single Audit Act?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Under the Single Audit Act?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
	<p>For States and Territories:</p>			
	<table border="1" data-bbox="380 1402 1440 1480"> <tr> <td data-bbox="380 1402 1089 1480">➤ Is there an annual audit of local administering agencies?</td> <td data-bbox="1089 1402 1263 1480"><input checked="" type="checkbox"/> Yes</td> <td data-bbox="1263 1402 1440 1480"><input type="checkbox"/> No</td> </tr> </table> <p>If not, please explain.                  TDHCA contract requires subrecipients that exceed \$500,000 in expenditures to follow the single Audit procedures and submit a copy of the Audit to the Department for review.</p>	➤ Is there an annual audit of local administering agencies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
➤ Is there an annual audit of local administering agencies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

**Timely and Meaningful Public Participation**

<p>2605(b)(12)</p>	<p>➤ How did you get timely and meaningful public participation in the development of the plan? (Please describe.)</p> <ul style="list-style-type: none"> <li>• The Department prepared a Draft LIHEAP Plan for FFY 2011 as a means of informing interested parties prior to the annual LIHEAP Public Hearing in June 2010.</li> </ul>
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	<ul style="list-style-type: none"> <li>• The draft plan was submitted for The Department Board approval at the May 12, 2010 meeting – prior to publication.</li> <li>• A Texas Register announcement (see appendix) and The Department internet publication informed the Texas Legislature and general public about the public hearing.</li> <li>• The Draft LIHEAP Plan appeared on the Department Internet site beginning June 1, 2010.</li> <li>• The Department transmitted the Draft LIHEAP Plan by e-mail or fax to all TDHCA Energy Assistance subrecipients, Weatherization Policy Advisory Committee members, and other interested parties and let them know the document’s internet location (<a href="http://www.tdhca.state.tx.us/ea.htm">http://www.tdhca.state.tx.us/ea.htm</a>).</li> <li>• The Department accepted written and verbal comments within the public participation process through <u>June 25, 2010</u>, 5:00 p.m. The Department requested that comments be sent by e-mail to <a href="mailto:cate.taylor@tdhca.state.tx.us">cate.taylor@tdhca.state.tx.us</a> or by fax (512) 475-3935 or by postal service to TDHCA, Energy Assistance Section, P.O. Box 13941, Austin, Texas 78711-3941.</li> <li>• The Department incorporates public comments, including workable suggestions that do not alter the intent of LIHEAP, into the final plan.</li> <li>• The Department Board receives the final plan for approval in July.</li> </ul>
2605(a)(2)	<p>➤ Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>When? June 28, 2010; 2:30 p.m.</p> <p>Where? Insurance Annex Building, 221 East 11th St., Room #116, Austin, Texas</p>

**Fair Hearing Procedures**

Fair Hearings 2605(b)(13)	<p>➤ Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?</p>
	<p>The Department will ensure that subrecipients provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied or not acted upon in a timely manner by requiring subrecipients to:</p> <ul style="list-style-type: none"> <li>• print information about clients’ rights on the application forms and information sheets;</li> <li>• provide opportunity for fair administrative hearings in cases of application denial, delay, or inaction;</li> <li>• Provide written notification to applicant of denial of assistance within ten (10) days of the adverse determination. Notification includes written instructions of the appeals process and specific reasons for the denial. Applicants wishing to appeal a decision must provide written notice to subrecipient within 10 days of receipt of the denial notice. <u>Subrecipient maintains documentation of appeals in the client files.</u></li> </ul> <p>Applicants may subsequently appeal to the Department. An applicant must provide a written appeal request to the Department within 10 days of receiving the subrecipient’s second determination. The Department appeals committee composed of at least three persons hears the appeal within 10 days of receiving</p>

	the appeal. The subrecipient provides to the Department an audio tape recording or detailed notes of its hearing and pertinent client files. The Department will review the recording and notes from the hearing, the committee's decision and any other relevant information. The Department will not take additional oral testimony. The Department will notify all parties in writing of its decision within 30 days of the receipt of the appeal.
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**Alternate Outreach and Intake**

2605(b)(15)	<b>For States and Puerto Rico only</b> (not applicable to Tribes and tribal organizations, or to territories whose annual regular LIHEAP allotments are \$200,000 or less):	
	➤ Does the State agency that administers the following LIHEAP component also administer the State's welfare program?	
	Heating Assistance	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No
	If Yes, describe alternate process for outreach and intake:	
	Cooling Assistance	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No
	If Yes, describe alternate process for outreach and intake:	
	Crisis Assistance	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No
	If Yes, describe alternate process for outreach and intake:	

**Assurance 16 Activities**

2605(b)(16)	➤ Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)	
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	<i>If Yes, please describe these activities.</i> 1. Identify household needs. 2. Provide literature and energy conservation education. 3. Refer client to other appropriate programs. 4. Encourage responsible vendor and consumer behavior.  Subrecipients provide applications, forms, and energy education materials in Spanish, English, or other language when appropriate.	
	<i>If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?</i> Assurance 16 activities are a separate budget category at both the state and subrecipient levels. Both the accounting and the reporting systems do not allow expenditures over the 5% cap.	

**Leveraging**

2607A	➤ Please describe leveraging activities planned for the fiscal year. <b>(This entry is optional.)*</b> Complete this entry if you plan to apply for LIHEAP
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	<p>leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:</p> <ol style="list-style-type: none"> <li>(1) Identify and described each resource/benefit;</li> <li>(2) Identify the source(s) of each resource; and</li> <li>(3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).</li> </ol>
2607(A) 45CFR96 §96.87(d)(2) (i)	<p>In order for subrecipients to serve eligible households in a comprehensive manner, creation of partnerships with private industries and utility vendors is essential. LIHEAP staff members, both at the grantee and the subrecipient level, have devoted substantial time and resources in the negotiation and design of these partnerships.</p>
§96.87(d)(1)	<p>The resources leveraged by these activities are from non-federal sources such as utility companies. They are provided to the LIHEAP grantee or only accessible to LIHEAP clients. They represent a net addition to the total home energy resources available to low-income households, are measurable and quantifiable, and meet the requirements for countable resources.</p> <p>The following resources have been leveraged on behalf of LIHEAP clients:</p>
§96.87(d)(2) (iii)(D), §96.87(d)(2) (iii)(E), §96.87(d)(2) (iii)(F), §96.87(e)(1) (i)	<p>Subrecipients utilize state approved vendor agreements with energy providers. These agreements may provide for waivers on reconnection fees and waivers on deposits. These agreements ensure that the energy vendor will charge the eligible household only the difference between the cost of home energy actually consumed and the amount of the payment made by TDHCA through LIHEAP. Agreements ensure that energy vendors will treat LIHEAP clients with no disadvantage relative to all other customers.</p> <p>TDHCA currently uses written agreements with private, investor owned electric utility companies (IOUs) to provide funding for the following resources or services:</p>
§96.87(d)(2)(ii) §96.87(e)(1)(iii) §96.87(e)(1)(vi)	<p>IOU Weatherization Programs provide additional funding for the LIHEAP-funded Weatherization Assistance Program. Utility funds supplement work on housing units weatherized under the state's WAP. TDHCA administers the funds through its LIHEAP WAP network of weatherization contractors.</p>

\* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

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**ADDITIONAL CERTIFICATIONS AND REQUIREMENTS**

Attached are additional certifications required as follows:

- **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. (**Tribes and tribal organizations are EXEMPT**) (Above link shows source document only.)
- **Debarment and suspension certification**, which must be filed by all grantees. (Above link shows source document only.)
- **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here:  (Above link shows source document only.)
- One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

**All Tribes and those territories with allotments of less than \$200,000** need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.

- Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.

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**Attachments**

- LIHEAP Household Report
- **Contractors (Subrecipient Agencies)** <http://www.tdhca.state.tx.us/ea/index.htm>
- Required Certifications
- Vendor agreement sample copy
- **DOE State Plan** <http://www.tdhca.state.tx.us/ea/docs.htm>



**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Authorize staff to Obtain Local Operators for the Section 8 Housing Choice Voucher Program.

**RESOLVED**, that the Executive Director and his designees are each authorized to take such measures as they may deem necessary to advisable to affirm existing local operators and identify, where needed, replacement local operators for the Section 8 Housing Choice Voucher Program, including but not limited to, Requests for Proposals, Requests for Applications or other appropriate processes.

**RESOLVED**, that the Executive Director and his designees are each authorized to take such measures as they may deem necessary to advisable to affirm existing local operators and identify, where needed, replacement local operators for the Section 8 Housing Choice Voucher Program, including but not limited to, Requests for Proposals, Requests for Applications or other appropriate processes.

**Background**

The Section 8 Housing Choice Voucher Program operates by subcontracting specific functions of the program operation, such as income eligibility of households, HQS inspections and household renewals, through entities called Local Operators (LOs). LOs are generally small local housing authorities, cities, or organizations. The Section 8 Program at TDHCA serves limited areas of the state and LOs ensure consistent program delivery across the state for existing and future voucher holders in specified communities.

The areas served are very rural with few organizations or entities who may be in a position to serve as an LO. As such, historically, there has been no formal process for renewing contracts with existing LOs or for identifying or selecting new LOs when an LO is in need of replacement. Entities who were willing and able to serve as an LO for a given community entered into a contract with the Department. When an LO is unable or unwilling to renew a contract in an areas that still has vouchers that need to be administered a replacement LO must be identified to ensure voucher holders in that community do not go unserved.

In an effort to ensure that affirmation of existing LOs and future identification of replacement LOs utilize a formalized process, the Department is asking the Board to grant authority so that an appropriate process can be identified and pursued relating to LOs. This process – most likely a Request for Proposals, Request for Applications or other appropriate process – will likely be an ongoing open process so that as existing LO contracts begin expiring, their renewal or replacement will be able to take place on a timely basis under the new formalized process.

**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Approve the request for an amendment to CDBG Disaster Recovery Contract No. 7060003 with the South East Texas Regional Planning Commission (SETRPC), a housing contract administered by TDHCA for CDBG Hurricane Rita Round 1 Funding

RESOLVED, that the tenth amendment to SETRPC's Disaster Relief Contract, No. 7060003, extending the end date to September 30, 2010 and providing additional administrative and project delivery funds to support continued activity, is hereby approved as presented to this meeting.

**Background**

SETRPC received additional, unallocated Round 1 funds through a previous amendment approved by the Governing Board late last year. These additional funds allowed for the provision of assistance to a minimum of six additional households. Although additional households were identified at the time that the amendment was approved, SETRPC was not able to establish eligibility and move the activities forward to completion prior to May 30, 2010. As a result, SETRPC is requesting an amendment to extend the contract to September 30, 2010 and is also requesting a corresponding increase in their project delivery and general administrative funds to complete assistance. This amendment request will allow them to expend the \$639,672 remaining under their contract. Below is a detailed summary of the request.

**South East Texas Regional Planning Commission C 06 0003 (7060003)**

**Summary of Request**

SETRPC is requesting a contract extension to September 30, 2010 to allow for assistance to six additional households to utilize their remaining contract balance in addition to two projects that will be completed on behalf of Port Arthur as discussed below, and will also allow for final adjustment to budget categories to support these activities. To date, SETRPC has completed assistance to two hundred ninety-four (294) households, or sixty-four (64) more than required under the terms of their contract. There are an additional five homes under construction. This extension will allow for a minimum increase in the total number served under their contract from two hundred ninety-nine (299) to three hundred seven (307) households. SETRPC is ready to move forward with construction activities for these remaining households.

Supporting the additional activities, in addition to rental expenses associated with off-site storage of project files for the required five year retention period, will require budget adjustments. These adjustments include increasing the project delivery line item by one hundred eighty-seven thousand dollars (\$187,000), and increasing the general administrative line item by thirty-six thousand dollars (\$36,000).

Approval of this amendment will also shift \$240,588 from Port Arthur's rehabilitation line item to SETRPC's reconstruction line item. Two households previously approved for rehabilitation by Port Arthur are in need of reconstruction assistance as a result of incipient deficiencies and other issues that were not identified until after construction began. SETRPC will complete assistance to these households.

<b>Activity</b>	<b>Current Budget</b>	<b>Budget Change</b>	<b>Amended Budget</b>
Rehabilitation	\$1,099,197	(\$240,588)	\$858,609
Reconstruction	\$21,947,379	\$240,588	\$22,187,967
Demolition	\$760,453	\$0	\$760,453
General Administration	\$490,295	\$36,000	\$526,295
Planning/Project Delivery	\$2,901,212	\$187,000	\$3,088,212
<b>Totals:</b>	<b>\$27,198,536</b>	<b>\$223,000</b>	<b>\$27,421,536</b>

**Requested Action**

Staff recommends approval of the time extensions and budget adjustments requested by SETRPC to complete their CDBG Disaster Recovery activities related to Hurricane Rita.

**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Approve the request for an amendment to CDBG Disaster Recovery Contract No. 7090008 with the City of Galveston, a housing contract administered by TDHCA for CDBG Hurricane Ike/Dolly Round 1 Funding.

RESOLVED, that the first amendment to the City of Galveston's Disaster Relief Contract, No. 70090008, to increase the amount of funding available for homeowner rehabilitation and reconstruction activities, is hereby approved as presented to this meeting.

**Background**

The City of Galveston (City) is in the process of implementing its Hurricane Ike disaster recovery program and has identified program constraints that need must be addressed to move forward, as well as identifying a greater demand for homeowner activities as opposed to homebuyer activities. In preparation of the request, the City published the proposed changes on their disaster website and in the local newspaper. The City accepted public comment of the changes on March 25, 2010, and the Galveston City Council unanimously approved the proposed changes. Below is a summary of the request.

**City of Galveston 70090008**

***Homebuyer Assistance Program***

The City identified a total pool of seven applicants. Due to the low response, the City is proposing to retain \$100,000 in this activity and will transfer the balance to the Homeowner Rehabilitation/Reconstruction Program.

	<b>Original</b>	<b>Change</b>	<b>Amended</b>
<b>Allocation</b>	\$625,000	(\$525,000)	\$100,000
<b>Projected Served</b>	125	(118)	7

***Acquisition with Rehabilitation/Reconstruction Program***

The City originally proposed this activity to acquire damaged properties at the current post storm Fair Market Value and rehabilitate the properties for sale to low-to-moderate income homebuyers. Due to the overwhelming response to the City's Homeowner Rehabilitation/Reconstruction Program, and low interest level in this activity, the City is proposing to eliminate the activity and increase the funding available under the Homeowner Rehabilitation/Reconstruction Program.

	<b>Original</b>	<b>Change</b>	<b>Amended</b>
<b>Allocation</b>	\$3,268,032	(\$3,268,032)	\$0
<b>Projected Served</b>	25	(25)	0

***Rental Rehabilitation/Reconstruction Program***

The City originally proposed four units of rental property in any combination as long as the total assisted units per owner did not exceed four units. Single-family units and one unit of a multi-unit structure were capped at \$35,000 per unit, and additional multi-unit structures were capped at \$15,000 per unit. Due to the similar construction and project cost limitations that affected the City’s Homeowner Rehabilitation/Reconstruction Program discussed below, the City is requesting to raise the limit to \$35,000 for all units of rental property requiring assistance.

	<b>Original</b>	<b>Change</b>	<b>Amended</b>
<b>Allocation</b>	\$7,045,365	\$0	\$7,045,365
<b>Single-Family/Unit</b>	\$35,000	\$0	\$35,000
<b>Multi Unit</b>	\$15,000	\$20,000	\$35,000
<b>Projected Served</b>	280	(80)	200

***Homeowner Rehabilitation/Reconstruction Program***

When the initial funding allocations were made, there were certain construction costs that the City did not anticipate as part of the program design. Specifically, accessibility requirements required by state law, updated building codes, and green building/sustainability components were not considered. The City anticipates that an additional \$14,300 will be necessary for rehabilitation projects and \$16,500 - \$24,000 will be necessary for reconstruction projects. The City also stated they were not aware that project costs including inspections, environmental reviews, work write-ups, and other similar costs would be a part of the caps set for each type of activities. The City anticipates that these costs will account for approximately \$10,000 in additional costs per assisted home. As a result of these factors, the City is proposing to raise the assistance caps under their program as follows, which will reduce the number of households anticipated to be served from 1,180 to 1,000:

	<b>Original</b>	<b>Change</b>	<b>Amended</b>
<b>Allocation</b>	\$103,900,000	\$3,793,032	\$107,693,032
<b>Rehabilitation</b>			
Construction Cost	\$75,000	\$15,000	\$90,000
Project Cost	\$0	\$10,000	\$10,000
	<b>\$75,000</b>	<b>\$25,000</b>	<b>\$100,000</b>
<b>Reconstruction</b>			
Construction Cost	\$125,000	\$25,000	\$150,000
Project Cost	\$0	\$10,000	\$10,000
	<b>\$125,000</b>	<b>\$35,000</b>	<b>\$160,000</b>
<b>Projected Served</b>	1180	(147)	1033

**Requested Action**

Staff recommends approval of the budget adjustments requested by the City of Galveston to expedite their CDBG Disaster Recovery activities related to Hurricane Ike.

**HOUSING TRUST FUND DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve Housing Trust Fund (HTF) Program Award Recommendations from the 2010 Barrier Removal and Rehabilitation Program Notice of Funding Availability (NOFA), involving the award of eight (8) applications, totaling \$1,710,000 in project funds and \$190,000 in administrative funds, which will result in assistance for 154 low income households.

**RESOLVED**, that the award of contracts to Ark-Tex County of Governments, East Texas County of Governments, Easter Seals Central Texas (2 applications), Habitat for Humanity of Smith County, South East Texas Regional Planning Commission, Coastal Bend Center for Independent Living, and Meals on Wheels and More, totaling \$1,710,000 in project funds and \$190,000 in administrative funds, resulting in assistance for 154 low income households, are hereby be approved or approved with amendments and staff authorized to proceed with the issuance of Contracts with the awarded applicants.

**Background**

A Notice of Funding Availability (NOFA) of \$1,500,000 for the 2010–2011 HomeFree Barrier Removal and Rehabilitation Program was approved by the Board on July 30, 2009, as part of the 2010-2011 Housing Trust Fund Biennial Plan. The NOFA was posted on February 12, 2010 with a Competitive Application Cycle ending March 31, 2010.

Ten (10) applications were received, requesting a total of \$2,358,000 in Project and Administrative funding. In addition to Threshold Requirements, a total of 38 points were possible under the Competitive Scoring Criteria. The highest scoring applicants that met threshold requirements are being recommended for funding today. The total recommended amount of approximately \$1,900,000 dollars would assist 154 Texas families at or below 80% AMFI access safe, decent and affordable housing. The funding recommendations in excess of the \$1,500,000 available, if approved, are funded from prior HTF contracts that have been partially or fully deobligated.

Awards are conditional upon no findings or issues of material non-compliance, unresolved audit findings or questioned or disallowed costs being identified.

Attached is the Application and Award Recommendations Log.

# *2010 HTF HomeFree Barrier Removal and Rehabilitation Program*

## *Application and Award Recommendation Log*

*Total NOFA Amount \$1,500,000*

*Recommended Amount \$1,900,000*

<b>Application Number</b>	<b>Received Date</b>	<b>Applicant</b>	<b>Region(s) Served</b>	<b>Area(s) Served</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Score</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2010-0005	3/31/2010	Ark-Tex COG	4	Counties of Bowie, Cass, Delta, Franklin, Hopkins, Lamar, Morris, Red River, Titus	\$225,000	\$25,000	15	33	\$225,000	\$25,000	15	Pending Award
2010-0006	3/31/2010	East Texas COG	4	Counties of Cherokee, Gregg, Harrison, Rusk	\$225,000	\$25,000	15	28	\$225,000	\$25,000	15	Pending Award
2010-0002	3/29/2010	Easter Seals Central Texas-Rural	7, 10	Counties of Bastrop, Blanco, Burnet, Caldwell, Fayette, Gonzales, Lampasas, Llano	\$135,000	\$15,000	9	26	\$135,000	\$15,000	9	Pending Award
2010-0007	3/31/2010	Habitat for Humanity of Smith County	4	County of Smith	\$225,000	\$25,000	35	25	\$225,000	\$25,000	35	Pending Award

Application Number	Received Date	Applicant	Region(s) Served	Area(s) Served	Project Funds Requested	Admin Funds Requested	Total Units	Score	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0004	3/31/2010	South East Texas Regional Planning Commission	5	Counties of Hardin, Jefferson, Orange	\$225,000	\$25,000	35	23	\$225,000	\$25,000	35	Pending Award
2010-0008	3/31/2010	Coastal Bend Center for Independent Living	10	Counties of Nueces, San Patricio, Kleberg, Bee, Jim Wells, Aransas	\$225,000	\$25,000	15	23	\$225,000	\$25,000	15	Pending Award
2010-0010	3/31/2010	Meals on Wheels and More	7	Counties of Travis, Hays, Williamson, Bastrop	\$225,000	\$25,000	15	20	\$225,000	\$25,000	15	Pending Award
2010-0001	3/29/2010	Easter Seals Central Texas-Urban	3, 7	Counties of Travis, Williamson, Hays, Dallas, Tarrant	\$225,000	\$25,000	15	20	\$225,000	\$25,000	15	Pending Award
2010-0009	3/31/2010	Austin HFC	7	City of Austin	\$225,000	\$25,000	25	18				Not Recommended
2010-0003	3/30/2010	County of Willacy	11	County of Willacy	\$200,000	\$ 8,000	10	N/A				Not Recommended
	<b>TOTALS</b>				<b>\$2,135,000</b>	<b>\$223,000</b>	<b>189</b>		<b>\$1,710,000</b>	<b>\$190,000</b>	<b>154</b>	



**HOUSING TRUST FUND**

**BOARD ACTION REQUEST**

**May 12, 1010**

**Recommended Action**

Approve or approve with amendments, the proposed amendment to the 2010-2011 Housing Trust Fund Plan and authorize staff to submit the Plan Amendment to appropriate legislative offices and proceed with the issuance of outstanding NOFAs for programs identified in the Plan.

**RESOLVED**, that proposed amendment to the 2010-2011 Housing Trust Fund Plan be approved or approved with amendments and staff be authorized to submit the Plan Amendment to appropriate legislative office and proceed with the issuance of outstanding NOFAs for programs identified in the Plan.

**Background**

During the 81<sup>st</sup> Legislative Session the Department was appropriated General Revenue for the Housing Trust Fund in the amount of \$21,927,750. Based on the general revenue reduction of \$1,950,000 as described below, the adjusted new appropriation amount is \$19,977,750.

Rider 10(d) of the General Appropriations Act requires that the Department generate a plan for the funds which is submitted to the Legislative Budget Board, the House Appropriation Committee, and the Senate Finance Committee. At the July 30, 2009 Board meeting, the Board approved a 2010-2011 Housing Trust Fund Biennial Plan which was submitted to those entities. In March 2010, the Board approved revisions to one of the Plan activities, the Rural Expansion program. Today, staff is recommending additional plan amendments to ensure efficient programming of funds and to be responsive to ongoing public input. Those two actions together will be submitted to the appropriate oversight entities as one comprehensive Housing Trust Fund Plan Amendment attached.

To promote expeditious programming of funds, staff requests authority to issue remaining program Notices of Funding Availability based on the programming outlined in the Plan Amendment without requiring Board approval of those NOFAs. Public input sessions will continue to be integrated into the NOFA drafting process.

In accordance with the Housing Trust Fund Rule at 10 TAC 51, all awards must be approved by the Board. Any use of reprogrammed or deobligated funds will be detailed in future Board Action Items.

The attached Plan Amendment reflects only the use of the 2010-2011 appropriated funds; funds remaining from prior plans or Board action will remain programmed in accordance with the plans issued for those prior years and as approved by the Board. The Plan Amendment also reflects the application of the 5% reduction to General Revenue required of the Department which prompted the cancellation of the Rental Housing Development program activity; this activity was selected for the reduction because of the other resources available at the Department for rental activities.

Overview of 2010-2011 HTF Plan Amendment

In summary, the HTF Plan Amendment being approved today addresses the following:

- Replacement description of the Veterans Housing Assistance Program which was revised based on public input to target all funds to rental assistance to low income veterans and introduce the reservation process for expenditure of funds.
- Removal of the capacity building element from the HomeFree Barrier Removal and Rehabilitation Program due to sufficient capacity and experience of awarded organizations.
- Removal of the Rental Housing Development Program based on the 5% reduction of General Revenue.
- Replacement description of the Homeownership Program, which was revised based on public input to target all funds to down payment assistance and remove the rehabilitation program. Also introduces the reservation process for expenditure of funds.
- Provision of Rural Housing Expansion Program revisions approved by the Board in March 2010 and introduces the reservation process for expenditure of funds.
- Replacement description of the Affordable Housing Match Program based on input as reflected in the NOFA released March 31, 2010.

Programming of funds, after approval of this Amendment, is as follows:

Use of Funds	2010-2011 Funds
Bootstrap	\$10,000,000
Self Help Housing Training Institute*	\$500,000
Disaster Recovery Gap Assistance	\$1,000,000
Veterans Housing Assistance	\$2,000,000
Home Free Barrier Removal Program	\$1,500,000
Rental Housing Development for Unique Needs Fund	\$0
Homeownership SuperNOFA	\$2, 577,750
Rural Housing Expansion Program**	\$2,000,000
Affordable Housing Match Program***	\$750,000
<b>Total Plan Programs</b>	<b>\$19,827,750</b>

\* indicates program is part of the \$10m for Bootstrap

*Texas Department of Housing and Community Affairs*

*Amendment to Supplement the 2010-2011 Housing Trust Fund Plan*



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*Amendment to Supplement the 2010-2011 Housing Trust Fund Plan that was Originally approved by the Board of the Texas Department of Housing and Community Affairs on July 30, 2009*

*Amendment adopted May 12, 2010*

**Amendments to the 2010-2011 Plan**

Based on a 5% reduction of General Revenue total annual appropriation is as follows:

	<b>2010</b>	<b>2011</b>	<b>Total Biennium</b>
<b>Single Family (SF)</b>	\$9,981,875	\$9,995,875	\$19,977,750
<b>Multifamily (MF)</b>	N/A	N/A	N/A
<b>Total Biennial Appropriation</b>	\$9,981,875	\$9,995,875	\$19,977,750

**Summary of Program Amendments**

A summary of amendments to the 2010-2011 Plan are outlined below.

General program descriptions follow. As programs are designed in greater detail, the Department will garner public input on new programs and notices of funding availability prior to making funds available.

1. Texas Veterans Housing Assistance Program

Based on public input at roundtables held in Austin, Fort Worth and Lubbock, this program was revised to meet growing demand for rental assistance to low income veterans. The homeownership activity was removed from the program due to ability to provide down payment assistance to veteran homebuyers through other resources, such as the Veteran’s Land Board, US Veteran Affairs (VA), and the Department’s HOME Program. This amendment included language regarding the plan to use a new reservation process for expenditure of funds.

2. HomeFree Barrier Removal and Rehabilitation Program

Due to sufficient capacity and experience of awarded organizations, the capacity building element noted in the original Plan was removed. Adjustments to the Maximum Request Amount and Administration Fees were also made to mirror the Notice of Funding Availability (NOFA).

3. Rental Housing Development for Unique Needs Program

The amendment removes the Rental Housing Development Program based on the 5% reduction of General Revenue. This activity was selected for the reduction because of the other resources available at the Department for rental activities.

4. HTF Homeownership Program

The amendment changes the name of the program from “Homeownership SuperNOFA.” Based on public input at roundtables held in Austin, Fort Worth and Lubbock, this program was revised to meet growing demand for down payment assistance to low income households. As publicly requested, the program now reflects removal of the housing rehabilitation program. Rehabilitation for accessibility is now an activity funded under the HomeFree Barrier Removal and Rehabilitation

Program. The amendment also includes language regarding the plan to use a new reservation process for expenditure of funds.

5. Rural Housing Expansion Program USDA Loan Set Aside

In response to public comment, the Plan is amended to include a set aside in the Rural Housing Expansion Program to fund grants to Nonprofit Organizations to offset the cost of packaging and submitting Section 502 Rural Housing Direct Loans through the United States Department of Agriculture (USDA). This amendment included language regarding the plan to use a new reservation process for expenditure of funds.

6. Affordable Housing Match Program

The amendment mirrors revisions to the program based on public input as reflected in the NOFA released March 31, 2010. Language was removed that allowed an eligible uses of funds to be creation of a loan loss reserve account. Additionally, eligible applicants were revised to be limited to Texas-based Nonprofit Organizations, Community Development Financial Institutions (CDFIs), and rural municipalities and counties.

In summary, programming of funds for the 2010-2011 biennium is as follows:

Use of Funds	2010-2011 Funds
Bootstrap	\$10,000,000
Self Help Housing Training Institute*	\$500,000
Disaster Recovery Gap Assistance	\$1,000,000
Veterans Housing Assistance	\$2,000,000
Home Free Barrier Removal Program	\$1,500,000
Rental Housing Development for Unique Needs Fund	\$0
Homeownership SuperNOFA	\$2, 577,750
Rural Housing Expansion**	\$2,000,000
Affordable Housing Match Program***	\$750,000
<b>Total Plan Programs</b>	<b>\$19,827,750</b>

\* indicates program is part of the \$10m for Bootstrap

Revised program descriptions follow on subsequent pages.

**Texas Veterans Housing Support Program (Revised)**

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

**General Program Description:** This program, awarded to eligible applicants in 2008 and 2009, has generated sufficient demand to warrant the continuation of the program. Funds are utilized for rental subsidies for low-income (80% AMFI) veterans. Rental assistance may be provided for a maximum of two years, allowing assisted households to live in any rental unit in the service area.

**Maximum Request Amount:** The maximum request per applicant will be based on the number of households approved for assistance as verified in a reservation system and includes all project, administrative, and soft costs. Rental assistance will be for a period no longer than 24 months. The Department may allocate a minimum number of reservation slots per region and/or certified entity.

**Eligibility Requirement:** Eligible applicants are Units of General Local Government, Nonprofit Organizations and Public Housing Authorities (PHA's). The household assisted must be at or below 80% of AMFI.

**Administration Fees:** The Program would allow for 4% total administration costs per Contract year for a total of up to 8% administration costs for the Program set aside in the reservation system.

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

**Other Considerations:** This use of funds will serve lower income families and assist a unique housing need.

**HomeFree Barrier Removal and Rehabilitation Program (Revised)**

**Amount Recommended:** \$1, 500,000

**General Program Description:** This program provides financial assistance in the form of grants to low income (80% AMFI) Persons with Disabilities to make their homes (rental or owner) more accessible. This program is designed to provide one time grants for up to \$15,000 in home modifications specifically needed for accessibility, and up to an additional \$5,000 in other rehabilitation costs correlated with the barrier removal project. 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. Funds will be provided in the form of a grant and no lien will be placed on the home of the recipient with a disability. Applicant organizations must demonstrate an understanding of accessibility standards and applicable building codes as further detailed in the NOFA. Eligible modifications for accessibility will include, but not be limited to, the following:

- Handrails;
- Door widening and counter adjustments;
- Ramps;
- Buzzing or flashing devices (for people with visual/hearing impairment);
- Accessible door and faucet handles;
- Shower grab bars and shower wands; and
- Accessible showers, toilets and sinks.

**Maximum Request Amount:** The maximum request per application will be \$250,000, which includes all project, administrative, and soft costs. For applicants submitting more than one application, the maximum cumulative award per applicant is \$500,000.

**Eligibility Requirement:** Eligible applicants are Units of General Local Government, Nonprofit Organizations and Public Housing Authorities (PHA's). The household assisted must be at or below 80% of AMFI.

**Administration Fees:** The Program would allow for 5% administration costs per Award, per contract year for the organization for a total of 10% total administrative costs per Award.

**Regional Allocation:** The RAF does not apply to funds made available for Persons with Disabilities.

**Other Considerations:** This use of funds will serve Persons with Disabilities and serve a unique housing need.

**HTF Homeownership Program (Revised)**

**Amount Recommended:** \$2,577,750. A total amount of \$895,600 was awarded to five pending 2009 applicants. Approximately \$1,682,150 of the remaining funds is now available.

**General Program Description:** This program was first utilized in 2008 and demand has consistently exceeded available funding. The Homeownership Program allows flexibility for Nonprofit Organizations, including public housing authorities and units of local government, to , funds are provided for down payment and closing costs in the form of zero interest, deferred forgivable loans up to \$10,000. Funds may only serve households at or below 80% AMFI.

Funds are limited to loans to ensure repayment to the program and may only serve households at or below 80% of AMFI. Loan caps per activity are established to spread funds while providing needed assistance.

**Maximum Request Amount:** To expedite the expenditure of funds, entities will be certified to request and access funds through a reservation system on a first-come, first served basis until all funds are obligated. The maximum request amount will be based on number of pending households to be assisted, as verified in the system.

The maximum loan amount to the assisted household for down payment, closing costs, and gap financing assistance is \$10,000. The Department may allocate a minimum number of reservation slots per region and/or certified entity.

**Eligibility Requirement:** Eligible applicants to be certified to access these funds through a reservation system are Units of General Local Government, Nonprofit Organizations and Public Housing Authorities (PHA's). The assisted household must be at or below 80% of AMFI.

**Administration Fees:** The Program would allow for up to 4% in administration funds to be made available in the reservation system. .

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

**Other Considerations:** This use of funds will achieve leveraging, provides for repayment to the fund and promotes homeownership.



**Rural Housing Expansion Program (Revised)**

**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. The funds would have two components for each recipient – a capacity and technical assistance component designed as a grant that includes intensive technical assistance provision and 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.

Eligible uses for the capacity 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. Recipients will be encouraged, through their capacity building, to obtain and develop capacity to apply for USDA 502, other USDA funds and other federal resources. For the Capacity building component of funds, recipients will be measured against the performance tool required by GAA, Rider 17.

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.

**Set Aside:** \$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 Applications through USDA. Additionally, 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. A maximum of \$1500 per completed loan package will be provided in the form of a grant through a reservation system process. This set aside is intended to provide the means to secure Section 502 funding for Texas that, without these funds, may otherwise not be accessed.

To minimize duplication of eligible program activities and to promote an efficient use of limited Trust Fund dollars, to the extent eligible, HOME funds (programmed and/or deobligated) may also be utilized for the direct housing delivery activities as further described in the Con Plan.

**Maximum Loan Amount:** Maximum Award per organization under the direct housing delivery activity is \$500,000. Not applicable to Section 502 Direct Loan Application Assistance because funds are provided in the form of grants.

**Eligibility Requirement:** Eligible applicants are rural municipalities and rural counties, Nonprofit Organizations that serve rural communities, or consortia of several such municipalities, counties and/or Nonprofit Organizations.

**Administration Fees:** No administration fees for direct housing delivery are provided (except as provided through capacity building funds). Funds for Section 502 Direct Loan Application Assistance will be provided in a reservation system. The Department may allocate a minimum number of reservation slots per region and/or certified entity.

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

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

**Affordable Housing Match Program (Revised)**

**Amount Recommended:** Up to \$750,000

**General Program Description:** The Department consistently receives suggestions that flexible matching funds are needed to allow Texas organizations to apply for affordable housing funds that have match requirements; anecdotally it appears that funds eligible for Texas are being reallocated to other states because Texas communities may lack the resources to meet match requirements. The purpose of the HTF Affordable Housing Match Program is to provide Texas-based Nonprofit Organizations the direct match funds needed to satisfy the direct match requirements of state (non-Department), federal, or private affordable housing grants or loans that, without the required direct match, may otherwise not be accessed. The match funds will result in the production or provision of housing for Households with incomes that do not exceed 80% of the Area Median Family Income (AMFI).

Examples of eligible uses include direct match for state (non-Department), federal or private affordable housing grants or loans to encourage banks to lend to low income families. These would be contingent matches such that TDHCA would not have to release any funds until the award is received from the awarding entity; if the award is not achieved, the money would be reprogrammed.

One example of this is CDFI's, which are Community Development Financial Institutions created and certified by the US Treasury. These organizations are mission-driven financing institutions, often nonprofits, which provide financial products and services to people and communities underserved by traditional financing institutions. CDFIs can be banks, credit units, loan funds, venture capital funds, community development corporations or micro enterprise loan funds. Though there are currently 57 CDFIs in Texas. Low income housing is one of the lesser serviced sectors, due in part to lack of funding or match for federal programs, private grant or foundation funds, such as the Federal CDFI Fund and USDA. CDFI funds are only one example of entities possibly not freely accessing federal funds.

**Maximum Loan Amount:** Not applicable. Funds will be provided in the form of grants.

**Eligibility Requirement:** Eligible applicants are Texas-based Nonprofit Organizations, Community Development Financial Institutions (CDFIs), and Rural municipalities and counties.

**Administration Fees:** None.

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

**Other Considerations:** Significant leveraging obtained for limited general revenue funds.

## HOUSING TRUST FUND DIVISION

### BOARD ACTION REQUEST

May 12, 2010

#### Recommended Action

Approve revisions to the Housing Trust Fund (HTF) Rural Housing Expansion Program Notice of Funding Availability (NOFA).

**RESOLVED**, that the Executive Director and his designees are hereby authorized, empowered, and directed, for and on behalf of the Department, to publish revisions to the Notice of Funding Availability and, in connection therewith, make such nonsubstantive technical corrections as they may deem necessary or advisable to effectuate the foregoing.

#### Background

On March 11, 2010, the Board approved the publication of the Rural Housing Expansion Program Design and Notice of Funding Availability (NOFA). Upon further review and prior to publication of the NOFA, staff made revisions in order to add clarity and further distinguish requirements and guidelines of the activities included in the NOFA: USDA 502 Direct Loan Application Assistance, Direct Housing Delivery and Capacity Building Grants. The NOFA was published on March 31, 2010. Subsequently, based on comments received at the Application Workshop, staff is also recommending additional revisions. The revised NOFA will be published on the Department's website, provided to all parties registered for the workshop and provided to the listserve. Staff believes it is critical to be responsive to these latest series of comments and feedback to ensure that the program is designed in a way that will increase the success and usability of the program.

#### Summary of Staff Recommended Revisions

This section outlines some of the more substantive changes to the NOFA based on staff recommendations and public input. Non-substantive changes such as technical corrections, clarifications and formatting adjustments are not summarized; however, they are reflected in the attached NOFA.

**§4 Application Cycle.** Language added to subsection (c) to clarify the open application cycle funding for the USDA 502 Direct Loan Application Assistance activity.

**§5 Limitation of Funds.** Language added to clarify guidelines for reservation system submissions and disbursements.

**§6(a) Activity and Applicant Eligibility.** Based on comment from workshop attendees, multifamily development limit is increased from 19 units to 40 units.

**§10(c) and (d) Direct Housing Delivery Application Threshold Requirements.**

§10(c) added the requirement that Nonprofit Organizations must submit audited financial statements for the most recent fiscal year completed, no older than 2008. §10(d) reordered the wording.

**§12(c), (d) and (e) USDA 502 Direct Loan Application Assistance and Capacity Building Program Requirements.** Removes sections for technical accuracy and clarified that the Program will be governed by a Contract.

**§13 USDA 502 Direct Loan Application Assistance Program Application Threshold Requirements.** Made corrections to threshold requirements. Subsection (d) removed due to lack of eligible documentation sufficient to meet this requirement.

**§14 USDA 502 Direct Capacity Building Competitive Scoring Criteria.** Section removed to clarify that the activity was not intended to be competitive and is on an Open Cycle utilizing the reservation system.



## **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. Direct Housing Delivery. 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. USDA Section 502 Direct Loan Application Assistance. \$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 Applications through the United States Department of Agriculture (USDA).
  - iii. Capacity Building Grants. Up to \$300,000 may be awarded as capacity building grants, with up to \$50,000 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 Administrators](#) participating in this activity will undergo an assessment to determine the capacity needs

of the ~~Administrator~~Applicant for the purpose of identifying and to outline and delivering 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. ~~Additionally~~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, and may participate in the USDA Section 502 Loan Application Assistance activity as outlined in §2(b) of this NOFA.

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

- i. Rural nonprofit organizations, municipalities and counties that currently package and submit USDA Section 502 Direct Loan Applications and those who wish to develop the capacity to package and submit such applications may apply for funds under this component.

**ii. For Applicants who currently package and submit USDA Section 502 Direct Loan Applications and are not applying for capacity building funds, §§8, 9, 10, 11, and 17 of this NOFA do not apply.**

~~iii.~~ 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).~~

~~iv.~~ Additionally~~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 ~~and~~, 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.

~~v.~~ 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 ~~the Department~~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 ~~Administrator Applicant~~ may reserve \$1,500 in the HCS. The Administrator may only draw the reserved funds after the USDA loan has closed.

~~vi.~~ 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.~~

~~vii.~~ Administrators Applicants participating in this component of the Program are not required to participate in the Organizational Capacity Assessment, Training ~~and~~, Technical Assistance ~~and Housing Delivery activities of the~~ Program as outlined in §2(c) 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 ~~Administrators Applicants~~. The Technical Assistance Provider will strengthen the ~~Administrator's 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 ~~and close~~ Section 502 Direct Loan applications 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 applicant~~tion~~ 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%

\* 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~~<sup>29</sup>, 2010.

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

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %
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%

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %
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 [for the Direct Housing Delivery component](#) under this NOFA will be awarded through a Competitive Application Cycle. The Application Acceptance Period will open on **March 31~~26~~, 2010**, and Applications will be accepted by the Department on regular business days until 5:00 p.m., Central Time, on **Friday, May 28~~1~~, 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.
- c) [Funds for the USDA Section 502 Direct Loan Application Assistance component under this NOFA will be awarded through an Open Application Cycle. The Application Acceptance Period will open on March 31, 2010, and Applications will be accepted by the Department on regular business days until all funds have been exhausted, or Wednesday, December 29, 2010, regardless of method of delivery. Applicants are encouraged to review the Open Application process cited in 10 TAC 51, the Housing Trust Fund Rule and described herein.](#)

#### 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.
  - iv. Program funds must be leveraged. This requirement may be met through other federal resources, such as the Department's HOME Program.
- b) **USDA Section 502 Direct Loan Application Assistance.** For Applicants requesting funds under this component, awards from the Department will permit include access to a the reservation system where funds may be reserved and drawn. 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. Reservations will be accepted once all documentation required by the Department and USDA are received in accordance with all applicable guidelines and standards. The reservation request must include confirmation of the submission and receipt of a complete 502 Direct Loan package to USDA, in accordance with USDA 502 Direct Loan Package submission guidelines.
  - iii. At the discretion of the Department, initial reservations may be allotted to entities accessing the system in order to better ensure the availability of and access to funds. Should the initial allotment of funds remain unused by the entity for a period of greater than 60 days from the date of access to the system and/or demand exceeds funds available, as determined by the Department, the initial allotment of funds may be released and made available statewide.
  - iv. Funds may be drawn upon approval by the Department, receipt of a HUD-1 closing statement for the household and confirmation that the entity was party to the closing.
  - v. Loans closed prior to the release of this NOFA are not eligible for reimbursement.
  - vi. ~~iii.~~ 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 Loan Funds 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)d)~~ The Department reserves the right to make a recommendation for partial funding for any Application requesting funds for under one or more of the Program components 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 with and/or without 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 40 49 units.
- b) Eligible Applicants are rRural mMunicipalities and rural cCounties, Nonprofit Organizations that serve rural communities, or consortia of several such mMunicipalities, cCounties 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.
  - e) ~~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.~~
  - c) A rural municipality or rural county shall have the same definition as a Rural Area (Chapter 2306.004(28-a) of the Texas Government Code) and be an area that is located:
    - i. outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;
    - ii. within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or
    - iii. in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.
- 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.**

- a) 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.
- b) 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 or acquisition, with or without rehabilitation, of multifamily housing as a proposed activity will be required to submit the Housing Trust Fund Application and Volumes 1, 2, and 3 of 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 according 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)d) \_\_\_\_\_ 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.

~~e) 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, or any succeeding rules or standards adopted by the Department.
- 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) **Audit.** Nonprofit Organizations must submit audited financial statements for the most recent fiscal year completed, no older than 2008.

e)d) **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 and must include:

- i. The history and mission of the organization. The description must include a summary of the Applicant's interest, mission and current services provided, and organizational goals as it relates to expanding into affordable housing delivery
- ii. Governance policies and business plan. The description must include a summary of the structure and policies of the Board, Council or Commissioners Court and must describe how expanding into affordable housing delivery will be incorporated into the business plan; and
- iii. Financial management systems. The description must include a summary of the Applicant's financial management staff and systems in place to manage the organization's finances.



d)e) **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~~ a housing needs survey, the Applicant may submit an ~~waiting-interest~~ list of identified clients and income levels to be served ~~- by the proposed activity and a description of how the list was prepared.~~

ii. Local Resources. 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. ~~iii. Organizational Operating Budget and Direct Housing 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. ~~iii. 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. ~~iv. Program Implementation and Compliance.~~ 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. <http://www.tdhca.state.tx.us/housing-center/pubs.htm#ahns> **(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 ≤ 60% AMFI	5
80% of units ≤ 60% AMFI	10
80% of units ≤ 50% AMFI	15
50% of units ≤ 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 [documented in the Applications](#) **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**

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 Loan Application Assistance and 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.

- b)c) Contract Required. USDA Section 502 Direct Loan Application Assistance activities funded under this Program will be governed by a Contract that identifies the terms and conditions related to the awarded funds.

- ~~e) 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 Loan Application Assistance Program 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) **Audit.** Nonprofit Organizations must submit audited financial statements for the most recent fiscal year completed, no older than 2008.
- d) **Organizational Capacity Self-Assessment.** Provide a description of the Applicant's organizational capacity and readiness to proceed with packaging, submitting and closing USDA Section 502 Direct Loan Applications, including:
- i. The organization's history of packaging, submitting and closing USDA Section 502 Direct Loan Applications; and
  - ii. Financial management systems and staff in place to manage the organization's finances.
- ~~e) 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. [http://www.tdhca.state.tx.us/housing\\_center/pubs.htm#ahns](http://www.tdhca.state.tx.us/housing_center/pubs.htm#ahns)  
**(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)**

**14)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 [EARACthe 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.

**~~15)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.

**~~16)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. Contact Information. 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. Recordkeeping. 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.

**~~17) 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 grant or loan 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 targeting scoring commitment included in the Application and determined to be eligible according to the income qualification guidelines required by the



~~Department 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.i.~~ 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.ii.~~ 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

#### **~~18) 19) Amendments~~**

- a) Amendment requests to be approved by the Executive Director are allowable under the following circumstances:
  - i. Time extensions. 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. Changes in Area Median Family Income (AMFI) levels. 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. Increase in funds. 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.

| **19) 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 §~~2016~~(a) and the sole discretion to determine what constitutes materiality in subsection §~~2016~~(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.

**~~20) 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)21) 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>.

**22) 23) Application Submission**

- a) **All Applications submitted under [the Competitive Application Cycle of this NOFA](#) must be received on or before 5:00 p.m., Central Time, on [Friday, May 28~~1~~](#), 2010, regardless of method of delivery.**
- b) **All Applications submitted under the [Open Application Cycle of this NOFA](#) must be received on or before 5:00 p.m., Central Time, on [WednesdayFriday, December 29~~3~~](#), 2010, regardless of method of delivery.**
- a)c) The Department will accept Applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays 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](mailto:HTF@tdhca.state.tx.us)

- d) **Submission Format. Applications must be submitted providing all documentation as described in this NOFA, Application and supplemental Application materials.**
- i. **All Applicants must submit one (1) complete **PRINTED** Program Application ONLY with original signatures as required.**
  - ii. **In addition, all Applicants must submit one (1) complete electronic copy of the following materials, **SCANNED** and provided on compact disc (CD-R):**
    - (A) **A copy of the complete, signed Program Application;**
    - (B) **Application Threshold documentation requirements as described in this NOFA; and**
    - (C) **Any other supplemental material as required by the Department or described in the Application materials.**
  - iii. **NOTE: Documents containing personal information such as social security numbers or personal financial statements must be included separately from all other Application documents.**

- ~~e)~~ 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.

e) 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 <http://www.tdhca.state.tx.us/htf/index.htm>. 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.

~~f)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.

g) ~~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.

h) ~~g)~~ Applications may only be submitted to the Department during the Application Acceptance Period.

i) ~~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.*

**OFFICE OF COLONIA INITIATIVES**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Authorize the Executive Director to award a Colonia Self Help Center (SHC) Program Award to El Paso County through Community Development Block Grant (CDBG) Funding.

**RESOLVED**, that the Executive Director is hereby authorized to make an award of Community Development Block Grant funding under the Colonia Self Help Center Program to the El Paso County Self Help Center in an aggregate amount of \$1,193,828.86, consisting of \$557,448.54 in FY 2009 funding and \$636,380.32 in de-obligated funds, such award to be made not earlier than 30 days after the Colonia Resident Advisory Committee meeting at which the award was considered.

**Background**

**Colonia Self-Help Centers Program**

The Colonia Self-Help Centers (SHC) were created by Acts of the 74<sup>th</sup> Legislature of the state of Texas in 1995. The purpose of a Colonia SHC is to assist individuals and families of low-income and very low-income to finance, refinance, construct, improve or maintain a safe, suitable home in the designated colonia service area or in another area that the Texas Department of Housing and Community Affairs (TDHCA) has determined is suitable. Pursuant to Subchapter Z of Chapter 2306 of the Texas Government Code, TDHCA has established Colonia SHCs in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb Counties. If TDHCA determines it necessary and appropriate, statute allows for Colonia SHCs to be established in any other county if the county is designated as an economically distressed area under Chapter 17 of the Water Code. In 2001, the Department opened two additional centers in Maverick and Val Verde Counties to address the needs of colonias in those counties.

TDHCA will allocate no more than \$1.2 million per Colonia SHC contract in accordance with the Program Rules. If there are insufficient funds available from any specific year to fully fund a proposal, the affected county may accept the amount available at that time and then wait for the remainder to be funded utilizing the next year's funding allocation.

According to statute, it is the responsibility of TDHCA to designate a geographic area for the services provided by each SHC. In consultation with the Colonia Resident Advisory Committee (C-RAC) and the county, TDHCA designates 5 colonias in each service area to receive concentrated attention from that Colonia SHC. The purpose of the C-RAC is to advise the TDHCA Governing Board regarding the needs of the colonia residents, programs that are appropriate and effective for Colonia SHCs and activities that may be undertaken to better serve colonia residents. The county submitting a funding proposal is required to conduct and submit a needs assessment for each colonia designated to receive concentrated attention in the proposal. Based on the results of the assessments, the county must develop a scope of work to be conducted for each colonia in accordance with the eligible activities as defined in statute and the Program Rules. A scope of work was outlined in a funding proposal and these proposals were formally presented to C-RAC on April 13, 2010 to receive their comments and suggestions in fulfillment of C-RAC's obligation to the Department's Governing Board. Due to a variety of scheduling conflicts the Board meeting was moved from May 13<sup>th</sup> to May 12<sup>th</sup>. Section 2306.585(b) of the Texas Government Code requires a Colonia Self Help Center contract be awarded 30 days after a C-RAC meeting is held. Since the C-RAC meeting was held on April 13, 2010, staff is recommending the Board authorize the Executive Director to approve or deny the award to El Paso County in order to comply with the 30 day requirement.

### **Colonia SHC Funding**

The Colonia SHCs are funded through a 2.5% set-aside (approximately \$1.8 million per year) of the annual Texas Community Development Block Grant (TxCDBG) non-entitlement allocation to the state of Texas. The management of TxCDBG funds is dictated through a Memorandum of Understanding (MOU) between the Texas Department of Rural Affairs (TDRA), which receives the allocation from the US Department of Housing and Urban Development (HUD), and TDHCA to implement the Colonia SHC Program. The Colonia SHC contracts are four-year contracts as specified by statute; however, if contractor localities are able to complete all contractual requirements before the expiration of the four-year contract period, they may submit a proposal for a new contract. Proposals for new funding will be placed on a first-come, first-serve waiting list until there is sufficient funding available.

### **Colonia SHC Award Descriptions**

#### **El Paso County**

This will be El Paso County's fifth Colonia SHC contract.

**Contractor:** El Paso County  
**Contact:** The Honorable Anthony Cobos, County Judge  
**Address:** 500 E San Antonio, Suite 301  
El Paso, TX 79901



**Purpose of Contract:** The County of El Paso shall provide housing and community development to the following colonias: Agua Dulce Units 1 – 5, Horizon Units 90, 91, & 94, El Paso Hills Units 1 – 4, Lakeway Estates Units 1 – 3, Horizon View Estates Units 17, 20, 21, & 22. The County proposes to do the following housing and community development activities:

Performance activity	Proposed	Budget
<b>Public Service</b>		<b>\$119,000.00</b>
• Construction Skills Training	30 classes	
• Solid Waste Removal	5 activities	
• Technology Access	20 classes	
• Tool Library Program	1 library	
<b>Residential Rehabilitation</b>		<b>\$199,000.00</b>
• Utilities Connections	10 Connections	\$20,000.00
• Self-help small home repair	17 homes	\$179,000.00
<b>Residential Reconstruction (Not Feasible for Rehab)</b>	9 homes	<b>\$696,828.86</b>
<b>Administration</b>		<b>\$179,000.00</b>
<b>Total</b>		<b>\$1,193,828.86</b>

The Colonia SHC contract will benefit eight thousand nine hundred eighty two (8,982) persons of which eight thousand five hundred thirty three (8,533) or ninety-five percent (95%) are of low to moderate income.

### **El Paso's County's Previous Performance**

The county's most recent contract expired on July 17, 2010. Due to poor work quality, a lack of appropriate documentation, and insufficient county oversight of the contract the county refunded the program \$303,001.01 on 1/25/2010. An additional \$275,728.76 was deobligated totaling \$578,739.77 deobligated from that contract. Extensive technical assistance has been provided to the county and the county has a new county commissioner and new staff overseeing the program. TDHCA has provided significant SHC funds to the county in the past and the county has used the funds to build a physical facility in the colonia of Agua Dulce to house the self help center. The county has successfully helped hundreds of households through the variety of self help program activities housed at the center. The county had difficulty in this last contract with one element of their program, the rehabilitation program for which they contracted with third party builders. Despite a record of completing the rehabilitation of over 200 homes in past contracts, 50

households which were scheduled or claimed to be assisted in this last contract were not adequately completed. The new commissioner has recognized this failing of oversight, replaced staff and repaid funds to TDHCA to address these problems. In addition the county plans to properly assist these households using funds from the new contract and other sources.

**OFFICE OF COLONIA INITIATIVES**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Authorize the Executive Director to award a Colonia Self Help Center (SHC) Program Award to Val Verde County through Community Development Block Grant (CDBG) Funding.

**RESOLVED**, that the Executive Director is hereby authorized to make an award of Community Development Block Grant funding under the Colonia Self Help Center Program to the Val Verde County Self Help Center in an aggregate amount of \$1,200,000, consisting of \$1,200,000 in HUD PY 2009 funding, such award to be made not earlier than 30 days after the Colonia Resident Advisory Committee meeting at which the award was considered.

**Background**

**Colonia Self-Help Centers Program**

The Colonia Self-Help Centers (SHC) were created by Acts of the 74<sup>th</sup> Legislature of the state of Texas in 1995. The purpose of a Colonia SHC is to assist individuals and families of low-income and very low-income to finance, refinance, construct, improve or maintain a safe, suitable home in the designated colonia service area or in another area that the Texas Department of Housing and Community Affairs (TDHCA) has determined is suitable. Pursuant to Subchapter Z of Chapter 2306 of the Texas Government Code, TDHCA has established Colonia SHCs in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb Counties. If TDHCA determines it necessary and appropriate, statute allows for Colonia SHCs to be established in any other county if the county is designated as an economically distressed area under Chapter 17 of the Water Code. In 2001, the Department opened two additional centers in Maverick and Val Verde Counties to address the needs of colonias in those counties.

TDHCA will allocate no more than \$1.2 million per Colonia SHC contract in accordance with the Program Rules. If there are insufficient funds available from any specific year to fully fund a proposal, the affected county may accept the amount available at that time and then wait for the remainder to be funded utilizing the next year's funding allocation.

According to statute, it is the responsibility of TDHCA to designate a geographic area for the services provided by each SHC. In consultation with the Colonia Resident Advisory Committee (C-RAC) and the county, TDHCA designates 5 colonias in each service area to receive concentrated attention from that Colonia SHC. The purpose of the C-RAC is to advise the

TDHCA Governing Board regarding the needs of the colonia residents, programs that are appropriate and effective for Colonia SHCs and activities that may be undertaken to better serve colonia residents. The county submitting a funding proposal is required to conduct and submit a needs assessment for each colonia designated to receive concentrated attention in the proposal. Based on the results of the assessments, the county must develop a scope of work to be conducted for each colonia in accordance with the eligible activities as defined in statute and the Program Rules. A scope of work was outlined in a funding proposal and these proposals were formally presented to C-RAC on April 13, 2010 in Webb County, Texas to receive their comments and suggestions in fulfillment of C-RAC's obligation to the Department's Governing Board. Due to a variety of scheduling conflicts the Board meeting was moved from May 13<sup>th</sup> to May 12<sup>th</sup>. Section 2306.585(b) of the Texas Government Code requires a Colonia Self Help Center contract be awarded 30 days after the C-RAC meeting is held. Since the C-RAC meeting was held on April 13, 2010, staff is recommending the Board authorize the Executive Director to approve or deny the award to Val Verde County in order to comply with the 30 day requirement.

### **Colonia SHC Funding**

The Colonia SHCs are funded through a 2.5% set-aside (approximately \$1.8 million per year) of the annual Texas Community Development Block Grant (TxCDBG) non-entitlement allocation to the state of Texas. The management of TxCDBG funds is dictated through a Memorandum of Understanding (MOU) between the Texas Department of Rural Affairs (TDRA), which receives the allocation from the US Department of Housing and Urban Development (HUD), and TDHCA to implement the Colonia SHC Program. The Colonia SHC contracts are four-year contracts as specified by statute; however, if contractor localities are able to complete all contractual requirements before the expiration of the four-year contract period, they may submit a proposal for a new contract. Proposals for new funding will be placed on a first-come, first-serve waiting list until there is sufficient funding available.

### **Colonia SHC Award Descriptions**

#### **Val Verde County**

This will be Val Verde County's fifth Colonia SHC contract.

**Contractor:** Val Verde County  
**Contact:** The Honorable Mike L. Fernandez, County Judge  
**Address:** Post Office Box 4250 / 400 Pecan Street (78840)  
Del Rio, TX 78841-4250

**Purpose of Contract:** The County of Val Verde shall provide housing and community development to the following colonias: Val Verde Park Estates, Villarreal Addition, Cienegas

Terrace Subdivision, Chaparral Hills and Brewer (Owens I & II, Payment). The County proposes to do the following housing and community development activities:

Performance activity	Proposed	Budget
<b>Public Service</b>		<b>\$157,000.00</b>
• Construction Skills Training	20 classes	
• Solid Waste Removal	6 activities	
• Tool Library Program	1 library	
• Homeownership Classes	15 classes	
• Technology Access	15 classes	
<b>Residential Rehabilitation</b>		<b>\$643,000.00</b>
• Rehabilitation	25 homes	\$458,000.00
• Accessibility/self-help small home repair	37 homes	\$185,000.00
<b>Residential Reconstruction (Not Feasible for Rehab)</b>	4 homes	<b>\$200,000.00</b>
<b>Homeownership Assistance</b>	4 homes	<b>\$20,000.00</b>
<b>Administration</b>		<b>\$180,000.00</b>
<b>Total</b>		<b>\$1,200,000.00</b>

The Colonia SHC contract will benefit five thousand nine hundred twenty-three (5,923) persons of which five thousand nine hundred twenty-three (5,923) or one hundred percent (100%) are of low to moderate income.

### **Val Verde's County's Previous Performance**

The county's current contracts (two contracts representing one award) ended on May 1, 2010. The county has been monitored by the Department's Portfolio Management and Compliance Division and received no findings. The county has successfully completed three contracts representing two awards.

**OFFICE OF COLONIA INITIATIVES**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve new members of Colonia Resident Advisory Committee (C-RAC).

**RESOLVED**, that Margarita Jauregui is hereby appointed as the primary representative of El Paso County on the Colonia Resident Advisory Committee and Maria Vargas is hereby appointed as the secondary representative on that committee for El Paso County.

**Background**

The Texas Department of Housing and Community Affairs (the "Department") is required to establish Colonia Self-Help Centers under Chapter 2306, Subchapter Z of the Texas Government Code to provide on-site technical assistance to improve the quality of life for colonia residents located in five counties (El Paso, Webb, Starr, Hidalgo, and Cameron/Willacy). Additionally, the Department is authorized to establish other Colonia Self-Help Centers if it determines it is necessary and appropriate. Since the creation of the program in 1995, two additional Colonia Self-Help Centers have been established in Maverick and Val Verde Counties. Five colonias within each county are selected to receive concentrated technical assistance in the areas of housing rehabilitation, new construction, surveying and platting, construction skills training, tool library access for self-help, housing, finance, credit and debt counseling, grant preparation, infrastructure constructions, contract-for-deed conversions, and capital access for mortgages and other improvements. To date, the Department oversees seven Colonia Self-Help Centers along the Texas-Mexico border region located in El Paso, Webb, Hidalgo, Starr, Cameron/Willacy, Maverick and Val Verde Counties.

The Legislature also mandated that 2.5% of the Texas Community Development Block Grant (CDBG) annual allocation be set aside for this program. The Department's Governing Board is required under Section 2306.584 of the Texas Government Code to appoint at least five persons who are residents of colonias to serve on a Colonia Resident Advisory Committee. These members must reside in a colonia in the county the member represents, and may not be a board member, contractor, or employee of, or have any ownership interest in an entity that is awarded a contract under the Colonia Self-Help Center Program. The individuals recommended were provided by the county with input from local nonprofit organizations.

The Colonia Resident Advisory Committee is required to advise the Department's Governing Board and evaluate the needs of colonia residents, review programs that are proposed or operated through the Colonia Self-Help Centers and activities that may be undertaken through the Colonia Self-Help Centers to better serve the needs of colonia residents. The Colonia Resident Advisory Committee is

required to meet 30 days before the Colonia Self Help Center contract is scheduled to be award by the Department's Governing Board and may meet at other times. The Colonia Resident Advisory Committee will be composed of two persons from each county designated to have a Colonia Self-Help Center. The term of service on the Colonia Resident Advisory Committee shall be for four (4) years.

Current C-RAC members and their term limits:

Primary	Secondary
<b>Cameron County – Terms end 4/23/2013</b>	
Jose Luis Almazan 9301 Alaska Brownsville, Texas 78521 (956) 639-1958	Rosa Bodden P.O. Box 644 Port Isabel, Texas 78578 (956) 943-8594
<b>Willacy County – Terms end 4/23/2013</b>	
Manuel Carlos Valles 1589 N. Monterrey Street Raymondville, Texas 78580 (843) 439-5578	Raul Ramirez 1604 N. Monterrey Street Raymondville, Texas 78580 (956) 398-7050
<b>Hidalgo County – Terms end 4/23/2013</b>	
Yolanda Hernandez P.O. Box 8112 Alamo, Texas 78516 (956) 782-4929	Juan Pena 4521 Jerry St. Mission, Texas 78573 (956) 907-0861
<b>Webb County – Terms end 4/23/2013</b>	
Amelia R. Juarez Rt 3 Box 27H San Enrique HWY 359 Laredo, Texas 78043 (956) 220-1661	Amelia M. Rodríguez Rt 3 Box 27H San Enrique 359 Laredo, Texas 78043 (956) 220-1194
<b>Starr County – Terms end 4/23/2013</b>	
DeWitt Jones 6163 FM 1430 Rio Grande City, Texas 78582 No Number	Rosabel Alvarez 51 Ladrillera Rd Rio Grande City, Texas 78582 (956) 487-5925
<b>El Paso County</b>	
<b>Maverick County – Terms end 4/23/2013</b>	
Jerry Chacon 1721 Coyunda Street Eagle Pass, Texas 78852 (830) 752-1874	Dora Lucia Contreras 2030 Boulder Ridge St. Eagle Pass, Texas 78852 (830) 757-3652
<b>Val Verde County – Terms end 4/23/2013</b>	
Luz Saucedo Licerio 210 Denise Drive	Eva Cortazzo HCR 2-Box 137

Del Rio, Texas 78840 (830) 298-1705	Del Rio, Texas 78840 (830) 774-4463
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Approval of the following recommendations will allow the Department to carry out the requirements of the Colonia Self Help Center Program and Colonia Resident Advisory Committee. Previous El Paso County C-RAC members Hector Ramos and Guillermo Garcia resigned on March 5, 2010.

**El Paso County**

**Primary**

Margarita Jauregui  
108 Kila  
El Paso, Texas 79928  
(915) 852-5003

**Secondary**

Maria Vargas  
645 Agua Clara  
El Paso, Texas 79928  
(915) 852-8031

**Recommendation**

Approve or approve with modifications the recommended El Paso County Colonia Resident Advisory Committee Members.



# NEIGHBORHOOD STABILIZATION PROGRAM

## BOARD ACTION REQUEST

May 12, 2010

### Action Items

Approval of the final Texas Neighborhood Stabilization Program Rule

**RESOLVED**, that the adoption of the proposed new 10 TAC, Part 1, Chapter 9, Texas Neighborhood Stabilization Program Rule, is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing 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 Texas Neighborhood Stabilization Program Rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary 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 (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. Program funds have been obligated to subrecipients. The purpose of the action item is to approve the final program rules for the NSP, a new program.

Program rules are necessary to effectively monitor the activities under the NSP, to ensure that program benchmarks are achieved and NSP funds are expended in a timely manner. The contracts between the Department and NSP Subrecipients already include performance benchmarks; however, the Department will be better able to enforce contract performance under the rules. Furthermore, the proposed rules contain mechanisms for program administration and contract changes including the method for deobligation and reobligation/reallocation of funds that were not discussed in the Notice of Funding Availability – the current regulatory document for the Texas NSP.

The draft NSP rules were approved for publication on January 20, 2010. The public comment period was announced, and the draft rule published on the NSP webpage as well as in the *Texas Register*. No comments were received in response to publication.

The final rules include three changes made to address technical corrections in the draft NSP rules. The rules describe contractual milestones and thresholds for the initial round of NSP subrecipient contracts. The milestones and thresholds as published did not allow for variations in timelines necessary for subsequent contracts. The technical error has been corrected by the addition of new §9.3(a)(1)(H) noting that Activity milestone dates are established in each NSP contract, and §9.3(a)(2)(G) requiring that Threshold dates are established in each NSP contract. Additionally, §9.6(a) has been edited to add the language “or redistributed under new Contracts”.

The Texas Department of Housing and Community Affairs (the “Department”) adopts new 10 TAC, Chapter 9, §§9.1 - 9.6, concerning the Texas Neighborhood Stabilization Program, with changes to text as published in the February 5, 2010 issue of the Texas Register (35 TexReg 732), and will not be republished.

Written comments were accepted by mail, e-mail, and facsimile through April 8, 2010.

No public comments were received concerning the proposed new sections. Staff has made three changes to address technical corrections allowing for variations in contractual timelines in order to effectively complete the Texas NSP. The technical error has been corrected by the addition of new §9.3(a)(1)(H) noting that Activity milestone dates are established in each NSP contract, and §9.3(a)(2)(G) requiring that Threshold dates are established in each NSP contract. Additionally, §9.6(a) has been edited to add “or redistributed under new Contracts”.

The Board approved the final order adopting the new sections on May 12, 2010.

The new sections are adopted 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.

#### *§9.1.Purpose.*

This chapter clarifies the administration of the Texas Neighborhood Stabilization Program (Texas NSP). Texas NSP funds are administered by the Texas Department of Housing and Community Affairs (Department) in partnership with the Texas Department of Rural Affairs (TDRA). The Texas NSP awards funding to Subrecipients to acquire foreclosed or abandoned property in order to redevelop that property to prevent it from otherwise becoming a source of blight and a contributor to declining property values.

#### *§9.2.Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Department--The Texas Department of Housing and Community Affairs.
- (2) Executive Director--Executive Directors of either the Texas Department of Housing and Community Affairs or the Texas Department of Rural Affairs.
- (3) Expended--For the purposes of contract benchmarks, "Expended" means that a complete drawdown request is submitted with back-up documentation adequate to process a draw; it is not necessary for staff to have processed a draw to meet a benchmark. For all other purposes, "Expended" means that an eligible cost was incurred and staff has processed a draw to reimburse the expense with Texas NSP funds.
- (4) Board--The Governing Board of the Department.
- (5) HUD--U.S. Department of Housing and Urban Development.

(6) Land Bank--A governmental or nongovernmental nonprofit organization established, at least in part, to assemble, temporarily manage and dispose of vacant land for the purposes of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

(7) NOFA--Notice of Funding Availability.

(8) Obligated--When NSP funding has been encumbered through contracts for goods, services or acquisition of property or other forms of similar transactions requiring payment that have been determined by the Department to meet NSP requirements.

(9) Subrecipient--Units of General Local Government and nonprofit organizations with whom the Department contracts and provides funding in order to undertake activities eligible for such assistance.

(10) TDRA--Texas Department of Rural Affairs.

(11) Texas NSP--Texas Neighborhood Stabilization Program.

(12) The "State"--Collectively refers to either or both the Texas Department of Housing and Community Affairs and the Texas Department of Rural Affairs.

### *§9.3. General Provisions.*

(a) The contract term is based upon varying types of activities included in the contract between the State and the State's Subrecipient. Exhibit C, Project Implementation Schedule, of the contract, provides an outline of activity-specific timelines, milestones and thresholds.

(1) Milestones. Performance under the contract will be evaluated according to the following benchmarks from the contract begin date:

(A) Three-month milestone. If performing a tiered environmental review, the broad portion of the tiered review (necessary to receive general environmental clearance), must be submitted to the State;

(B) Six-month milestone. Funds designated in Exhibit B, Budget, of the contract, as acquisition funds must be 100% Obligated through purchase contract offers; site-specific environmental reviews must be submitted to the State; addresses (activities) must be set-up in the Department's housing contract system; a complete environmental assessment must be submitted to the State (if not performing a tiered review);

(C) Nine-month milestone. All contract funds must be 100% Obligated. The Nine-month Milestone is a contract benchmark established to ensure that the State will meet the eighteen-month requirement placed upon the State by the U.S. Department of Housing and Urban Development (HUD) through the grant agreement to obligate 100% of NSP funds. The eighteen-month obligation requirement started when the grant agreement was executed by HUD on March 3, 2009 and is due to be met on September 3, 2010. Failure to meet the nine-month benchmark will subject the Subrecipient to the requirements found in §9.5 of this chapter (relating to Sanctions/Deobligation);

(D) Twelve-month milestone. All rehabilitation, reconstruction and/or new construction activities must be initiated. If Davis-Bacon Labor Standards (40 U.S.C. §§3141 et seq.) are required for construction activities, a Start of Construction form evidences compliance. If Labor Standards are not required, an adequately documented drawdown request for construction expenses evidences compliance;

(E) Twenty-four-month milestone. All rehabilitation, reconstruction and/or new construction activities must be completed and in final NSP-eligible use; loan repayment to the Department must be initiated or completed;

(F) Thirty-six-month milestone. Repayment by the Subrecipient to the Department for Eligible Use e, Redevelopment, activities must be complete (refer to Texas NSP NOFA published in the March 27, 2009, issue of the *Texas Register* (34 TexReg 2174)); and

(G) One hundred-twenty-month milestone. All land banked properties must be in final NSP-eligible use. Repayment by Subrecipient to the Department for Land Bank activities must be complete.

(H) Activity milestone dated are established in each NSP contract. Subrecipients must comply with the milestone requirement as determined in the contract, which shall not be any longer than the milestones listed in §9.3 (a)(1)(A-G)

(2) Thresholds. Expenditures of funds as budgeted in Exhibit B, Budget, of the contract, will be controlled according to the following benchmarks from the contract begin date:

(A) Nine-month threshold. This threshold applies only to contracts performing financing mechanisms without acquisition of property or demolition of blighted structures. Financing mechanisms only and/or demolition activities must be 30% Expended;

(B) Twelve-month threshold. Contract must be 30% Expended;

(C) Fifteen-month threshold. This threshold applies only to contracts performing financing mechanisms without acquisition of property or demolition of blighted structures. Financing mechanisms only and/or demolition activities must be 100% Expended;

(D) Eighteen-month threshold. Contract must be 70% Expended;

(E) Twenty-four-month threshold. Contract must be 100% Expended less any administrative funds designated for ongoing support of Land Bank activities, the administrative retainage and any other reservations of administrative funds approved by the State on contract close-out documents; and

(F) Forty-three-month Threshold. All administrative funds for ongoing support of Land Bank activities must be Expended less the required administrative retainage.

(G) Threshold dates are established in each NSP contract. Subrecipients must comply with the threshold requirements as determined in the contract, which shall not be any longer than the milestones listed in §9.3 (a)(2)(A-F).

(b) Administrative Threshold. Administrative draw requests are funded from the administration line item in Exhibit B, Budget, of the contract. Reimbursement of eligible administrative expenses is regulated as follows:

(1) Threshold 1. The initial administrative draw request allows up to 10% of the administration line item to be drawn down prior to the start of any project activity included in the performance statement of the contract (provided that all pre-draw requirements, as described in the contract, for administration have been met). Subsequent administrative expenditures will be reimbursed in the percentage amounts indicated, provided that all contract benchmark requirements have been met, as identified in subsection (a)(1) - (2) of this section;

(2) Threshold 2. Subsequent administrative draw requests are allowed in proportion to the direct project funds drawn on the contract; up to 90% of the total administrative line item. The cumulative total percentage of administrative funds requested may not exceed the cumulative total percentage of project funds Expended for hard and soft costs directly attributable to activities under the contract;

(3) Threshold 3. The final 10% of the administrative line item is the administrative retainage. Half of the retainage or, in other words, an additional 5% (95% of the total), may be drawn down after submission of complete contract close-out documents;

(4) Threshold 4. The final 5% (100% of the total), less any administrative funds reserved for audit costs as noted on the Project Completion Report, may be drawn down following receipt of the programmatic contract close-out letter issued by the State; and

(5) Threshold 5. Any funds reserved for audit costs will be released upon completion and submission of an acceptable audit and a documented drawdown request for the expenses. Only the portion of audit expenses reasonably attributable to the contract is eligible.

(c) Forbearances. Contract expenditure thresholds and milestones are included in Exhibit C, Project Implementation Schedule, of the contract; violations of which will subject the Subrecipient to the requirements found in §9.5 of this chapter (relating to Sanctions/Deobligation). At the Department's discretion, forbearances of thresholds and milestones may be granted upon request and documentation of extenuating circumstances.

(d) Waivers. Program administrative regulations set in the Texas NSP NOFA published in the March 27, 2009, issue of the *Texas Register* (34 TexReg 2174), by the Department's Governing Board or terms in the contract may be waived by the Department, acting by and through its Executive Director or his/her designee, up to the limits of Texas NSP regulations and guidance as previously established, periodically updated or updated in the future by HUD. The Executive Director or his/her designee may waive the Texas NSP purchase discount to the limits of the purchase discount as allowed by the NSP Bridge Notice. The Texas NSP NOFA and the NSP *Federal Register* Notice (Docket No. FR-5255-N-01) published in the *Federal Register* (73 FR 58330), require a minimum discount of 5% for any individual property and 15% for a portfolio of properties to be acquired utilizing Texas NSP funds. (If only acquiring one property, the one property constitutes a portfolio.) The NSP Bridge Notice allows for up to a 1% discount for individual properties and portfolios.

#### *§9.4.Amendments.*

The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any program written agreement provided that:

- (1) Contract Time Extensions. Initial one-time extensions of up to one (1) year may be granted due to extenuating circumstances demonstrated by the Subrecipient;
- (2) Contract Modifications and Amendments. Modifications or amendments to the Exhibits of the contract may be approved provided that the changes do not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department;
- (3) Award Increase. Up to a 25% increase in individual contracts may be added to the funding originally awarded by the Department's Governing Board. Requests for increases in funding will be evaluated by staff on a first-come, first-served basis to assess the administrative capacity to manage additional funding, the demonstrated need for additional funding in the designated service areas and the ability of the increase in funding to contribute to the stabilization of neighborhoods. The minimum requirement for an increase in funding will be adherence to Contract benchmarks and reporting requirements. Qualifying requests will be recommended to the Executive Director; and
- (4) Any amendments requests exceeding the above parameters may be taken to a regularly scheduled meeting of the Department's Governing Board for consideration.

#### *§9.5.Sanctions/Deobligation.*

The Department will apply §1.19 of this title (relating to Deobligated Funds), if applicable. Funds deobligated from Texas NSP contracts must be reassigned to NSP-eligible uses.

#### *§9.6.Reassignment of Funds.*

- (a) Funds deobligated prior to and due to the requirements of the nine-month milestone will be reassigned to existing Contracts following the Amendment procedure or redistributed under new Contracts.
- (b) Funds deobligated after the nine-month milestone may either be reassigned utilizing the Amendment procedure or be subject to redistribution through a methodology to be approved by the Department's Governing Board.

**HOUSING RESOURCE CENTER  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Approve for publication in the *Texas Register* a final order adopting a new 10 TAC, Chapter 1, Subchapter A, §1.11, Housing and Health Services Coordination Council, Definition of Service-Enriched Housing.

**RESOLVED**, that the adoption of the proposed new 10 TAC, Chapter 1, Subchapter A, §1.11, Housing and Health Services Coordination Council, Definition of Service-Enriched Housing, is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing 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 Housing and Health Services Coordination Council rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, 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, "With the advice and assistance of the council, the department by rule shall define "service-enriched housing" for the purposes of this subchapter."

The Department accepted public comment on the proposed rule as published March 26, 2010 in the *Texas Register* through April 26, 2010. This rule ensures compliance with all statutory requirements, incorporates public input, and includes recommendations for revisions of necessary policy and administrative changes to further enhance operations. The proposed definition was approved by the HHSCC at their March 2, 2010 Council meeting.



## **Attachment A: Preamble and §1.11**

The Texas Department of Housing and Community Affairs (the “Department”) adopts new 10 TAC, Chapter 1, Subchapter A, §1.11 concerning the Definition of Service-Enriched Housing, without changes to text as published in the March 26, 2010 issue of the *Texas Register* (35 TexReg 2430), and will not be republished.

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 purpose of the new section is to define service enriched housing in order to direct the work of the Housing and Health Services Coordination Council and its work products, including the biennial plan. This new section accomplishes the purposes of Legislature because it defines the scope and content of “service-enriched housing” providing a focus for future work of the council and the Department.

Public comments were accepted through April 26, 2010. No comments were received concerning the proposed new section. Therefore, staff recommended adopting the section as proposed.

The Board approved the final order adopting the new section on May 12, 2010.

The new section is adopted pursuant to the authority of the Texas Government Code, §2306.1091(b) which requires the Department, with the advice and assistance of the council to define “service-enriched housing.”

### **§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**  
**May 12, 2010**

**RECOMMENDED ACTION**

Approve for publication in the *Texas Register* a final order adopting amendments to 10 TAC, Chapter 5, Subchapters A, B, C, D, and G, regulations related to Community Affairs Programs.

**RESOLVED**, that the final order adopting amendments to 10 TAC, Chapter 5, Subchapters A, B, C, D, and G, regulations related to Community Affairs Programs, is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing 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 amendments to 10 TAC, Chapter 5, Subchapters A, B, C, D, and G, regulations related to Community Affairs Programs, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of subchapter specific preambles.

**Background**

Staff is recommending through these rules that specified Community Affairs program rules proposed amendments be adopted. The final rules incorporate public comment received, program changes, preexisting guidance and state and federal statutory requirements.

The Board approved the proposed amendments at the March meeting to be published in order to receive public comment. In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and provided a reasoned response to each comment received.

## **Attachment A: Preamble, Reasoned Response, and Rule**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC, Chapter 5, Subchapters A, B, C, D, and G, regulations related to Community Affairs Programs, with changes to the text as published in the March 26, 2010 issue of the *Texas Register* (34 TexReg 2439): Subchapter A, §5.22; and Subchapter D, §§5.422, 5.423(g) and 5.426. No change was made to the text as published in the *Texas Register* on March 26, 2010 (34 TexReg 2439) to Subchapter A, §5.16; Subchapter B, §5.207; and Subchapter D, §5.423(d)(5).

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.

The purpose of the new section is to incorporate program changes, preexisting guidance and state and federal statutory requirements.

Public comments were accepted through April 26, 2010, with comments received from Stella Rodriguez, Executive Director of the Texas Association of Community Action Agencies, Inc, and A.R. Kampschafer, Contract Manager for Community Services, Inc. Staff has reviewed the comments and has provided reasoned responses.

The Board approved the final order adopting the new section on May 12, 2010.

The new section is adopted pursuant to the authority §2306of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs

### **Reasoned Response to Public Comment on the Proposed Amendments to 10 TAC Chapter 5, Community Affairs Rules**

The Texas Department of Housing and Community Affairs (the “Department”) received comments to the proposed amendments in writing by email. This document provides the Department’s response to all comments received. The comments and responses include both administrative clarifications and corrections to the amendments recommended by staff and substantive comments on the amendments and the corresponding Departmental responses. Comments and responses are presented in the order they appear in the rules. If comment resulted in recommended language changes to the proposed amendment as presented to the Board in March, those new language changes are highlighted. Copies of the two comment letters provided are included.

## **Subchapter A, §5.16 – Monitoring of Subrecipients.**

**Comment Summary:** Comment recommends the following new language:

(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 **postmark** date of the monitoring report.

**Staff Response:** It is the policy of the Community Affairs Division that all letters with deadlines be transmitted electronically on the date they are drafted. Hard copies are sent in the next out-going mail. Consequently, subrecipients will receive a copy of the letter on the same day as the date on the letter. The Department has no way of tracking when a letter is postmarked and enforcing the 45 day response requirement. However, by transmitting the letter electronically, the Department is able to determine when the letter was sent and the subrecipient receives the letter in a timely manner. Staff recommends no change based on this comment.

## **Subchapter A, §5.22 - Offsite Record Retention.**

**Comment Summary:** Commenter states that offsite location may be cost prohibitive. Furthermore, less control in ensuring security of records is achieved when files are kept offsite. Commenter recommends the following new language:

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 **subrecipient** organization policies and procedures.

**Staff Response:** Staff agrees that in some cases, offsite storage of physical client records may be cost prohibitive, especially in rural areas where locations for offsite storage may be limited. However, due the loss of files in fires, floods, and natural disasters, staff believes that subrecipient organizations should investigate off-site storage of physical files. Staff has found that the cost to backup computer files is not prohibitive. Staff recommends amending the language as follows:

Client Records. The Department requires subrecipient organizations that administer Community Affairs Programs and serve clients to document client services. Subrecipient organizations must arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in

a manner that ensures confidentiality and in accordance with subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from subrecipient headquarters in a manner that ensures confidentiality and in accordance with subrecipient organization policies and procedures.

#### **Subchapter B, §5.207 – Subrecipient Performance.**

**Comment Summary:** Commenter recommends the following new language:

(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 should** 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. Subrecipient organizations 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.** The Department may require a subrecipient to submit a written justification for a variance of greater than plus or minus 20% of persons served as compared to the percentage of eligible persons by county.

**Staff Response:** Per Section 3 of the contract between the Department and the CSBG Subrecipient, Subrecipients are required to operate on an equitable basis throughout the Subrecipient’s service area. A violation of any section of the contract between the Department and the Subrecipient results in a finding. This proposed revision to the rule clarifies what constitutes “equitable service”, therefore the Department staff recommends that the language pertaining to a variance of greater than plus or minus 20% resulting in a finding remain in the rule to ensure clear applicability for the Subrecipients. Staff recommends no change based on this comment.

#### **Subchapter D, §5.422 – General Assistance and Benefit Levels. (1, 2)**

**Comment Summary:** One commenter praises the Department for the increased benefit levels; the other recommends the following new language:

(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 \$1,600~~1,200~~.

(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 \$1,400~~1,100~~.

(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~~1,000~~.

(D) The Heating and Cooling System Replacement, Repair, and/or Retrofit Component maximum household benefit limit is \$6,000~~5,000~~.

- (e) Subrecipient shall not establish lower local limits of assistance for any component.
- (f) Total maximum possible annual household benefit (all components combined) equals **\$10,200** ~~\$10,800~~,600.

**Staff Response:** Staff thanks the commenter for recognizing staff's addition error. The total maximum possible annual household benefit should be \$10,200, and staff recommends accepting the other language change recommended by the commenter as well.

**Subchapter D, §5.423. - Energy Crisis Component. (1, 2)**

**(The commenter cited §5.422 – General Assistance and Benefit Levels, which is not the correct citation for the comment made.)**

**Comment Summary:** Commenter questions the removal of the requirement for good payment history prior to the emergency situation as a condition for energy crisis assistance, as he believes it undermines the intent of the program and places a burden on Subrecipients.

**Staff Response:** 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. Staff believes that during an energy crisis, Subrecipients should act with all urgency to provide assistance to households regardless of payment history. Staff recommends no change based on this comment.

**Comment Summary:** One commenter praises the Department for increasing the fuel delivery to 250 gallons; the other recommends the following new language:

(d)(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. **Persons over age 70 or under age 6 are exempt from the medical statement requirement due to vulnerability to temperature changes.** A doctor's statement or prior written approval from the Department is required.

**Staff Response:** Households with elderly and young children are given priority in other components of the Comprehensive Energy Assistance Program, but none of the requirements are waived in any of the components. The medical statement is used to identify those households where any occupant may be at some medical risk during a crisis period. Staff does not believe that households including persons over age 70 and under age 6 will necessarily have such need. Staff recommends no change based on this comment.

**Subchapter D, §5.423. - Energy Crisis Component.**

**Comment Summary:** Commenter states that end of day requirements on a Friday, which often occurs, cannot be resolved until the next business day. Commenter recommends the following new language:

(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 **business**-hour time limit (18 **business** hours in life-threatening 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.

**Staff Response:** Staff agrees that the time limits may not be met if the request is received on a Friday. However, if the language was undated as the commenter recommends, a request received on a Friday might not be met until the following Thursday. Staff recommends amending the language as follows:

(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 life-threatening 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. For applications for assistance received on Fridays after 12:00 p.m. local time, the application process must be completed prior to 12:00 p.m. local time on the following Monday.

#### **Subchapter D, §5.426. - Heating and Cooling Component. (1, 2)**

**Comment Summary:** Commenters state that this change is recommended for consistency with previous proposed change. Commenters recommend the following new language:

(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** **\$6,000**.

**Staff Response:** Staff agrees that this change should be made. Staff recommends accepting the language change recommended by the commenters.

Commenters:

1	Stella Rodriguez, Texas Association of Community Action Agencies
2	A.R. Kampschafer, Community Services, Inc.



**Attachment B - 10 TAC, Chapter 5, Subchapters A, B, C, D, and G**

Subchapter A. GENERAL PROVISIONS

**10 TAC §§5.12, 5.16, 5.21, 5.22**

*§5.12. Purchases.*

Purchases of personal property, equipment, goods or services with a unit acquisition cost of over \$5,000 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.

*§5.16. Monitoring of Subrecipients.*

(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 forty-five (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 mailing address), phone number (different from the organization's phone number), fax number (if applicable), and the direct e-mail address for the board chair.

#### *§5.22.Offsite Record Retention.*

Client Records. The Department requires subrecipient organizations that administer Community Affairs Programs and serve clients to document client services. Subrecipient organizations must ~~and to~~ arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in an manner that ensures confidentiality and in accordance with subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from subrecipient headquarters, in a secure space in a

manner that ensures confidentiality and in accordance with subrecipient organization policies and procedures. ~~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.~~

Subchapter B. COMMUNITY SERVICES BLOCK GRANT (CSBG)

**10 TAC §§5.204, 5.207, 5.211, 5.213**

*§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, 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.

*§5.207. Subrecipient Performance.*

(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 fifteenth (15th) 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 fifteenth (15th) 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](http://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.

*§5.213.Board Structure.*

(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 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 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. Pursuant to §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; 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 state-specified 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 education districts and other major groups and interests in the community served.

Subchapter C. EMERGENCY SHELTER GRANTS PROGRAM (ESGP)

**10 TAC §5.311**

*§5.311.Reports.*

(a) The ESGP contract requires subrecipients to submit the Monthly Expenditure Report and Monthly Performance Report no later than the fifteenth (15th) 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 (15th) 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](http://www.tdhca.state.tx.us), under "Interactive" "Contractor Tools".

Subchapter D. COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

**10 TAC §§5.422, 5.423, 5.425, 5.426**

*§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 \$1,600;

(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 \$1,400;

(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; and

(D) The Heating and Cooling System Replacement, Repair, and/or Retrofit Component maximum household benefit limit is \$6,000.

(e) Subrecipient shall not establish lower local limits of assistance for any component.

(f) Total maximum possible annual household benefit (all components combined) equals \$10,200.

(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.

(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 250 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 life-threatening 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. For applications for assistance received on Fridays after 12:00 p.m. local time, the application process must be completed prior to 12:00 p.m. local time on the following Monday.

(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 eight 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. Refrigerators manufactured after 1993 need to be evaluated utilizing the Department's refrigerator assessment tool. Other eligible activities may include installation of Energy Star® rated ceiling fans, replacement of air filters, installation of compact fluorescent lights (CFLs) and water savers.

(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 \$6,000.

(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.

Subchapter G. WEATHERIZATION ASSISTANCE PROGRAM LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

**10 TAC §5.705**

*§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 manufactured after 1993 that have an SIR of one or greater in Energy Audit or the Department's refrigerator assessment tool.

# Texas Association of Community Action Agencies, Inc.

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www.tacaa.org  
tacaa@tacaa.org

Date: April 26, 2010  
To: Texas Department of Housing and Community Affairs  
From: Texas Association of Community Action Agencies (TACAA)  
Subject: Comments regarding proposed amendments to 10 TAC, Chapter 5. Community Affairs  
Via: tdhcarulecomments@tdhca.state.tx.us

TACAA respectfully submits the following recommendations for consideration regarding proposed amendments to 10 TAC, Chapter 5. Community Affairs. Proposed language is in bold red text.

## SUBCHAPTER A. GENERAL PROVISIONS

### *§5.16. Monitoring of Subrecipients.*

(a)(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 forty-five (45) calendar days from the **postmark** date of the monitoring report.

### *§5.22. Offsite Record Retention.*

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 **subrecipient** organization policies and procedures.

**Comment: offsite location may be cost prohibitive. Furthermore, less control in ensuring security of records is achieved when files are kept offsite.**

### *§5.207. Subrecipient Performance.*

(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 should** 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. Subrecipient organizations 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 served by the subrecipient organization. The Department may require a subrecipient to submit a written justification for a variance of greater than plus or minus 20% of persons served as compared to the percentage of eligible persons by county.**

## SUBCHAPTER D. COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

### §5.422. General Assistance and Benefit Levels.

(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 \$1,600; [~~1,200~~]

(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 \$1,400; [~~1,100~~]

(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; and [~~1,000~~]

(D) The Heating and Cooling System Replacement, Repair, and/or Retrofit Component maximum household benefit limit is \$ 6,000 [~~5,000~~].

(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 [~~\$10,800~~].

### §5.422. General Assistance and Benefit Levels.

(d)(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. Persons over age 70 or under age 6 are exempt from the medical statement requirement due to vulnerability to temperature changes. A doctor's statement or prior written approval from the Department is required.

(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 business hour time limit (18 business hours in life-threatening 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.

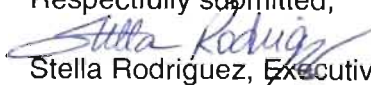
**Comment: end of day requests on a Friday, which often occurs, cannot be resolved until the next business day.**

### §5.426. Heating and Cooling Component.

(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~~ \$6,000.

**Comment: for consistency with previous proposed change.**

Respectfully submitted,

  
Stella Rodriguez, Executive Director

COMMUNITY SERVICES PAGE 01/01

# Community Services, Inc.

Toll Free / 800-831-9929 Office / 903-872-2401 Fax / 903-872-0254

P.O. Box 612 • Corsicana, Texas 75151-0612

*Created to Serve*



Helping People. Changing Lives.

To whom it may Concern:

4-21-2010



The following comments are submitted regarding the Proposed Texas Administrative Code (TAC) rules as published in the March 26, 2010 Texas Register:

Chapter 5.

Sect. 5.422 & 5.423: CSI commends TDHCA for the increases in allowable limits, especially the \$1000 increase for heating & cooling system work and the increase in fuel delivery to 250 gallons. Without the increase in heating & cooling system, no heat-pump systems over 3.5 tons could be replaced with Energy- Star rated units.

Sect. 5.423(b): CSI questions the removal of the requirement for a good payment history prior to the emergency situation as a condition for energy crisis payments. ECIP was intended to be a crisis assistance program, not a subsidy program. In addition, removing this condition will make it more difficult for CEAP agencies to meet the reduced time-to-pay period required by utilities for customers with poor payment histories.

Sect. 5.423(d)(2): CSI requests clarification- are large (18000-24000 BTU) window A/C units considered portable, even when they are sealed in place?

Sect 5.426(g): The benefit amount should be changed to \$6000, to agree with 5.422(d)(2)(D).

Sect. 5.902(c): New Providers (contracted after 3/12/2010) should have periodic production and expenditure percentage targets as specified for Subrecipients in (b)(1) thru (b)(9). Why are the New Providers less specific? TDHCA should treat both groups equally.

Sect. 5.902(g): Why bother with (a) thru (f) if, in accordance with this Section, the Department can do whatever it wants just because it "believes" there is a "significant" risk? Please define, in Section 5.901, "Department believes" and "significant" as used in this context.

Sect. 5.905(c)(2): Why would TDHCA re-obligate funds to a Subrecipient who has not met their 35% requirement as specified in 5.902(b)(4)? And why are there no specific % production schedule requirements for New Providers to meet to be eligible for re-obligated funds? This is another example of unequal treatment of the two groups, with the more stringent requirements on the Subrecipients in both examples.

A.R. Kampschafer  
Contract Manager

A handwritten signature in black ink, appearing to read "ARK" with a stylized flourish.

A Texas Non Profit Organization

**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 2010**

**RECOMMENDED ACTION**

Approve for publication in the *Texas Register* a final order adopting a 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).

**RESOLVED**, that the adoption of the 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) is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing 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 WAP ARRA rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, 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 WAP ARRA. Because of the urgent timelines and significant increase of funds, the Department proposed the adoption of rules to provide for the process and criteria to be used for WAP ARRA 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). Chapter 5, Subchapter I, §§5.900 – 5.905 is adopted 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.

The proposed rule was published in the March 26, 2010 issue of the *Texas Register* to allow for public comment. The public comment period closed on April 26, 2010, with comments received from one person. A public hearing to receive input on the proposed rule was held on April 9, 2010 with no public input received as summarized in Attachment A, Reasoned Response.



## **Attachment A: Preamble, Reasoned Response, and Rule**

The Texas Department of Housing and Community Affairs (the “Department”) adopts 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), without changes to text as published in the *Texas Register* on March 26, 2010 (35 TexReg 2439), and will not be republished.

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 WAP ARRA. Because of the urgent timelines and significant increase of funds, the Department proposed the adoption of rules to provide for the process and criteria to be used for WAP ARRA funds in deobligation of a commitment of funds from a contract, and subsequent reobligation of those funds.

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 (3) years. If these timeframes are not complied with, the State and the Texans served are at risk of losing this funding. The purpose of the new section is 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 reobligation of WAP funds.

Public comments were accepted through April 26, 2010, with comments received from A.R. Kampschafer, Contract Manager for Community Services, Inc., and John Henneberger, Co-Director of Texas Low Income Housing Information Service. Staff reviewed the comments and determined that they do not warrant any change to the sections as published. Therefore, staff recommended adopting the sections as proposed.

The Board approved the final order adopting the new sections on May 12, 2010.

The new sections are adopted pursuant to the authority §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.

**Reasoned Response to Public Comment on the Proposed Adoption of 10 TAC Chapter 5, Subsection I, Deobligation and Reobligation of Funds for Department of Energy Weatherization Assistance Program under the American Recovery and Reinvestment Act.**

The Texas Department of Housing and Community Affairs (the “Department”) accepted comments to the proposed rule in writing. This document provides the Department’s response to all comments received. The comments and responses include both administrative clarifications and corrections to the amendments recommended by staff and substantive comments on the amendments and the corresponding Departmental responses. Comments and responses are presented in the order they appear in the rules. If comment resulted in recommended language changes to the proposed amendment as presented to the Board in March, those new language changes are highlighted. Copies of the two comment letters provided are included.

**§5.902 – Criteria for Deobligation of Fund Award. (1, 2)**

**Comment Summary:** Commenter states that there is some concern that the Department has over-emphasized production benchmarks as deobligation triggers and not suitably emphasized that subrecipients or new providers can be subject to deobligation for failure to meet other program or contract requirements.

**Staff Response:** This section of the rules is intended to address the requirement that subrecipients expend ARRA WAP funds in a timely fashion. §§5.902(d) through (g) of this rule do emphasize factors other than production, such as monitoring, findings, unit quality, contract violations and lack of controls. Subrecipients are required to follow all state and federal laws and regulations governing the WAP. Sanctions for failure to follow all state and federal laws and regulations governing the WAP are detailed in 10 TAC §5.17, Sanctions and Contract Close Out. Staff recommends no change based on this comment.

**Comment Summary:** Commenter states that providers contracted after March 12, 2010 should have periodic production and expenditure targets as specified for Subrecipients in (b)(1) through (b)(9).

**Staff Response:** On April 22, 2010, the Department released a Request for Applications to increase the number of providers currently delivering weatherization services. As described in the RFA, those providers will be required to meet contract benchmarks, consistent with this section of the rules. Staff recommends no change based on this comment.

**Comment Summary:** Commenter states that the terms “believes” and “significant,” as used in §5.902(g) are not well defined.

**Staff Response:** Legal review of the rules supports that the use of the terms in this context is appropriate. Staff recommends no change based on this comment.

**§5.905 – Reobligation. (1, 2)**

**Comment Summary:** Commenter states that in the case of deobligation, the Department is encouraged to take meaningful action to serve prioritized families in the existing geographic service area.

**Staff Response:** Staff agrees. Staff has released a Request for Applications to find other entities that may be able to serve households in the existing geographic area using deobligated funds. Staff recommends no change based on this comment.

**Comment Summary:** Commenter questions and compares the deobligation percentage in §5.902(b)(4) and the reobligation percentages in §5.905(c)(2).

**Staff Response:** §5.902(b)(4) describes criteria for the deobligation of funds from an awarded provider, and §5.905(c)(2) describes criteria for the reobligation of those funds. The 35% threshold described in §5.902(b)(4) refers to the level of total unit production based on the Production Schedule a provider must have met by August 31, 2010 in order to avoid deobligation; while the 30% threshold for award of deobligated funds refers to the level of total Production Schedule goals an existing provider must have met by August 31, 2010 in order to qualify for the award of deobligated funds. The purpose for each section is different and it is not necessary, or recommended, that they be the same. Staff recommends no change based on this comment.

Commenters:

1	John Henneberger, Texas Low Income Housing Information Service
2	A.R. Kampschafer, Community Services, Inc.

*§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 (WAP). The Department is adopting rules to establish the processes and criteria to be used for the Deobligation of WAP ARRA 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 WAP ARRA Funds. The Department is adopting these sections in order to assure the timely and appropriate use of WAP ARRA funds; compliance with federal accountability, transparency, and programmatic requirements; and that WAP ARRA 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 WAP ARRA.

*§5.901. Definitions.*

(a) Awarded Funds--The amount of WAP ARRA 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 WAP ARRA funds. The amount of funds awarded reflects the full multi-year amount of WAP ARRA funds awarded to the Subrecipient or New Provider and not only the amount reflected in a contract.

(b) WAP ARRA--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 WAP ARRA 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 (relating to Criteria for Deobligation of Fund Award). 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 WAP ARRA 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 WAP ARRA 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 WAP ARRA funds prior to March 12, 2010. Subrecipients may have one or more contracts for WAP ARRA funds and reference to Subrecipient herein may include only one, some, or all of those contracts.

(j) Reobligation--The reallocation of deobligated WAP ARRA 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 Subrecipient'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 WAP ARRA 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 WAP ARRA Awarded Funds in accordance with the Production Schedule or is at significant risk of not providing appropriate and thorough controls on the expenditure of WAP ARRA 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 (relating to Criteria for Deobligation of Fund Award), 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 (relating to Deobligation and Other Mitigating Actions) 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.

(l) Prior to full deobligation of a Contract or Fund Award, a public hearing will be held. To the extent an appeal is filed and heard by the Board under subsection (j) of this

section, this public hearing requirement will be satisfied by the publicly posted Board meeting for which the appeal appears on the agenda.

*§5.904.Deobligation and Other Mitigating Actions.*

(a) When one or more of the criteria in §5.902 of this chapter (relating to Criteria for Deobligation of Fund Award) have been met, the Department will issue a Corrective Action Notice, as described in §5.903 of this chapter (relating to Notification and Action Plan), recommending one or more of the actions in subsections (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 (relating to Reobligation).

(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) and (2) of this subsection:

(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 WAP ARRA 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; and

(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 Subrecipients 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 the 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.

# Texas Low Income Housing Information Service

508 Powell Street • Austin, Texas 78703-5122  
512-477-8910 • john@texashousing.org

March 15, 2010

Brooke L. Boston  
Deputy Executive Director for Community Based Programs  
and Recovery Act Accountability & Oversight  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Via email: tdhcarulecomments@tdhca.state.tx.us

RE: Comments on the proposed 10 TAC Chapter 5, Subchapter I, §§5.900 – 5.905 language

Dear Ms. Boston:

We offer these comments regarding the new 10 TAC Chapter 5, Subchapter I, §5.900 – 5.905 language proposed for adoption.

First, we commend the department for the reobligation language at §.5.905. (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.* In the case of deobligation, we encourage the department to take meaningful action to serve prioritized families in the existing geographic service area.

Second, we have some concern that the department has over-emphasized production benchmarks as de-obligation triggers, and not suitably emphasized that subrecipients or new providers can be subject to de-obligation for failure to meet other program or contract requirements. For example a sub-recipient that fails to meaningfully prioritize the funds (in accordance with program rules) to households give statutory priority should be subject to deobligation.

While the language at §5.902.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.*) allows the department to deobligate for “work quality” that does not conform fully to program requirements, we recommend that the rules be clarified to emphasize that “work quality” includes all facets of the program, (such as outreach and prioritization), not just the physical weatherization work itself.

Thank you for your consideration of our comments.

Sincerely,



John Henneberger, co-director

COMMUNITY SERVICES PAGE 01/01

# Community Services, Inc.

Toll Free / 800-831-9929 Office / 903-872-2401 Fax / 903-872-0254

P.O. Box 612 • Corsicana, Texas 75151-0612

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To whom it may Concern:

4-21-2010



The following comments are submitted regarding the Proposed Texas Administrative Code (TAC) rules as published in the March 26, 2010 Texas Register:

Chapter 5.

Sect. 5.422 & 5.423: CSI commends TDHCA for the increases in allowable limits, especially the \$1000 increase for heating & cooling system work and the increase in fuel delivery to 250 gallons. Without the increase in heating & cooling system, no heat-pump systems over 3.5 tons could be replaced with Energy- Star rated units.

Sect. 5.423(b): CSI questions the removal of the requirement for a good payment history prior to the emergency situation as a condition for energy crisis payments. ECIP was intended to be a crisis assistance program, not a subsidy program. In addition, removing this condition will make it more difficult for CEAP agencies to meet the reduced time-to-pay period required by utilities for customers with poor payment histories.

Sect. 5.423(d)(2): CSI requests clarification- are large (18000-24000 BTU) window A/C units considered portable, even when they are sealed in place?

Sect 5.426(g): The benefit amount should be changed to \$6000, to agree with 5.422(d)(2)(D).

Sect. 5.902(c): New Providers (contracted after 3/12/2010) should have periodic production and expenditure percentage targets as specified for Subrecipients in (b)(1) thru (b)(9). Why are the New Providers less specific? TDHCA should treat both groups equally.

Sect. 5.902(g): Why bother with (a) thru (f) if, in accordance with this Section, the Department can do whatever it wants just because it "believes" there is a "significant" risk? Please define, in Section 5.901, "Department believes" and "significant" as used in this context.

Sect. 5.905(c)(2): Why would TDHCA re-obligate funds to a Subrecipient who has not met their 35% requirement as specified in 5.902(b)(4)? And why are there no specific % production schedule requirements for New Providers to meet to be eligible for re-obligated funds? This is another example of unequal treatment of the two groups, with the more stringent requirements on the Subrecipients in both examples.

A.R. Kampschafer  
Contract Manager

A handwritten signature in black ink, appearing to read "ARK" with a stylized flourish.

A Texas Non Profit Organization

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Deny the appeal to reinstate Application #10200, Hillside West Senior Apartments

RESOLVED, that the appeal for Hillside West Senior Apartments, #10200 presented in this meeting is hereby denied.

**Background**

The Application for the above referenced development was terminated by the Department due to having submitted a PDF Application file that was unreadable. The Department received a file for a 2010 Competitive Housing Tax Credit Application for the above referenced development on March 1, 2010 via the Department's File Transfer Protocol ("FTP") server at 4:55pm. The Applicant notified staff at 5:06pm that the PDF Application file was uploaded and requested confirmation of receipt. Staff responded to the Applicant within minutes that the PDF file was unreadable and could not be opened. At 11:51pm on March 1, 2010 the Applicant attempted to upload a corrected PDF file. A third attempt to upload a corrected PDF file was made the next day at 10:50am. All three electronic submissions were significantly different in file size which led Department staff unable to determine which file submission was correct.

The Applicant provided letters dated March 15 and March 23, 2010 appealing the termination and explaining that a "critical and fatal error" message was received when uploading the Application files to the Department's FTP server. The Applicant's appeal indicates that the reason for the failed upload was due to a virus affecting and corrupting the file and the upload process. The appeal further states that the only option available to the Applicant "was to completely reprint the Excel file and generate a new PDF electronic file and insert all exhibits, electronic signatures, and text boxes as required in the ASPM." This process took the Applicant approximately seven hours to complete. The Applicant states that despite these efforts a second error was received during the second upload, and a third and final attempt to upload the Application file was completed at 10:50am the next day.

The Department provided the Applicant an opportunity to provide evidence that established to the Department's reasonable satisfaction: (1) that a complete application identical in all respects to the application finally submitted (including all appendices and attachments) was, prior to 5:00 pm on the due date, submitted for upload via the FTP server, and (2) that the upload was not successful because of a virus or other similar condition in the Applicant's computer system beyond their control. The Department placed the Applicant in touch with Information Systems staff should technical questions in this regard arise.

The Information Systems Division staff reviewed the additional information provided by the Applicant concerning this appeal. After reviewing all the information, Information Systems staff was able to confirm that evidence existed that the PDF software used by the Applicant did have an application failure on the night of March 1, 2010. Additionally, there was evidence that Norton Internet Security service was started on the night of March 1, 2010 which could be an indication that the virus software was installed at that time. The logs for the Norton Internet Security software that the Department was able to retrieve only logged firewall events and there were no antivirus logs available from March 1, 2010. Therefore, there was no way to determine if a virus had been detected and removed by the software on that day.

Information Systems staff was able to rebuild the file that was submitted to the Department at 4:55pm on March 1<sup>st</sup> and the file is significantly smaller in size. The rebuilt file contained 183 pages whereas the final file submitted by the Applicant on March 2, 2010 at 10:50am contained 449 pages. The rebuilt file did not contain all the required exhibits and many of the application documents that required signature were not signed. Therefore, staff concluded that the file submitted to the Department at 4:55pm on March 1, 2010 would not have been a complete file.





## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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April 15, 2010

Terri Anderson  
Anderson Capital, LLC  
347 Walnut Grove Lane  
Coppell, Texas 75019

Re: Appeal for Reinstatement of Application #10200, Hillside West Senior Apartments

Dear Ms. Anderson:

### **Follow-Up Review of Appeal**

The Information Systems Division staff has reviewed the additional information you provided to the Texas Department of Housing and Community Affairs (the "Department") concerning the appeal for the above referenced application.

After reviewing all the information, there is evidence that the PDF software that you used did have an application failure on the night of March 1, 2010 and there is evidence that Norton Internet Security service was started on the night of March 1, 2010 which could be an indication that the virus software was installed at that time. The logs for Norton Internet Security software that the Department was able to retrieve only logged firewall events. There were no antivirus logs available from March 1, 2010, so there was no way to determine if a virus had been detected and removed by the software on that day.

Staff was able to rebuild the file that was submitted to the Department and the file submitted is significantly smaller in size. It contains 183 pages whereas the final file submitted contains 449 pages. The rebuilt file does not contain all the required exhibits and many of the application documents that require signature are not signed. Therefore, the file submitted to the Department at 4:55 on March 1 would not have been a complete file.

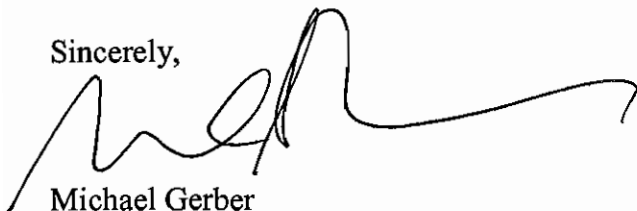
In conclusion, although there is evidence that there was some type of event or application failure on your computer on March 1, 2010, there is not enough information to conclude that a virus caused the events. In addition, the information provided indicates file was incomplete.

**Appeal Determination**

Your appeal is denied on the basis that you did not provide sufficient evidence that the unsuccessful upload was beyond your control and that you had a complete application file prior to the 5:00 p.m. deadline that could have been submitted.

Per your request, your appeal to the Board has been placed on the May 2010 Board meeting agenda. Pursuant to §50.17(b)(4) of the 2010 Qualified Allocation Plan and Rules, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **April 26, 2010** to be placed with the May 2010 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Gerber', with a long horizontal flourish extending to the right.

Michael Gerber  
Executive Director

MFF/rbm

cc: Brandon Bolin  
John Shackelford



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Juan S. Muñoz, Ph.D.

April 8, 2010

Terri Anderson  
347 Walnut Grove Lane  
Coppell, Texas 75019

Re: Appeal for Reinstatement of Application #10200, Hillside West Senior Apartments

Dear Ms. Anderson:

### **Appeal Review**

I have carefully reviewed the appeal received on March 23, 2010, by the Texas Department of Housing and Community Affairs (the "Department"), regarding your request of the termination of your application be reconsidered and the application be reinstated in the 2010 Competitive Housing Tax Credit cycle.

Pursuant to §50.5(a)(10) of the 2010 Qualified Allocation Plan and Rules (QAP) an application is ineligible if "The Application is submitted after the Application submission deadline (time or date); includes an electronic submission that is unreadable by the Department's computer system; has an entire Volume of the Application missing; or has a Material Deficiency as defined under §50.3(65) of this chapter." The above referenced application was terminated because the file uploaded to the Department's File Transfer Protocol (FTP) server prior to the 5:00 P.M deadline was unreadable.

Your appeal states "...this is the first year 100% electronic application files were accepted without tangible back-up collateral to substantiate the applications." That does not reflect the actual requirements. In 2009, the application was required to be submitted in electronic format and the Department has required an electronic copy of the application be submitted since the 2006 application cycle. The difference between 2009 and 2010 is that the Department allowed the application to be submitted through the FTP server for the convenience of the applicant. It was not required to be submitted through FTP, though it was encouraged as an option for submission.

Your appeal states that your file failed to upload completely due to a virus affecting and corrupting the file and process. Although the staff may sympathize with the technological issues you may have experienced, the Department is not responsible for such issues and must apply the rules and deadlines reasonably to all applicants. The reason for the length of the application acceptance period is to allow the applicant plenty of time to submit the correct application, in a timely manner. You had the opportunity to

submit the application and have the submission confirmed. You have acknowledged that you did not attempt to upload the file for this application until five minutes before the deadline because you had successfully submitted files for other applications earlier in the day. You also could have submitted the electronic application on CD in person or by mail; however, you chose to use the FTP system and did not take all precautions on your side to protect your application. There is no way for staff to confirm that the file you attempted to transfer just before the deadline was a complete application and that applications you submitted seven hours later and the following day were significantly different in size and level of completion, which you have attributed to efforts to remove corrupted portions. You have not claimed that any of the virus problems you had were a result or caused by the transmission to the Department's FTP site. You have not produced a copy of a completed file that was last modified prior to the deadline.

### **Appeal Determination**

Your appeal is approved provided that, on or before the close of business, Monday April 12, 2010, you have provided to the Department evidence that establishes to our reasonable satisfaction:

- (1) That a complete application identical in all respects to the application finally submitted (including all appendices and attachments) was, prior to 5:00 P.M. on the due date, submitted for upload via the file transfer protocol, and
- (2) The upload was not successful because of a virus, trojan, worm, or other similar condition in your computer beyond your control. We have placed you in touch with Larry Mercadel in our Information Systems Division (512) 475-3820 and request that you contact him regarding any technical questions in this regard.

Per your request, your appeal to the Board has been placed on the May 13, 2010 Board meeting agenda.

Sincerely,



Michael Gerber  
Executive Director

MFF/rbm

cc: Brandon Bolin  
John Shackleford  
Larry Mercadel



March 23, 2010

Mr. Michael Gerber, Executive Director  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

Re: TDHCA #10200 – Hillside West Seniors Apartments

Dear Mr. Gerber,

Hillside West Seniors, LP (the "Applicant") is in receipt of the March 17, 2010 letter from Ms. Robbye Meyer regarding Texas Department of Housing and Community Affairs (the Department) Application #10200 (the "Application") in which she notified Applicant of the termination of the Application.

For the reasons stated below, on behalf of Applicant I respectfully request the reinstatement of the Application.

Ms. Meyer stated the Department received a file for Hillside West, and cited section 50.9(a) of the Qualified Allocation Plan and Rules (QAP), which describes receipt of the TDHCA electronic application in accordance with the Application Submission Procedures Manual (ASPM) not later than 5:00 pm on the date the Application is due.

Ms. Meyer further cited the bases for termination of the Application as follows:

1. Seven files were uploaded through the File Transfer Protocol (FTP) server between 4:55 pm and 4:57 pm on March 1<sup>st</sup> for the above referenced application. However, upon notification of the upload, staff responded within minutes the PDF Application file was unreadable, but that there was no attempt to upload a corrected file until 11:51 pm, with a third submission uploaded at 10:50 am the next day; and "all three electronic submissions uploaded are significantly different in file size and, therefore, it is not clear which submission is correct."
2. Staff's instructions during the application workshops stressing the importance of not waiting until the last minute to upload the Application was "obviously ignored," and "no attempt was made to submit the Application prior to 4:55 pm on March 1, 2010." Adding "had Ms. Anderson not waited until 4:55 pm to attempt to download the file, this incident could have been prevented."

It is unfortunate the Application was not uploaded until 4:55 pm, but I assure you I did not ignore the deadline. In fact, earlier in the day I successfully submitted an application for another client. The lateness in the day for my attempting to submit the Application was not done out of ignorance, neglect, oversight, or indifference to staff's instructions. Essentially, the appropriate amount of time was taken to ensure the Application was complete and in order to fully comply with the Department's ASPM prior to uploading the files before the 5:00 pm deadline. I knew from my experience earlier in the day of successfully uploading another application that starting the uploading of the Application at 4:55 p.m. was adequate to comply with the 5:00 p.m. deadline.

The reason the file failed to upload completely was due to a virus affecting and corrupting the file and the process. The corruption of the file and the inability to recover that file could have happened no matter what time of day the initial upload began. As previously stated, having uploaded the other application file earlier in the day without failure or errors, I had no reason to expect failure or errors to occur while uploading the Application. As such, the submission was completed in time to meet the 5:00 pm deadline requirement, and it is Applicant's position that the Application was therefore submitted in accordance with the rules of the ASPM.

As indicated in the two letters submitted previously to Ms. Raquel Morales, there was a "Critical" error message and a "Fatal" error message received during the file upload causing all open computer program applications, with the exception of FileZilla and Internet Explorer, on the computer system to shut down. After receiving Mr. Burr's e-mail response that the PDF application file was damaged and could not be opened, an attempt to open the electronic file was made to ensure it was okay before uploading it a second time.

There was no attempt to modify the application. However, there was an extensive effort made to recover the electronic file that initially could not be found in the electronic folder in which it was saved. As verified by the Norton anti-virus software, the computer was infected with a virus making "all PDF applications and files vulnerable" and indicating the original Application file was corrupted during transmission to the Department's FTP site.

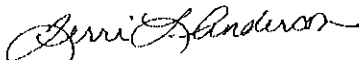
When I was able to recover the corrupted file, the exhibits were stripped from the basic Application PDF file printed from the Excel workbook. Having tried unsuccessfully three times to restore the original Application to its fully completed condition, including all exhibits, signatures, and text boxes when uploading began through FileZilla at 4:55 p.m., the virus received during the FileZilla upload caused catastrophic conditions beyond my control and the file could not be restored. The only option was to completely reprint the Excel file and generate a new PDF electronic file and insert all exhibits, electronic signatures, and text boxes as required in the ASPM.

I immediately commenced to do this, but the amount of time it took to attempt to recover the corrupted Application file, remove the virus from the computer, and attempt a second upload was approximately seven (7) hours, which is the reason why the second attempt was not completed until 11:51 p.m. The delay was not the result of me being busy doing something else or because I was changing, modifying or supplementing information in the Application. Forgive my language, but I worked my butt off attempting to correct the problem and re-upload the file as soon as possible. Despite my efforts, I received an additional error to the second upload. The third and final attempt to upload the Application was completed at 10:50 a.m. the following morning. Again, I must emphasize that I had to completely reprint the PDF file and insert all the exhibits, electronic signatures and text boxes required by the ASPM.

As you are aware, this is the first year 100% electronic application files were accepted without tangible back-up collateral to substantiate the applications. The difference in the file size of each of the three applications submitted is completely attributable to the corrupting virus contracted by my computer and the electronic file during the upload to FileZilla. The first application was not completely transmitted, which resulted in the size being approximately one-half of the original file. Once recovered, the original information was stripped from the corrupted file. The second transmission also received a critical error, and some exhibits were uploaded outside the document in an attempt to prevent additional corruption. The third and final submission was successful without any errors, and accurately reflects the application intended for submittal at 4:55 p.m. on March 1, 2010. I am willing to testify under oath that the successful submission received by the Department on March 2, 2010 is the exact same information I twice attempted to submit previously.

It is clear the Department received a portion of the Application prior to the 5:00 p.m. deadline, and the sole reason for the Department not receiving the entire file was due to a virus corrupting by my computer during the upload. As previously stated, I successfully uploaded another application earlier in the day without trouble and error free. Based upon a virus contracting my computer while uploading the Application and Applicant's good faith, sincere attempt to comply with the APSM 5:00 p.m. deadline, I respectfully request a reversal of the termination of Application and its reinstatement for an 2010 allocation of tax credits. Please contact me if you have any additional questions at (972) 567-4630.

Respectfully submitted,



Terri L. Anderson  
President

Cc: Brandon Bolin, Groundfloor Development  
John Shackelford, Shackelford Melton & McKinley, LLP





## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Juan S. Muñoz, Ph.D.

March 17, 2010

Mr. Brandon Bolin  
Hillside West Seniors, LP  
3109 Knox Street, #305  
Dallas, Texas 75205

Re: Application #10200, Hillside West Seniors Apartments

Dear Mr. Bolin:

The Texas Department of Housing and Community Affairs (the "Department") received a file for a 2010 Competitive Housing Tax Credit Application for the above referenced development on March 1, 2010. In accordance with §50.9(a) of the 2010 Qualified Allocation Plan and Rules (QAP), "A bookmarked electronic copy of all required volumes and exhibits, unless otherwise indicated in the Application Submission Procedures Manual, must be submitted in the format of a single file presented in the order as required by the Application Submission Procedures Manual..." must be received by the Department not later than 5:00 pm on the date the Application is due.

Between 4:55 pm and 4:57 pm on March 1<sup>st</sup> a total of seven files were uploaded to the Department's File Transfer Protocol server for the above referenced development. Department staff was notified by email at 5:06 pm that the electronic submissions were uploaded. Department staff responded within minutes to the Applicant that the PDF Application file was unreadable. A record of the FTP activity for this specific Application reflects no activity or attempt by the Applicant to upload a corrected file until 11:51 pm. The Applicant uploaded a third electronic submission the next day at 10:50 am. All three electronic submissions uploaded are significantly different in file size and, therefore, it is not clear which submission is correct.

In addition, the Department received a letter on March 15, 2010 from Ms. Terri Anderson, explaining a "critical and fatal error" message that she received when uploading the files. The Department conducted three Application workshops in December. At each workshop staff stressed the importance of not waiting until the last minute to try an upload the Application due to the large size of the files and amount of data that would need to be transmitted. Ms. Anderson was in attendance at all three workshops; however, the guidance from the Department staff was obviously ignored. No attempt was made to submit the Application prior to 4:55 pm on March 1, 2010. Had Ms. Anderson not waited until 4:55 pm to attempt to download the file, this incident could have been prevented.

Due to the reasons stated above the application for Hillside West Seniors Apartments is hereby terminated.

An Appeals Policy exists for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §50.17(b) of the 2010 QAP. If you choose to appeal this determination, you must first submit an appeal to the Executive Director no later than 5:00 pm on **March 24, 2010**. In the event an appeal is denied by the Executive Director, you may appeal in writing to the Board in accordance with the QAP.

If you have any questions, please do not hesitate to contact Raquel Morales at 512-475-1676 or [raquel.morales@tdhca.state.tx.us](mailto:raquel.morales@tdhca.state.tx.us) .

Sincerely,



Robbye G. Meyer  
Director of Multifamily Finance

cc: Terri Anderson



March 16, 2010

Ms. Raquel Morales  
Multifamily HTC Program Administrator  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

Re: TDHCA #10200 – Hillside West Seniors Apartments

Dear Ms. Morales,

After reviewing your e-mail message again and the letter provided in response yesterday, I wanted to provide additional clarification and answers to your questions.

It is unfortunate the application was not uploaded until 4:55 pm. However, this was not done out of neglect, indifference, or oversight. Essentially, the appropriate amount of time was taken to ensure the application was complete to fully comply with the requirements of TDHCA's QAP prior to uploading the files before the 5:00 pm deadline.

Anderson Capital, LLC has successfully submitted several tax credit applications to TDHCA over the years without failure. Having uploaded other application files earlier in the day without failure or errors, there was no reason to expect failure or errors would occur while uploading the Hillside West Seniors application. As such, the submission was completed in time to meet the 5:00 pm requirement.

As stated previously, the "Critical" error message, and then the "Fatal" error message received during the transmission caused all open program applications, with the exception of FileZilla and Internet Explorer, on my computer system to shut down. After receiving Mr. Burr's e-mail response that the PDF application file was damaged and could not be opened, I attempted to open the same file to make sure it was okay before uploading it again.

There was no attempt to modify the application. There was, however, an extensive effort made to recover the electronic file that initially could not be found in the electronic folder it was saved in. As verified by the Norton anti-virus software, my computer was infected with a virus making all PDF applications and files vulnerable. As such, the original Hillside West Seniors PDF application file was corrupted during transmission.

When I was able to recover the corrupted file, the information was stripped from the basic application PDF file printed from Excel. I tried unsuccessfully three times to restore the original application to its fully completed condition including all exhibits, signatures, and text boxes when uploading began through FileZilla at 4:55 pm. The virus received during the FileZilla upload caused catastrophic conditions beyond my control and the file could not be restored. My only option was to completely reprint the Excel file and generate a new PDF electronic file and insert all exhibits, electronic signatures, and text boxes.

Again, based on the virus my computer contracted while uploading TDHCA Application #10200, I respectfully request TDHCA accept application #10200 as being timely filed. Please contact me if you have any additional questions at (972) 567-4630.

Respectfully submitted,



Terri L. Anderson  
President

Cc: Brandon Bolin, Groundfloor Development  
John Shackelford, Shackelford Melton & McKinley, LLP

None at this time

None at this time

None at this time

None at this time



None at this time

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve Resolution 10-020 authorizing application to the Texas Bond Review Board for reservation of 2010 single family private activity bond authority in the amount of \$208,212,971 and 2009 single family private activity bond authority carryforward in the amount of \$25,752,666.

**Background**

An application for reservation of TDHCA's private activity bond authority ("volume cap") must be made with the Texas Bond Review Board. Staff is requesting permission to draw down TDHCA's 2010 single family annual private activity bond authority in the amount of \$208,212,971 and 2009 single family annual private activity bond authority carryforward in the amount of \$25,752,666. Staff anticipates using this amount with the conversion of the Treasury's New Issue Bond Program.

The Bond Finance Division has also evaluated TDHCA's mortgage credit certificate program balances, market conditions, bond issuance and volume cap management options and will present bond structure recommendations at a later date.

**Resolution No. 10-020**

**RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

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

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State Ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation with respect to qualified mortgage bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

Section 1 - Applications for Reservation. The Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation for qualified mortgage bonds to be issued and delivered within 180 days after receipt of a "reservation date," as defined in the Allocation Rules, in the maximum aggregate amount of \$233,965,637, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 2 - Authorization of Certain Actions. The Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

Section 3 - Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the qualified mortgage bonds will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4 - Mortgage Credit Certificate Authority. The Department reserves the right, upon receipt of a Reservation, to convert all or any part of its authority to issue qualified mortgage bonds to mortgage credit certificates.

Section 5 - 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.

Section 6 - Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 12th day of May, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve Resolution No. 10-021 authorizing application to the Texas Bond Review Board for reservation of single family private activity bond authority in the amount of up to \$120 million and presentation, discussion and possible approval of a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 78) to be administered by the Texas Department of Housing and Community Affairs.

**Background**

TDHCA released its most recent MCC Program on January 29 2010. Since its release, \$7.2 million has been issued or reserved and staff anticipates all funds will be utilized by Fall 2010. Therefore, staff is requesting approval of this resolution which will allow the Department to continue issuing new MCCs. Because of the success of our current MCC program which utilized \$120 million in volume cap or \$30 million of MCC authority, we are coming back to the Board for approval of another \$30 million in MCC authority.

With TDHCA Board approval, we will submit an application to the Texas Bond Review Board for \$120 million from existing 2009 single family private activity bond authority.

A mortgage credit certificate is an instrument designed to assist persons of low to moderate income to better afford individual ownership. The procedures for issuing MCCs were established by the United States Congress as an alternative to the issuance of single family mortgage revenue bonds. As distinguished from a bond program, in an MCC program no bonds are issued, no mortgage money is actually used, many of the costs associated with a bond program are not incurred, and lenders are required to pay only nominal up-front fees.

Mortgage Credit Certificates help make ownership of a new or existing home more affordable by entitling the homeowner to a personal tax credit of up to \$2,000 against their federal tax liability for a portion of the interest paid on their home mortgage. For example, a homeowner that purchased a home for \$130,000 at 5.10% for 30 years would have a monthly principal and interest payment of \$706. With an MCC, homeowners can submit a revised W-4 Withholding Form to his or her employer to reduce the federal withholding tax by \$166 per month, which increases the borrower's disposable income by reducing their federal income tax obligation. This homeowner would pay approximately \$6,630 in interest in the first year and would be entitled to a personal tax credit of \$1,989 ( $\$6,630 \times 30\%$  MCC Credit rate). This same homeowner could also deduct the yearly mortgage interest paid of approximately \$4,641 ( $\$6,630$  less  $\$1,989$ ) as an itemized deduction on their annual federal income tax return. Simply put, an MCC is a dollar for dollar reduction of income taxes owed.

In order to be eligible for an MCC, borrowers must comply with the same first-time homebuyer requirements stipulated by the Internal Revenue Code for mortgage revenue bonds. For example, MCC recipients must occupy the residence as their primary residence, comply with income limits and comply with home purchase price limits. MCCs cannot be used when mortgages are funded with tax-exempt bond proceeds.

Under Federal guidelines, the Department, as an issuer of mortgage revenue bonds can trade \$1 of bond authority for \$0.25 of MCC authority. Today, staff is recommending using another \$120 million of bond authority for \$30 million in MCC authority. Bond Finance anticipates using \$42,752,666 of 2009 Set-

Aside single family private activity bond authority along with \$77,247,334 of 2009 Additional Cap single family private activity bond authority to issue \$30 million in MCC authority.

**MCC Program 78 Example**

\$ 42.8M of 2009 Set-Aside Volume Cap and \$77.2M of 2009 Additional Volume Cap Allocated for MCCs	\$120 million
IRS MCC Conversion Factor	\$0.25
MCC Issuance Authority	\$30 million
Average 2010 Mortgage Credit Certificate Program Mortgage Amount	\$130,000
Market Mortgage Interest Rate	5.10%
First Year Mortgage Interest	\$6,630
MCC Certificate Credit Rate	30%
Tax Credit Amount	\$1,989
Maximum Tax Credit Allowed	\$2,000
Schedule A Mortgage Interest Deduction	\$4,641

Lenders participating in TDHCA's previous Mortgage Credit Certificate Programs have expressed continued interest in mortgage credit certificates.

**Resolution No. 10-021**

**RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

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

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State Ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and



WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation with respect to qualified mortgage bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

Section 1 - Applications for Reservation. The Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation for qualified mortgage bonds to be issued and delivered within 180 days after receipt of a "reservation date," as defined in the Allocation Rules, in the maximum aggregate amount of \$120,000,000, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 2 - Authorization of Certain Actions. The Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

Section 3 - Purposes of Resolution. The Board has expressly determined and hereby confirms that the issuance of the qualified mortgage bonds will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4 - Mortgage Credit Certificate Authority. The Department reserves the right, upon receipt of a Reservation, to convert all or any part of its authority to issue qualified mortgage bonds to mortgage credit certificates.

Section 5 - 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.

Section 6 - Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 12th day of May, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve Resolution 10-023 authorizing the Department's Interest Rate Swap Policy.

**Background**

The Department adopted an Interest Rate Swap Policy on September 9, 2004 to establish guidelines for the use and management of all interest rate management agreements, including, but not limited to, interest rate swaps, caps, collars and floors incurred in connection with issuance of debt obligations. The Interest Rate Swap Policy sets forth the manner of execution of Swaps, provides for security and payment provisions, risk considerations and certain other relevant provisions.

The Department's Interest Rate Swap Policy ("the Document") requires the Chief of Agency Administration and Director of Bond Finance to review annually the Interest Rate Swap Policy. Our swap policy has performed well under the current tough economic conditions as staff, per our policy, has received mark-to-market updates periodically from our swap reporting advisor, Swap Financial Group. Staff sought advice from Swap Financial Group and our financial advisor, Raymond James, for an understanding of current operational parameters and to determine if the Document needed any changes due to current market conditions. Since the Swap Policy went through more substantial changes in 2009, minor changes were recommended to clarify the risk associated with the credit ratings of our counterparties and the timing of swap reporting. A blackline version of the Interest Rate Swap Policy is attached for reference.

Staff brings to the Board the Department's Interest Rate Swap Policy for your approval.

## RESOLUTION NO. 10-023

### RESOLUTION OF THE GOVERNING BOARD APPROVING THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS INTEREST RATE SWAP POLICY

WHEREAS, the Texas Department of Housing and Community Affairs, a public and official 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 approve the Department's Interest Rate Swap Policy in the form presented to the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

Section -- 1 Approval of the Department's Interest Rate Swap Policy. The Interest Rate Swap Policy in the form presented to the Board is hereby authorized and approved.

Section -- 2 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.

Section -- 3 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 12th day of May, 2010.

\_\_\_\_\_  
Chairman, Governing Board

ATTEST:

\_\_\_\_\_  
Secretary to the Board

(SEAL)

# **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS INTEREST RATE SWAP POLICY**

The Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford.

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

## **I. Introduction**

The purpose of this Interest Rate Swap Policy ("Policy") of the Texas Department of Housing and Community Affairs (the "Department") is to establish guidelines for the use and management of all interest rate management agreements, including, but not limited to, interest rate swaps, swaptions, caps, collars and floors (collectively "Swaps" or "Agreements") incurred in connection with the issuance of debt obligations. This Policy sets forth the manner of execution of Swaps, provides for security and payment provisions, risk considerations and certain other relevant provisions.

## **II. Authority**

The Department is authorized by Sections 1371.056 and 2306.351 of the Texas Government Code to enter into Swaps from time to time to better manage assets and liabilities and take advantage of market conditions to lower overall costs and reduce interest rate risk.

This Policy shall govern the Department's use and management of all Swaps. While adherence to this Policy is required in applicable circumstances, the Department recognizes that changes in the capital markets, agency programs, and other unforeseen circumstances may from time to time produce situations that are not covered by this Policy and will require modifications or exceptions approved or authorized by the Governing Board to achieve policy goals.

The Deputy Executive Director of Administration and the Director of Bond Finance are the designated administrators of the Department's Policy. The Bond Finance Division shall have the day-to-day responsibility for structuring, implementing, and managing Swaps.

The Department shall be authorized to enter into Swaps only with qualified Swap counterparties as defined herein. The Director of Bond Finance, in consultation with the Deputy Executive Director

of Administration, or a Department designee, shall have the authority to recommend counterparties, so long as the criteria set forth in this Policy are met.

The Deputy Executive Director of Administration and the Director of Bond Finance shall review this Policy on an annual basis and recommend any necessary changes to the Governing Board.

### **III. Purpose**

The incurring of obligations by the Department involves a variety of interest rate payments and other risks for which a variety of financial instruments are available to offset, hedge, or reduce. It is the policy of the Department to utilize Swaps to better manage its assets and liabilities. The Department may execute Swaps if the transaction can be expected to result in one of, but not limited to, the following:

- Reduce exposure to changes in interest rates on a particular financial transaction or in the context of the management of interest rate risk derived from the Department's overall asset/liability balance.
- Result in a lower net cost of borrowing with respect to the Department's debt, a higher return on assets, and/or a stronger balance sheet.
- Manage variable interest rate exposure consistent with prudent debt practices.
- Achieve more flexibility in meeting overall financial and programmatic objectives that cannot be achieved in conventional markets.
- Lock in fixed rates in current markets for use at a later date.
- Manage the Department's exposure to the risk of changes in the legal or regulatory treatment of tax-exempt bonds.
- Manage the Department's credit exposure to financial institutions.

The Department will not use Agreements that:

- Are purely speculative or incorporate extraordinary leverage;
- Lack adequate liquidity to terminate without incurring a significant bid/ask spread;
- Are characterized by insufficient pricing transparency and therefore make reasonable valuation difficult.

### **IV. Evaluation of Risks Associated with Swaps**

Before entering into a Swap, the Department shall evaluate the risks inherent in the transaction. The risks to be evaluated will include basis risk, tax risk, counterparty risk, credit risk, termination risk, rollover risk, liquidity risk, remarketing risk, amortization mismatch risk, mortgage yield risk, non-origination risk, and PAC band risk. The following table outlines these various risks and the Department's evaluation methodology for those risks.

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<b>Risk</b>	<b>Description</b>	<b>Evaluation Methodology</b>
Basis Risk	The mismatch between actual variable rate debt service and variable rate indices used to determine Swap payments.	The Department will review historical trading differentials between the variable rate bonds and the index.
Tax Risk	The risk created by potential tax events that could affect Swap payments or their relationship to future bond payments.	The Department will review the tax events in proposed Swap agreements. The Department will evaluate the impact of potential changes in tax law on LIBOR indexed Swaps.
Counterparty Risk	The failure of the counterparty to make required payments or the occurrence of an event modifying the credit rating of the counterparty.	The Department will monitor exposure levels, ratings thresholds, and collateralization requirements.
Credit Risk	<del>The occurrence of an event modifying the credit rating of the counterparty.</del>	<del>The Department will ascertain and monitor the ratings of its counterparties.</del>
Termination Risk	The need to terminate the transaction in a market that dictates a termination payment by the Department.	The Department will compute its termination exposure for all existing and proposed Swaps at market value and under a worst-case scenario.
Rollover Risk	The mismatch of the maturity of the Swap and the maturity of the underlying bonds.	The Department will determine its capacity to service variable rate bonds that may be outstanding after the maturity of the Swap.
Liquidity Risk	The inability to continue or renew a liquidity facility, and the risk that the cost of a facility will increase beyond expectations.	The Department will evaluate the expected availability of liquidity support for swapped and unhedged variable rate debt, if any.
Remarketing Risk	The risk that a remarketing agent may be unable to remarket VRDBs.	The Department will obtain a standby bond purchase facility to provide the funds necessary to purchase the VRDBs.
Amortization Mismatch Risk	The mismatch of outstanding Swap notional amount versus the outstanding bond principal subject to the hedge.	The Department may incorporate one or a combination of the following features: par termination options, PAC or lockout bonds.
Mortgage Yield Risk	The bond issue may not comply with yield restrictions if the Swap is terminated.	The Department will obtain legal opinions and or certificates as appropriate.
Non-origination Risk	The bond proceeds may not originate within the prescribed timeframe and require an unused proceeds call and possible termination payment.	The Department will evaluate bond and mortgage market conditions and quantify the potential termination payment due upon non-origination.
PAC Band Break Risk	The targeted PAC bonds may amortize faster than anticipated	The Department will rely upon credit rating agency cashflows to



	based on the PAC amortization schedule.	ensure adequate PAC/companion bond structural integrity.
<u>Collateral Posting Risk</u>	<u>The risk that the Department may be required to post liquid collateral to the Counterparty. Inability to post such liquid collateral upon short notice may result in the early termination of a Swap transaction.</u>	<u>The Department will seek to structure Swap Agreements so that the risk of needing to post collateral is highly unlikely. This can be accomplished by using high posting thresholds or low rating triggers.</u>
<u>Accounting Risk</u>	<u>The risk that the Department may be required to record changes in fair value of a derivative transaction as a gain or loss in its annual financial statements.</u>	<u>The Department, when feasible, should aim to structure Transactions that would expect to qualify as effective hedges under GASB 53.</u>

The Department will diversify its exposure to counterparties. To that end, before entering into a transaction, the Department will determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure will not be measured solely in terms of notional amount, but rather how changes in interest rates would affect the Department's exposure ("Maximum Net Termination Exposure"). For purposes of these limits, "Maximum Net Termination Exposure" shall equal the aggregate termination payment for all existing and projected Swaps that would be paid by an individual counterparty. For purposes of this calculation, the aggregate termination payment is equal to the reasonably expected worse case termination payment of all existing Swaps plus the proposed transaction.

The Department will base the Maximum Net Termination Exposure on all outstanding derivative transactions. Limits will be established for each counterparty as well as the relative level of risk associated with each existing and projected Swap. In order to lessen counterparty risk, the Department will diversify exposure among multiple counterparties and avoid excessive concentration to any one counterparty. In situations where the Department may execute a swap transaction that would result in offsetting counterparty risk with an existing counterparty, the Department should seek to utilize that counterparty.

The Director of Bond Finance shall determine the appropriate term for a Swap on a case-by-case basis. The slope of the Swap curve, the marginal change in Swap rates from year to year along the Swap curve, and the impact that the term of the Swap has on the overall exposure of the Department shall be considered in determining the appropriate term of any Swap. The term of a Swap between the Department and a qualified Swap counterparty shall not extend beyond the final maturity date of the associated debt, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

The Department will review the use of forward-starting swaps and determine the duration based on market condition and the risk associated with using a forward-starting swap. The Department does not have any swaps with a knock-out option which could expose the Department to higher interest rates. The Department will advise the Board prior to entering into either a forward-starting swap or knock-out option.

The Department will inform the Board if the swap is a fixed notional value swap or a declining notional value swap. The Director of Bond Finance will review under its bond compliance

monitoring process that the use of fixed notional value swaps do not place the Department at risk of incurring an incrementally higher expense if the related bond principal is paid off early.

The total “net notional amount” of all Swaps related to a bond issue should not exceed the amount of outstanding bonds, or bonds anticipated to be issued. For purposes of calculating the net notional amount, credit shall be given to any Swaps that offset another Swap for a specific bond transaction.

## **V. Long Term Financial Implications**

In evaluating a particular transaction involving the use of derivatives, the Department shall review long-term implications associated with entering into derivatives, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, liquidity capacity, opportunities to refund related debt obligations and other similar considerations.

### Impact of Use of Liquidity

The Department shall consider the impact of any variable rate demand bonds issued in combination with a Swap on the availability and cost of liquidity support for other Department variable rate programs.

### Call Option Value considerations

When considering the relative advantage of a Swap versus fixed rate bonds, the Department will take into consideration the value of any call option on fixed rate bonds.

### Qualified Hedges

The Department understands that, (1) if payments on and receipts from the Agreement are to be taken into account in computing the yield on the related bonds, the Agreement must meet the requirements for a “qualified hedge” under federal tax law (sometimes referred to as an “integrated Swap”); and (2) if one of the goals of entering into the Agreement is to convert variable yield bonds into fixed yield bonds (sometimes referred to as a “super integrated Swap”), then certain additional requirements must be met. In both of these situations, the terms of the Agreement and the process for entering into the Agreement must be reviewed and approved in advance by tax counsel.

## **VI. Form of Swap Agreements**

Each Swap executed by the Department shall contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. (“ISDA”) Master Agreement, including any schedules and confirmations. The Swaps between the Department and each qualified Swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the Director of Bond Finance deems necessary, desirable or consistent with industry best practices.

## **VII. Qualified Swap Counterparties**

The Department will make its best efforts to work with qualified Swap counterparties that (i) have, or has a credit support counterparty that has, a general credit rating of at least “Aa3” or “AA-” by

two of the nationally recognized rating agencies and not rated lower than “A2” or “A” by any nationally recognized rating agency, or (ii) have a “AAA” rating by at least one nationally recognized credit rating agency. The nationally recognized rating agencies are Moody’s Investors Services, Inc., Standard and Poor’s Rating Services, and Fitch Ratings.

In addition to the rating criteria specified herein, the Department may seek additional credit enhancement and safeguards in the form of:

- i. Contingent credit support or enhancement;
- ii. Collateral consistent with the policies contained herein; and/or
- iii. Ratings downgrade triggers.

In addition, the Department will take into consideration a Swap counterparty’s track record of successfully executing Swap transactions. The Department will only execute Swap transactions with qualified Swap counterparties.

## **VIII. Termination Provisions**

The Department shall include in all Swaps provisions granting the Department the right to optionally terminate a Swap at any time at market over the term of the Agreement. The Deputy Executive Director of Administration and Director of Bond Finance shall determine if it is financially advantageous for the Department to terminate a Swap.

A ratings-based additional termination event shall be included in all of the Department's Swaps if the provider (or its credit support provider) fails to maintain either:

1. A Credit Rating of at least A2 from Moody's; or
2. A Credit Rating of at least A from S&P; or,
3. An equivalent rating determined above by a nationally recognized ratings service acceptable to both parties.

A termination payment to or from the Department may be required in the event of termination of a Swap due to a default or a decrease in credit rating of either the Department or the counterparty. If the cause of the termination is a counterparty downgrade, termination payments will be calculated on the side of the bid-offer spread that favors the Department. Additionally, the termination amount of the Swap should seek to compensate the Department, as allowed under the ISDA Agreement, all other costs for creating a replacement transaction of like terms and conditions.

It is the intent of the Department not to make a termination payment to a counterparty that does not meet its contractual obligations. Prior to making any such termination payment, the Deputy Executive Director of Administration and Director of Bond Finance shall evaluate whether it is financially advantageous for the Department to obtain a replacement counterparty to avoid making such termination payment or finance the termination payment through a long-term financing product.

For payments on early termination and optional termination, Market Quotation and the Second Method will apply, allowing for two way mark-to-market breakage (assuming the Swaps are documented under the 1992 form of the ISDA Master Agreements).

## **IX. Security and Source of Repayment**

The Department may use the same security and source of repayment (pledged revenues) for Swaps as is used for the bonds that are hedged or carried by the Swap, if any, but shall consider the economic costs and benefits of subordinating the Department's payments and/or termination payment under the Swap. The use of the same security and source of repayment (pledged revenues) is subject to the respective bond indenture's covenants and the prior approval of the Department's bond counsel.

## **X. Specified Indebtedness**

The specified indebtedness related to credit events in any Swap should be narrowly defined and refer only to indebtedness of the Department that could have a materially adverse effect on the Department's ability to perform its obligations under the Swap. Debt should typically only include obligations within the same lien as the Swap obligation.

## **XI. Governing Law**

Governing law for Swaps will be the State of Texas. Issues relating to jurisdiction, venue, waiver of jury trial and sovereign immunity will be subject to prevailing law and approval of the Texas Attorney General Office. Preference will be given to language providing that the counterparty will consent to jurisdiction in the Texas courts with respect to enforcement of the Agreement.

## **XII. Events of Default**

Events of default of a Swap counterparty shall include, but are not limited to the counterparty's:

1. Failure to make payments when due;
2. Breach of representations and warranties;
3. Illegality;
4. Failure to comply with downgrade provisions; and
5. Failure to comply with any other provisions of the Agreement after a specified notice period.

## **XIII. Collateral Requirements**

As part of any Swap-, the Department may require the counterparty or the counterparty may require the Department to post collateral or other credit enhancement to secure any or all Swap payment obligations. As appropriate, the Deputy Executive Director of Administration and Director of Bond Finance may require collateral or other credit enhancement to be posted by each Swap counterparty under the following circumstances:

- Each counterparty to the Department may be required to post collateral if the credit rating of the counterparty or parent falls below the "AA-" or "Aa3" category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the credit support annex to each Swap with the Department.
- Collateral shall consist of cash, U.S. Treasury securities, or other mutually acceptable highly liquid securities.
- Collateral shall be deposited with an eligible third party custodian, or as mutually agreed upon between the Department and each counterparty.
- The market value of the collateral shall be determined on at least a weekly basis.
- The Department will determine reasonable threshold limits for increments of collateral posting based on a sliding scale reflective of credit ratings.
- The Deputy Executive Director of Administration and Director of Bond Finance shall determine on a case-by-case basis whether a form of credit enhancement in lieu of, or in addition to, collateral is more beneficial to the Department.
- The Department shall seek to not post collateral to the counterparty unless the Department's ratings fall below "A2" or "A".

## **XIV. Other Criteria**

The Department may use a competitive or a negotiated process to select a swap counterparty and price a Swap as it believes business, market or competitive conditions justify such a process. The conditions under which a negotiated selection is best used are provided below.

- Marketing of the Swap will require complex explanations about the security for payment or credit quality.
- Demand is weak among Swap counterparties.
- Market timing is important, such as for refundings.
- Coordination of multiple components of the financing is required.
- The Swap has non-standard features.
- The par amount is large enough to move the market in a manner adverse to the Department's interests.
- Counterparties are likely to demand individual changes in bid documents.

If a transaction is awarded through a negotiated process, the counterparty will provide the Department with:

- A statement that, in the counterparty's judgment, the difference in basis points between the rate of the transaction and the mid-market rate for a comparable transaction falls within the commonly occurring range for comparable transactions.
- A statement of the amount of the difference as determined by the counterparty.
- If the counterparty does not know of a comparable transaction or mid-market rate, a statement of another suitable measure of pricing acceptable to the counterparty.

The Department will use a swap advisory firm to assist in the price negotiation. Also, the Department may obtain an opinion from an independent party that the terms and conditions of any derivative entered into reflect a fair market value of such derivatives as of the execution date.

The counterparty must provide to the Department disclosure of any payments the counterparty made to another person to procure the transaction.

The Department will determine that the swap transaction will conform to this Interest Rate Swap Policy after reviewing a report of the Director of Bond Finance that identifies with respect to the transaction:

- its purpose;
- the anticipated economic benefit and the method used to determine the anticipated benefit;
- the use of the receipts of the transaction;
- the notional amount, amortization, and average life compared to the related obligation;
- any floating indices;
- its effective date and duration;
- the identity and credit rating of the counterparties;
- the cost and anticipated benefit of transaction insurance;
- the financial advisors and the legal advisors and their fees;
- any security for scheduled and early termination payments;
- any associated risks and risk mitigation features; and
- early termination provisions.

## XV. Ongoing Monitoring and Reporting Requirements

Written records noting the status of all Swaps will be maintained by the Bond Finance Division and shall include the following information:

- Highlights of all material changes to Swaps or new Swaps entered into by the Department since the last report.
- Market value of each of the Swaps.
- The net impact of a 50 or 100 basis point parallel shift or other relevant shift in the appropriate Swap index or curve.
- For each counterparty, the total notional amount, the average life of each Swap and the remaining term of each Swap.
- The credit rating of each Swap counterparty and credit enhancer insuring Swap payments.
- Actual collateral posting by Swap counterparty, if any, in total by Swap counterparty.
- A summary of each Swap, including but not limited to the type of Swap, the rates paid by the Department and received by the Department, indices, and other key terms.
- Information concerning any default by a Swap counterparty to the Department, and the results of the default, including but not limited to the financial impact to the Department, if any.
- A summary of any Swaps that were terminated.

~~The Department will monitor its Swaps exposure on a periodic basis, as necessary, and will look for ways to reduce the cost of a Swap(s) or the overall Swap exposure.~~

~~The Department will monitor its Swaps exposure on a daily or monthly basis, as necessary, and will look for ways to reduce the cost of a Swap(s) or the overall Swap exposure. The Department will report its Swaps exposure on an annual basis.~~

~~The Department shall report its Swaps exposure in its annual financial statements and will reflect the use of derivatives in accordance with GASB requirements. With the adoption of GASB 53, the Department will be required to test hedge effectiveness on an annual basis. Any hedge deemed to be ineffective will result in the change in fair value being recorded as a gain or loss. While the long term economic value of the transaction should be more important when structuring a derivative, the Department should seek to structure transactions that are expected to be effective and would not result in changes in fair value affecting net income. For example, while a transaction structured to meet the Consistent Critical Terms method of GASB 53 would ensure hedge effectiveness, the Department should consider the tradeoffs of utilizing a transaction structure that may provide greater expected economic benefits at the expense of potentially not meeting hedge effectiveness. The Department shall reflect the use of derivatives on its financial statements in accordance with GASB requirements, including Exposure Draft 26-4 Accounting & Financial Reporting for Derivative Instruments. The disclosure requirements include:~~

1. Objective of the Derivative
2. Significant Terms
3. Fair Value
4. Associated Debt
4. Risks including but not limited to Credit Risk, Termination Risk, Interest Rate Risk, Basis Risk, Rollover Risk, Market Access Risk, Foreign Currency Risk.

The Deputy Executive Director of Administration and the Director of Bond Finance will review this Policy on an annual basis.

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**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve Resolution No. 10-022 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2000A and Series 2000BCD.

**Background**

Bond Finance has affirmed the feasibility of executing a mortgage certificate sale and redemption of the Residential Mortgage Revenue Bonds (RMRB) 2000 Series A and 2000 Series BCD. Given the current market conditions, this transaction will generate a present value benefit to the RMRB indenture.

The Department originally issued the bonds in 2000. As of March 31, 2010, the 2000 RMRB Series A has \$12.9 million in bonds and \$11.7 million in outstanding mortgage certificates. The 2000 RMRB Series BCD has \$50.6 million in bonds and \$47.9 million in outstanding mortgage certificates.

The Department would accomplish this transaction by selling a portion of the MBS certificates sufficient to affect the required redemption. George K. Baum will serve as MBS Investment Banker and will assist the Department in the disposition of the MBS certificates. RBC Capital Markets will act as Structuring Agent for the Department. Funds (net of cost of issuance) received from the sale of the MBS certificates will be used to redeem all of the outstanding bonds of the related bond series. The proposed sale of MBS certificates will, in addition to strengthening the RMRB indenture, allow the Department to fund down payment assistance for the Series 2010A transaction approved at the Department's March 11, 2010 Board Meeting.

## Resolution No. 10-022

### RESOLUTION APPROVING THE SALE OF MORTGAGE CERTIFICATES RELATING TO SERIES 2000A AND SERIES 2000B/C/D RESIDENTIAL MORTGAGE REVENUE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (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 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 Department has previously issued its Residential Mortgage Revenue Refunding Bonds, Series 2000A (the "Series 2000A Bonds") pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as heretofore amended, collectively the "RMRB Indenture") between the Department, as successor to the Texas Housing Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), and the Fifteenth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of April 1, 2000 (the "Fifteenth Series Supplement") between the Department and the Trustee, and has used the proceeds made available from the issuance of the Series 2000A Bonds to purchase the 2000A Mortgage Certificates (as defined in the Fifteenth Series Supplement); and

WHEREAS, the Department has also previously issued its (i) Residential Mortgage Revenue Bonds, Series 2000B (the "Series 2000B Bonds") pursuant to the RMRB Indenture and the Sixteenth Supplemental Residential Mortgage Revenue Trust Indenture dated as of October 1, 2000, as amended by the First Amendment to Texas Department of Housing and Community Affairs Sixteenth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated August 11, 2003 (collectively, the "Sixteenth Series Supplement") each between the Department and the Trustee, (ii) Residential Mortgage Revenue Refunding Bonds, Series 2000C (the "Series 2000C Bonds") pursuant to the RMRB Indenture and the Seventeenth Supplemental Residential Mortgage Revenue Trust Indenture dated as of October 1, 2000 (the "Seventeenth Series Supplement") between the Department and the Trustee and (iii) Residential Mortgage Revenue Refunding Bonds, Series 2000D (the "Series 2000D Bonds" and together with the Series 2000B Bonds and the Series 2000C Bonds, collectively the "Series 2000B/C/D Bonds") pursuant to the RMRB Indenture and the Eighteenth Supplemental Residential Mortgage Revenue Trust Indenture dated as of October 1, 2000 (the "Eighteenth Series Supplement" and together with the RMRB Indenture, the Fifteenth Series Supplement, the Sixteenth Series Supplement and the Seventeenth Series

Supplement, collectively the "Indenture") between the Department and the Trustee, and has used a portion of the proceeds made available from the issuance of the Series 2000B/C/D Bonds to purchase the 2000 Mortgage Certificates (as defined in the Sixteenth Series Supplement); and

WHEREAS, the Department desires to sell a portion of the 2000A Mortgage Certificates relating to the Series 2000A Bonds and a portion of the 2000 Mortgage Certificates relating to the Series 2000B/C/D Bonds in order to effect the redemption of the outstanding Series 2000A Bonds and Series 2000B/C/D Bonds, respectively, pursuant to the Indenture; and

WHEREAS, the Governing Board of the Department desires to approve the sale of the 2000A Mortgage Certificates and the 2000 Mortgage Certificates, the redemption of the Series 2000A Bonds and the Series 2000B/C/D Bonds, the payment of the redemption premiums, if any, the payment of any costs associated with the transaction and the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the provisions of this Resolution; and

WHEREAS, the Governing Board of the Department further desires to authorize George K. Baum & Company as the mortgage-backed security investment banker to assist the Department in the sale of the 2000A Mortgage Certificates and the 2000 Mortgage Certificates; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

#### ARTICLE I SALE OF MORTGAGE CERTIFICATES

Section 1.1--Sale of 2000A Mortgage Certificates. The sale of the 2000A Mortgage Certificates in an amount sufficient to redeem the outstanding Series 2000A Bonds and to pay any costs at a purchase price of no less than 103% (representing the weighted average sales price of all mortgage certificates sold) of the outstanding principal balance thereof is hereby authorized, all under and in accordance with the Indenture and subject to compliance with the terms of the Indenture.

Section 1.2--Redemption of Series 2000A Bonds. The Executive Director or the Director of Bond Finance of the Department is hereby authorized and directed: (i) to instruct the Trustee to redeem the outstanding Series 2000A Bonds in accordance with the Indenture and (ii) to take all other actions necessary to cause such redemption to occur including payment of any redemption premium for the Series 2000A Bonds.

Section 1.3--Sale of 2000 Mortgage Certificates. The sale of the 2000 Mortgage Certificates in an amount sufficient to redeem the outstanding Series 2000B/C/D Bonds and to pay any costs at a purchase price of no less than 103% (representing the weighted average sales price of all mortgage certificates sold) of the outstanding principal balance thereof is hereby authorized, all under and in accordance with the Indenture and subject to compliance with the terms of the Indenture.

Section 1.4--Redemption of Series 2000B/C/D Bonds. The Executive Director or the Director of Bond Finance of the Department is hereby authorized and directed: (i) to instruct the Trustee to redeem the outstanding Series 2000B/C/D Bonds in accordance with the Indenture and (ii) to take all other actions necessary to cause such redemption to occur including payment of any redemption premium for the Series 2000B/C/D Bonds.

Section 1.5--Execution and Delivery of Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's

seal to and deliver such 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.

Section 1.6--Authorized Representatives. 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 Governing Board; the Vice Chairman of the Governing Board; the Secretary to the Governing 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.

Section 1.7--Authorization to Pay Costs. The use of an amount not to exceed \$400,000 of the sales proceeds is authorized to be used to pay costs of the transaction.

Section 1.8--Approval of Investment Banker for Sale of Mortgage Certificates. George K. Baum & Company is hereby approved as the mortgage-backed securities investment banker to assist the Department in the sale of the 2000A Mortgage Certificates and the 2000 Mortgage Certificates.

## ARTICLE II APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Engagement of Other Professionals. The Executive Director or the Director of Bond Finance is of the Department authorized to engage an accounting firm to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Indenture and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.2--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the 2000A Mortgage Certificates and the 2000 Mortgage Certificates are hereby ratified and confirmed.

## ARTICLE III GENERAL PROVISIONS

Section 3.1--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.

Section 3.2--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 12th day of May, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

## HOME PROGRAM DIVISION

### BOARD REPORT ITEM

May 12, 2010

Presentation of the current HOME Fund Balance Report.

#### **Fund Balance Report**

The HOME Fund Balance Report is prepared monthly and is the Department's internal tracking of available balances of HOME funds that are not yet committed in HUD's accounting system of record. As required in the Department's rule regarding deobligated funds (10 TAC §1.19), the Department must not retain a balance of deobligated funds that exceeds 15% of the most current annual allocation of HOME funds. This means that when the Fund Balance Report bottom line exceeds roughly \$6 million, the Department, by rule, must update the funding plan to re-program excess funds. Deobligations and expired Notices of Funding Availability (NOFAs) that are undersubscribed are the biggest reason for reprogramming funds. Deobligated funds are those that have been voluntarily or involuntarily returned from an individual project address or an awarded contract from a Contract Administrator. The reconciliation process of deobligated funds was updated in September 2007 and introduced a reconciliation of deobligated funds for specific set-asides for Disaster, Persons with Disabilities and Contract for Deed Conversion.

The beginning balance of this report is the previous month's total HOME funds that are available to commit in HUD's accounting system known as Integrated Disbursement Information System (IDIS). This total includes funds that have not been committed to a Contract Administrator, which includes funds that are still available in active NOFAs, deobligated funds, and program income received. The top section of the report provides a monthly reconciliation of activities that affect the Department's balance with HUD and ends with the balance of the current month's total HOME funds available in IDIS.

The report then further separates this available IDIS balance into two categories of funds – Community Housing Development Organization (CHDO) funds and non-CHDO funds. As you will note, CHDO funds are presented first since this set-aside is a federal mandate which requires that the Department spend a minimum of 15% of its funds with CHDOs. The use of non-CHDO funds would be curtailed if this 15% minimum is not met, therefore staff must ensure an over-commitment of CHDO funds and a pipeline of committed CHDO awards.

The CHDO and non-CHDO categories are further segmented into federal and programmatic set-asides and active NOFAs reflecting how they are currently programmed. Some deobligated funds are required to be reserved to be reprogrammed for specific set-asides, namely CHDO (required by HUD), Disaster, Persons with Disabilities and Contract for Deed Conversion set-asides and these are reflected in a separate column.

Finally, the Fund Balance Report provides a grand total of HOME funds available for programming after the mandated set-asides, Board-approved but not yet committed awards and amendments (awards and amendments that do not have executed contracts or commitments in IDIS), and funds set aside in active NOFA's have been considered. The current report reflects \$2,818,392 available for programming at this time. In addition, staff has processed the

deobligation of approximately \$3.7 million since the time of this report. Lastly, the Fund Balance Report does not reflect the Department's 2010 allocation of \$43,593,825 since the Funding Approval and Grant Agreement from HUD has not been received yet.

To actively manage the Department's funds and to ensure that HUD funding levels and deadlines are met, staff has analyzed the subscription rate of various active NOFAs and is making recommendations for the programming of a portion of this balance into NOFAs in separate action items today. Below is a brief status of the NOFAs on the Fund Balance Report for which HOME funds have been programmed or reserved:

- **2009 Open Cycle Colonia Model Subdivision Program and Single Family Development NOFA:**  
The Department received \$1,486,000 in applications and is recommending two applications for funding today. The NOFA expired in January and was undersubscribed at that time; however, staff has experienced increased interest in this program and held a roundtable to receive input regarding recommended changes. Staff has incorporated changes into the NOFA presented for approval today and will be recommending \$1,500,000 be added to the remaining balance resulting in a total of \$3,024,189 to be made available for CHDOs applying for single family development financing.
- **2010 CHDO Rental Housing Development Set-Aside:**  
This set-aside is currently oversubscribed by over \$7 million in pending applications, a majority of which are layered with pending housing tax credit applications.
- **2009 Contract for Deed NOFA:**  
The Department has not received any applications in response to the Contract for Deed NOFA approved by the Board in July 2009. It is also important to note that the Fund Balance Report reflects \$2 million reserved for a potential oversubscription for Contract for Deed. Since the Department will soon be receiving its 2010 HOME allocation, staff is recommending the reprogramming of this \$4 million for other NOFAs presented in separate action items today.
- **2010 RHD PWD Set-Aside:**  
This set-aside is currently oversubscribed by \$1.5 million in applications. One application for \$500,000 is being recommended for award under a separate action item today and the remaining applications are layered with pending housing tax credit applications.
- **2009 Single Family PWD NOFA:**  
This NOFA will expire on May 28, 2010 and staff anticipates utilizing any balance remaining in the 2010 Single Family Housing Programs for persons with disabilities and the RHD set-aside for persons with disabilities once the Department receiving its grant agreement from HUD in the coming months.
- **2009 Single Family NOFA:**  
The NOFA expired on April 30, 2010. Staff recommended for award \$5.3 million in applications today and staff is reviewing approximately \$7 million in funding requests received before the NOFA expired. The NOFA was undersubscribed by approximately \$2.5 million and staff is also recommending the reprogramming of these funds in other NOFAs presented in separate action items today.



- **2010 Rental Housing Development NOFA:**

The General Set-Aside under this NOFA is currently oversubscribed by \$30 million in pending applications that are layered with pending housing tax credit applications.

Combining the funds available for programming, deobligated funds, Contract for Deed NOFA and reservation, and the balance available from the expired Single Family NOFA, results in over \$13,000,000 being available for reprogramming as follows:

\$2,818,393	Grand Total Available for Programming from Fund Balance Report (highlighted)
\$3,700,000	Approximate amount of funds deobligated since last report
\$2,000,000	2009 Reservation for Contract for Deed over subscription (highlighted)
\$2,000,000	2009 Contract for Deed NOFA
\$2,500,000	Approximate amount of under subscription to 2009 Single Family NOFA (highlighted)
<b><u>\$13,018,393</u></b>	<b>Total Available for Reprogramming</b>

Since the Department will soon receive the 2010 Funding Approval and Grant Agreement, staff is recommending the programming of \$12,000,000 of this balance to the currently oversubscribed NOFAs in separate action items today as follows:

\$1,500,000	2010 HOME Single Family Development CHDO NOFA
\$8,500,000	General Set-Aside of the 2010 HOME Rental Housing Development NOFA
\$2,000,000	CHDO Set-Aside of the 2010 HOME Rental Housing Development NOFA
<b><u>\$12,000,000</u></b>	<b>Recommended for Reprogramming</b>

A balance of slightly over \$1,000,000 in HOME funds will remain available should a natural disaster necessitate use of additional funds for disaster relief.

# HOME FUND BALANCE REPORT

As of March 15, 2010

	Total
<b>Total Available Balance in IDIS on February 17, 2010 <sup>1</sup></b>	<b>\$46,313,431.12</b>
Committed since last report	(\$2,618,600.00)
Program Income received since last report	\$259,117.00
Deobligated since last report	\$0.00
<b>Total Available Balance in IDIS on March 15, 2010 <sup>1</sup></b>	<b>\$43,953,948.12</b>

## CHDO (Community Housing Development Organization) Funds

	Uncommitted	Reserved Deobligated	Total
<b>Available Balance in IDIS</b>	\$1,490,029.50		\$1,490,029.50
<b>Programmatic Set-Asides:</b>			
All funds are currently available in open NOFA's			
<b>Open Notices of Funding Availability (NOFA's):</b>			
Awards approved by the Board but not committed in IDIS yet	\$0.00		\$0.00
2009 Open Cycle Colonia Model Subdivision and Single-Family Development NOFA (approved by the board July 16, 2009 and expires January 29, 2010)	(\$3,000,000.00)		(\$3,000,000.00)
2010 Open Cycle RHD NOFA 3.0 Million CHDO Set Aside (approved by the board January 20, 2010 and expires December 31, 2010)	(\$5,527,135.50)		(\$5,527,135.50)
<b>Total CHDO Funds Available for Programming:</b>	<b>(\$7,037,106.00)</b>		<b>(\$7,037,106.00)</b>

## Non-CHDO (Community Housing Development Organization) Funds

	Uncommitted	Reserved Deobligated	Total
<b>Available Balance in IDIS</b>	\$39,469,751.62	\$2,994,167.00	\$42,463,918.62
<b>Programmatic Set-Asides:</b>			
Disaster Set-Aside	\$0.00	(\$2,150,000.00)	(\$2,150,000.00)
2008 CHDO Operating Funds <sup>2</sup>	(\$198,324.00)		(\$198,324.00)
2009 CHDO Operating Funds <sup>2</sup>	(\$279,501.00)		(\$279,501.00)
2009 Reservation for Contract for Deed over subscription	(\$2,000,000.00)		(\$2,000,000.00)
Persons with Disabilities Set-Aside	\$0.00	\$ (844,167.00)	(\$844,167.00)
<b>Open Notices of Funding Availability (NOFA's)/Board-Approved Awards:</b>			
Awards approved by the Board but not committed in IDIS yet	(\$3,808,632.00)		(\$3,808,632.00)
Amendment approved by Board but not committed in IDIS yet	\$0.00		\$0.00
2009 Contract for Deed NOFA \$2 Million (approved by Board July 30, 2009 and expires May 28, 2010)	(\$2,000,000.00)		(\$2,000,000.00)
2009 RHD PWD Set-Aside NOFA \$1 Million (approved by board July 30, 2009 and expires April 30, 2010)	(\$1,000,000.00)		(\$1,000,000.00)
2009 Single Family Persons with Disabilities NOFA \$1.7 Million (approved by board July 30, 2009 and expires May 28, 2010; \$429,659 is non-PJ)	(\$571,599.00)		(\$571,599.00)
2009 Single Family NOFA \$25.9 million (approved by board July 30, 2009 and expires April 30, 2010)	(\$14,756,197.00)		(\$14,756,197.00)
2010 RHD NOFA General Set-Aside \$5 Million (approved by board January 20, 2010 and expires December 31, 2010)	(\$5,000,000.00)		(\$5,000,000.00)
<b>Total Non-CHDO Funds Available for Programming:</b>	<b>\$9,855,498.62</b>		<b>\$9,855,498.62</b>
<b>Grand Total of HOME Funds Available for Programming:</b>	<b>\$2,818,392.62</b>		<b>\$2,818,392.62</b>

<sup>1</sup> Of the available balance, the cumulative program income to-date is \$29,460,477.82.

<sup>2</sup> CHDO Operating funds are non-CHDO funds used for CHDO projects.

**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve the Revised 2010 HOME Investment Partnerships Program Rental Housing Development Program Notice of Funding Availability (NOFA).

**WHEREAS**, the Board previously approved \$11,527,136 in funds available for the 2010 HOME Rental Housing Development Program NOFA, and

**WHEREAS**, applications received to-date in response to this NOFA amount to over \$52 million, and

**WHEREAS**, uncommitted and deobligated funds totaling \$10,500,000 are available for reprogramming to this NOFA, therefore

**RESOLVED**, 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 publish the 2010 HOME Rental Housing Development Program Notice of Funding Availability in the *Texas Register* in the form presented to this meeting and in connection therewith to make such non-substantive technical corrections as they or any of them may deem necessary or advisable to effectuate the foregoing.

**Background**

The NOFA included \$5,000,000 in deobligated funds under the General Set-Aside, \$5,527,136 (\$3,000,000 in deobligated funds and \$2,527,136 in PY 2009 CHDO funds) under the CHDO Set-Aside, and \$1,000,000 in PY 2009 funds under the Persons with Disabilities Set-Aside.

The deadline for submission of 2010 tax credit applications was March 1, 2010. To date, the Department has received 43 applications under the 2010 RHD NOFA. Two of these applications have been terminated and one application was withdrawn. Of the remaining applications, 28 pending applications totaling \$35,094,960 are under the General Set-Aside, 7 pending applications totaling \$12,568,744 are under the CHDO Set-Aside, and 5 pending applications totaling \$2,500,000 are under the PWD Set-Aside. Staff anticipates receiving the 2010 Funding Approval and Grant Agreement from HUD in the coming months which will make up to \$13,000,000 in additional funding available to rental housing development activities pursuant to the 2010 Consolidated Plan One-Year Action Plan. However, this funding may be insufficient to satisfy the current demand for HOME RHD funding. As a result, staff recommends that \$8,500,000 in HOME funds available for programming on the current Fund Balance Report (presented as a separate item today) be made available under General Set-Aside and \$2,000,000 be made available under the CHDO Set-Aside. If approved, the revised NOFA will have

\$22,027,136 in funds (\$13,500,000 in General Set-Aside; \$7,527,136 in CHDO Set-Aside; and \$1,000,000 in Persons with Disabilities Set-Aside) will be available until December 31, 2010. Additionally, staff included minor technical updates to the NOFA, which are reflected in the attached blackline version. It should be noted that staff is recommending the award of one application from the PWD Set-Aside under a separate agenda item today, which, if approved, will reduce the funding available under the PWD Set-Aside to \$500,000. Staff expects to bring this NOFA back to the Board for approval to add funds from the Department's 2010 allocation of HOME Program funds once the Department has executed its 2010 Grant Agreement with HUD.

The NOFA with the revised funding is attached to this action item.



## Texas Department of Housing and Community Affairs HOME Investment Partnerships Program

### Rental Housing Development Program Notice of Funding Availability (NOFA)

- 1) **Summary.** The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately ~~\$11,527,136~~22,027,136 in funding from the HOME Investment Partnerships Program for the development of affordable rental housing for low-income Texans. The availability and use of these funds is subject to the State HOME Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 53 (“HOME Rules”) in effect at the time Application is submitted, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306 of the Texas Government Code. Other Federal regulations may also apply such as, but not limited to, 24 CFR Parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR §§85.36 and 84.42 for conflict of interest and 24 CFR Part 5, Subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.
- 2) **Allocation of HOME Funds.**
  - a) These funds are made available through the Department’s allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD). These HOME funds have been programmed for rental housing development activities involving new construction, rehabilitation, acquisition and rehabilitation of affordable housing. The funds made available under this NOFA are subject to the following set-asides.
    - i) **CHDO Set-Aside.** At least ~~\$7~~57,527,136 in funds are set-aside to eligible Community Housing Development Organizations (CHDOs) meeting the requirements of 10 TAC §53.50 and this NOFA.
    - ii) **Persons with Disabilities Set-Aside.** \$1,000,000 in funds are set-aside to fund Applications proposing all of their HOME units to be restricted for persons with disabilities and are subject to the Department’s Integrated Housing Rule at 10 TAC §1.15. Funds requested and awarded under this set-aside may be located in any area of the state including within other Participating Jurisdictions. Funds requested and awarded under this set-aside are subject to a \$500,000 per Application funding limit.
    - iii) **General Set-Aside.** The remaining ~~\$5,000~~13,500,000 in funds shall be available to all other Applications proposing Rental Housing Development that meet the requirements of this NOFA, the HOME Program Rule, and the Federal HOME regulations.
    - iv) An Applicant may have only one active Application at a time and may only apply under one set-aside at a time. Additionally, the following processes will be followed for the review and award of Applications:
      - (1) Once all funds from the CHDO Set-Aside have been awarded, all pending Applications remaining in this set-aside will be considered for funds under the General Set-Aside;

- (2) Once all funds from the Persons with Disabilities Set-Aside have been awarded, pending Applications under this set-aside must reapply to be considered under the General or other set-asides due to the different statutory and NOFA requirements for these Applications; and
- (3) The Department may complete the CHDO Certification process for Applications that originally applied under the CHDO Set-Aside but receiving funds from the General Set-Aside in order to meet the Department's future obligations to award funds for CHDO activities.

In accordance with 10 TAC §53.48, this NOFA will be conducted as an open Application cycle and funding will be available on a first-come, first-served basis. Applications will not be subject to a Regional Allocation Formula (RAF).

- b) Applicants are encouraged to review the Application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding. Based on the availability of funds, Applications for the statewide open Application cycle will be accepted until 5:00 p.m. **December 31, 2010**. The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC §53.41. Project funds awards are limited to no more than **\$2,000,000** per Application except for Applications receiving funds from the Persons with Disabilities set-aside as provided in §(2)(a)(iii) of this NOFA. In addition, applications carried over from the previous 2009 NOFA under the CHDO set-aside will be limited to a project funds award of **\$3,000,000** per Application.
  - c) Each CHDO that is awarded HOME funds may also be eligible to receive a grant for CHDO Operating Expenses. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME Application. The award amount for CHDO Operating Expenses shall not exceed \$50,000. Awards for operating expenses will be drawn over a two (2) year period of time. The Department reserves the right to limit an Applicant to receive not more than one award of CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.
  - d) Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$15,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program. When HOME 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).
- 3) Eligible and Prohibited Activities.**
- a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205, and at 10 TAC §§53.34 and 53.50, which involve only the acquisition, rehabilitation or construction of affordable rental developments.
  - b) Prohibited activities include those under federal HOME rules at 24 CFR §92.214 and 10 TAC §53.37.
  - c) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ) except for Applications receiving funds under the Persons with Disabilities Set-Aside.

- d) Refinancing of federally financed properties or use of HOME funds for properties constructed within five (5) years of the submission of an Application for assistance will not be permissible.

**4) Eligible and Ineligible Applicants.**

- a) The Department provides HOME funding to qualified nonprofit organizations, for-profit entities, sole proprietors, public housing authorities and units of general local government.
- b) Applicants will be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 or as provided in 10 TAC §50.5(a) excluding subsections (5) - (8). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to Application submission.

**5) Matching Funds.** Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match.

**6) Affordability Requirements.**

- a) Applicants should be aware that there are minimum affordability standards necessary for HOME assisted rental developments. Unless further restricted, initial occupancy income restrictions require that at least 90% of the units are affordable to persons below 60% AMFI and that 20% of the units are affordable to person below 50% AMFI. Over the remaining affordability period, at least 20% of HOME assisted units should be affordable to persons earning 50% or less than the AMFI, all remaining units must be affordable to persons earning 80% or less than the AMFI.
- b) Each development will have a two-tier affordability term to be structured as follows:
  - i) The first tier will entail the federally required affordability term. For new construction or acquisition of new housing, this term is twenty (20) years. For rehabilitation or acquisition of existing housing, the term is five (5) years if the HOME investment is less than \$15,000 per unit; ten (10) years if the HOME investment is \$15,000 to \$40,000 per unit; and fifteen (15) years if the HOME investment is greater than \$40,000 per unit. This first tier is subject to all federal laws and regulations regarding HOME requirements, recapture, net proceeds and affordability.
  - ii) The second tier of affordability is the additional number of years required to bring the total term of affordability up to thirty (30) years or the term of the loan agreement. For example, the second tier of affordability on a ten (10) year federal affordability term is twenty (20) additional years. The second tier, or remaining term, is subject only to state regulations and affordability requirements.
- c) All Applicants will be required to enter into a contract with the Department and 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. Additionally, the Department may require a separate LURA for non-federal restrictions that are required under state law, 10 TAC Chapter 50, and this NOFA or otherwise committed in the Application.

- d) Applications receiving funds from the Persons with Disabilities Set-Aside will be required to designate all HOME units as “fixed HOME units” as provided in 24 CFR §92.252(j). All other Applications are required to designate all HOME units as “floating HOME units” as provided in 24 CFR §92.252(j).

**7) Site and Development Restrictions.**

- a) 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, HOME-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 HOME-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.
- b) All other HOME-assisted housing (e.g., acquisition) 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 HOME 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). All multifamily rehabilitation developments are subject to a Uniform Physical Conditions Standards inspection. All deficiencies identified in that inspection must be corrected before final retainage is released.
- c) Housing developments 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). Multifamily housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) 10 TAC §§60.201-211). Covered multifamily dwellings, as defined at 24 CFR §100.201 as well as common use facilities in developments with covered dwellings must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §§3601–3619) and the design and construction requirements of the Fair Housing Act Design Manual. Additionally, pursuant to the 2009 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 design and construction requirements of the Fair Housing Act Design Manual, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A compliance 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 of the Texas Government Code.
- d) All Applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR §982.401, Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973 as reflected in §(7)(c) of this NOFA. Developments must also meet all local building codes or standards that may apply.



If the development is located within a jurisdiction that does not have building codes, developments must meet the most current International Building Code.

- e) For funds being used for Rental Housing Developments, the Recipient must establish a reserve account consistent with §2306.186 of the Texas Government Code, and as further described in 10 TAC §1.37, pursuant to 10 TAC §53.45(c).
- f) 10 TAC §50.6 of the Qualified Allocation Plan and Rules apply, except for subsections (d), (f), (g), (h), and (k).
- g) Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units, pursuant to 10 TAC §53.45(b).

**8) Public Notification Requirements.** Evidence in the form of a certification of all of the notifications described in the subsections of this section is required. Such notices must be prepared in accordance with the "Public Notifications" certification provided in the Application.

- a) Neighborhood Organizations Request. Evidence in the form of a certification that the Applicant met the requirements and deadlines identified in the clauses of this subsection and proof thereof is required. Notifications must not be older than three (3) months prior to the date the Application is submitted. The Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:
  - i) Not later than fourteen (14) days prior to submission of the Application, the Applicant must e-mail, fax or mail with registered receipt a completed "Neighborhood Organization Request" letter as provided in the Application materials to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;
  - ii) If no reply letter is received from the local elected officials by seven (7) days prior to the submission of the Application, then the Applicant must certify to that fact in the "Application Notification Certification Form" provided in the Application materials;
  - iii) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.
- b) Written Notification. Not later than the date the Application is submitted, Applicants are required to provide written notification by e-mail, fax or mail with registered receipt return or similar tracking mechanism in the format required in the "Application Notification Template" provided in the Application materials to each of the following persons or entities. Failure to provide written

notifications not later than the date the Application is submitted, at a minimum, will cause an Application to be terminated. Applicants must provide notifications to:

- i) Neighborhood Organizations on record with the state or county whose boundaries include the proposed Development Site as identified in §(8)(a) of this NOFA;
  - ii) Superintendent of the school district containing the Development;
  - iii) Presiding officer of the board of trustees of the school district containing the Development;
  - iv) Mayor of the Governing Body of any municipality containing the Development;
  - v) All elected members of the Governing Body of any municipality containing the Development;
  - vi) Presiding officer of the Governing Body of the county containing the Development;
  - vii) All elected members of the Governing Body of the county containing the Development;
  - viii) State senator of the district containing the Development; and
  - ix) State representative of the district containing the Development.
- c) Each such notice must include, at a minimum, all of the following:
- i) The Applicant's name, address, individual contact name and phone number;
  - ii) The Development name, address, city and county;
  - iii) A statement informing the entity or individual being notified that the Applicant is submitting a request for HOME funds with the Texas Department of Housing and Community Affairs;
  - iv) Statement of whether the Development proposes New Construction, reconstruction, Adaptive Reuse or Rehabilitation;
  - v) The type of Development being proposed (single family homes, duplex, apartments, townhomes, high-rise etc.) and population being served (family, Intergenerational Housing or elderly);
  - vi) The approximate total number of Units and approximate total number of low-income Units;
  - vii) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the approximate percentage of Units that are market rate;
  - viii) The number of Units and proposed rents (less utility allowances) for the low-income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Application, which are subject to change as annual changes in the area median income occur;
  - ix) The expected completion date if funds are awarded; and
  - x) Any other information required in the ASPM or 10 TAC §50.9(h)(8) of the Qualified Allocation Plan and Rules (QAP).
- d) Signage on Property or Alternative. A Public Notification Sign shall be installed on the Development Site prior to the date the Application is submitted unless prohibited by local ordinance or code. Scattered site Developments must install a sign on each non-contiguous Development Site. Evidence submitted with the Application must include photographs of the site with the installed sign. The sign must be at least 4 feet by 8 feet in size and located within 20 feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for the Development. The information and lettering on the sign must meet the minimum requirements identified in the Application materials. In areas where the Public Notification Sign is prohibited by local ordinance or code, an alternative to installing a Public Notification Sign and at the same required time, the Applicant shall, mail written notification to those addresses described in either §(8)(d)(i) or (ii) of this NOFA. This written notification must include the information otherwise required for the sign as provided in the Application materials. The Application must include a map of the proposed Development Site and mark the distance required by §(8)(d)(i) or (ii) of this NOFA, up to 1,000 feet, showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through

the U.S. Postal Service and stating the date of mailing. If Public Notification Sign is prohibited by local ordinance or code, evidence of the applicable ordinance or code must be submitted in the Application.

- i) All addresses required for notification by local zoning notification requirements. For example, if the local zoning notification requirement is notification to all those addresses within 200 feet, then that would be the distance used for this purpose; or
  - ii) For Developments located in communities that do not have zoning, communities that do not require a zoning notification or those located outside of a municipality, all addresses located within 1,000 feet of any part of the proposed Development Site.
- e) If any of the Units in the Development are occupied at the time of Application, then the Applicant must certify that it has notified each tenant at the Development of all the information otherwise required on the sign, including the Department's public hearing schedule for comment on submitted Applications, if applicable.

**9) Threshold Criteria.** The following Threshold Criteria listed in this section are mandatory requirements at the time of Application submission unless specifically indicated otherwise.

- a) **Uniform Requirements.** All the Threshold requirements in 10 TAC §50.9(h) of the Qualified Allocation Plan and Rules (QAP) in effect at the time of Application submission are requirements except as provided herein. For the purposes of receiving funds under this NOFA, the definition of Application Acceptance Period in the QAP shall be the date that the Application is submitted. For the purposes of receiving funds under this NOFA, the following subsections of 10 TAC §50.9(h) are not required:
  - i) §50.9(h)(4)(J) regarding General Contractor requirements for tax credit Applications;
  - ii) §50.9(h)(11) regarding nonprofit set-aside requirements for tax credit Applications;
  - iii) §50.9(h)(12) regarding acquisition tax credits;
  - iv) §50.9(h)(14)(G) regarding third-party report deadlines for tax credit Applications; and
  - v) §50.9(h)(15) regarding self scoring for competitive cycle tax credit Applications.
- b) **Unit Restrictions.** Housing units subsidized by HOME funds must be affordable to low, very-low or extremely low-income persons. Mixed Income rental developments may only receive funds for units that meet the HOME program affordability standards. Additionally, each Application must meet the following requirements:
  - i) All Applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
  - ii) To encourage the inclusion of families and individuals with the highest need for affordable housing, Applicants must target a minimum of 5% of the total units for individuals or families earning 30% or less of area medium income for the development site. Additionally, 20% of the total units proposed must be HOME units. Developments with existing and continuing USDA 515 program loans and rental assistance or project-based Section 8 are exempt from these minimum target requirements.
  - iii) All units targeting Extremely Low Income households at 30% or 40% of area median income must also restrict rents at comparable levels using the Housing Tax Credit program rents calculated annually by the Department and available on the Department's website ([www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)). These additional restrictions will limit the tenant paid portion of the rent and any applicable utility allowance but will not limit the amount of any rental assistance unless required by Federal law.
  - iv) Applications requesting funds under the Persons with Disabilities Set-Aside are exempt from §(9)(b)(ii) of this NOFA, but must restrict 5% of the HOME units set-aside for persons with

disabilities at 30% of AMI and 100% of the HOME units set aside for persons with disabilities at 50% of AMI.

- c) **Loan Terms.** All project funds awarded to eligible Applications under this NOFA will be structured as a loan(s), will be supported by documents required by 10 TAC §53.80, and will meet the following requirements at the time of Application and as underwritten:
- i) The interest rate may be as low as 0% and may be adjusted by the Real Estate Analysis division in accordance with 10 TAC §1.32(d)(4);
  - ii) The Loan term will be no less than fifteen (15) years and no greater than forty (40) years and the amortization period will be no less than twenty (20) years and no greater than forty (40) years;
  - iii) The Loan(s) will be structured with a regular payment due monthly based on the amortization period. Loan(s) will not be structured with contingent payments except as allowable for Applications meeting §(2)(c)(vi) of this NOFA or for Applications with first lien debt that is insured by HUD or the Federal Housing Administration (FHA) or for Applications with other lenders with which the Department has a Memorandum of Agreement permitting such contingent payment debt structures. All contingent payment loans must also meet the minimum debt coverage ratio requirements in the Real Estate Analysis Rules and Guidelines described in 10 TAC §1.32, including being underwritten at a minimum DCR of 1.15 inclusive of the funds requested under this NOFA;
  - iv) The lien position of the Department's loan(s) shall generally be based on the amount of the Department's loan(s) in relation to the other sources of debt. However, the Department may require a superior position to sources that are greater than the Department's funds if the lender is a related party to any member of the development team or if the other source of debt is structured with a contingent payment or without any regular payment;
  - v) The Department's loan(s) must close within six (6) months of execution of the contract and each loan shall be structured with an eighteen (18) month development period. An extension to these timeframes may be requested as allowed in 10 TAC §53.74; and
  - vi) If the Applicant elects to restrict 10% of all units for households at or below 30% of AMFI and at least 50% of all units for households at or below 50% of AMFI, and those units are not designated to serve very or extremely low-income households through another subsidy source with the exception of developments with existing and continuing USDA 515 program loans and rental assistance or project-based Section 8, the Department may allow up to 50% of the total HOME award to be structured as a deferred forgivable loan with a term equal to the affordability period. Developments layered with Housing Tax Credits are not eligible for this optional election unless the funds are deducted from eligible basis. Applications must still meet the requirements of the Real Estate Analysis (REA) Rules and Guidelines in 10 TAC §1.32.
- d) **Leveraging of Other Public or Private Resources.** To encourage the involvement of other public agencies and private entities in affordable housing, Applicants must provide a minimum percentage of the total development costs in loans, in-kind contributions, or grants from third-party public or private entities. The maximum award may not exceed 90% of the Total Development Costs ("TDC") unless a resolution of support for the development is made by the local unit of government in which the proposed development resides and/or the proposed development is located in an area where the HUD Fair Market Rents are equal to the respective HOME Rent Limit for a one-bedroom unit but will be limited per Table 1, as follows:

Table 1. Maximum HOME Award as a Percentage of Total Development Cost (“TDC”)

Rent	Resolution from Local Government	Max award as % of TDC	% of TDC from other sources
FMR greater than High Home	No	90%	10%
FMR greater than High Home	Yes	92%	8%
FMR equal to High Home	No	93%	7%
FMR equal to High Home	Yes	95%	5%
FMR equal to Low Home	No	96%	4%
FMR equal to Low Home	Yes	98%	2%

The remaining percentage of total development cost must be in the form of permanent loans with a maturity of at least twenty (20) years, in-kind contributions or grants from third-party private or public entities. Developments with USDA or other government-sponsored loans that will remain as permanent financing may be used to satisfy this requirement from a public or private entity. Loans or grants from the Department will not satisfy this requirement. 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 and 1.35 maximum.

- e) **Funding Limits.** In addition to the limits per Application described in §§(2)(a)(ii) and (2)(b) of this NOFA, Applicant awards will be limited as follows:
  - i) The Department will determine the maximum amount of HOME funds or minimum number of HOME units by pro-rating the total HOME eligible development costs of the project in accordance with 24 CFR 92.205(d). The total HOME funds as a percentage of total HOME eligible development costs may not exceed the total HOME restricted units as a percentage of the total units (For example: [total HOME funds / total HOME eligible cost] may not exceed [total HOME units / total units]). Applicants are encouraged to review “HOME eligible costs” in the HOME Final Rule, 24 CFR §§92.205 and 92.206;
  - ii) The total HOME funding may not exceed the per-unit dollar limitations established under section 221(d)(3) of the National Housing Act (12 U.S.C. 17151(d)(3)), which are applicable to the area in which the development is located, and as published by HUD; and
  - iii) Funds awarded under this NOFA shall meet all other subsidy and funding limits required in the HOME Rule at 24 CFR Part 92.
  
- f) **Financial Capacity.** If the Department’s loan(s) amount to more than 50% of the total development cost, except for developments also financed through the USDA-515 program, the Application will include:
  - i) A letter from a third party CPA verifying the capacity of the owner or developer to provide at least 10% of the total development cost as a short term loan for development; and
  - ii) A letter from the developer’s or owner’s bank(s) confirming funds amounting to 10% of the total development cost are available; or
  - iii) Evidence of a line of credit or equivalent tool equal to at least 10% of the total development cost from a financial institution that is available for use during the proposed development activities.
  
- g) **Affirmative Marketing.** Documentation of compliance with the Affirmative Marketing requirements in the Fair Housing Act and the Department’s Compliance Rules at 10 TAC §60.112(d). Applicants will be required to use HUD form 935.2a to meet these requirements.

- h) **Site and Neighborhood.** For Applications proposing new construction, documentation sufficient to meet the Site and Neighborhood Standards required in 24 CFR §92.202 and as required in the Final Application and Submission Procedures Manual (ASPM).
- i) **Application Certifications.** All Applicants will be required to certify to compliance with the following:
  - i) Davis-Bacon Act (24 CFR §92.354);
  - ii) Environmental standards (24 CFR Parts 50 & 58);
  - iii) Uniform Relocation Act (49 CFR Part 24); and
  - iv) Lead Safe Housing Rule (24 CFR Part 35).
  - v) Other certifications may be required as specifically stated in the ASPM current at the time of Application.
  - vi) Audit Certification. An Applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of Application or the 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).
  - vii) In accordance with 10 TAC §53.44(c), all entities receiving funds of \$25,000 or more must be registered in the federal Central Contractor Registration (CCR) and have a current Data Universal Numbering System (DUNS) number.
- j) **CHDO Certification.** Requirements under this subsection must only be met for Applications considered for an award of funds from the CHDO Set-Aside. CHDO Certification will be awarded in accordance with the rules and procedures as set forth by 10 TAC §53.50, Community Housing Development Organization (CHDO) Certification. CHDO Certification Applications must meet the requirements of 10 TAC §53.50 at the time of Application submission. Additionally, the following apply:
  - i) CHDO Applicants must be the Sponsor, Owner or Developer of the proposed Development. Applicants who apply through a Limited Partnership will be required to provide evidence, at the time of CHDO certification and commitment, that the CHDO Applicant is the Managing General Partner of the partnership and has effective control (decision making authority) over the development and management of the property, pursuant to 24 CFR §92.300;
  - ii) A separate Application process is required for CHDO Certification and to meet the CHDO Set-Aside requirements. Review and approval of the CHDO Certification occurs during the threshold review process. However, Applicants will not receive a formal certification until the award of the HOME funds has been approved by the Department's Board; and
  - iii) A new Application for CHDO certification must be submitted to the Department with each new Application for HOME Development funds under the CHDO set aside. The CHDO Application package will be available with all other Application materials on the Department's website.

## 10) Review Process

- a) Pursuant to 10 TAC §53.48, each Application will be handled on a first-come, first-served basis as further described in this section. Each Application will be assigned a Received Date based on the date and time it is physically received by the Division. Then each Application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their Received Date unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over Applications that may have an earlier Received Date but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

- i) Phase One will begin as of the Received Date and will include a review of eligibility and threshold criteria and all Application requirements. The Department will ensure review of materials required under the NOFA and ASPM and will issue a notice of any Administrative Deficiencies for threshold criteria and eligibility within forty-five (45) days of the Received Date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Two, if applicable. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds.
  - ii) Phase Two will include a comprehensive review for financial feasibility. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with 10 TAC §1.32. REA will create an underwriting report identifying staff's recommended Loan terms, the Loan amount and any conditions to be placed on the Development. The Department will issue a notice of any Administrative Deficiencies within forty-five (45) days of the date the Application enters Phase Two. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Three, if applicable. Applications with Administrative Deficiencies not satisfied within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase and do not require additional review in Phase Three will be considered for placement on the next available Board meeting agenda.
  - iii) Phase Three will only entail the review of the CHDO Certification Application, if applicable. The Department will ensure review of these materials and issue notice of any Administrative Deficiencies on the CHDO Certification Application within thirty (30) days of the Application enters Phase Three. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into the final review phase of the Application process. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds or must elect to withdraw from the CHDO Set-Aside and withdraw the CHDO Certification Application. Only upon satisfaction of all Administrative Deficiencies will the Application be forwarded to the final phase of the Application process. Upon completion of the applicable final review phase, the Application will be considered for placement on the next available Board meeting agenda.
- b) Because Applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an Application has completed all phases of its review. In the case that all HOME funds are committed before an Application has completed all phases of the review process, the Department will notify the Applicant that their Application will remain active for ninety (90) days in its current phase. If new HOME funds become available, Applications will continue onward with their review without losing their Received Date priority. If HOME funds do not become available within ninety (90) days of the notification, the Applicant will be notified that their Application is no longer under consideration. The Applicant must reapply to be considered for future funding. If on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.
- c) Pursuant to the QAP and 10 TAC §53.42, if a submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, the Application will be terminated with notice and rights to appeal but without being processed as an Administrative Deficiency. To the extent that a review was unable to be performed, specific

reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.

- d) A site visit may be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.
- e) 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 which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.
- f) In accordance with §2306.082 of the Texas Government Code and 10 TAC §53.6, 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, 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.
- g) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

## **11) Administration.**

- a) All Applicants receiving an award under this NOFA will be required to enter into a contract with the Department and will be subject to the contract requirements in 10 TAC Chapter 53; Subchapters F and G.
- b) When Department funds 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 or equivalent guarantee in the sole determination of the Department. Such assurance of completion will run to the Department as obligee and must be documented prior to closing. Applications also utilizing the USDA 515 program are exempt from this requirement but must meet the alternative requirements set forth by USDA.



**12) Tie Breaker Factors.** In the event that two or more Applications receive the same priority based upon the provisions of §10 of this NOFA in any given Set-Aside category and are both practicable and economically feasible, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive a preference in consideration for an awarded of funds.

- a) Applications involving any Rehabilitation or Reconstruction of existing Units will win this first tier tie breaker over Applications involving solely New Construction or Adaptive Reuse.
- b) The Application with the least amount of HOME funds per HOME restricted unit will win this second tier tie breaker.

### **13) Application Submission**

- a) All Applications submitted under this NOFA must be received on or before **5:00 p.m. on December 31, 2010**. 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. For questions regarding this NOFA please contact [Chris Law at \(512\) 305-8854](mailto:Chris.Law@tdhca.state.tx.us) or via e-mail at [chris.law@tdhca.state.tx.us](mailto:chris.law@tdhca.state.tx.us) ~~Cameron Dorsey at 512-475-2669 or via e-mail at cameron.dorsey@tdhca.state.tx.us.~~
- b) If an Application is submitted to the Department that requests funds from two separate housing finance programs, the Application will be handled in accordance with the guidelines for each housing program. The Applicant is responsible for adhering to the deadlines and requirements of both programs.
- c) All Applications must be submitted, and provide all documentation, as described in this NOFA and associated Application materials.
- d) Applicants must submit the Application materials as detailed in the Final ASPM in effect at the time the Application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the Final ASPM in effect at the time the Application is submitted.
- e) The Application consists of several parts as described in the Final ASPM. A complete Application for each proposed development must be submitted in an electronic PDF format on a recordable compact disc (CD-R). Incomplete Applications or improperly compiled Applications will not be accepted. Applicants must submit the Application materials as detailed in the Final ASPM in effect at the time the Application is submitted. |
- f) Third Party Reports. If all applicable third party reports are not received at the time of Application submission, the Application will be terminated.
- g) If a development has an existing Housing Tax Credit allocation or HOME contract with the Department and construction on the development has not begun, an abbreviated Application for a HOME award or for an increase in the existing HOME award can be submitted under this NOFA. If additional funds are sought, such an Application may also request that the terms for the additional HOME funds also apply for the funds in an existing HOME Contract. The entire amount of HOME funds received from the Department may not exceed the maximum award per development as reflected in this NOFA for the respective set-aside. An Application qualifying for the abbreviated Application process may be considered by staff to have already met the threshold

requirements in §§(8) and (9)(a) of this NOFA without additional review unless staff determines additional documentation is required in accordance with §(13)(h) of this NOFA.

- h) The requirements of the abbreviated Application will be reflected in the Application Submission Procedures Manuel (ASPM). In addition to the Application requirements in the ASPM, staff may use discretion to determine if additional information that is typically required in the full Application (including third party reports) is necessary or prudent in order to review for compliance with state or federal rules or due to changes in the market since last reviewed by the Department. Full Application and an amendment may be required for any Application that includes changes to the previous Board approved Application beyond those that are directly related to the development costs, financing structure or additional HOME program related requirements or that affect an existing allocation of Housing Tax Credits.
- i) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Applications will be required to adhere to the HOME Rule and 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.
- j) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$500.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive 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. An Application fee is not required for Applications submitted pursuant to §(13)(g) of this NOFA and that have an existing HOME Contract with the Department. The Application fee is not a reimbursable cost under the HOME Program.
- k) Applications must be sent via overnight delivery to:

**HOME Division  
Texas Department of Housing and Community Affairs  
Attn: Chris Law  
221 East 11th Street  
Austin, TX 78701-2410**

or via the U.S. Postal Service to:

**HOME Division  
Texas Department of Housing and Community Affairs  
Attn: Chris Law  
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 HOME Rental Housing Development Program. For proper completion of the Application, the Department strongly encourages potential Applicants to review all applicable State and Federal regulations.*

**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve as presented the 2010 HOME Single Family Development (SFD) Program for Community Housing Development Organizations (CHDOs) Notice of Funding Availability (NOFA) for publication in the *Texas Register*.

**WHEREAS**, the 2009 HOME Colonia Model Subdivision and Single Family Development Program NOFA has an unsubscribed balance of \$1,524,189, and

**WHEREAS**, the Department has experienced increased interest in funding being made available for single family development, and

**WHEREAS**, uncommitted and deobligated funds totaling \$1,500,000 are available for reprogramming to this NOFA, therefore

**RESOLVED**, 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 publish the 2010 HOME Single Family Development (SFD) Program for Community Housing Development Organizations (CHDOs) Notice of Funding Availability in the *Texas Register* in the form presented to this meeting and in connection therewith to make such non-substantive technical corrections as they or any of them may deem necessary or advisable to effectuate the foregoing.

**Background**

In July 2009, the Board approved the revised 2009 HOME Colonia Model Subdivision and Single Family Development Program NOFA, which made \$3,000,000 in funds available for the development of affordable single-family housing. The Department received two eligible applications for this funding. The application acceptance period ended on January 29, 2010. Both applications are being recommended for award today under a separate board item.

In February, the HOME Program Division held a roundtable with applicants, consultants, and the public regarding the single family development activity and reviewed current NOFA requirements. Stemming from this discussion and interest in the program from stakeholders, several changes to the program requirements were made and include:

- Changes in required amenities. Feedback indicated that certain amenities are not standard in certain markets; therefore, the revised NOFA will simply require homebuyers be given the option to select certain amenities in their homes.

- Changes to floorplans and lots/locations of homes after award to coincide with the preferences of homebuyers. Due to the timing differences from application to award, allowing changes to comparable floorplans and lots/location are necessary for the effective implementation of the program.
- Clear identification of rehabilitation as an eligible activity in the development of single family housing. The NOFA did not clearly allow for the acquisition and rehabilitation of existing single family housing by the CHDO for the purposes of selling to an eligible low-income homebuyer.
- The addition of factors for a tie breaker should two or more applications otherwise receive the same priority. The factors provide priority to applications proposing rehabilitation or reconstruction and for efficient use of HOME funds.

If approved, the NOFA will make available \$3,024,189 in CHDO funds until December 3, 2010. As with previous NOFA, the 2010 SFD CHDO NOFA would limit each application to an award of no more than \$1,000,000.

The availability and use of these funds are subject to the Department's HOME Program Rule (10 TAC Chapter 53), the federal regulations governing the HOME Program (24 CFR Part 92), and the Department's Real Estate Analysis Rules and Guidelines (10 TAC §§1.32-1.37). An open application cycle will be used to process applications received in response to this NOFA and the Regional Allocation Formula (RAF) does not apply to funds that are being reprogrammed.

The proposed NOFA is attached behind this action item.



## **Texas Department of Housing and Community Affairs HOME Investment Partnerships Program**

### **Single Family Development Program for Community Housing Development Organizations (CHDOs) Notice of Funding Availability (NOFA)**

#### **1) Summary.**

The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$3,024,189 in funding from the HOME Investment Partnerships Program for Community Housing Development Organizations (CHDOs) to develop new and rehabilitate existing single family housing for low-income Texans. The availability and use of these funds is subject to the Department’s HOME Program Rule at Title 10 Texas Administrative Code (10 TAC) Chapter 53 (“HOME Rules”) in effect at the time the application is submitted, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306 of the Texas Government Code. Other federal regulations may also apply such as, but not limited to, 24 CFR Parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR §§85.36 and §84.42 for conflict of interest and 24 CFR Part 5, Subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.

#### **2) Allocation of HOME Funds.**

- a) These funds are made available through the Department’s allocation of HOME funds from the U. S. Department of Housing and Urban Development (HUD). The program is designed to create housing options affordable to individuals and families of low income who would otherwise move into substandard housing. All funds released under this NOFA are to be used for the creation of affordable housing for low-income Texans earning 60% or less of the Area Median Family Income (AMFI).
- b) In accordance with 10 TAC §53.48, this NOFA will be conducted as an open application cycle and funding will be available on a first-come, first-served basis. Funding made available under this NOFA is not subject to the Regional Allocation Formula (RAF). Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding. Based on the availability of funds, applications will be accepted until 5:00 p.m. on **December 3, 2010**.
- c) The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10

TAC §53.41. Project funds awards are limited to no more than \$1 million per application and per CHDO.

- d) Each CHDO that is awarded HOME funds may also be eligible to receive a grant for CHDO Operating Expenses, which are defined in 24 CFR §92.208 as including salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials, and supplies. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME application. The award amount for CHDO Operating Expenses shall not exceed \$50,000 in accordance with 10 TAC §53.47(a)(4). Awards for operating expenses will be drawn over a two (2) year period of time. The Department reserves the right to limit an Applicant to receive not more than one award of CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.

**3) Eligible and Prohibited Activities.**

- a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205 and §92.254 and at 10 TAC §53.35 and §53.50, which involve the construction of affordable developments.
- b) Prohibited activities include those under federal HOME rules at 24 CFR §92.214 and 10 TAC §53.37.
- c) Development funds will not be eligible for use in a Participating Jurisdiction (PJ). Any HOME funds available for serving households in a PJ will only be made available under a separate NOFA for Persons with Disabilities as described in the State of Texas Consolidated Plan One-Year Action Plan.
- d) A portion of funds for single family development are set-aside for eligible CHDOs and may be used for pre-development costs, land acquisition, lot development, on-site infrastructure, construction, and down payment assistance to qualified homebuyers. Onsite infrastructure includes costs for individual service lines, approved septic installation, sidewalks, curbs and site improvements. Examples of excluded infrastructure costs are water, sewer, electrical, main or transfer lines, streets and other improvements that serve the whole community.
- e) CHDO Applicants must be the developer, Contract Administrator, and construction loan borrower for the proposed development. Partnerships between CHDOs and other developers may be allowable provided the CHDO remains actively engaged and is the primary contact and any other developer partner or affiliate/related party to the partner does not also have current ownership of the property to be used for development. The Applicant must demonstrate compliance with this requirement if requested by the Department.
- f) Applicants may be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 of the Department's HOME rule, and ineligibility with any requirements under 10 TAC §50.5 excluding subsections (5) - (8). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

- 4) **Documenting Sources of Funds.** Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance

with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match as applicable.

- 5) **Affordability Requirements.** The affordability period for each newly-developed unit is based on the amount of HOME funds invested pursuant to 24 CFR §92.254. In the event that the housing unit is sold, the Department will recapture the shared net proceeds available based on the requirements of 24 CFR §92.254 and the housing unit must be sold for an amount not less than the current appraised value as then appraised by the appropriate governmental authority unless the balance on the Loan will be paid at closing.
- 6) **Site and Development Restrictions.**
  - a) Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local building codes (plus any amendments) and building and zoning ordinances in effect at the time of project completion. In the absence of a locally adopted building code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet the building code and version (plus any amendment) that is adopted by the county seat in which the development is located. Housing located in counties that have not adopted building codes must meet the 2000 International Residential Code (IRC) applicable to non-electrical aspects of residential construction, and for electrical aspects of residential construction, the 1999 National Electrical Code (NEC).
  - b) Accessibility requirements of §2306.514 of the Texas Government Code apply to all newly-developed units. To the extent that a prospective buyer of a unit requests specific accessible modifications in addition to those required under §2306.514, the special modification 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 the technical design requirements of the Uniform Federal Accessibility Standards (UFAS). All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
  - c) Newly-constructed homes must also meet energy standards as verified by RESCHECK™ certification and the energy conservation sections of the 2003 International Residential Code (IRC) and the 2003 International Energy Conservation Code, if applicable, as required by Chapter 388 of the Texas Health and Safety Code, as applicable. Housing assisted with HOME funds must have passed an environmental review in accordance with 24 CFR Part 58. Single Family Accessibility Standards must also be met when applicable.
  - d) Housing that is constructed with HOME funds within the Designated Catastrophe Area (Texas first tier coastal counties and certain areas located in Harris County east of HWY 146) must meet the stricter of either the locally adopted building code (plus any amendment) or the 2006 International Residential Code (IRC) with Texas Revisions. At the completion of construction all developments must be certified for windstorm insurability by a physical engineer licensed and registered in Texas. Note that an engineer's design and an engineer's during-construction inspections will be necessary to receive the windstorm certification.
  - e) Unit types and lot locations may, with the approval of the Department, differ from those indicated at initial application submission according to the preferences of homebuyers. If changes to lot locations or unit sizes are made, applicants will be required to submit updated documentation required under sections (8)(d), (8)(h), and (8)(i) of this NOFA, as applicable.

- 7) **Public Notifications.** The Department will notify all persons and organizations regarding the proposed development as required by 10 TAC §53.8 within 14 Days of Application receipt. In order to meet this requirement, the Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:
- a) Not later than fourteen (14) days prior to submission of the Application, the Applicant must e-mail, fax or mail with registered receipt a completed "Neighborhood Organization Request" letter as provided in the Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;
  - b) If no reply letter is received from the local elected officials by seven (7) days prior to the submission of the Application, then the Applicant must certify to that fact in the "Application Notification Certification Form" provided in the Application;
  - c) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.
- 8) **Application and Threshold Criteria.** The following Threshold Criteria listed in this section are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
- a) **Uniform Application.** Completion and submission of the entire uniform application applicable to the program and any other supplemental documentation that may be required by the Department.
  - b) **Unit Amenities.** A certification that each home will have all of the following amenities:
    - i) Wired with RG-6 COAX or better and CAT3 phone cable or better to each bedroom and living room;
    - ii) Blinds or window coverings for all windows;
    - iii) Disposal and Energy-Star or equivalently rated dishwasher (must be provided as option to homebuyer);
    - iv) Oven/Range;
    - v) Washer/dryer connections;
    - vi) Exhaust/vent fans (vented to the outside) in bathrooms;
    - vii) Ceiling fans in each bedroom;
    - viii) Energy-Star or equivalently rated lighting in all rooms, which may include compact fluorescent bulbs. The living room and each bedroom must contain at least one ceiling lighting fixture and wiring must be capable of supporting ceiling fans; and
    - ix) Paved off-street parking for each unit to accommodate at least one mid-sized car and access to on-street parking for a second car.



- c) **Unit Sizes.** A certification that each home will meet the minimum applicable unit size as provided in the following clauses of this subsection:
  - i) No unit shall contain less than two bedrooms. Each unit must contain complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation;
  - ii) Each bedroom must be no less than 100 square feet; have a length or width no less than 8 feet; be self contained with a door; have at least one window that provides exterior access; and have at least one closet that is not less than 2 feet deep and 3 feet wide and high enough to contain at least 5 feet of hanging space;
  - iii) No less than 800 total net square feet for a two bedroom home;
  - iv) No less than 1000 total net square feet for a three bedroom and two bathroom home; and
  - v) No less than 1200 total net square feet for a four bedroom and two bathroom home.
  
- d) **Design Items.** All of the architectural drawings identified in this subsection must contain an accurate and legible scale or dimensions (full size construction quality plans are not required.)
  - i) A site plan for each lot or set of contiguous lots with the unit and paved parking area reflected (the actual unit reflected on a particular lot may change based on the home buyer's final selection of one of the units provided under §(2) of this NOFA);
  - ii) A floor plan and front exterior elevation for each proposed unit which reflects the exterior building composition. Unit plans should be consistent with other documentation in the application; and
  - iii) A FEMA Issued Flood Map that includes that location of the subject site or sites. An Applicant must identify the location of each site on the Flood Map(s).
  
- e) **Households Served.** All units must be constructed for households at or below 60% of AMI and households at or below 60% of AMI are eligible to receive 100% of the purchase price (less ineligible costs) in the form of a 0% interest first lien mortgage amortized over 30 years and up to \$15,000 in down payment assistance structured as a deferred forgivable second lien.
  
- f) **Unit Cost Limits.** Each unit must meet the following requirements:
  - i) The total hard construction cost does not exceed \$73.00 per square foot;
  - ii) The total development cost and purchase price do not exceed the 95% of the Single Family Mortgage Limits under Section 203(b) of the National Housing Act as required in 24 CFR §92.252(a)(2);
  - iii) The sales price may not exceed the per square foot valuation documented in the appraisal unless determined to be reasonable by the Department. An explanation of any variance from the appraised value must be provided to and accepted by the Department. However, in no instance shall the repayable first lien mortgage exceed the appraised value.
  - iv) For projects involving rehabilitation of existing housing, total hard construction costs for each unit may not exceed \$30,000.
  
- g) **Financing Documentation.** All Applicants must provide evidence of the estimated development costs and sources of financing as described in the following paragraphs of this subsection.
  - i) A written narrative describing the financing plan for the units including the funding sources for the construction of the units. Bona fide commitment letters or term sheets for all sources of construction financing must be provided. If other sources of down payment assistance are proposed, commitment letters evidencing these sources must be provided;
  - ii) The "Development Cost Schedule" provided in the application. This schedule must be completed with the estimated mix of units and the Department may place restrictions on the funding based upon this mix in order to ensure that the approved funding is sufficient to complete the total number of proposed units;

- iii) An “Affordability Analysis” for each unit based upon the proposed down payment assistance and estimated permanent mortgage terms;
- h) **Evidence of Property Control.** All Applicants are required to document control of each lot that is proposed to be used under this program, as follows:
  - i) A recorded warranty deed with corresponding executed settlement statement; or
  - ii) A contract or option for the purchase of the proposed lots that is valid for at least one hundred-twenty (120) days from the date of application submission.
  - iii) The appraisal required in §(8)(n)(i) of this NOFA must also include the “as vacant” value of at least one of the proposed lots if one of the following is true:
    - (I) The Applicant has an Identity of Interest with the seller or current owner of the property; or
    - (II) Any of the proposed property is part of a newly developed or under-development subdivision in which at least three other third-party sales cannot be evidenced.
  - iv) If any lot proposed for use in the program is already owned by the person(s) that will own the completed home, the current owner must sign a certification indicating that they understand that ownership of the lot will be relinquished during the period that construction and development occurs.
  - v) The purchase price of any lot in which the current owner has an Identity of Interest with the Applicant cannot exceed the lesser of the following:
    - (I) The original third-party acquisition cost plus verifiable costs of owning, holding, or improving the property since the date of original acquisition; and
    - (II) The appraised value of the lot or comparable lot as reflected in the required appraisal.
  - vi) Evidence that the property is zoned for the proposed use.
- i) **Evidence of Adequate Utilities.** The Applicant must provide letters from local utility providers, on company letterhead, confirming each site has access to the following services: water and wastewater, sewer, electricity, garbage disposal and natural gas, if applicable.
- j) **Development Team.** The Applicant must provide essential contact information and Tax Identification Numbers (TINs) each organization participating in the activities identified in the application. The Applicant and owners of the Applicant must also provide documentation of any previous participation with the Department’s programs.
- k) **Financial Capacity.** If the Department’s loan(s) amount to more than 50% of the total development cost, the Application will include:
  - i) A letter from a third party CPA verifying the capacity of the owner or developer to provide at least 10% of the total development cost as a short term loan for development; and
  - ii) A letter from the developer’s or owner’s bank(s) confirming funds amounting to 10% of the total development cost are available; or
  - iii) Evidence of a line of credit or equivalent source of credit equal to at least 10% of the total development cost from a financial institution that is available for use during the proposed development activities.
- l) **Resolution.** A resolution from the Applicant’s direct governing body authorizing the submission of the application and designating a person or persons authorized to executed legal documents on the Applicant’s behalf.
- m) **Third Party Reports.** The following third party reports must be submitted with the application unless specifically indicated otherwise.
  - i) Appraisal report. An “as complete” Appraisal for at least one unit that is:

- (I) Prepared by a qualified Third Party;
  - (II) Dated not more than 6 months from the date that the application is submitted; and
  - (III) Prepared in accordance with the Uniform Standards of Professional Appraisal Practice and 10 TAC §1.34, as applicable. Appraisal requirements identified in 10 TAC §1.34 that are generally only applicable for income producing property must not be met.
- ii) Phase I Environmental Site Assessment. If any unit(s) is/are proposed to be located on currently unimproved property (without infrastructure), a Phase 1 Environmental Site Assessment is required and must meet be:
    - (I) Prepared by a qualified Third Party;
    - (II) Dated not more than 12 months from the date that the application is submitted; and
    - (III) Prepared in accordance with 10 TAC §1.35 of the Real Estate Analysis Rules and Guidelines.
- n) **Application Certifications.** All Applicants may be required to certify to compliance with the following:
- i) Affirmative Marketing (24 CFR §92.351);
  - ii) Davis-Bacon Act (24 CFR §92.354);
  - iii) Environmental standards (24 CFR Parts 50 & 58);
  - iv) Uniform Relocation Act (49 CFR Part 24); and
  - v) Lead Safe Housing Rule (24 CFR Part 35).
  - vi) Other certifications may be required as specifically stated in the ASPM current at the time of Application.
  - vii) Audit Certification. An Applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of Application or the 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).
  - viii) Per 10 TAC §53.44(c) all entities receiving funds of \$25,000 or more must be registered in the federal Central Contractor Registration (CCR) and have a current Data Universal Numbering System (DUNS) number.
- o) **CHDO Certification.** CHDO Certification will be awarded in accordance with the rules and procedures as set forth in the HOME rules at 10 TAC §53.50, Community Housing Development Organization (CHDO) Certification. CHDO Certification Applications must meet the requirements of 10 TAC §53.50 at the time of Application submission. Additionally, the following apply:
- i) CHDO Applicants must be the Sponsor, Owner or Developer of the proposed Development. Applicants who apply through a Limited Partnership will be required to provide evidence, at the time of CHDO certification and commitment, that the CHDO Applicant is the Managing General Partner of the partnership and has effective control (decision making authority) over the development of the property, pursuant to 24 CFR §92.300.
  - ii) A separate Application process is required for CHDO Certification. Review and approval of the CHDO Certification occurs during the threshold review process, however Applicants will not receive a formal certification until the award of the HOME funds has been approved by the Department's Board.
  - iii) A new Application for CHDO certification must be submitted to the Department with each new Application for HOME CHDO funds. The CHDO Application package will be available with all other Application materials on the Department's website.

## 9) Review Process.

- a) Pursuant to 10 TAC §53.48, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a Received Date based on the date and time it is physically received by the Division. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their Received Date unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier Received Date but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.
  - i) Phase One will begin as of the Received Date and will include a review of eligibility and threshold criteria and all Application requirements. The Department will ensure review of materials required under the NOFA and Application Submission Procedures Manual (ASPM) and will issue a notice of any Administrative Deficiencies for threshold criteria and eligibility within forty-five (45) days of the Received Date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Two, if applicable. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds.
  - ii) Phase Two will include a comprehensive review for financial feasibility. Financial feasibility reviews will be conducted in accordance with 10 TAC §1.32. The Department will create an underwriting report identifying staff's recommended Loan terms, the Loan or Grant amount and any conditions to be placed on the Development. The Department will issue a notice of any Administrative Deficiencies within forty-five (45) days of the date the Application enters Phase Two. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Three, if applicable. Applications with Administrative Deficiencies not satisfied within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase and do not require additional review in Phase Three will be considered for placement on the next available Board meeting agenda.
  - iii) Phase Three will only entail the review of the CHDO Certification Application. The Department will ensure review of these materials and issue notice of any Administrative Deficiencies on the CHDO Certification Application within thirty (30) days of the Application enters Phase Three. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into the final review phase of the Application process. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds. Only upon satisfaction of all Administrative Deficiencies will the Application be forwarded to the final phase of the Application process. Upon completion of the applicable final review phase, the Application will be considered for placement on the next available Board meeting agenda.
  - iv) Because Applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an Application has completed all phases of its review. In the case that all HOME funds are committed before an Application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for ninety (90) days in its current phase. If new HOME funds become available, Applications will continue onward with their review without losing their Received Date priority. If HOME funds do not become available

within ninety (90) days of the notification, the Applicant will be notified that their Application is no longer under consideration. The Applicant must reapply to be considered for future funding. If on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.

- b) Pursuant to 10 TAC §53.42 if a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application 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 with notice and rights to appeal but without being processed as an Administrative Deficiency. To the extent that a review was unable to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.
- c) 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 which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.
- d) In accordance with §2306.082 of the Texas Government Code and 10 TAC §53.6, 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 Texas Administrative Code §1.17.
- e) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

## **10) Administration.**

- a) All Applicants receiving an award under this NOFA will be required to enter into a contract with the Department and will be subject to the contract requirements in 10 TAC Chapter 53, Subchapters F and G.
- b) Financing structure. There are two separate loan closing processes in the Department's Single Family Development Program, as follows:
  - i) Construction Loan(s). The first closing is on the Lot Acquisition and Interim Construction (LAIC) Loan for both the lot purchase and construction costs. The LAIC loan (from the Department to the Applicant/Contract Administrator) will equal the total development cost of

the property, excluding the developer fee and any conventional construction financing, as applicable. The following clauses must be met prior to this closing:

- (I) A qualified homebuyer must be identified for each home included in the closing and a sales contract must be executed with the homebuyer;
  - (II) Executed construction agreement between the contractor and the Contract Administrator; and
  - (III) All necessary and customary pre-closing due diligence identified by the Department.
- ii) The construction loan may be for the construction of one or multiple homes provided that all other paragraphs of this subsection will be met.
  - iii) Developer fee or profit will be equal to the lesser of the amount approved by the Department's Governing Board, 15% of the total development costs less the fee itself and all other costs identified in 10 TAC §1.32(e)(7)(C), or the difference between the sales price and the construction financing attributed to a home and is paid at closing on the permanent homebuyer mortgage.
  - iv) Homebuyer Mortgage and Down Payment Assistance. The second closing is on the loan between the Department and homebuyer, who will be identified and qualified by the Contract Administrator to purchase the home. To ensure that the home is affordable, the Department will enter into one and/or two loans with the homebuyer depending on the family's income and use of a conventional mortgage. The loans will be structured as follows:
    - (I) The **First Lien Loan** will be a 30-year fully amortizing loan with total estimated housing payment (including principal, interest, property taxes, and insurance) shall be no less than 25% and no greater than 30% of the homebuyer's gross income. Should the estimated housing payment be less than 25%, the Department shall reduce the amount of down payment assistance and/or charge an interest rate to the homebuyer such that the total estimated housing payment is no less than 25% of the homebuyer's gross income. In no instance shall the interest rate charged to the homebuyer exceed 5% or the current "unassisted" rate available through the Department's Texas First Time Homebuyer Program, whichever is greater. The Department shall use the income certification described in §(10)(c)(i) of this NOFA to make this determination, which may be adjusted only if the income certification described in §(10)(c)(ii) of this NOFA reflects a material decrease in gross income.
    - (II) The **Down Payment Assistance** would be a 15-year deferred forgivable second lien that makes up the difference between the amount of the first lien loan and the purchase price. For example, for a \$92,000 home and a qualified homebuyer with a monthly payment of \$225, the first lien loan will be \$81,000 (\$225 x 360 payments) at zero percent interest (0%). The second lien loan in this example would be \$11,000 (\$92,000 - \$81,000) as a deferred forgivable. If a prospective homebuyer for the same home can afford a payment of \$300 per month they will not have a second lien loan. In this example, their income is enough to payoff a first lien loan of zero percent interest over thirty (30) years.
  - v) Applicants may collect earnest money of no more than \$500 as a homebuyer's commitment. All of the fee will be credited to the homebuyer at closing against ineligible closing costs and the first housing payments. All other closing costs shall be paid by the Applicant and the funds awarded under this NOFA may be used to pay such reasonable and customary closing costs. The Applicant should include these costs in the Development Cost Schedule, as applicable.
- c) Homebuyer qualifications. Eligible homebuyers will be qualified based on gross household, verification of consistent income, satisfactory completion of a certified homebuyer counseling program, and a certification that all recurring debt payments [including expected principal, taxes,

and insurance (PITI) to own the home] are less than or equal to 45% of the homebuyer's gross income. The applicant will certify homeowner eligibility twice, as follows:

- i) Prior to executing a sales contract and development of the home in accordance with 24 CFR Part 92; and
  - ii) Prior to closing the homebuyer's loan. The purpose of this second certification is to ensure that the homeowner's income and debt load have not changed during construction of the home such that the homebuyer's ability service the repayable debt is significantly adversely impacted.
- d) If a homebuyer should become ineligible or otherwise cease participation and a new buyer is not located within ninety (90) days of the end of the construction period, all additional funding closings and draws on the award will cease and the Department may require the Applicant to repay any outstanding construction debt in full.
- e) Draws. Consistent with HOME Program regulations, funding draws will be made on a reimbursement basis as completion occurs. The Applicant must provide a progress inspection from a third-party inspector, photos, down-date endorsements to the title policy, an itemization of actual costs incurred for each interim construction draw and other documentation as determined to be necessary or prudent to ensure compliance with federal and state requirements and manage the Department's risk.
- f) Performance benchmarks. The Contract term will not exceed 32 months. Performance under the contract will be based on the following benchmarks:
- i) 6 months, environmental clearance must be complete for 25% of the units;
  - ii) 8 months, lot acquisition and interim construction loans must be closed for 25% of the units;
  - iii) 14 months, construction must be completed for 25% of the units; environmental clearance must be complete for 50% of the units;
  - iv) 16 months, lot acquisition and interim construction loans must be closed for 50% of the units;
  - v) 22 months, construction must be completed for 50% of the units; environmental clearance must be complete for 100% of the units;
  - vi) 24 months, lot acquisition and interim construction loans must be closed for 100% of the units;
  - vii) 30 months, construction must be completed for 100% of the units; and
  - viii) 32 months, 100% of funds must be drawn.

**11) Tie Breaker Factors.** In the event that two or more Applications receive the same priority based upon the provisions of §9 of this NOFA and are both practicable and economically feasible, the Department will utilize the factors in this section, in the order they are presented, to determine which Application will receive a preference in consideration for an awarded of funds.

- a) Applications involving any Rehabilitation or Reconstruction of existing units will win this first tier tie breaker over Applications involving solely New Construction.
- b) The Application with the least amount of HOME funds per unit will win this second tier tie breaker.

**12) Application Submission.**

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on **December 3, 2010**. 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. For questions regarding this NOFA please contact Chris Law at (512) 305-8854 or via e-mail at [chris.law@tdhca.state.tx.us](mailto:chris.law@tdhca.state.tx.us).

- b) Applicants must submit the Application materials as detailed in the Final ASPM in effect at the time the application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the Final ASPM in effect at the time the application is submitted.
- c) The application consists of several parts as further described in the Final ASPM. A complete application for each proposed development must be submitted in an electronic PDF format on a recordable compact disc (CD-R). Incomplete applications or improperly compiled applications will not be accepted. Applicants must submit the application materials as detailed in the Final ASPM in effect at the time the application is submitted.
- d) Third party reports – If all applicable third party reports are not received at the time of application submission, the Application will be terminated.
- e) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Applications will be required to adhere to the HOME Rule and 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) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$300.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive 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. The Application fee is not a reimbursable cost under the HOME Program.
- g) Application Workshops. The Department will present several one-day HOME Program application workshops to provide an overview of the Single Family Development Program, application preparation and submission, evaluation criteria, and information about the major Federal and State requirements that would impact the development. The workshop schedule and registration will be posted on the Department's website at [www.tdhca.state.tx.us/home-division/sf-home/index.htm](http://www.tdhca.state.tx.us/home-division/sf-home/index.htm).
- h) Applications must be sent via overnight delivery to:

**HOME Division**  
**Texas Department of Housing and Community Affairs**  
**Attn: Chris Law**  
**221 East 11<sup>th</sup> Street**  
**Austin, TX 78701-2410**

or via the U.S. Postal Service to:

**HOME Division**



**Texas Department of Housing and Community Affairs**  
**Attn: Chris Law**  
**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 HOME CHDO Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

**HOME PROGRAM DIVISION**  
**BOARD ACTION REQUEST**  
**May 12, 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 (OCC) Program in 10 TAC Chapter 53, HOME Program Rule.

**Background**

The HOME program in preparing revisions to its rules for all activities, has had significant interest in revisions to the Owner-Occupied Housing Activity ("OCC"). Staff is presenting these issues to the Board for discussion these issues and, as the Board desires, direction.

HUD allows HOME funds to be provided in the form of a grant. Participating jurisdictions may in turn allocate funds in the form of loans, grants, or a combination thereof. 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. Since 2005 the Department has offered deferred forgivable loans to households based upon their income level. Currently households under 30% of the area median income receive a loan with no repayment that is forgiven over 5 years, households up to 50% of the area median income receive a loan that is forgivable over 15 years, households under 60% of the area median income receive a loan that is forgivable over 20 years, and households between 60 and 80% of the area median income receive a traditional 20-year repayable loan.

By board policy and board approved rule, the department has emphasized funding activities in the form of loans in order to encourage recycling of funds and as a mechanism, via rights under a deed of trust, to enforce the requirement that the recipient occupy the home and not "flip" it for gain. In the case of OCC, however, the use of the loan structure has been less about recycling funds and more about ensuring that funds provided to a unit of housing are able to continue to serve a household in need of affordable housing. In addition, the loan process has exposed issues relating to good and marketable title, required by HUD. Since 2005 additional changes have been made to establish benchmarks for performance and cost caps for both "sticks and bricks" and related costs.

The breadth of these changes created new expenditure obstacles and have raised concerns over the OCC program with 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 re-evaluation 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 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

<b>Homebuyer Assistance</b>					
<b>Program</b>	<b>HTF</b>	<b>HOME</b>	<b>CDBG</b>	<b>SF MRB</b>	<b>NSP</b>
<b>Max. Amt. Asst.</b>	\$10,000	\$20,000	Varies based on subrecipient selection	Up to 4% of first lien amount	Up to \$30,000
<b>Other</b>		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%	Not eligible	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
>50%- ≤60%					
>30% - ≤50%					
≤30%					

<b>Rehabilitation Only</b>					
<b>Program</b>	<b>Bootstrap</b>	<b>HTF</b>		<b>HOME</b>	<b>CDBG</b>
<b>Max. Amt. Asst.</b>	\$45,000	\$30,000	\$20,000	\$30,000	
<b>Other</b>	\$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 agreement with 3-year DFL
>50%- ≤60%					
>30% - ≤50%					
≤30%					

<b>Homebuyer Assistance with Rehabilitation</b>				
<b>Program</b>	<b>Bootstrap</b>	<b>HTF</b>	<b>HOME</b>	
<b>Max. Amt. Asst.</b>	\$45,000	\$15,000 HBA \$20,000 Accessibility Mods	\$15,000 HBA \$20,000 Accessibility Mods	Up to \$40,000 for acquisition and \$80,000 (\$73 psf) for rehab/reconstruct
<b>Other</b>	\$90,000 total all sources; 65% sweat equity reqmt; 95% max LTV, 45% max dti; term depends on non-profit builder selection	Veterans Only	PWD HBA and accessibility modifications - term depends on total amount of assistance	Contract for Deed Conversion – term depends on total amount of assistance
>60%	Not eligible	10-year 2 <sup>nd</sup> lien, DFL	5-10-year 2 <sup>nd</sup> lien DFL	5-15-year 1 <sup>st</sup> lien DFL
>50%- ≤60%				
>30% - ≤50%				
≤30%				

Texas Department of Housing and Community Affairs  
 Comparison of Single Family Funding Products  
 March 11, 2010

<b>Acquisition and/or Rehabilitation or Reconstruction/New Construction</b>								
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%	Not eligible	5-10-year DFL	Not eligible	20-year 1 <sup>st</sup> or 2 <sup>nd</sup> , repayable, amortizing PI	30 year, 1 <sup>st</sup> lien, repayable, amortizing PITI	5-15-year 1 <sup>st</sup> lien, DFL	Grant; 3-year DFL if located in floodplain	Grant agreement with DFL
>50%- ≤60%	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				
>30% - ≤50%			30-year repayable, amortizing PITI	15-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL				
≤30%			5-year 1 <sup>st</sup> or 2 <sup>nd</sup> lien, DFL					

Abbreviations:

DTI: Debt to income ratio

DFL: Deferred, forgivable loan

PITI: Principal, interest, taxes, and insurance

Since the March board meeting, staff presented the attached informational reports to the Rural Housing Workgroup on April 26, 2010 in response to requests received from members. The following charts are attached:

- The performance of OCC contracts from 2000 to 2008 – this chart reflects that the percentage of funds in the OCC program that were awarded but went unused and were deobligated (at the top in blue) began to increase dramatically in 2004 after the double funding cycle in 2003 but prior to the change in loans versus grants. The workgroup is exploring additional reasons for this decline and why the deobligation rate has been sustained at such a high level.
- The second chart reflects the same time period of information but is based on dollar amounts rather than percentages.
- The third chart provides a comparison of amount and types of deobligated funds from all of the major HOME activities since October 2007.
- The fourth chart provides more detail to the reasons for deobligation in the OCC program since October 2007.
- The last five charts are performance information either directly from HUD or information from HUD that has been recombined to reflect comparison of the Department's program to other state programs.
  - The Department's snapshot reflects the Department's ranking on various categories that are used to develop an overall ranking. The lower the ranking the better the performance. Note that the Department's ranking on commitment and disbursement are the key reasons for the overall ranking
  - A description of the terms used in the snapshot
  - The Department's comparative HUD snapshot ranking against the 10 most populous states
  - A comparison of the 10 highest ranks states
  - The Department's HOME funds commitment and expenditure from the beginning of the HOME Program

## **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?
    3. Households impacted by a natural disaster?
  - c. Should the draft rule provide for 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. This type of structure could again be based on income level or provided only for disaster related households
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?

The following public comment was provided in response to this board item as it was presented at the last board meeting:

- Request that households up to 60% AMFI should receive the assistance in the form of a grant or, if grants are required, a 5-year deferred forgivable loan, and utilize the Housing Assistance Rider for the Department's General Appropriations Act for households at or below 60% AMFI.
- Grants are allowed federally and the commitment of funds occurred at a quicker rate when OCC assistance was provided in the form of a grant.
- Request for more information to explore the conditional grant option.
- Did not support the same state affordability requirements for new construction activities that require a federal affordability period
- Did not support requalification of heirs since this is the only asset homeowners have to pass on to their heirs and this requirement would deter elderly households from participation.
- Supportive of mechanic's & materialman's liens to secure TDHCA interest during affordability period.
- Request to allow credit toward the required affordability period for years lived in the house before assistance is provided.
- HUD doesn't require an affordability period. This issue is strictly a TDHCA requirement. Evidence that flipping didn't occur when assistance was in the form of grant was provided to the Board in 2006.
- Request that households from 60-80% AMFI have deferred forgivable loans, not repayable. Participation rate is minimal due to repayable loan requirement.
- Request to allow the title company to determine what is marketable title not TDHCA legal staff.

In addition the following issues have surfaced in workgroup meetings:

- Department needs to become more efficient in loan closing process, i.e. title commitment and income certification updates a condition at closing, make execution of various standard affidavits a condition of closing (marital status and same name, etc).

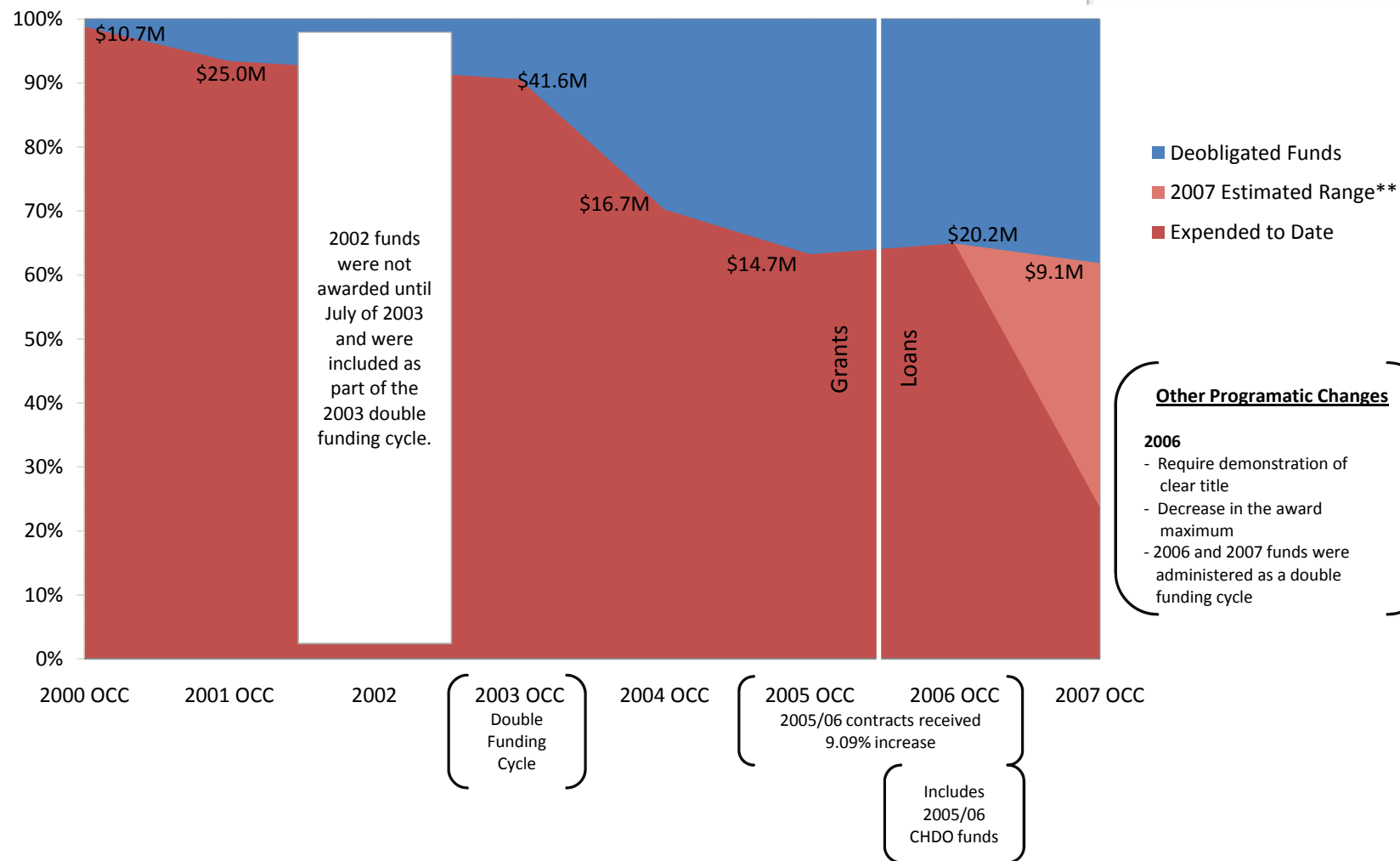


- Removing the requirement of contractor bid and selection prior to the preparation of loan documents or loan closing.
- De-emphasize the use of the OCC program in meeting the Department's General Appropriations Act Housing Assistance Rider goal of \$30M utilized to assist households at or below 30% AMFI.
- Revising benchmark requirements to allow more flexibility at staff level to evaluate anticipated performance of the contract by providing guidance and a specific, point-in-time enforceable requirement.
- Exploring methods to provide additional funding (to include targeting higher income levels) if qualified households in excess of the contractual requirements are available to assist.
- Compensation to consultants for services rendered in attempting to administer a contract that doesn't result in households served.



## 2000-2007 HOME OCC Contract Performance\*

(Expressed as a % of Awards)

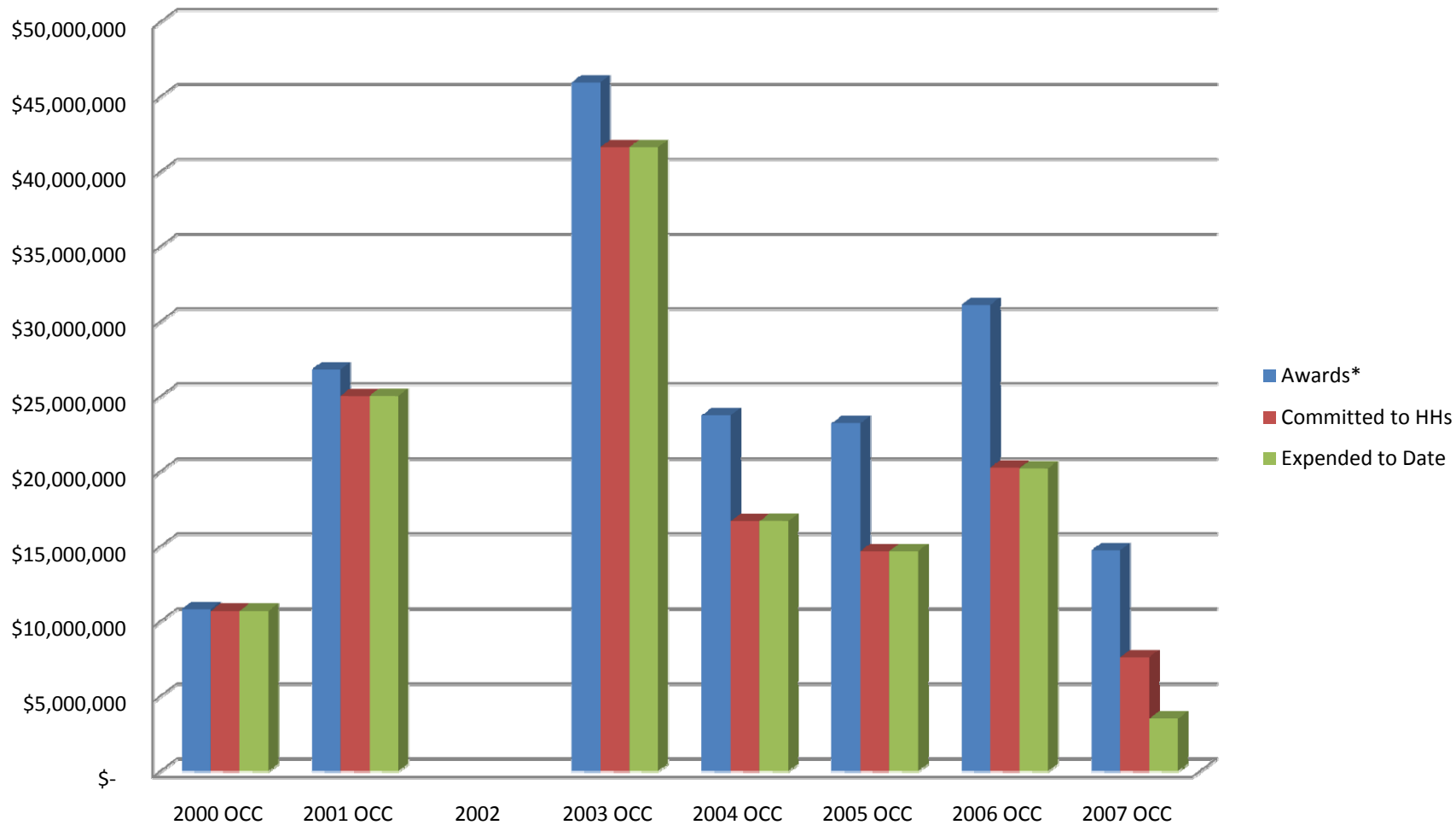


\* Includes the awards (as amended) from the OCC NOFA/set-aside for the year shown based upon the approved funding plan. The chart does not include awards made from deobligated funds. The 2006 awards include Rita Disaster contracts.

\*\*The "2007 Estimated Range" shown in green above is based upon the current number of approved setups and households expected to be setup during the next couple of months. Due to the completeness of the documentation required at setup, an approved setup generally results in a loan closing and expenditure of funds.

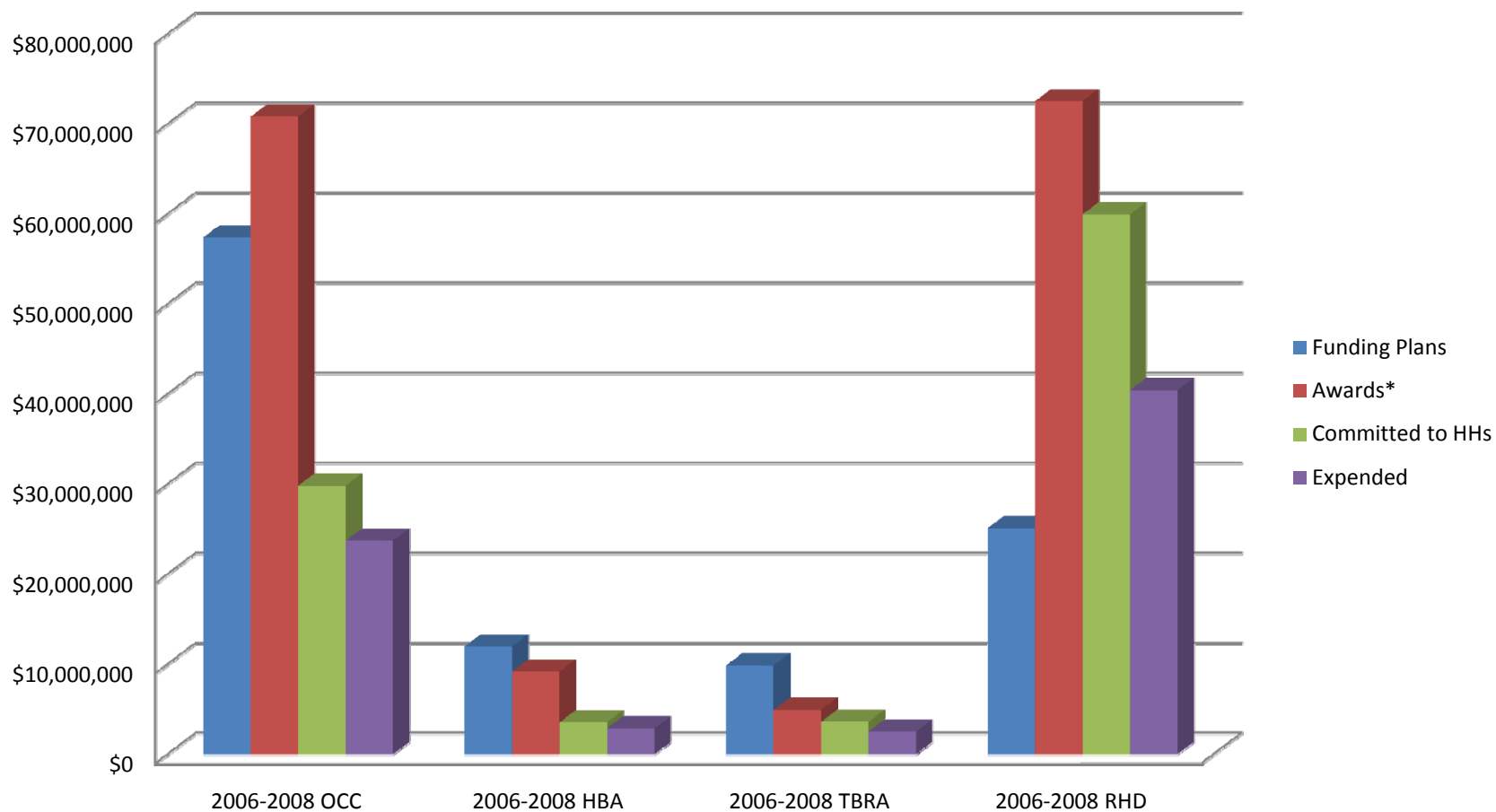
## 2000-2007 HOME OCC Contract Performance

(Data on Page 1 Expressed in Dollars)



# HOME Funding and Performance Summary

2006 -2008  
(Expressed in Dollars)



The above chart reflects the total amount of funding set-aside for each program activity in the HUD approved One Year Action Plan in relation to cumulative HOME awards, funds committed to households, and expenditures (by program activity). This information is provided for each year from 2006 through 2008.

\* "Awards" includes any subsequent amendments to increase project funds.

\*\* 2006 OCC Funding Plan includes CHDO set-aside funds from 2005 and 2006 as approved by HUD.



**SNAPSHOT of HOME Program Performance--As of 12/31/09  
State Participating Jurisdictions**



Participating Jurisdiction (PJ):

PJ's Total HOME Allocation Received:

PJ Since (FY):

Category	PJ	National Average	National Rank*
<b>Program Progress:</b>			
% of Funds Committed	<input type="text" value="91.49"/> %	<input type="text" value="95.63"/> %	<input type="text" value="46"/>
% of Funds Disbursed	<input type="text" value="79.49"/> %	<input type="text" value="89.36"/> %	<input type="text" value="49"/>
Leveraging Ratio for Rental Activities	<input type="text" value="2.36"/>	<input type="text" value="4.33"/>	<input type="text" value="36"/>
% of Completed Rental Disbursements to All Rental Commitments**	<input type="text" value="97.09"/> %	<input type="text" value="95.01"/> %	<input type="text" value="29"/>
% of Completed CHDO Disbursements to All CHDO Reservations**	<input type="text" value="73.43"/> %	<input type="text" value="80.11"/> %	<input type="text" value="44"/>
<b>Low-Income Benefit:</b>			
% of 0-50% AMI Renters to All Renters	<input type="text" value="83.61"/> %	<input type="text" value="80.46"/> %	<input type="text" value="29"/>
% of 0-30% AMI Renters to All Renters**	<input type="text" value="42.86"/> %	<input type="text" value="37.48"/> %	<input type="text" value="22"/>
<b>Lease-Up:</b>			
% of Occupied Rental Units to All Completed Rental Units**	<input type="text" value="99.81"/> %	<input type="text" value="98.92"/> %	<input type="text" value="26"/>
<b>Overall Ranking:</b>			<input type="text" value="41"/> / 51 PJs
<b>HOME Cost Per Unit and Number of Completed Units:</b>			
Rental Unit	<input type="text" value="\$24,337"/>	<input type="text" value="\$27,922"/>	<input type="text" value="4,802"/> Units <input type="text" value="16.7"/> %
Homebuyer Unit	<input type="text" value="\$7,438"/>	<input type="text" value="\$13,225"/>	<input type="text" value="9,865"/> Units <input type="text" value="34.2"/> %
Homeowner-Rehab Unit	<input type="text" value="\$31,104"/>	<input type="text" value="\$20,482"/>	<input type="text" value="7,565"/> Units <input type="text" value="26.3"/> %
TBRA Unit	<input type="text" value="\$4,906"/>	<input type="text" value="\$3,035"/>	<input type="text" value="6,571"/> Units <input type="text" value="22.8"/> %

\* - The National Rank compares the 51 state HOME PJs within the nation, including Puerto Rico but, excluding Washington DC and Insular Areas. A rank of 1 is the highest; a rank of 51 is the lowest.

\*\* - This category is double-weighted in the National Overall Ranking.



## Explanation of Performance Categories

-State PJs

<b>% of Funds Committed (Com)</b>	= Cumulative total to date of commitments to activities, including administrative and CHDO operating expenses, and program income attached to draws / Cumulative total of all grant allocations through 2005 (original allocations minus any deobligations).
<b>% of Funds Disbursed (Disb)</b>	= Cumulative total to date of net disbursements to activities, including administrative and CHDO operating expenses, and program income attached to draws / Cumulative total of all grant allocations through 2005 (original allocations minus any deobligations).
<b>Leveraging Ratio (Lev)</b>	= For rental activities only where the activity status code has been changed to “2” – Completed. All HOME funds including program income / Total public, total private, and Low Income Tax Credit Syndication Proceed funds. In order to be able to make comparisons among PJs and rank them accordingly, the leveraging ratio has been converted to a percentage. For the purposes of this report, a leveraging ratio of 4 to 1 is considered indicative of significant leveraging. Therefore, any PJ with a leveraging ratio of 4 to 1 and greater will receive a designation of 100% (a ranking of #1). Any PJ with a leveraging ratio of less than 4 to 1 will receive a lower score. For example, a PJ with a leveraging ratio of 2 to 1 (half of 4 to 1) will receive a designation of 50%.
<b>% of Completed Rental Disbursements to All Rental Commitments (Rental)</b>	= Cumulative total of disbursements on completed (where the activity status code has been changed to “2” – Completed) rental activities / Cumulative total of commitments on all rental activities.
<b>% of Completed CHDO Disbursements to All CHDO Reservations (CHDO)</b>	= Cumulative total of disbursements on completed (where the activity status code has been changed to “2” – Completed) CHDO activities / Cumulative total of CHDO reservations.
<b>% of 0 – 50% AMI Renters to All Renters (VLI – Very Low Income)</b>	= For activities where the activity status code has been changed to “2” – Completed. Number of tenants whose income is 0 – 50% of area median income / Total number of tenants in occupied rental units.
<b>% of 0 – 30% AMI Renters to All Renters (ELI – Extremely Low Income)</b>	= For activities where the activity status code has been changed to “2” - Completed. Number of tenants whose income is 0 – 30% of area median income / Total number of tenants in occupied rental units.
<b>% of Occupied Rental Units to All Completed Rental Units (Occupy)</b>	= For activities where the status has been changed to “2” - Completed. Number of tenant-occupied (not vacant) HOME-assisted rental units / Total number of completed HOME-assisted rental units.
<b>National Rank</b>	= The National Rank compares the 51 state PJs within the nation, including Puerto Rico, but excluding Washington DC and Insular Areas. A rank of 1 is the highest; a rank of 51 is the lowest.
<b>Overall Ranking</b>	= The Overall Ranking compares the sum of a state PJ's percentages, for all categories, to that of other state PJs. See above for determining leveraging percentage.



# HOME Allocation – Comparative Analysis

Topo 10 Most Populous States

State	Total Cumulative HOME Allocation	Completed Rental Units	Completed Homebuyer Units	Completed Homeowner-Rehab Units	Completed TBRA Unit	Total Completed Units	% Committed	% Dispersed	Current National Rank
California	\$ 837,948,995	5,835	8,295	2,069	1,426	17,625	94.0%	86.5%	36
Texas	\$ 640,082,673	4,802	9,865	7,565	6,571	28,803	91.5%	79.5%	41
New York	\$ 540,697,058	5,013	6,727	11,034	383	23,157	92.5%	85.5%	45
Florida	\$ 331,883,953	4,524	8,347	492	1,864	15,227	99.3%	94.1%	20
Illinois	\$ 372,985,205	5,522	1,941	2,632	97	10,192	92.7%	87.3%	48
Pennsylvania	\$ 426,589,276	3,197	3,600	10,724	11	17,532	95.7%	90.5%	43
Ohio	\$ 462,752,293	3,120	4,054	6,551	2,729	16,454	96.0%	91.0%	38
Michigan	\$ 402,224,458	5,522	8,818	2,739	1,551	18,630	94.1%	87.5%	49
Georgia	\$ 331,714,600	9,505	10,324	1,259	65	21,153	91.1%	87.2%	46
New Jersey	\$ 140,615,348	1,114	616	680	6,351	8,761	93.2%	88.9%	30

Highest

Second Highest

Third Highest

The **HOME Allocation** is based on a formula set by HUD. TDHCA has administered this award for Texas since 1992. The typical award amount is \$40 million annually.

**Homebuyer** units are those units that receive downpayment or closing cost assistance to purchase a single-family home.

**Homeowner-Rehab units** are owner-occupied single-family units that were reconstructed or rehabilitated.

**Rental units** are rental housing development units.

The **Tenant Based Rental Assistance** Program subsidizes rents and pays security deposits.

**% Committed** is the total amount of funds committed to activities to date as percentage of the cumulative total grant allocations through 2005.

**Completed** units are those units cumulatively reported up to and including the quarter ending 12/31/2009.

**% Dispersed** is the total amount of funds dispersed to activities to date as percentage of cumulative total grant allocations through 2005.

TDHCA has been 100% expended on HOME funds from 1992 through 2005.





# HOME Allocation – Comparative Analysis

Top 10 HUD-Ranked States

State	Total Cumulative HOME Allocation	Completed Rental Units	Completed Homebuyer Units	Completed Homeowner-Rehab Units	Completed TBRA Unit	Total Completed Units	% Committed	% Dispersed	Current National Rank
Vermont	\$ 62,010,577	1,405	85	115	-	1,605	97.76%	96.02%	1
North Dakota	\$ 57,820,321	978	2,816	890	10,258	14,942	100.00%	98.29%	2
Wyoming	\$ 59,832,130	865	413	136	-	1,414	94.95%	90.42%	3
Massachusetts	\$ 232,603,370	4,911	2,316	640	420	8,287	98.96%	92.66%	4
Delaware	\$ 51,350,652	494	109	253	-	856	97.95%	93.50%	5
Alaska	\$ 51,341,700	332	502	489	197	1,520	92.67%	88.41%	6
Montana	\$ 69,255,245	1,229	1,319	649	708	3,905	99.39%	95.85%	7
Connecticut	\$ 176,274,004	2,081	538	135	453	3,207	98.33%	85.58%	8
Rhode Island	\$ 72,979,600	1,578	497	81	15	2,171	100.00%	96.48%	9
Washington	\$ 164,316,187	1,453	240	2,221	9,730	13,644	100.00%	95.47%	10

Highest

Second Highest

Third Highest

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**% Dispersed** is the total amount of funds dispersed to activities to date as percentage of cumulative total grant allocations through 2005.

TDHCA has been 100% expended on HOME funds from 1992 through 2005.

**HOME Deadline Compliance Status Report**  
**Requirement Years: 2008 Commitments, 2008 CHDO Reservations, and 2005 Disbursements**  
**As of 03/31/10**  
 (sorted alphabetically by PJ)

<u>PJ</u>	<u>±</u>	<u>Deadline Date</u>	<u>Original Allocation</u>	<u>Adjustments<sup>++</sup></u>	<u>Requirement Amount</u>	<u>Total C,R,orD<sup>+</sup> through Deadline</u>	<u>%</u>	<u>Shortfall</u>	<u>Current Status</u>
Tennessee	C	8/31/2010	\$253,656,001	\$0	\$253,656,001	\$270,957,408	100.0	\$0	
	R	8/31/2010	\$251,021,096	\$0	\$37,653,164	\$40,889,510	16.3	\$0	
TN	D	7/31/2010	\$205,172,666	\$0	\$205,172,666	\$241,799,760	100.0	\$0	
Terre Haute	C	4/30/2010	\$7,547,814	\$0	\$7,547,814	\$7,477,793	99.1	\$70,021	One-month notice 3/18/10
	R	4/30/2010	\$7,547,814	\$0	\$1,132,172	\$4,071,941	53.9	\$0	
IN	D	9/30/2010	\$6,119,672	\$0	\$6,119,672	\$7,247,166	100.0	\$0	
Texas	C	3/31/2010	\$639,441,344	\$0	\$639,441,344	\$640,289,396	100.0	\$0	One-month notice 2/24/10
	R	3/31/2010	\$632,231,979	\$12,596,959	\$82,237,838	\$91,791,667	14.5#	\$0	
TX	D	3/31/2010	\$516,668,484	\$0	\$516,668,484	\$522,278,816	100.0	\$0	
Thurston County Consortium	C	10/31/2010	\$5,561,287	\$0	\$5,561,287	\$5,027,158	90.4	\$534,129	
	R	10/31/2010	\$5,353,120	\$0	\$802,968	\$866,161	16.2	\$0	
WA	D	8/31/2010	\$2,985,146	\$0	\$2,985,146	\$4,714,277	100.0	\$0	
Toa Baja	C	8/31/2010	\$6,755,638	\$384,304	\$6,371,334	\$6,472,643	100.0	\$0	
	R	8/31/2010	\$6,688,438	\$317,104	\$686,162	\$538,817	8.1#	\$147,345	
PR	D	7/31/2010	\$5,155,923	\$384,304	\$4,771,619	\$5,779,324	100.0	\$0	
Toledo	C	8/31/2010	\$47,345,989	\$0	\$47,345,989	\$47,734,013	100.0	\$0	
	R	8/31/2010	\$46,892,090	\$0	\$7,033,814	\$18,461,108	39.4	\$0	
OH	D	7/31/2010	\$39,776,406	\$0	\$39,776,406	\$42,109,114	100.0	\$0	
Topeka	C	3/31/2010	\$11,369,679	\$0	\$11,369,679	\$11,628,371	100.0	\$0	One-month notice 3/17/10
	R	3/31/2010	\$11,313,724	\$0	\$1,697,059	\$3,761,141	33.2	\$0	
KS	D	3/31/2010	\$9,294,611	\$0	\$9,294,611	\$10,979,515	100.0	\$0	

NOTE: Any ADDI allocations received through FY2007 are reflected in the Original Allocation and respective Requirements.

+ C-Commitments, R-CHDO Reservations, D-Disbursements

++Adjustments could include grant reductions, deobligations, or waivers of deadline requirements due to Presidentially-declared disasters.

\* PJ did not receive an allocation until after 2008. Therefore, it has no amount subject to the FY 2010 commitment or CHDO reservation deadline date.

\*\* PJ did not receive an allocation until after 2005. Therefore, it has no amount subject to the FY 2010 disbursement deadline date.

# Due to CHDO deobligation or waiver, PJ could have met its cumulative CHDO reservation requirement with a percentage less than 15%.

Source: Data entered by HOME Participating Jurisdictions into HUD's Integrated Disbursement and Information System (IDIS)

**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Action Recommended**

Approve Conditional Awards for the Tax Credit Assistance Program (TCAP). Conditions include: application and scoring review, underwriting review, previous participation review, and environmental clearance.

**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, therefore it is 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 conditionally award Round 3 applicants 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 will be issued through the U.S. Department of Housing and Urban Development (HUD) under a plan approved by HUD on July 21, 2009 and under an agreement executed by the Department. Through this agreement the Department is able to award \$148,354,769 in TCAP funds. All of the funds must be used or returned to HUD by February 16, 2012.

In summer 2009, the Board approved the Plan, Policy, and Policy Supplement (“TCAP Policy”) for the administration and distribution of these funds. The Policy prioritizes developments that are ready to proceed, leveraging of other resources, previous tax credit priority scoring, and development in Rural areas. Additionally, the Policy identified three TCAP financing tools: Equity Bridge Zero Percent Loans, Permanent Loan Replacement Loans, and Tax Credit Replacement Forgivable Loans.

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 and Round

2 Applications for developments with Award of LIHTC's made in 2009. The following provides a summary of the results from both rounds.

**Table 1. TCAP Round 1 and Round 2 Funding Status as of April 23, 2010**

	<b>Round 1</b>	<b>Round 2</b>	<b>Total</b>
<b>Submitted Applications</b>	57	46	103
<b>Total Requested</b>	\$211,828,645	\$154,503,894	\$366,332,539
<b>Active Applications</b>	26	24	50
<b>Total Awards</b>	\$73,832,595	\$62,403,353	\$136,235,948

There remains approximately \$12.1M 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. At the March 11, 2010 Board meeting, a Round 3 was authorized with the application acceptance period commencing on March 25, 2010 and ending on April 26, 2010. Exchange and TCAP Round 1 and Round 2 awardees were excluded from the TCAP Round 3. In addition, those developments with cost certifications in-house at TDHCA were not allowed to make application.

Applicants could apply for more than one of the TCAP financing tools. In total, eleven (11) applications totaling \$17,074,613 requested Permanent Loan Replacement loans. Attached is a current listing of the applications requesting Round 3TCAP funding broken down by At Risk and by region. However, no At Risk developments submitted application. Eight (8) developments totaling \$11,819,613 in requests are currently recommended for a conditional award. Also indicated on the attached log is the priority of the unfunded developments should additional TCAP funds become available from Round 1, Round 2 or Round 3 adjustments.

**Table 2. TCAP Round 3 Funding Status as of April 23, 2010**

	<b>Round 3</b>
<b>Submitted Applications</b>	11
<b>Total Requested</b>	\$17,074,613
<b>Recommended Applications</b>	8
<b>Total Conditional Awards</b>	\$11,819,613

Staff will continue to review and evaluate each eligible application in priority based upon the verified score. The Department's Real Estate Analysis division will complete an underwriting review and the Compliance and Asset Oversight division will be consulted to determine if applicants have issues which could make their application ineligible for funding.

**Texas Tax Credit Assistance Program (TCAP)  
Round 3 Application Log**

4/6/2010

Region	Subregion R=Rural U=Urban	TCAP File Number	HTC File Number	Project Name	TCAP self score	Date Submitted	Equity Bridge Loan Request	Perm Loan Replacement Request	HTC Replacement Request	Total Round 2 TCAP Funds Requested @ Underwriting	Total Round 2 TCAP Award	Funded @ I = Initial R = Rural SW = State-Wide # = Next Priority
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**AT-RISK**

Available in At-Risk \$ 3,749,843

										\$0	\$ -	
										\$0	\$ -	
<b>Total Available for AT-RISK</b>										\$0	\$0	

**REGION 1**

Available in Urban \$0

\$0

1	U									\$0	\$ -	
1	U									\$0	\$ -	

Available in Rural \$475,831

\$0

1	R									\$0	\$ -	
1	R									\$0	\$ -	

Total Available in Region 1 \$475,831

\$0

\$0

**REGION 2**

Available in Urban \$233,146

\$0

2	U									\$0	\$ -	
2	U									\$0	\$ -	

Available in Rural \$304,749

\$0

2	R									\$0	\$ -	
2	R									\$0	\$ -	

Total Available in Region 2 \$537,895

\$0

\$0

**REGION 3**

Available in Urban \$0

\$1,500,000

3	U	10703	08223	Evergreen at Morningstar	598	3/25/2010		\$1,500,000		\$1,500,000	\$ -	1
3	U									\$0	\$ -	

Available in Rural \$0

\$0

3	R									\$0	\$ -	
3	R									\$0	\$ -	

Total Available in Region 3 \$0

\$1,500,000

\$0

**REGION 4**

Available in Urban \$322,072

\$0

4	U									\$0	\$ -	
4	U									\$0	\$ -	

Available in Rural \$70,317

\$0

4	R									\$0	\$ -	
4	R									\$0	\$ -	

Total Available in Region 4 \$392,389

\$0

\$0

**REGION 5**

Available in Urban \$0

\$0

5	U									\$0	\$ -	
5	U									\$0	\$ -	

Available in Rural \$324,914

\$0

5	R									\$0	\$ -	
5	R									\$0	\$ -	

Total Available in Region 5 \$324,914

\$0

\$0

**Texas Tax Credit Assistance Program (TCAP)  
Round 3 Application Log**

4/6/2010

Region	Subregion R=Rural U=Urban	TCAP File Number	HTC File Number	Project Name	TCAP self score	Date Submitted	Equity Bridge Loan Request	Perm Loan Replacement Request	HTC Replacement Request	Total Round 2 TCAP Funds Requested @ Underwriting	Total Round 2 TCAP Award	Funded @ I = Initial R = Rural SW = State-Wide # = Next Priority	
<b>REGION 6</b>					<i>Available in Urban</i>			<b>\$1,605,786</b>			<b>\$11,139,613</b>		
6	U	10708	07309	Glenwood Trails	693	3/25/2010		\$1,200,000		\$1,200,000	\$ 1,200,000	SW	
6	U	10700	08126	South Acres Ranch	595	3/25/2010		\$750,000		\$750,000	\$ 750,000	SW	
6	U	10702	09317	Champion Homes at Marina Land	475	3/25/2010		\$3,200,000		\$3,200,000	\$ 3,200,000	SW	
6	U	10707	07619	Costa Rialto	395	3/25/2010		\$1,500,000		\$1,500,000	\$ 1,500,000	SW	
6	U	10710	07457	Wyndham Park	395	3/25/2010		\$1,489,613		\$1,489,613	\$ 1,489,613	SW	
6	U	10705	07415	Costa Vizcaya	395	3/25/2010		\$1,500,000		\$1,500,000	\$ 1,500,000	SW	
6	U	10706	08602	Costa Ibiza	395	3/25/2010		\$1,500,000		\$1,500,000	\$ 1,500,000	SW	
					<i>Available in Rural</i>			<b>\$748,606</b>			<b>\$0</b>		
6	R									\$0	\$ -		
6	R									\$0	\$ -		
					<b>Total Available in Region 6</b>			<b>\$2,354,392</b>			<b>\$11,139,613</b>		<b>\$ 11,139,613</b>
<b>REGION 7</b>					<i>Available in Urban</i>			<b>\$0</b>			<b>\$0</b>		
7	U									\$0	\$ -		
7	U									\$0	\$ -		
					<i>Available in Rural</i>			<b>\$222,017</b>			<b>\$0</b>		
7	R									\$0	\$ -		
7	R									\$0	\$ -		
					<b>Total Available in Region 7</b>			<b>\$222,017</b>			<b>\$0</b>		<b>\$0</b>
<b>REGION 8</b>					<i>Available in Urban</i>			<b>\$848,924</b>			<b>\$0</b>		
8	U									\$0	\$ -		
8	U									\$0	\$ -		
					<i>Available in Rural</i>			<b>\$0</b>			<b>\$0</b>		
8	R									\$0	\$ -		
8	R									\$0	\$ -		
					<b>Total Available in Region 8</b>			<b>\$848,924</b>			<b>\$ -</b>		<b>\$ -</b>
<b>REGION 9</b>					<i>Available in Urban</i>			<b>\$0</b>			<b>\$3,755,000</b>		
9	U	10701	09198	Montabella Pointe	605	3/25/2010		\$1,755,000		\$1,755,000	\$ -	2	
9	U	10704	08401	San Pedro Creek	395	3/25/2010		\$2,000,000		\$2,000,000	\$ -	3	
					<i>Available in Rural</i>			<b>\$0</b>			<b>\$0</b>		
9	R									\$0	\$ -		
9	R									\$0	\$ -		
					<b>Total Available in Region 9</b>			<b>\$0</b>			<b>\$3,755,000</b>		<b>\$0</b>
<b>REGION 10</b>					<i>Available in Urban</i>			<b>\$211,106</b>			<b>\$0</b>		
10	U									\$0	\$ -		
10	U									\$0	\$ -		
					<i>Available in Rural</i>			<b>\$436,398</b>			<b>\$0</b>		
10	R									\$ -	\$ -		
10	R									\$0	\$ -		
					<b>Total Available in Region 10</b>			<b>\$647,504</b>			<b>\$0</b>		<b>\$0</b>
<b>REGION 11</b>					<i>Available in Urban</i>			<b>\$1,103,929</b>			<b>\$0</b>		
11	U									\$0	\$ -		
11	U									\$0	\$ -		
					<i>Available in Rural</i>			<b>\$1,066,039</b>			<b>\$0</b>		
11	R									\$0	\$ -		
11	R									\$0	\$ -		
					<b>Total Available in Region 11</b>			<b>\$2,169,968</b>			<b>\$0</b>		<b>\$0</b>

**Texas Tax Credit Assistance Program (TCAP)  
Round 3 Application Log**

4/6/2010

Region	Subregion R=Rural U=Urban	TCAP File Number	HTC File Number	Project Name	TCAP self score	Date Submitted	Equity Bridge Loan Request	Perm Loan Replacement Request	HTC Replacement Request	Total Round 2 TCAP Funds Requested @ Underwriting	Total Round 2 TCAP Award	Funded @ I = Initial R = Rural SW = State-Wide # = Next Priority	
<b>REGION 12</b>													
<i>Available in Urban</i>											\$0		
12	U									\$0	\$ -		
12	U									\$0	\$ -		
<i>Available in Rural</i>											\$172,900		
12	R									\$0	\$ -		
12	R									\$0	\$ -		
<b>Total Available in Region 12</b>											\$172,900	\$0	\$0

<b>REGION 13</b>													
<i>Available in Urban</i>											\$0		
13	U									\$0	\$ -		
13	U									\$0	\$ -		
<i>Available in Rural</i>											\$222,243	\$680,000	
13	R	10709	08163	San Elizario Palms	672	3/25/2010		\$680,000		\$680,000	\$ 680,000	SW	
13	R									\$0	\$ -		
<b>Total Available in Region 13</b>											\$222,243	\$680,000	\$680,000

**SUMMARY**

<b>ROUND 1 SUMMARY</b>			<b>Applications</b>	<b>Request</b>
Amount Available	\$	148,354,769	Total Received	57
Amount Awarded	\$	73,832,595	Withdrawn/Terminated	31
Amount Remaining for Round 2	\$	74,522,174	Total Active (Requests at Application)	26
			Total Recommended at Underwriting	26
				\$ 211,828,645
				\$ 136,435,550
				\$ 75,393,095
				\$ 73,832,595

<b>ROUND 2 SUMMARY</b>			<b>Applications</b>	<b>Request</b>
Amount Available	\$	74,522,174	Total Received	46
Amount Awarded	\$	62,403,353	Withdrawn/Terminated	22
Amount Remaining for Round 3	\$	12,118,821	Total Active (Requests at Application)	24
			Total Recommended at Underwriting	24
				\$ 154,503,894
				\$ 88,217,524
				\$ 66,286,370
				\$ 62,403,353

<b>ROUND 3 SUMMARY</b>			<b>Applications</b>	<b>Request</b>
Amount Available	\$	12,118,821	Total Received (March 31, 2010)	11
Amount Conditionally Awarded	\$	11,819,613	Withdrawn/Terminated	0
Amount Remaining	\$	299,208	Total Active (Requests at Application)	11
			Total Recommended at Underwriting	
				\$ 17,074,613
				\$ -
				\$ 17,074,613

**Tax Credit Assistance Program ("TCAP")  
Status Update**

May 5, 2010

**SUMMARY OF TCAP PROCESS**

Total Applications Received  
Total Active Applications  
Written Agreement Executed  
TDHCA Environmental Clearance  
Loan Closing Due Diligence Complete  
Loan Documents Sent to Owner  
Loan Documents Sent to Title Company  
Loan Closed  
Funds Drawn

Round 1	Round 2	Round 3
57	46	11
26	24	11
26	24	
23	16	
20	8	
17	4	
12	4	
9	4	
4		

Grand Total
114
61
50
39
28
21
16
13
4

**SUMMARY OF TCAP DOLLARS**

Total TCAP Requested  
**Total TCAP Available**  
Total TCAP Allocated/Conditionally Committed

Round 1	Round 2	Round 3
\$ 211,560,573	\$ 150,774,370	\$ 17,074,613
<b>148,354,769</b>	<b>74,522,174</b>	<b>12,118,821</b>
73,832,595	62,403,353	11,819,613

Grand Total
\$ 379,409,556
<b>148,354,769</b>
148,055,561

*Total TCAP Remaining* \$ 299,208

<b>Total TCAP Drawn</b>	\$	<b>4,631,425</b>	\$	-	\$	-	\$	<b>4,631,425</b>
% of Total TX TCAP		3.12%		0.00%		0.00%		3.12%



## HOUSING TRUST FUND DIVISION

### BOARD ACTION REQUEST

May 12, 2010

#### Recommended Action

Approve for publication in the *Texas Register* a final order adopting repeal of 10 TAC Chapter 51, Housing Trust Fund Rule, and final order adopting new 10 TAC Chapter 51, Housing Trust Fund Rule.

**RESOLVED**, that the adoption of a final order adopting repeal of 10 TAC Chapter 51, Housing Trust Fund Rule, and adoption of the proposed new section 10 TAC Chapter §51, Housing Trust Fund Rule is ordered and approved, together with the preamble presented at this meeting for publishing in the *Texas Register*.

**FURTHER RESOLVED**, that the Executive Director and his designees be and each them hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the Housing Trust Fund Rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption and, in connection therewith, make such non-substantive technical corrections as they may deem necessary or advisable to effectuate the foregoing.

#### Background

The Department conducted a public hearing to accept public comment on the proposed changes to the Housing Trust Fund Rule (10 TAC Chapter 51) as published February 12, 2010 in the *Texas Register*. Additionally, written comments on the proposed new rule and repeal were accepted through March 15, 2010.

This rule ensures compliance with all statutory requirements, incorporates public input, and includes recommendations for revisions of necessary policy and administrative changes to further enhance operations. The responses to public comment are summarized below and include administrative clarifications, changes and corrections made to the Housing Trust Fund Rule by staff. Responses are presented in the order the issues appear in 10 TAC Chapter 51. Copies of the exact comment letters provided are available on the Department's website.

## **Attachment A: Preamble, Reasoned Response, and Rule**

The Texas Department of Housing and Community Affairs (Department) adopts the repeal of 10 TAC Chapter 51, §§51.1 - 51.22, concerning the Housing Trust Fund program. This repeal is adopted without changes to the text as published in the February 12, 2010, issue of the *Texas Register* (35 TexReg 969) and will not be republished.

The repeal is adopted in order to consolidate and simplify the existing rules for the Housing Trust Fund program.

The public comment period was held between February 12, 2010 to March 15, 2010 to receive input on this repeal and public hearings were held. No comments were received concerning the proposed repeal.

The Board approved the final order adopting this repeal on May 12, 2010.

The repealed sections are adopted 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.

*§51.1.Purpose.*

*§51.2.Definitions.*

*§51.3.Notice of Receipt of Application or Proposed Application.*

*§51.4.Loan Closing is Required Prior to Construction.*

*§51.5.Allocation of Housing Trust Funds.*

*§51.6.Basic Eligible Activities.*

*§51.7.Prohibited Activities.*

*§51.8.Application Procedures and Requirements.*

*§51.9.Single Family Housing Programs.*

*§51.10.Multifamily Development Application Requirements.*

*§51.11.Multifamily Development Applicants Requesting Additional Funding from Other Housing Finance Programs.*

*§51.12.Application Review Process.*

*§51.13.Criteria for Funding.*

*§51.14.Process for Awards.*

*§51.15.Contract Required after Award.*

*§51.16.Documents Supporting Mortgage Loans.*

*§51.17.Amendments.*

*§51.18.General Contract Administration.*

*§51.19.Other Program Requirements.*

*§51.20.Citizen Participation.*

*§51.21.Records to be Maintained.*

*§51.22.Waiver.*

The Texas Department of Housing and Community Affairs (the “Department”) adopts new 10 TAC Chapter 51, §§51.1 – 51.16, concerning the Housing Trust Fund Rules. Sections 51.2, 51.3, 51.5-51.8, 51.10-51.12, and 51.14-51.16 are adopted with changes to the proposed text as published in the February 12, 2010 issue of the *Texas Register* (35 TexReg 970). Sections 51.4, 51.9, and 51.13 are without changes and will not be republished.

A public hearing on the new section was held in Austin on February 25, 2010. Additionally, written comments on the proposed new rules were accepted by mail, e-mail and facsimile through March 15, 2010.

#### SUMMARY OF STAFF RECOMMENDED CHANGES.

Based on review of statutory and department guidelines, the following sections of the proposed Rule are recommended for revision to ensure consistency with Housing Trust Fund programs:

**§51.2. Definitions.** As noted in the attached rule, some definitions were modified or deleted.

The following definitions were removed due to redundancy with *(1) Administrator*.

- (16) Contract Administrator (CA)*
- (17) Contract Administrator (CA) Representative*
- (18) Contract Administrator (CA) Signatory*

The following definition was deleted because it is provided with the definitions *(60) Rural Area* and *(22) Development*.

- (64) Rural Development*

The following definitions were modified to ensure clarity and consistency with Housing Trust Fund Programs:

- (25) Effective Date*
- (47) Modular Housing*
- (51) Persons with Disability*
- (52) Persons with Special Needs*

#### **§51.3 Eligible and Ineligible Applicants and Applications.**

This section of the draft Housing Trust Fund Rule posted for public comment was unchanged from §51.3(c) of the Housing Trust Fund Rule adopted on November 18, 2008. Upon legal review, staff has determined that these sections are not applicable to the Housing Trust Fund and recommends removal of the language as follows:

- (c) Prohibited Use of Housing Trust Funds. Housing Trust Funds may not be used to:*
- ~~*(1) assist Persons who have been as identified by the Texas Comptroller of Public Accounts as delinquent in relevant payments, such as taxes, child support payments, or student Loans;*~~
  - ~~*(2) assist Households whose Property has current tax liens and/or judgments to the State of Texas against it; or*~~

~~(3)~~ provide Rehabilitation assistance on a housing unit without prior written consent of all Persons who have a valid lien or ownership interest in the Property except as otherwise provided in the NOFA.

#### SUMMARY OF COMMENTS, STAFF RESPONSE AND BOARD ACTION.

Public comments and the Department's responses are presented in the order in which the sections appear in the proposed §51. Following the section number is the title of the section as it appears in the rule, as applicable. Each number following the title corresponds to the person(s) who commented on the particular rule section. The key relating each number next to the title is listed below. Following the identification of the commenter is a summary of the comment. Staff response and recommendation is detailed, along with reason(s) why the recommendation was made.

Comments were received by: (1) Steven A. Carriker (Texas Association of Community Development Corporations), (2) Nick Mitchell-Bennett (CDC Brownsville), and (3) Matt Hull (Habitat for Humanity of Texas).

#### **General Public Comments:** (1), (2) and (3)

COMMENT: Commenters requested the proposed rules be adjusted to remove any unnecessary documentation or paperwork and administrative overhead, allowing HTF to remain a source of flexible funding that is more easily accessible to small, rural, and otherwise disadvantaged clients of the Department. Commenter (3) was concerned that the language in the Rules reflects federal programs and commenter (2) felt that additional requirements in the rule would make Housing Trust Fund Programs more difficult to use.

STAFF RESPONSE: Upon review of the proposed Rule for final adoption, staff has recommended revisions to the following sections:

*§51.6 Application Review Process. Section (d)(3)-(7) Open and Competitive Cycle NOFA Application Process* were removed, as they may be detailed in NOFAs.

*§51.7 Criteria for Funding.* Paragraphs (a)(1)-(2) were removed because general guidelines are established in Chapter 2306, Texas Government Code, and specific guidelines will be more fully detailed in the NOFA. The remaining subsections were renumbered.

*§51.10 Contract Administration Requirements.* The following subsections were revised:

*(d) Staffing Requirements* was removed to increase program flexibility.

*(e) Program and Contract Administration Requirements* was adjusted as follows:

*Paragraph (e) (1)* edits were made to reduce redundancy and ensure clarity.

*Paragraph (e) (3)* edits were made to ensure consistency with revisions to §51.3. *Eligible and Ineligible Applicants and Applications.*

*Paragraph (e) (7)* edits made to increase program flexibility.

*Paragraph (e) (8)(B)* edits made to increase program flexibility.

*Paragraph (e)(10) Submission of documentation for project setups and disbursement requests* was removed, as instructions may be further detailed in NOFAs and program administration manuals.

*§51.11 Mortgage Loans and Loan Support Documentation.* Paragraphs (d)(3) and (4) removed to increase program flexibility. *Subsection (e)* was edited for clarity.

*§51.14 Amendments.* Paragraph (b)(5) was revised to increase flexibility.

**§51.12(b) Other Program Requirements: (1), (2), and (3)**

COMMENT: Commenters stated that making Housing Trust Fund subject to the rules promulgated by the Governor under the Uniform Grants Management Act was not the intent of the Governor's rules. For example, commenters stated that the procurement section of the Uniform Grant Management Act requires all grantees to use a standard designed for units of government. Commenters feel the standard is considerably more cumbersome than the procurement requirements that HUD and other State and Federal agencies currently place on non-profits, thus creating adverse effects. Additionally, commenter (2) stated that, if the Uniform Grant Management Act is made to apply to the Housing Trust Fund it will also require Davis Bacon wages and tracking on projects that were previously exempt.

STAFF RESPONSE: This section of the draft Housing Trust Fund Rule posted for public comment was unchanged from §51.19(c) of the Housing Trust Fund Rule adopted on November 18, 2008. Staff has consulted with the Department's legal division and has determined that the Uniform Grant Management Standards do not apply to nonprofit organizations. Thus, inclusion in the Rule may be duplicative for entities that are required to follow the guidelines while placing unnecessary burdens on nonprofit organizations, for which the standards do not apply. Staff recommends removal of the language as follows:

***§51.12 Other Program Requirements.***

~~*(b) Grant funds management and procurement. Except as specifically modified by law or the provision of this Chapter, Contract Administrator or Development Owner must comply with the rules promulgated by the Office of the Governor under the Uniform Grant Management Act (Texas Government Code, Chapter 783 and 1 TAC Chapter 5) to administer the Housing Trust Fund. Administrator must comply with all applicable state, and local laws, regulations, and ordinances for making procurements with Housing Trust Fund monies. Contract Administrator or Development Owner must ensure compliance with the requirements of the Texas Government Code, Chapter 2254.*~~

The Board approved the final order adopting the changes, as amended, as well as administrative changes as needed for consistency within this section, on May 12, 2010.

The new sections are adopted 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 program.

*§51.1.Purpose and Use of the Housing Trust Fund.*

(a) Purpose. The Housing Trust Fund is created pursuant to §2306.201 of the Texas Government Code. This chapter clarifies the use and administration of the Housing Trust Fund. In accordance with §2306.202(a) of the Texas Government Code, the Department shall use the Housing Trust Fund to provide Loans, Grants, or other comparable forms of assistance to local units of government, public housing authorities, nonprofit organizations, income-eligible individuals, families, and households to finance, acquire, rehabilitate, and develop decent, safe, and sanitary housing.

(b) Use of the Housing Trust Fund. Pursuant to §2306.202(b) of the Texas Government Code, use of the Housing Trust Fund is limited to providing:

(1) Assistance for individuals and families of low and very low income;

(2) Technical assistance and capacity building to nonprofit organizations engaged in developing housing for individuals and families of low and very low income; and

(3) Security for repayment of revenue bonds issued to finance housing for individuals and families of low and very low income.

(4) Subject to the limitations in §2306.251 of the Texas Government Code, the Department may also use the fund to acquire property to endow the fund.

(c) Regional Allocation. Funds shall be allocated to achieve broad geographic dispersion by awarding funds in accordance with §2306.111(d) and (g) of the Texas Government Code.

(d) Set-Asides. In accordance with §2306.202(a) of the Texas Government Code and program guidelines:

(1) In each biennium the first \$2.6 million available through the Housing Trust Fund for Loans, Grants, or other comparable forms of assistance shall be set aside and made available exclusively for Local Units of Government, Public Housing Authorities, and Nonprofit organizations.

(2) Any additional funds may also be made available to for-profit organizations provided that at least 45 percent of available funds, as determined on September 1 of each state fiscal year, in excess of the first \$2.6 million shall be made available to nonprofit organizations.

(3) The remaining portion shall be distributed to nonprofit organizations, for-profit organizations, and other eligible entities, pursuant to §2306.202 of the Texas Government Code.

(e) Texas Bootstrap Loan Program.

(1) Housing Trust Funds may also be allocated to the Texas Bootstrap Loan Program and will be awarded in accordance with Chapter 2306, Subchapter FF of the Texas Government Code.

(2) Applicants combining other Housing Trust Fund funding with the Texas Bootstrap Loan Program funds must meet the requirements of both programs, such as, but not limited to Chapter 2 of this title (relating to Bootstrap Program).

*§51.2.Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, when applied to Housing Trust Fund Applications, awards , Contracts and/or activities .

- (1) Administrator--A unit of government, non-profit entity or other party who has a written signed agreement or Contract with the Department committing the Department to provide funds upon the completion of certain actions called for in the agreement or Contract.
- (2) Affiliate--An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative, or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include all General Partners, Special Limited Partners and Principals with an ownership interest.
- (3) Affiliated Party--A Person in a relationship with the Administrator on a Contract with the Department.
- (4) Annual Income--Pursuant to §60.108 of this title (relating to Determination, Documentation, and Certification of Annual Income), for all programs administered by the Department, Annual Income shall be determined consistent with the Section 8 Program, using the definitions of Annual Income described in HUD Handbook 4350, as amended by the U.S. Department of Housing and Urban Development (HUD).
- (5) Applicant--A Person who has submitted an Application for Department funds or other assistance.
- (6) Application--A request for funds submitted to the Department in a form prescribed by the Department, including any exhibits or other supporting material.
- (7) Application Acceptance Period--The period of time that Applications may be submitted to the Department as more fully described in the applicable Notice of Funding Availability (NOFA).
- (8) Application Deficiency--A deficiency or inconsistency, which in the Department's reasonable judgment, may be cured by supplemental information or explanation that will not necessitate a substantial reassessment or re-evaluation of the Application.
- (9) Application Guide--The document which sets forth the procedures, forms and instructions for the completion and submission of an Application to the Department. For the Housing Trust Fund, in general, Application Guides are specific to and separate for the individual programs of the Fund.
- (10) Area Median Family Income (AMFI)--The income estimated and determined by HUD as the median family income with adjustments for family size and geographic locations.
- (11) Board--The governing board of the Department. (§2306.004)

- (12) Chapter 2306--The enabling statute for the Department found in Chapter 2306 of the Texas Government Code.
- (13) Colonia--A geographic area that is located in a county some part of which is within 150 miles of the international border of this state that 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 that:
  - (A) 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 §17.921 of the Texas Water Code; or
  - (B) has the physical and economic characteristics of a Colonia, as determined by the Department.
- (14) Competitive Application Cycle--A defined deadline by which Applications must be submitted according to a published NOFA. Competitive Applications will be reviewed for scoring criteria in accordance with the rules for Application review published in the NOFA, and the Application Guide.
- (15) Contract--The executed written agreement between the Department and an Administrator performing an activity related to a program that outlines performance requirements and responsibilities assigned by the document.
- (16) Contract Period--The length of time between the Contract's Effective Date (starting date) through its ending date. Any work performed or expense incurred on an activity must take place within the Contract Period.
- (17) Control--The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership or voting securities, by contract or otherwise, including specifically ownership of more than 50 percent of the General Partner interest in a limited partnership, or designation as a managing General Partner of a limited liability company.
- (18) Deferred Forgivable Loan--A Loan whose principal and/or interest installments are postponed and forgiven periodically, as defined in the Contract, over the contractually specified period of time, provided that all other contractual obligations are met.
- (19) Deobligated Funds--The funds released by an Administrator or recovered by the Department canceling a Contract or award involving some or all of a contractual financial obligation between the Department and an Administrator.
- (20) Department--The Texas Department of Housing and Community Affairs or any successor agency. (§2306.004)
- (21) Developer--Any Person entering into a Contract with the Development Owner to provide development services with respect to the Development and receiving a fee for such services and any other Person receiving any portion of such fee, whether by subcontract or otherwise.
- (22) Development--A Property or work or a project, building, structure, facility, or undertaking, whether existing, new construction, remodeling, improvement, or rehabilitation,



that meets or is designed to meet minimum property standards required by the Department and that is financed under the provisions of Chapter 2306 of the Texas Government Code.

- (23) Development Funding--(§2306.004)
  - (A) A Loan or Grant; or
  - (B) An In-kind Contribution, including a donation of real property, a fee waiver for a building permit or for water or sewer service, or a similar contribution that:
    - (i) provides an economic benefit; and
    - (ii) results in a quantifiable cost reduction for the applicable Development.
- (24) Development Owner--Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract approved by the Department.
- (25) Effective Date--The date on which all applicable parties have signed the Contract.
- (26) Executive Award and Review Advisory Committee/EARAC (The Committee)--The Department committee that will develop funding priorities and make funding and allocation recommendations to the Board based upon the evaluation of an Application in accordance with the housing priorities as set forth in Chapter 2306 of the Texas Government Code, and as set forth herein, and the ability of an Applicant to meet those priorities.
- (27) Executive Director--The person hired by the Board with administrative duties to manage the affairs of the Department as provided under §2306.036 of the Texas Government Code.
- (28) Expenditure--Approved expense evidenced by documentation submitted by the Administrator or Contractor to the Department for purposes of drawing funds for work completed, inspected and certified as complete, and as otherwise required by the Department.
- (29) Grant--Financial assistance that is awarded in the form of money to a Housing Sponsor (§2306.004) for a specific purpose and that is not required to be repaid. A Grant includes a forgivable Loan.
- (30) Household--One or more persons occupying a housing unit.
- (31) Housing Trust Fund--The fund created under Chapter 2306, Texas Government Code, and governed by this chapter.
- (32) HUD--the United States Department of Housing and Urban Development or its successor.
- (33) Individuals and families of Low-Income--Individuals and families earning not more than 80 percent of the area median income or applicable federal poverty line, as determined under §2306.123 or §2306.1231 of the Texas Government Code. (§2306.004)
- (34) Individuals and families of Very Low-Income--individuals and families earning not more than 60 percent of the area median income or applicable federal poverty line, as determined under §2306.123 or §2306.1231 of the Texas Government Code. (§2306.004)
- (35) Individuals and families of Extremely Low Income--individuals and families earning not more than 30 percent of the area median income or applicable federal poverty line, as determined under §2306.123 or §2306.1231 of the Texas Government Code. (§2306.004)

- (36) Income and Rent Limits--Limits in place for maximum allowable incomes and rents for specific programs administered by the Department, as made available by the Department.
- (37) In-kind Contribution--Contributions such as donation of land, tax exemptions, or waivers of fees such as building permits, water and sewer tap fees, or similar contributions. Donated land must be under the Control of the Applicant. Contributions in the form of tax exemptions or abatements may only count if the contribution is in addition to any tax exemption or abatement required by law.
- (38) Land Use Restriction Agreement (LURA)--An agreement between the Department and a Person related to a specific property, or properties, which is filed with the responsible recording authority.
- (39) Loan--Financial assistance that is awarded in the form of money and in an executed agreement between the Department and Person for a specific purpose and that is required to be repaid.
- (40) Local government--A county, municipality, special district, or any other political subdivision of the state, a public, nonprofit housing finance corporation created under Chapter 394 of the Texas Local Government Code, or a combination of those entities. (§2306.004)
- (41) Material Noncompliance--As is defined in Chapter 60, Subchapter A of this title (relating to Compliance Monitoring).
- (42) Manufactured Housing Unit (MHU)--As defined by HUD is a structure transportable in one or more sections which, in traveling mode, is 8 body-feet or more in width or 40 body-feet or more in length, or when erected on site, is 320 square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required facilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. MHUs must comply with §19(1) of the Texas Manufactured Housing Standards Act.
- (43) Material Deficiency--Any individual Application Deficiency or group of Application Deficiencies which, if addressed, would require, in the Department's reasonable judgment, a substantial reassessment or re-evaluation of the Application or which, are repeated and pervasive that they indicate a failure by the Applicant to submit a substantively complete and accurate Application.
- (44) Modular Housing-- is a home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.
- (45) Mortgage--Obligation, including a mortgage, mortgage deed, bond, note, deed of trust, or other instrument, that is a lien:
- (A) On real property; or
  - (B) On a leasehold under a lease having a remaining term that, at the time the lien is acquired, does not expire until after the maturity date of the obligation secured by the lien. (§2306.004)
- (46) Mortgagor (Borrower)--The Person who borrows money and uses his or her real property as collateral and security for the payment of the debt.

- (47) NOFA--Notice of Funding Availability, published in the Office of the Secretary of State's *Texas Register*.
- (48) Nonprofit Organization--A public or private organization that:
- (A) has evidence of a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3) of the Internal Revenue Code of 1986, a charitable, nonprofit corporation, or §501(c)(4) of the Internal Revenue Code of 1986, a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the Application and must continue to be effective throughout the length of any contract agreements; or a current group exemption letter from the IRS that is dated 1986 or later, that reflects the Applicant classified as a subordinate of a central non-profit organization under the Internal Revenue Code. The group exemption letter must specifically list the Applicant.
  - (B) a private nonprofit organization's pending Application for §501(c)(3) or (4) of the Internal Revenue Code of 1986, status cannot be used to comply with the tax status requirement.
- (49) Open Application Cycle--A defined period during which Applications may be submitted according to a published NOFA and which will be reviewed on a first come-first served basis until all funds available are committed or until the NOFA is closed, whichever is earlier.
- (50) Person--Any individual, partnership, corporation, association, local unit of government, community action agency, or public or private organization of any character.
- (51) Persons with Disabilities-- An Individual who has a disability that is a physical or mental impairment that substantially limits one or more major life activities.
- (52) Person with Special Needs—An Individual that meets the following requirements:
- (A) consistent with 42 U.S.C. §§12701 et seq. and as provided in the Consolidated Plan and may include any Households composed of one or more persons with alcohol and/or drug addictions, Colonia residents, Persons with Disabilities, elderly, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farm workers, and public housing residents.
  - (B) Persons legally responsible for caring for a Person with Special Needs, pursuant to §2306.511 of the Texas Government Code.
- (53) Principal Residence--The primary housing unit a Person or Household inhabits.
- (54) Project--A site or an entire building (including a manufactured housing unit), or two or more buildings, together with the site or sites on which the building or buildings are located, that are under common ownership, management, and financing.
- (55) Property--The real estate and all improvements thereon which are the subject of the Application whether currently existing or proposed to be built thereon in connection with the Application.
- (56) Public Housing Authority--A housing authority established under Chapter 392 of the Texas Local Government Code.
- (57) Received Date--The date and time at which an Application is verified to be received by the Department.

- (58) Rehabilitation--The improvement or modification of an existing residential development through an alteration, addition, or enhancement. The term includes the demolition of an existing residential development and the reconstruction of any development units, but does not include the improvement or modification of an existing residential development for the purpose of an adaptive reuse of the development.
- (59) Resolution--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of Person or Persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate Bylaws.
- (60) Rural Area--An area that is located: (§2306.004)
- (A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;
- (B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or
- (C) in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.
- (61) Service Area--The city(ies), county(ies) and/or place(s) identified in the Contract that the Administrator will serve.
- (62) Subprime Loan--A Loan that is originated by a lender designated as a subprime lender on the subprime lender list maintained by HUD or identified as a lender primarily engaged in subprime lending under §2306.143 of the Texas Government Code. (§2306.004)
- (63) TAC--Texas Administrative Code.
- (64) Title Commitment--A document from a title company showing the status of a property's ownership and pledging to issue a title insurance policy when the requirements shown therein are met.
- (65) Urban Area--The area that is located within the boundaries of a primary metropolitan statistical area other than an area described by §2306.004(28-a)(B) of the Texas Government Code, or eligible for funding as described by §2306.004(28-a)(C) of the Texas Government Code.

*§51.3. Eligible and Ineligible Applicants and Applications.*

(a) Eligible Applicants. In accordance with §2306.202 of the Texas Government Code, the following organizations or entities are eligible to apply for Program Activities:

- (1) Nonprofit organizations;
- (2) Local Units of Government;

(3) For-profit organizations;

(4) Public Housing Authorities; and

(5) Other eligible entities.

(b) Ineligible Applications, Activities, and Restrictions. The following conditions will cause an Applicant, and any Applications they have submitted, to be ineligible:

(1) Noncompliance and Unresolved Compliance or Single Audit Issues. Each Application will be reviewed for its compliance history by the Department, consistent with Chapter 60, Subchapter A of this title (relating to Compliance Monitoring). Applications containing Persons found to be in Material Noncompliance, having unresolved compliance or single audit issues, or otherwise violating the compliance rules of the Department at the time of Application and prior to Contract execution are ineligible for funding and will be terminated without being processed as a deficiency.

(2) The Applicant, Development Owner, or Developer is an Administrator of any previously funded Contract for which Department funds have been partially or fully de-obligated due to failure to meet contractual obligations during the 12 months prior to the Application submission date, unless the deobligation was voluntary and finalized prior to the Contract term expiration date or was the remainder on a completed Contract.

(3) The Applicant, Development Owner, or Developer is an Administrator of any active Contract in any Department 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.

(4) The Applicant, Development Owner, or Developer is an Administrator of any previously funded HTF Contract 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.

(5) The Applicant, Development Owner, or Developer has failed to submit or is delinquent in 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 by the Department.

(6) The Applicant, Development Owner, or Developer 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 or prior to Board approval.

(7) The Applicant, Development Owner, or Developer 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 Procurement of Non-procurement Programs" or has otherwise been debarred by HUD or the Department.

(8) The Applicant, Development Owner, or Developer has violated the state's revolving door policy.

(9) The Applicant, Development Owner, or Developer 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 15 years preceding the Application deadline.

(10) The Applicant, Development Owner, or Developer at the time of Application submission is:

(A) subject to an enforcement or disciplinary action under state or federal securities law or by the Financial Industry Regulatory Authority (FINRA) is subject to a federal tax lien; or

(B) is the subject of an enforcement proceeding with any governmental entity.

(11) The Applicant, Development Owner, or Developer with any past due audits has not submitted those past due audits to the Department in a satisfactory format on or before the Application submission date in accordance with §1.3 of this title (relating to Delinquent Audits and Related Issues).

(12) The Applicant, Development Owner, or Developer or anyone that has Controlling 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 LURA.

(13) The Application is a joint venture Application for which one of the parties has submitted a separate Application for the same program activity and including all or a portion of the same service area.

(14) 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.

(15) Applications which propose the refinancing or rehabilitation of properties constructed within the past 5 years and previously funded by the Department are not eligible.

(16) Any Application that includes an activity that would result in the permanent displacement of existing affordable housing. Housing Trust Funds shall not be utilized on a Development that has the effect of permanently displacing low, very low, and extremely 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 dislocation provision of this paragraph, that recipient risks loss of Housing Trust Funds and the landlord/Developer must pay the affected tenant's costs and all moving expenses.

(c) Prohibited Use of Housing Trust Funds. Housing Trust Funds may not be used to provide Rehabilitation assistance on a housing unit without prior written consent of all Persons who have a valid lien or ownership interest in the Property except as otherwise provided in the NOFA.

*§51.4. Communication with Department Employees.*

(a) Pursuant to §2306.111 of the Texas Government Code, the following communication requirements apply to applications and proposed applications for funding through the Housing Trust Fund.

(b) Ex Parte Communications. (§2306.1113)

(1) During the period beginning on the date Applications are filed in response to a NOFA and ending on the date the Board makes a final decision with respect to the approval of any Application for that NOFA, a member of the Board may not communicate with the following persons:

(A) An Applicant or a Related Party, as defined by state law, including board rules, and federal law; and

(B) Any Person who is active in the construction, Rehabilitation, ownership, or Control of the proposed Project, including:

(i) A General Partner or Contractor; and

(ii) A Principal or Affiliate of a General Partner or Contractor; or

(iii) Employed as a consultant, lobbyist, or attorney by an Applicant or a Related Party.

(2) Subject to paragraph (1) of this subsection, during the period beginning on the Applications are filed in response to a NOFA and ending on the date the Board makes a final decision with respect to the approval of any Application for that NOFA, an employee of the Department may communicate about the Application with Persons identified in paragraph (1) of this subsection.

(3) A communication under paragraph (2) of this subsection may be oral or in any written form, including electronic communication through the internet, and must satisfy the following conditions:

(A) The communication must be restricted to technical or administrative matters directly affecting the Application;

(B) The communication must occur or be received on the premises of the Department during established business hours; and

(C) A record of the communication must be maintained and included with the Application for purposes of Board review and must contain the following information:

- (i) The date, time, and means of communication;
- (ii) The names and position titles of the Persons involved in the communication and, if applicable, the Person's relationship to the Applicant;
- (iii) The subject matter of the communication; and
- (iv) A summary of any action taken as a result of the communication.

(c) Public Hearings. Notwithstanding subsection (b)(1), (2) or (3) of this section, a Board member or Department employee may communicate, without restriction, with a Person listed in subsection (b)(1) or (2) of this section during any Board meeting or public hearing held with respect to the Application, but not during a recess or other non-record portion of the meeting or hearing.

(d) Social Events. Subsection (b)(1) of this section does not prohibit the Board from participating in social events at which a Person with whom communications are prohibited may or will be present, provided that all matters related to Applications to be considered by the Board will not be discussed.

*§51.5. General Application Procedures and Requirements.*

(a) Open and Competitive Application Cycles. The Department will state within a NOFA whether the Application cycle will be a Competitive or Open Cycle and will provide the submission guidelines therein. The Department may limit the eligibility of Applications in the NOFA as described in this chapter .

(b) Application Form and Materials. The Department will develop and publish on its website for each program an Application. Applicants must verify and ensure the accuracy, sufficiency and receipt of all submissions to the Department..

(c) Application Requirements. Threshold and scoring criteria and any other Application or contractual requirements will be specified in the NOFA. Applications that do not meet minimum threshold criteria will not be considered for funding.

(d) Application Deadline. Applicants must submit an Application by the deadline date specified in the NOFA using the Application, Application Guide and forms required by the Department. All Applications must be received during business hours (8:00 a.m. to 5:00 p.m. Central Time) on any business day. Completion and submission of the Application includes the entire Uniform Application and any other supplemental forms which may be required by the Department. (§2306.1111) Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to Application submission.

(e) Application and Award Limitations.



(1) The Contract award amount, including administrative costs, shall not exceed the established amount in the NOFA unless otherwise approved as an Amendment per §51.14 of this chapter (relating to Amendments) or as approved by the Board.

(2) The Department reserves the right to reduce the amount requested in an Application based on activity or Project feasibility, underwriting analysis, or availability of funds.

(f) Reprogramming of Funds. If a NOFA is undersubscribed or funds not utilized within 180 days of the release of the NOFA, remaining funds may be reprogrammed at the discretion of the Department.

*§51.6.Application Review Process.*

(a) This section shall apply to programs administered by the Department's Housing Trust Fund Division and may apply to other Department programs utilizing Housing Trust Funds. Additional Application and award process requirements may be further established in the NOFA.

(b) Application Deficiencies.

(1) If an Application contains deficiencies which, in the determination of the Department staff, require a change or supplement of information submitted at the time of the Application, the Department staff may request clarification or correction of such Application Deficiencies including threshold and/or selection criteria documentation and/or financial feasibility analysis.

(2) The Department staff may request a change or supplement of information in a deficiency notice in the form of a facsimile, email or 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. Applicants responding to a deficiency notice or staff request must verify and ensure the accuracy, sufficiency and receipt of all submissions to the Department.

(3) 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 unit mix (both income levels and bedroom mixes), except in response to a direct request from the Department to remedy an Application Deficiency as further described in this title or by amendment of an Application after a commitment or allocation of Housing Trust Fund monies.

(c) Material Deficiencies.

(1) If the submitted Application has a Material Deficiency as defined in this chapter (relating to Definitions), or if the submitted Application is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department, the Application will be terminated without further consideration and the Applicant will be notified of such termination. 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.

(2) Applicants may appeal staff's decisions regarding their Applications consistent with §1.7 of this title (relating to Staff Appeals Process).

(d) Open and Competitive Cycle NOFA Application Process.

(1) For Applications submitted in response to an Open Cycle NOFA, the Department will accept and review Applications until available funds are awarded or the Application Acceptance Period ends.

(2) For Applications submitted in response to a Competitive Cycle NOFA, the Department will accept and review Applications once the Application Acceptance Period ends as specified in the NOFA.

(e) 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.

(f) Applicants must receive recommendation for approval from the Department to be considered for funding by the Board.

(g) Applicants may appeal staff's decisions regarding their applications consistent with §1.7 of this title.

(h) Alternative Dispute Resolution Policy. Applicants may utilize the Department's Alternative Dispute Resolution process as defined by §1.17 of this title.

#### *§51.7. Criteria for Funding.*

(a) Eligibility Criteria. In considering applications for funding, the Department considers the following requirements under §2306.203 of the Texas Government Code. Additional requirements may be established in the NOFA.

(b) Eligible Applicant Waiver. In the case of an Applicant who is an Administrator of a previously funded Contract at the time of Application, the Executive Director may waive the requirement that in order to be considered an eligible Applicant, an Applicant, Development Owner, or Developer must be meeting the requirements and benchmarks of the previously funded Contract.

(c) Approval Required. The Board has final approval on all recommendations for funding.

#### *§51.8. General Process for Awards.*

- (a) All recommendations for awards will be presented to the Committee before presentation to the Board. All Applications must comply with all applicable program requirements or regulations.
- (b) Applicants applying in response to an Open Application Cycle will be prioritized for recommendation to the Board based on the process described in this chapter and as specified in the NOFA.
- (c) Applicants applying in response to a Competitive Application Cycle will be ranked by highest score as specified in the NOFA.
- (d) In event of a tie between two or more Applicants, the Department reserves the right to determine which Application will receive a recommendation for funding. This decision will be based on §51.7(a)(2) of this chapter (relating to Criteria for Funding), and may include housing need factors and feasibility of the proposed activity identified in the Application. Tied Applicants may receive a partial recommendation for funding.
- (e) If sufficient qualified Applications are not received for a Uniform State Service Region, the funds may be awarded to Applicants in other regions as specified in the NOFA.
- (f) Applicants may receive a partial recommendation for funding. A minimum award amount may be established to ensure feasibility.
- (g) When the remainder of the allocation within a Uniform State Service Region is insufficient to completely fund the next ranked Application in the Uniform State Service Region, it is within the discretion of the Department to:
  - (1) fund the next ranked Application for the partial amount, reducing the scope of the Application proportionally;
  - (2) make necessary adjustments to fully fund the Application; or
  - (3) transfer the remaining funds to another Uniform State Service Region.
- (h) Applications receiving a staff recommendation are presented to the Board for approval, pending the availability of funds.
- (i) Applicants may appeal staff's decision regarding their Applications in accordance with §1.7 of this title (relating to Staff Appeals Process).
- (j) Even after Board approval of the award of any Housing Trust Fund funds, acquisition or construction activities will be conditional upon a completed Loan closing, if required, and any other conditions deemed necessary by the Department.

*§51.9. Additional Requirements for Development and Development Applications.*

In addition to requirements as stated in this chapter, the following requirements apply to Developments:

- (1) Layered Applications. If an Application is submitted to the Department for a proposed activity that requests funds from two separate housing finance programs, one of which includes the Housing Trust Fund, and only one of the housing finance programs is operated as a Competitive Application Cycle, then the Application will be handled in accordance with the competitive cycle guidelines for that program. If an Application is submitted for two separate housing finance programs where both programs are either open cycle, or competitive, one of which is Housing Trust Fund, the Application will be handled in accordance with the most restrictive program rules with the approval of the Department's Executive Director. Threshold and any other rental requirements will be noted in any NOFA released.

(2) Housing Tax Credits. Applicants who are seeking housing tax credits and are also seeking funds under this chapter for the same Development must meet the requirements under the Qualified Allocation Plan for the year in which they are applying for these funds and all of the requirements of this chapter.

(3) Rental Housing Development Site and Development Restrictions. For rental housing developments, restrictions include all those items referred to in Chapter 2306 of the Texas Government Code, and any additional items included in the NOFA.

*§51.10. Contract Administration Requirements.*

(a) This section applies to programs administered by the Housing Trust Fund Division. Programs funded with Housing Trust Fund funds, but administered by other Department divisions, i.e. Office of Colonia Initiatives and Disaster Recovery, may have different contract administration requirements.

(b) **Contract Required.** Any activity 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. Any amendments must be in writing and are subject to the requirements of this chapter. Administrators must complete the terms of the Contract.

(c) **Contact Information.** 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 CA Signatory on file at the Department.

(d) Program and Contract Administration Requirements. In addition to the requirements outlined in the Contract, Administrators must meet the following requirements.

(1) General Requirements.

(A) Administrators must use the forms provided on the Department's website and comply with the Department's procedural and documentation requirements. Administrators must verify and ensure the accuracy, sufficiency and receipt of all submissions to the Department.

(B) Administrators must ensure that all contracts and forms are executed by all parties authorized and required to sign.

(C) Attend training as required by the Department. Training must be completed by the Persons identified as the administrators of the program activity. At a minimum, required participants may include persons who perform or may perform the duties of submitting and/or approving setups or draws.

(D) 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 to the Department.

(E) Administrators must ensure compliance with applicable audit certification requirements.

(2) Affirmative marketing procedures. Administrators must develop and comply with written affirmative marketing procedures as applicable and required in the NOFA.

(A) The procedures and requirements shall be prepared in accordance with the NOFA.

- (B) Procedures must include the designation of an individual who will be responsible for marketing the project and establishing a clear application screening plan and the maintenance of documentation and records to evidence affirmative marketing procedures have been implemented.
- (3) Application intake requirements for Contract Administrators, as applicable.
  - (A) Administrators must ensure that no Conflict of Interest exists between Households to be assisted and Persons designated to receive applications, assist with the Application intake process, or who are officers or employees of the Administrator.
  - (B) Administrators must document and verify all income and asset eligibility requirements for the Household to be assisted.
- (4) Applicant selection criteria, as applicable. Administrators must develop and comply with written Applicant intake and selection criteria to ensure program eligibility, which must include, but are not limited to:
  - (A) Homeownership, if applicable;
  - (B) Income eligibility;
  - (C) Assisted Households must be located within the Administrator's Service Area, as defined in the Contract;
  - (D) Property taxes are current, if applicable; and
  - (E) Assist Special Needs Households, if applicable.
- (5) Administrators must notify each Applicant Household in writing of either acceptance or denial of assistance.
- (6) Tenant-Based Rental Assistance Programs. Administrators shall ensure the following:
  - (A) Tenants certify that they have been advised that they may select and use assistance for any eligible unit of their choice located within the Administrator's Service Area;
  - (B) Assistance to the Household is not provided prior to the date that Household is eligible for assistance, the setup is approved by the Department , required inspections are completed and the lease is fully executed;
  - (C) Utility allowances are accurate and calculated based on information from the local housing authority, or by any of the methodologies indicated in Chapter 60 of this title, Compliance Administration. An Owner may not change utility allowance methods without written approval from the Department. Any such request must include the Utility Allowance Questionnaire found on the Department's website;
  - (D) Pet deposits, duplicate subsidies and other disallowed costs are not paid using Housing Trust Fund funds; and
  - (E) The assisted Household's income is re-certified and the unit re-inspected annually to ensure compliance with program requirements and guidelines.
- (7) Administrators must develop and comply with written procurement policies and procedures, as applicable.
- (8) Demolition and Construction. The Administrator shall:
  - (A) Perform Loan closing, if required, prior to performing any construction activities, including demolition.
  - (B) .

- (C) Ensure that the demolition and removal of all dilapidated units on the lot occurs prior to the Household's occupancy of the Newly Constructed or Rehabilitated housing unit. Ensure that the demolition of any housing unit does not occur less than 6 months prior to the Contract end date.
  - (D) Provide building construction contractor oversight and ensure builder's risk coverage is provided.
  - (E) Conduct appropriate property inspections and documentation in accordance with applicable program requirements.
  - (F) Ensure compliance with applicable construction or property standards, lead-based paint notification and other applicable federal requirements.
- (9) Recordkeeping. Administrators must develop and comply with written accounting, reporting, filing, and documentation procedures.

*§51.11.Mortgage Loans and Loan Support Documentation.*

- (a) A mortgage Loan shall be evidenced by a mortgage or deed of trust note or bond and by a mortgage that creates a lien on the housing development and on all real property that constitutes the site of or that relates to the housing development.
- (b) 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.
- (c) For Loans that provide downpayment, gap financing and/or closing cost assistance, the Administrator must submit to the Department the recorded deed of trust and transfer of lien, if applicable. Failure to submit these documents within 90 days after the Loan closing date may result in the Department withholding payment for disbursement requests.
- (d) The following Loan requirements, at a minimum, must be met and shall be verified by a loan transmittal summary (such as HUD form 1008) or equivalent document approved by the Department:
  - (1) Loan Type. No adjustable rate mortgages (ARMs) or Subprime Loans are allowed.
  - (2) Home Value. No mortgages with a Loan to value equal to or greater than 100 percent are allowed and the appraised value of the home may not exceed HUD §221(d)(3) limits provided by the Department.
- (e) Administrators must ensure clear title prior to proceeding with any type of construction, including rehabilitation, as evidenced by a title policy or title commitment. For the purposes of this section, documents and submissions such as a title report, title abstract, and attorney's opinion of title are not sufficient evidence of clear title.
- (f) Ten Percent Retainage Required. Administrators must hold at least 10 percent retainage and submit the Request for Release of Retainage no earlier than 30 days following the completion of construction as verified by inspection forms and a certificate of construction completion, as applicable. The Department will not release retainage before the 31st day following construction completion.

*§51.12.Other Program Requirements.*

(a) Conflict of Interest.

(1) Conflict Prohibited. No person described in paragraph (2) of this subsection who exercises or has exercised any functions or responsibilities with respect to Housing Trust Fund activities under Chapter 2306 of the Texas Government Code, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from a Housing Trust Fund assisted activity, or have an interest in any Housing Trust Fund Contract, subcontract or agreement or the proceeds hereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(2) Persons Covered. The conflict of interest provisions of paragraph (1) of this subsection apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the Administrator.

(3) Administrators will maintain a written code of standards of conduct governing the performance of their board of directors and employees engaged in the award and administration of contracts. No employee, officer or agent of the Administrator shall participate in selection, or in the award or administration of a Contract supported by HTF funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(A) the employee, officer or agent;

(B) any member of his or her immediate family;

(C) his or her partner;

(D) an organization which employs, or is about to employ, anyone listed in subparagraphs (A) - (C) of this paragraph; or

(E) has a financial or other interest in the firm selected for award.

(4) The officers, employees or agents of the Administrator will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Administrators may set minimum rules where the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the officers, employees, or agents of the Administrator, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(b) Grant Funds Management and Procurement. Administrators must comply with all applicable state, and local laws, regulations, and ordinances for making procurements with Housing Trust Fund funds.

(c) Multifamily Housing units assisted with Housing Trust Fund (HTF) funds.

(1) Multifamily Housing units developed or rehabilitated with HTF funds must remain affordable to income-qualified Households for at least 20 years.

(2) An Applicant that receives funds for multifamily rental properties must establish a reserve account consistent with §2306.186 of the Texas Government Code, and as further described in §1.37 of this title (relating to Reserve for Replacement Rules and Guidelines).

(3) These requirements will be enforced as part of a required Land Use Restriction Agreement between the Administrator and the Department.

(d) Right to Inspect and Monitor.

(1) The Department may, at any time, inspect and monitor the records and the work of the Project so as to ascertain the level of Project completion, quality of work performed, inventory levels of stored material, compliance with the approval plans and specifications, property standards, and program rules and requirements.

(2) Any unsatisfactory findings in the inspection may result in a reduction in the amount of funds requested or termination of funding.

(3) Within 45 days of completion of any construction, and before the release of any retainage funds, Administrators are required to notify the Department of the completion by submitting a certificate of completion and any other documents required by program guidelines, including, but not limited to, the following:

(A) Architect's certification of substantial compliance;

(B) Administrator's certificate of substantial completion; and

(C) Administrator's and supplier's release of lien and warrantee.

(4) The Department may perform a final close-out visit and assist owners in preparing for long-term compliance requirements upon completion of project development.

(e) Compliance.

(1) Administrators must maintain compliance with each of its Contracts with the Department.

(2) Restrictions are stated and enforced through a regulatory agreement.

(3) These restrictions include, but are not limited to the following:

(A) Rent restrictions;

(B) Record keeping and reporting; and



(C) Income targeting of tenants.

(4) The Department monitors compliance with project restrictions and any other covenants by Recipient in any Housing Trust Fund agreement. An annual per unit compliance fee of \$25.00 may be charged for this review.

*§51.13. Records to be Maintained.*

(a) Administrators are required, at least on an annual basis throughout the compliance period, to submit to the Department information required under Chapter 60, Subchapter A of this title, Compliance Monitoring, which may include, but is not limited to:

(1) such information as may be necessary to determine whether a project is benefiting low, very low, and extremely low-income Persons and families;

(2) the monthly rent or mortgage payment for each dwelling unit in each structure assisted;

(3) such information as may be necessary to determine whether Administrators have carried out their housing activities in accordance with the requirements and primary objectives of the Housing Trust Fund and implementing regulations;

(4) the size and income of the Household for each unit occupied by a low, very low, or extremely low-income person or family;

(5) data on the extent to which each racial and ethnic group and Households have applied for and benefited from any project or activity funded in whole or in part with funds made available under Chapter 2306 of the Texas Government Code. This data shall be updated annually; and

(6) a final statement of accounting upon completion of the Project.

(b) Administrator shall maintain records pertinent to the tenant's files for a period of at least 3 years.

(c) Administrator shall maintain records pertinent to funding awards including but not limited to project costs and certification work papers for a period of at least 5 years.

(d) Administrator shall maintain records in an accessible location.

*§51.14. Amendments.*

(a) Adherence to Obligations. All representations, undertakings and commitments made by an Applicant in the Application, whether with respect to threshold and scoring criteria, program design, or otherwise, shall be deemed to be a condition to the Contract; the violation of which may be cause for termination 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.

(1) A material change may include, but is not limited to, the following:

(A) Change in project site or eligible activities;

(B) Change in the number of units or set asides;

(C) An increase in funding that is not permitted in this chapter;

(D) Change in service area; and

(E) Change in the maximum amount of assistance per Household.

(2) Failure to comply with this subsection or operate the proposed activity as represented in the Application without a Contract amendment prior to execution of such amendment may result in termination of the Contract, deobligation of funds, and/or disallowed costs.

(b) Amendment requests to be approved by the Executive Director are allowable under the following circumstances:

(1) Time extensions. The Executive Director may collectively provide up to one 6 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 6 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 Governing Board for approval, approval with modifications, or denial of the requested extension;

(2) Changes in Area Median Family Income (AMFI) levels. The Executive Director may grant approval of a modification or amendment to the AMFI levels of the Households to be served under said 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 such request does not violate Department rules. In the case that 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;

(3) Changes to Services Area. The Executive Director may grant approval of the modification or amendment to the Service Area being served under said 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 does not violate Department rules. In the case that 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;

(4) Changes in number of Households to serve. The Executive Director may grant approval of the modification or amendment to the reduction in the number of the Households to be served under said 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; or

(5) Increase in funds. 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 (25%) of the original award. Modifications and/or amendments that increase the dollar amount by more than 25 percent (25%) of the original award; 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.

(c) All amendment and waiver requests must be accompanied by documentation justifying the amendment or waiver.

(1) Administrator must ensure they are in compliance with all monitoring and auditing requirements for all programs administered by TDHCA prior to submission of the amendment request.

(2) The authorized CA Signatory must sign and submit a written amendment request.

(3) 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).

(d) The Department shall have the sole discretion to determine whether the amendment is justified, subject to appeal under §1.7 of this title (relating to Staff Appeals Process).

(e) 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.

(f) Additional Funds. In the event the Department receives additional funds, the Department, with Board approval, may elect to distribute funds to existing currently funded Administrators.

(g) 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 a Contract shall be sufficient reason to terminate the Contract and for the Department to deny any future Contract to the recipient.

(h) Individual benchmarks. Each benchmark is an individual term and subject to the amendment processes. An interim milestone extension may or may not extend the entire Contract at the Department's discretion.

*§51.15.Events Creating 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 recipient will be expected to carry out the activity(ies) as proposed in the Application. 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 of the following circumstances:

(1) 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);

(2) 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;

(3) 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;

(4) Applicant misrepresents material facts to the Department during an Application process, award of Contract, request for Amendment, or administration of any Contract;

(5) 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;

(6) Department has notified Administrator of Administrator's inadequate or insufficient management controls and the Administrator has failed to sufficiently correct the matter;

(7) Administrator declines funds;

(8) Administrator fails to expend all funds awarded and voluntarily releases the funds;

(9) Administrator does not return program income to the Department, as required in this title. ; or

(10) 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 subsection (a)(1) - (3) and (5) - (6) of this section and the sole discretion to determine what constitutes materiality in subsection (a)(4) of this section, subject to appeal under §1.7 of this title (relating to Staff Appeals Process).

(c) The Department shall not take any action resulting in Deobligated Funds until an appeal, as provided for under §1.7 of this title, 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.

*§51.16. Citizen Participation.*

(a) The Department holds at least one public hearing annually, and additional public hearings prior to consideration of any proposed significant changes to this chapter, to solicit comments from the public, eligible applicants, and Administrators on the Department's rules, guidelines, and procedures for the Housing Trust Fund.

(b) The Department considers the comments it receives at public hearings. The Board annually reviews the performance, administration, and implementation of the Housing Trust Fund in light of the comments it receives. The Board also reviews funding goals and set-asides relating to Allocation of Housing Trust Funds.

(c) Applications for Housing Trust Funds are public information and the Department shall afford the public an opportunity to comment on funding and award recommendations prior to making awards.

**DISASTER RECOVERY DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Approve for publication in the *Texas Register* the final order adopting 10 TAC Chapter 54, §54.1 – 54.3 concerning the Disaster Recovery Rules.

**RESOLVED**, that the adoption of the proposed new Disaster Recovery Rules, 10 TAC Chapter 54, is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing in the *Texas Register*, and

**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 final Disaster Recovery Rule, in the form presented to this meeting, 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.

**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 March 11, 2010, the Board gave approval to publish a draft of proposed rules for Disaster Recovery programs, 10 TAC §§54.1-54.3, for comment in the *Texas Register*. The draft rules were posted and made available for public comment. This document provides the Department's responses to all comments either received at public hearings or submitted in written form. As a result of public input, any language deleted from the proposed new section to the Disaster Recovery Rules is shown with a single strikethrough and modified language is shown with a single underline.

**Preamble, Reasoned Response and Rule:**

The Texas Department of Housing and Community Affairs (the “Department” or TDHCA) adopts new 10 TAC Chapter 54, §§54.1 – 54.3, concerning the definitions, general provisions, and forms utilized by the Disaster Relief Division. Sections 54.1 – 54.2 are adopted with changes to the proposed text as published in the February 5, 2010, issue of the Texas Register (35 TexReg 734) and §54.3 is adopted without changes as published in the March 26, 2010, issue of the Texas Register (35 TexReg 2442) and will not be republished.

A Public hearing on the proposed new sections was held in Austin. Additionally, written comments were accepted by mail, e-mail and facsimile through April 26, 2010.

**SUMMARY OF COMMENTS, STAFF RESPONSE AND BOARD ACTION**

Public comments and the Department's responses are presented in the order in which the sections appear in the proposed §54.1 – 54.2, starting with §54.1(14) and ending with §54.2(d). Following the section number is the title of the section as it appears in the rule. Each number following the title corresponds to the person(s) who commented on the particular rule section. The key relating each number next to the title is listed below. Staff response and recommendation is detailed, along with reason(s) why the recommendation was made. Following the comments and responses is a complete listing of the new program rules. As a result of public input, any language deleted from the proposed new section to the Disaster Recovery Rules is shown with a single strikethrough and modified language is shown with a single underline.

Comments were received by: (1) Madison Sloan, Staff Attorney, Texas Appleseed; (2) Shaun P. Davis, Executive Director, South East Texas Regional Planning Commission; (3) Don Atwell, Project Manager, ACS State and Local Solutions; and (4) Carl Bauchle, Vice President, First American Corporation.

**§54.1(14). Definitions. (1)**

*Comment:* The definition of “Slum or blighted area” includes an area that is detrimental to the public “morals.” Because the concept of “morals” is neither relevant to whether an area presents a danger to public health or safety, and is entirely subjective and arbitrary under the definition as written the word should be removed from the definition.

*Staff Response:* In order to qualify under the CDBG National Objective of Slum or Blighted Area, the area must meet a state or local definition of slum/blight. Some of these definitions include a “moral” component; however, an area determined locally to be morally blighted is not, in and of itself, sufficient to qualify as an area eligible for CDBG funding. The area must meet the other objective criteria of the definition in order to be reimbursable with federal funds. To avoid confusion staff agrees with the commenter and recommends the removal the moral component from the definition as included in program rules.

**§54.2(a)(1)(A). General Provisions. (2) and (3)**

*Comment:* Unlike the flexibility experienced with Rita, benchmarks for Ike have been established prior to processes and activities being approved, therefore making initial benchmarks

unattainable. Processes, guidelines, forms, etc. had to be developed by SETRPC and approved by TDHCA prior to moving forward; delays associated with the general guidelines and single-family owner occupied descriptions, which were approved by TDHCA on March 4, 2010, did not leave SETRPC sufficient time to meet the 6-mo Benchmark which was due on March 11, 2010.

*Comment:* Also related to the 6-mo Benchmark, we were unable to accomplish the site-specific environmental requirement as the SETRPC was, at the time, awaiting approval of its RROF from HUD. Approval (for the RROF) was not received from HUD/TDHCA until after the first benchmark due date.

*Staff Response:* Staff agrees with the commenter and recommends that the 6-Month Benchmark be revised to require the submission of the broad environmental review (if performing a tiered environmental review) to TDHCA and the initiation of application intake.

*Comment:* The 6-month period to identify the applicants, are we saying at that point after six months we can't take any more applications, they would go on a waiting list? Because you never know how many are going to fall out. I mean, you have some idea of the percentage that will not be eligible, but it seems like we would want to focus on the number of applicants to complete the program sort of in addition to just a date.

*Staff Response:* Staff agrees with the commenter and recommends that the 6-Month Benchmark be revised to excise the requirement for the entire pool of applicants to be identified. Please note that subrecipients are strongly encouraged to maintain a waiting list of qualified, potential applicants approximately 30% in excess of the contracted number of beneficiary households to be served. Administrative costs incurred in good faith associated with initial application intake for households that do not end up being served are eligible costs and may be spread out among activity delivery costs for households that are served.

### **§54.2(a)(1)(C). General Provisions. (3)**

*Comment:* Maybe my bigger concern about the rules as they're documented is (C), twelve months for eligibility to be determined under the Homeowner Assistance. Construction will move quickly; getting the folks eligible is the part that takes quite a bit of time. So we're taking the program and cutting it in half and basically saying all of the eligibility has to be done at that point. It would be helpful if that particular benchmark was pushed out another 4 or 5 months.

*Staff Response:* Staff acknowledges that it will be extremely difficult to have determined eligibility on 100% of the households receiving assistance at 12 months; furthermore, not all determined to be eligible will necessarily receive assistance. Therefore, staff recommends that the 12-Month Benchmark be revised to require that the number of documented determinations of eligibility (conducted in good faith resulting in households determined to be eligible or ineligible) must at least be equal to the number of households to be served by the contract.



**§54.2(a)(1)(F). General Provisions. (2) (3)**

*Comment:* Because of the lengthy time involved in initially implementing such a program and the amount of funds the SETRPC has received, we feel having all program requirements completed in a two year period is out of reach.

*Comment:* There hasn't been a program yet that's managed to make 24 months, and we're all getting smarter all the time, but this is an aggressive schedule.

*Staff Response:* The typical time period for contracts in the State CDBG Program for contracts of similar scope is two years. Staff recommends that the 24-Month Benchmark for Homeowner Assistance remains unchanged.

**§54.2(a)(2). General Provisions. (4)**

*Comment:* It seems like there's a couple of different types of programs that are being offered through rental, one a multifamily, one more focused on small rental property owners which have some different types of rules that we have to worry about from CDBG, and yet the timeline appears to be the same. Will there be any differentiation concerning timelines for different rental activities?

*Staff Response:* Staff acknowledges that the timeframe to complete multifamily rental projects may differ greatly from single family rental projects. Therefore, staff recommends that the benchmarks for the CDBG Rental Activities be revised. It is recommended that the contract term for multifamily rental projects be extended to thirty-six months and progress benchmarks be adjusted accordingly.

**§54.2(a)(2)(A). General Provisions. (2)**

*Comment:* We also did not meet the Rental Activities first 6-Month Benchmark. This is due to the fact that it is a brand new program and we are still awaiting approval of our guidelines. Greater flexibility is requested.

*Staff Response:* Staff recommends a differentiation between single and multifamily rental project timelines. Accordingly, staff recommends that the 6-Month Benchmark for Multifamily Rental Activities remain unchanged; however, staff recommends that the 6-Month Benchmark for Single Family Rental Activities be revised to require the submission of the broad environmental review (if performing a tiered environmental review) to TDHCA and the initiation of application intake.

**§54.2(c). General Provisions. (4)**

*Comment:* You've addressed three different program types in the subject matter. Is that one extension for all three or is that an extension for a homeowner program or an extension for a rental program or an extension for a down payment program?

*Staff Response:* One extension of the benchmarks may be granted per program type. For example, a subrecipient with one contract including all three different program types would be eligible for up to 3 extensions; but only one per program.

**§54.2(d). General Provisions. (1)**

*Comment:* The rule should more explicitly define the applicant's duty to affirmatively further fair housing and make clear that the obligation is linked to the impediments identified and the activities recommended to overcome identified impediments in the applicable Analysis of Impediments.

*Staff Response:* Staff acknowledges that in order for the respective fair housing requirements to be transparent, readily identifiable and purposeful they should be clearly linked to the appropriate Analysis of Impediments. Therefore, staff recommends that the rule be revised to include this linkage.

*Comment:* In order to monitor fair housing benchmarks, Texas Appleseed also recommends that TDHCA specify demographic data that must be collected as part of any policies established under 10 TAC §54.2(d)(3).

*Staff Response:* Staff agrees with the commenter. This information is already required to be collected; however, staff acknowledges the benefit of emphasizing this data collection in support of affirmatively furthering fair housing. Therefore, staff recommends that the rule be revised to expressly include this requirement.

The Board approved the final order adopting the changes, as amended, as well as administrative changes as needed for consistency within this section, on May 12, 2010.

The new sections are adopted 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 program.

*§54.1.Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) CDBG--Community Development Block Grant.

(2) Good cause--Verifiable events beyond the control of the TDHCA and the Subrecipient such as unavailability of records from third parties, impediments due to coordination with other governmental entities, delays due to inclement weather or other acts of God, funding delays, wide-spread shortage of labor or other significant resources.

- (3) NOFA--Notice of Funding Availability.
- (4) RFP--Request for Proposal.
- (5) TDHCA--Texas Department of Housing and Community Affairs.
- (6) Applicant--An entity which is preparing to submit or has submitted an application for Community Development Block Grant Disaster Recovery funds to the Department.
- (7) Application--A written request for Community Development Block Grant Disaster Recovery (CDBG DR) funds in the format required by TDHCA.
- (8) Community Development Block Grant--The funds awarded to the State of Texas pursuant to the Housing and Community Development Act of 1974, Title I, as amended (42 U.S.C. United States Code §§5301 et seq.), and the regulations promulgated thereunder in 24 CFR Part 570.
- (9) Contract--A written agreement, including all amendments thereto, executed by the TDHCA, and Subrecipient which is funded with community development block grant funds.
- (10) Subrecipient--Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR §570.201(o) with which the TDHCA has executed a contract. The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services, and may be further restricted by program rules.
- (11) Low- and moderate-income person--A member of a family which earns less than 80% of the area median family income, as defined under the United States Department of Housing and Urban Development Section 8 Assisted Housing Program.
- (12) Poverty--The current official poverty line established by the Director of the Federal Office of Management and Budget.
- (13) Primary beneficiary--A low or moderate income person.
- (14) Slum or blighted area--An area which has been designated a state enterprise zone, or an area within a municipality or county that is detrimental to the public health, safety, ~~morals~~, and welfare of the municipality or county because the area:
- (A) has a predominance of buildings or other improvements that are dilapidated, deteriorated, or obsolete due to age or other reasons;
- (B) is prone to high population densities and overcrowding due to inadequate provision for open space;

(C) is composed of open land that, because of its location within municipal or county limits, is necessary for sound community growth through replatting, planning, and development for predominantly residential uses; or

(D) has conditions that exist due to any of the causes enumerated in subparagraphs (A) - (C) of this paragraph or any combination of those causes that:

(i) endanger life or property by fire or other causes; or

(ii) are conducive to:

(I) the ill health of the residents;

(II) disease transmission;

(III) abnormally high rates of infant mortality;

(IV) abnormally high rates of juvenile delinquency and crime; or

(V) disorderly development because of inadequate or improper platting for adequate residential development of lots, streets, and public utilities.

(15) Slum or blight, spot basis--A building which has been declared as a slum or blight and has multiple and unattended building code violations, and qualifies as slum or blighted on a spot basis under local law.

*§54.2. General Provisions.*

(a) The contract term for Subrecipient administered awards will not exceed thirty-six (36) months for multifamily rental projects and twenty-four (24) months for all other projects, and performance under the Contract will be evaluated with the following benchmarks:

(1) Community Development Block Grant (CDBG) Disaster Homeowner Assistance Activities. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months--The broad portion of the environmental review (if performing a tiered environmental review) must be submitted to TDHCA and application intake activities must be initiated ~~Pool of applicants identified, eligibility assessment begun including site specific environmental on a minimum of 10% of applicants;~~

(B) Eight (8) months--Procurement complete for contractors used for rehabilitation and reconstruction activities, 25% of the households to be assisted environmentally cleared;

(C) Twelve (12) months--The number of documented determinations of eligibility (conducted in good faith resulting in households determined to be eligible or ineligible) must at least be equal

to the number of households to be served under Homeowner Assistance Programs through the contract; Eligibility determined on 100% of the households receiving assistance under Homeowner Assistance Programs 50% of the funds committed to eligible households, and 10% of the project funds drawn;

(D) Eighteen (18) months--100% of the project funds must be committed to the households receiving assistance, 50% of the homes must be under construction or rehabilitation, and 25% of the project funds drawn;

(E) Twenty-two (22) months--100% of the construction for all homes must be complete, 75% of the project funds drawn; and

(F) Twenty-four (24) months--85% of project funds are drawn, close out must be complete within sixty (60) days of end of contract.

(2) CDBG Single Family Rental Activities. The Contract term will not exceed twenty-four (24) months. Performance under the Contract and State administered programs will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months--The broad portion of the environmental review (if performing a tiered environmental review) must be submitted to TDHCA and application intake activities must be initiated ~~The RFP or NOFA, as applicable, must be published;~~

(B) Eight (8) months--Properties ~~Developments~~ must be selected under rental programs and environmentally cleared;

(C) Twelve (12) months--Loan closing must be closed for any rental components and 10% of project funds drawn;

(D) Eighteen (18) months--50% of project funds drawn;

(E) Twenty-two (22) months--75% of the project funds drawn; and

(F) Twenty-four (24) months--100% of construction complete, certificates of occupancy issued, 95% of funds drawn. Close out must be complete within sixty (60) days of end of contract.

(3) CDBG Multifamily Rental Activities. The Contract term will not exceed thirty-six (36) months. Performance under the Contract and State administered programs will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months--The RFP or NOFA, as applicable, must be published;

(B) Eight (8) months--Developments must be selected under rental programs and environmentally cleared;

(C) Twelve (12) months--Loan closing must be closed for any rental components and 10% of project funds drawn;

(D) Twenty-four (24) months--50% of project funds drawn;

(E) Thirty (30) months--75% of the project funds drawn; and

(F) Thirty-six (36) months--100% of construction complete, certificates of occupancy issued, 95% of funds drawn. Close out must be complete within sixty (60) days of end of contract.

(4.3) CDBG Disaster Downpayment Homeownership Assistance Activities. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:

(A) Six (6) months--Pool of applicants identified, eligibility assessment begun including site specific environmental on a minimum of 25% of applicants;

(B) Twelve (12) months--Eligibility determination made on 100% of applicants, 25% of the project funds drawn;

(C) Eighteen (18) months--50% of the applicants assisted, 45% of project funds drawn; and

(D) Twenty-four (24) months--100% of the applicants assisted, 75% of project funds drawn. Close out must be complete within sixty (60) days of end of contract.

(b) The contract term for the Affordable Rental Housing Stock Restoration Program will not exceed 24 months. Performance under the Contract term will be based on benchmarks established in the Contract and specific to the Development. Repayment of Loans or affordability periods will extend beyond the Contract end date depending on Texas Government Code, Chapter 2306 requirements.

(c) The Executive Director of the TDHCA may grant one extension to revise benchmarks and/or lower percentages, due to good cause.

(d) Each applicant must comply with requirement to affirmatively further fair housing as defined by the appropriate Analysis of Impediments and to maintain records reflecting the analysis and any actions in this regard. Six (6) months--

(1) An affirmative marketing plan must be in place.

(2) Establish clear policies in regard to serving people as required under the Civil Rights Act of 1964 and subsequent amendments. Subrecipients must collect and furnish to TDHCA, on forms to be provided by TDHCA, demographic data concerning the race, color, religion, sex, national origin, age, handicap and familial status (children under 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18) of program beneficiaries.

(3) Identify impediment to Fair Housing and has processes in place to work with recipients to meet the goals of the Fair Housing Act.

(4) Design activities to relocate households from floodplains, slum/blighted areas, and areas with other environmental hazards as identified in the appropriate Analysis of Impediments.

(5) Adopt a formal complaint process.

*§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 paragraph (3) of this section in Appendix 1, 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.

(3) The affidavit in this paragraph, 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 of any interest in real property for administering federal disaster funds subject to this chapter.

**Affidavit of Ownership  
(Sworn Statement)**

**BLOCK 1: Owner/Co-Owner Information**

Owner: \_\_\_\_\_ Co-Owner: \_\_\_\_\_  
Owner/Co-Owner Address: \_\_\_\_\_

**BLOCK 2: Statement of Facts**

I/We \_\_\_\_\_, being first duly sworn, do affirm the facts presented herein are true and complete:

- 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 given consent to the application or was not located after a reasonable effort.

**BLOCK 3: Signatures (Notarization is REQUIRED)**

Under penalties of perjury, I/We certify that the information presented in this Affidavit is true and accurate to the best of my/our knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my/our ineligibility to participate in Programs that will accept this affidavit in accordance with Government Code, Chapter 2306.

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Co-Owner Signature

Before me personally appeared the person(s) whose signature(s) appear above, who by being sworn, upon oath say that the statements set forth hereinabove are true and correct. Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
(Name of Notary)

\_\_\_\_\_  
(Notary Public)

SEAL

\_\_\_\_\_  
(Commission Expires)  
Notary Public State of Texas






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**Rebuilding Texas: Disaster Recovery from Hurricanes Rita and Katrina**

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***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 May 4, 2010**

- 519 single family homes rehabilitated or reconstructed
- 12 single family homes remain to be reconstructed, which will be completed by September 2010.

**Financial Summary**

	<b>Current Budget</b>	<b>Admin \$ Drawn To Date</b>	<b>Project \$ Drawn To Date</b>	<b>Total Drawn</b>	<b>% of Funds Drawn</b>
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	\$3,116,016.18	\$22,080,455.50	\$25,196,471.68	92.64%
<b>Totals</b>	<b>\$40,888,788.00</b>	<b>\$4,718,630.93</b>	<b>\$33,395,509.14</b>	<b>\$38,114,140.07</b>	<b>93.21%</b>

***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 May 4, 2010**

**Homeowner Program**

- 1,421 homes rehabilitated or reconstructed
- 156 homes currently under construction

**Rental Program**

- 1,180 rental units have been rehabilitated or reconstructed
- 958 rental units are currently under construction

**Financial Summary**

	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>Homeowner Assistance Program (HAP)</b>	\$210,371,273.00	\$125,417,622.06	\$84,953,650.94	59.62%
<b>Sabine Pass Restoration Program (SPRP)</b>	\$12,000,000.00	\$8,107,001.82	\$3,892,998.18	67.56%
<b>Rental Housing Stock Restoration Program (RHSRP)</b>	\$82,779,333.00	\$65,532,553.41	\$17,246,779.59	79.17%
<b>City of Houston</b>	\$41,500,000.00	\$31,120,723.30	\$10,379,276.70	74.99%
<b>Harris County</b>	\$20,000,000.00	\$11,326,659.36	\$8,673,340.64	56.63%
<b>Restoration of Critical Infrastructure Program (TDRA)</b>	\$42,000,000.00	\$26,984,721.81	\$15,015,278.19	64.25%
<b>State Administrative Funds (Admin Funds)</b>	\$19,933,592.00	\$10,573,277.01	\$9,360,314.99	53.04%
	<b>\$428,584,198.00</b>	<b>\$279,062,558.77</b>	<b>\$149,521,639.23</b>	<b>65.11%</b>

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## **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 Activities as of April 26, 2010**

##### **Rental Program**

- 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.

##### **Subrecipient Program**

- Subrecipients are beginning to receive approval on project set ups and draws.
- To date, 7 Subrecipients have drawn \$3 million for start-up expenses and \$3.6 million in project funds. Additionally, 192 projects have been approved for assistance under the city of Houston's downpayment assistance program.

#### **Financial Summary**

<b>Subrecipient Awards</b>	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>City of Galveston</b>	\$160,432,233.00	\$0.00	\$160,432,233	0.00%
<b>Galveston County</b>	\$99,503,498.00	\$49,803.30	\$99,453,694.70	0.05%
<b>South East Texas Regional Planning Commission</b>	\$95,000,000.00	\$311,202.78	\$94,688,797.22	0.33%
<b>City of Houston</b>	\$87,256,565.00	\$3,669,000.00	\$83,587,565.00	4.20%
<b>Harris County</b>	\$56,277,229.00	\$2,618,325.12	\$53,658,903.88	4.65%
<b>Houston-Galveston Area Council of Governments</b>	\$11,076,980.00	\$0.00	\$11,076,980	0.00%
<b>Liberty County</b>	\$8,878,923.00	\$0.00	\$8,878,923	0.00%
<b>Montgomery County</b>	\$6,909,237.00	\$0.00	\$6,909,237	0.00%
<b>Deep East Texas Council of Governments</b>	\$5,931,070.00	\$23,788.25	\$5,907,281.75	0.40%
<b>Cameron County</b>	\$3,093,750.00	\$0.00	\$3,093,750	0.00%
<b>Hidalgo County</b>	\$2,000,000.00	\$25,167.37	\$1,974,832.63	1.26%
<b>City of Brownsville</b>	\$1,635,318.00	\$0.00	\$1,635,318	0.00%
<b>Fort Bend County</b>	\$1,582,107.00	\$0.00	\$1,582,107	0.00%
<b>Brazos Valley Affordable Housing Corporation</b>	\$948,930.00	\$0.00	\$948,930	0.00%
<b>Willacy County</b>	\$541,287.00	\$0.00	\$541,287	0.00%
<b>East Texas Council of Governments (ETCOG)</b>	\$415,117.00	\$0.00	\$415,117	0.00%
<b>City of Mission</b>	\$209,638.00	\$812.80	\$208,825.20	0.39%
<b>Chambers County</b>	\$20,921,582.00	\$0.00	\$20,921,582	0.00%
<b>Total:</b>	<b>\$562,613,464.00</b>	<b>\$6,698,099.62</b>	<b>\$555,915,364.38</b>	<b>1.19%</b>

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## *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 is currently receiving FEMA housing assistance as a result of Hurricane Ike. A portion of 95 acres to be used for the proposed group site was Environmentally Cleared by FEMA's contracted Environmental firm on February 2, 2010. The City of Houston was to submit documentation to support the financing for the remaining portion of the 95 acres, documentation to support the procurement of their subcontractor, a revised budget, a revised site layout, and documentation showing that the funding TDHCA supplies of the City of Houston for land acquisition and infrastructure will only be used for the AHPP program by April 9, 2010. TDHCA received none of the aforementioned documentation and is still awaiting receipt of these documents.

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.

A Request for Proposals (RFP) was published on the Electronic State Business Daily (ESBD) website by TDHCA on January 8, 2010 to solicit the participation of a replacement contractor for the Heston Group to install the AHPP units on the group site. The RFP response deadline was April 1, 2010 and TDHCA Disaster Recovery staff is currently scoring the eight RFPs that were received and administratively qualified.

**DISASTER RECOVERY DIVISION  
BOARD REPORT ITEM  
May 12, 2010**

**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**

**Municipal Caps Requests Received 3/5/2010**

Application Number	City	Requirement	Total
2960	Kountze	Well (\$5,692), Septic (\$8,500)	\$14,192.00
6201	Nome	Well (\$8,500), Septic (\$8,500)	\$17,000.00
6496	Vidor	Well (\$7,500), Septic (\$8,500)	\$16,000.00
7819	ORANGE	Well (\$6,500), Septic (\$6,500)	\$13,000.00

**Municipal Caps Requests Received 3/24/2010**

Application Number	City	Requirement	Total
814	Buna	Well (\$7,350), Septic (\$7,350)	\$14,700.00
1178	Newton	Well (\$5,692), Septic (\$8,500)	\$14,192.00
6712	Bon Weir	Well (\$6,500), Septic (\$5,350)	\$11,850.00
7260	BON WIER	Well (\$8,500), Septic (\$8,750)	\$17,250.00
7911	NEWTON	Tree removal (\$500), Well (\$5,692), Septic (\$8,500)	\$14,692.00
7930	NEWTON	Tree removal (\$500), Well (\$5,692), Septic (\$8,500)	\$14,692.00
8316	Jasper	Well (\$6,500), Septic (\$6,500)	\$13,000.00

**Municipal Caps Requests Received 4/13/2010**

Application Number	City	Requirement	Total
1956	Magnolia Springs	Well (\$7,500), Septic (\$8,500)	\$16,000.00
5627	Vidor	Well (\$7,728), Septic (\$6,600)	\$14,328.00
6130	Bon Weir	Well (\$6,500), Septic (\$6,500)	\$13,000.00
6882	Bon Weir	Well (\$6,500), Septic (\$7,500)	\$14,000.00
7481	KIRBYVILLE	Well (\$7,500), Septic (\$8,500)	\$16,000.00
8001	KIRBYVILLE	Well (\$7,300), Septic (\$8,800)	\$16,100.00

**DISASTER RECOVERY DIVISION  
BOARD REPORT ITEM  
May 12, 2010**

**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**

**Accessibility Cap Requests Received 3/5/2010**

<b>Application Number</b>	<b>City</b>	<b>Requirement</b>	<b>Total</b>
1783	Deweyville	Accessibility Plan (\$12,000), Accessibility Bundles (\$6,200)	\$18,200.00
2479	Sabine Pass	Accessibility Bundles with Lift Included (\$23,660)	\$23,660.00
5127	Port Bolivar	Accessibility Plan (\$8,000), Accessibility Bundles with Lift Included (\$18,400)	\$26,400.00
7879	PORT ARTHUR	Accessibility Plan (\$12,800), Accessibility Bundles (\$3,475)	\$16,275.00
8067	PORT ARTHUR	Accessibility Plan (\$12,800), Accessibility Bundles (\$3,650)	\$16,450.00
8102	PORT ARTHUR	Accessibility Plan (\$12,800), Accessibility Bundles (\$3,650)	\$16,450.00

**Accessibility Cap Requests Received 3/24/2010**

<b>Application Number</b>	<b>City</b>	<b>Requirement</b>	<b>Total</b>
1995	Kirbyville	Accessibility Plan (\$7,500), Accessibility Bundles (\$8,000)	\$15,500.00
2376	Sabine Pass	Accessibility Plan (\$14,900), Accessibility Bundles (\$832)	\$15,732.00
2399	Sabine Pass	Accessibility Plan (\$14,900), Accessibility Bundles (\$832)	\$15,732.00
4324	Sabine Pass	Platform Lift-Retrofit (\$22,300)	\$22,300.00
5073	Beaumont	Accessibility Plan (\$12,600), Accessibility Bundles (\$7,500)	\$20,100.00
5658	Sabine Pass	Accessibility Plan (\$14,900), Accessibility Bundles (\$832)	\$15,732.00

**Accessibility Cap Requests Received 4/13/2010**

<b>Application Number</b>	<b>City</b>	<b>Requirement</b>	<b>Total</b>
5108	Dayton	Accessibility Plan (\$15,000), Accessibility Bundles (\$4,325)	\$19,325.00
9415	PORT ARTHUR	Accessibility Plan (\$10,975), Accessibility Bundles (\$4,735)	\$15,710.00

**DISASTER RECOVERY DIVISION  
BOARD REPORT ITEM  
May 12, 2010**

**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**

**Elevation Caps Requests Received 3/5/2010**

<b>Application Number</b>	<b>City</b>	<b>Elevation Amount</b>	<b>Over Cap By</b>	<b>Total</b>
7106	Rose City	\$36,500	\$6,500.00	\$36,500.00
5710	Sabine Pass	\$65,454.60	\$35,454.60	\$65,454.60




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*Texas Neighborhood Stabilization Program*

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On July 16, 2009, the TDHCA Governing Board awarded NSP funds totaling \$96,877,006 to 49 subrecipients across the state as 61 separate awards. The awards were made as the result of applications received from subrecipients, describing how they would use the NSP funds to stabilize their communities and arrest decline, and remove blight in their local communities. 23 of those contracts are administered in part by the Texas Department of Rural Affairs (TDRA) through a Memorandum of Understanding; for those contracts, contract administration is covered by TDRA, but closing of loans and releasing of funds to contracts is still handled by TDHCA.

In 2009, the NSP awards were made for activities in the five eligible use categories provided by regulation, as follows:

**Funds Awarded**

<b>Eligible Use</b>	<b>Amount</b>
Financing Mechanisms	\$ 18,297,163
Acquisition and Rehabilitation	\$ 44,000,000
Land Bank	\$ 9,500,000
Demolition	\$ 6,000,000
Redevelopment	\$ 14,000,000
Administration (State and Subrecipients)	\$ 10,199,685
TOTAL	\$101,996,848

Subrecipients attended one of four Implementation Workshops offered in July and August of 2009, and all but one contract were effective on September 1.

The NSP contracts include several important milestone requirements, to assure that the NSP funds are obligated in advance of the September 3, 2010, HUD deadline for obligation of all Texas NSP funds. HUD defines obligation, for purposes of this program, as a contract pending on a specific property and does not consider a contract between TDHCA and a subrecipient as an obligation. Subrecipients were required to submit their broad environmental review prior to the 3 month-milestone, which for most contracts fell on November 30, 2010. At the 6-month milestone, which for most contracts fell on February 28, 2010, subrecipients were to have obligated all of the acquisition funds budgeted in their contracts. Many contracts did not achieve these benchmarks at the milestone date, most having requested and received a forbearance of the 6-month obligation milestone until April 30, 2010. At this time, progress on those milestones is shown below (shown separately for TDHCA and TDRA contracts).

Contracts with Milestone Achieved as of April 30	TDHCA (of 36 contracts)	TDRA (of 23 contracts)
Applicable Environmental Review complete	36	11
Obligation of all Budgeted Acquisition Funds	13	1

By the 9-month milestone, which will be on May 31, 2010 subrecipients are required to have obligated all of the project funds. This date was established in contracts as an accelerated benchmark well in advance of the September deadline noted above.

As of April 30, 2010, TDHCA NSP subrecipients had obligated \$33,707,543 in funds, approximately 33% of the total required to be obligated by the State on or before September, 2010. Current obligations are 42% of the contracts managed by TDHCA. Those obligations reflect funding for 514 individual properties, generally for acquisition. \$14,057,741 of the current TDHCA obligations has been directed to acquisition of properties designated to serve households at or below 50% of AMI. HUD considers the administrative allocation to be obligated upon contract with a subrecipient.

As of April 30, 2010, TDRA NSP subrecipients had obligated \$2,580,364 in funds, approximately 3% of the total required to be obligated by the State on or before September, 2010. Current obligations are 13% of the contracts managed by TDRA. Those obligations reflect funding for 6 individual properties, generally for acquisition. \$602,159 of the current obligations has been directed to acquisition of properties designated to serve households at or below 50% of AMI. HUD considers the administrative allocation to be obligated upon contract with a subrecipient.

Funds Obligated as of April 30, 2010

Eligible Use	TDHCA	TDRA
Financing Mechanisms	\$ 51,086	\$ 0
Acquisition and Rehabilitation	\$ 11,149,577	\$ 102,158
Land Bank	\$ 6,538,378	N/A
Demolition	\$ 1,140,199	\$ 27,630
Redevelopment	\$ 6,796,658	\$500,000
Administration (includes State)	\$ 8,031,645	\$ 1,950,575
TOTAL	\$ 33,707,543	\$ 2,580,364

HUD has defined “obligation” under the NSP to mean that funds have been encumbered to a property under a contract to purchase, or for goods and services to be provided at a specific address. The current NSP obligations do not reflect repair or construction costs, due to this definition.

At this time, limited funds have been fully expended that cover activities other than administration, and while several subrecipients have purchased properties in anticipation of reimbursement, no units have been completed. In future Board reports, ongoing progress reports will include expenditures of funds and unit production. While staff is confident that the program will be successful, the administration of this program has proven to be far more challenging than was initially anticipated. Some examples of those challenges include:

- The complexity of the 5 federal NSP Eligible Uses has made it difficult for subrecipients to design and implement their local programs.



- Lack of guidance and support from HUD on use of agreements and lack of clarity in interpretations.
- Passage of the Protecting Tenants at Foreclosure Act has limited the available foreclosed properties, as the largest REO-holders refuse to certify that they have complied with the legal requirement, and HUD has not provided clear guidance regarding alternative compliance.
- The largest REO-holders in Texas (HUD (FHA), Fannie Mae and Freddie Mac) have refused to accept purchase contracts contingent on the environmental clearance required to use NSP funds.
- Investor pressures in many local markets create competition that drives up prices, making the NSP-required discount difficult to attain.
- The local markets impacted by foreclosure and declining values have shifted from those identified when HERA was first enacted.
- Local ordinances and policies, along with capacity issues, have made it difficult for some subrecipients to perform within the contractual requirements.

Two of the original NSP subrecipients have returned awards to TDHCA. One of the organizations was originally awarded funds for a multi-family property that was not available at contract, that organization returned a portion of their award and are continuing with another NSP project. A second organization experienced staff turnover that reduced their capacity to complete their NSP projects, their award was returned prior to contract. The funds that have been returned to TDHCA have been made available to subrecipients as increases to their original contract, and redistributed under the NSP-R NOFA.

It is anticipated that as the 9-month milestone for all contracts approaches on May 31, 2010, additional funds will be returned by subrecipients. For many organizations, changing local market conditions and investor pressures have made it extremely challenging for them to secure properties for their NSP projects. Any funds returned will be redistributed under the open NSP-R NOFA.

## NEIGHBORHOOD STABILIZATION PROGRAM

### BOARD ACTION REQUEST

May 12, 2010

#### Recommended Action

Approve the award of Neighborhood Stabilization Program Re-allocation funds.

**RESOLVED**, that the award of contracts to the entities recommended for an award on the attached “NEIGHBORHOOD STABILIZATION RE-ALLOCATION APPLICATION AND AWARD LOG” totaling \$3,186,000 in project funds and \$207,360 in administrative funds, be and they hereby are approved in the form presented to this meeting.

#### 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). \$4,391,560 has been recaptured from the original awards – this funding is the base amount to be reallocated under the NSP-R 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.

In addition to the funding that has already been returned, additional funds are expected to be recaptured by the State in the 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. In anticipation of the enforcement of this 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.

The NSP-R NOFA will continue to make funds available for use in local communities through an open application process. As funds are returned, TDHCA will announce their availability through email and website announcements. Applications will be accepted regardless of the availability of funds, with awards made only when funds are available.

Ten applications totaling \$17,882,891 were received in the initial round, which closed on April 21, 2010. The applications have been reviewed for compliance with threshold requirements, and scored according to the criteria published in the NSP-R NOFA. Applications were also evaluated for the ability of the proposed project(s) to be completed with the NSP-R funds currently available, in some cases the award amount is less than the application request. Three of Applications are recommended totaling \$3,393,360 in funds. The applications recommended for award are those with the highest scores whose aggregate funds requested do not exceed the NSP-R funds currently available for distribution. Two of the applications recommended for award are current NSP subrecipients that have met contractual requirements.

## *2010 Neighborhood Stabilization Program Re-Allocation*

### *Application and Award Recommendation Log*

*Total NOFA Amount \$4,391,560*

*Recommended Amount \$3,393,360*

<b>Application Number</b>	<b>Received Date</b>	<b>Applicant/ Eligible Use</b>	<b>Area(s) Served</b>	<b>Project Funds Requested</b>	<b>Admin Funds Requested</b>	<b>Total Units</b>	<b>Score (out of 100)</b>	<b>Project Funds Awarded and/or Recommended</b>	<b>Admin Funds Awarded and/or Recommended</b>	<b>Total Units</b>	<b>Comments</b>
2010-07	4/20/2010	Grand Central Texas Development Corp./ <i>Rental</i>	County of Llano	\$1,081,000	\$54,050	57	80	\$1,081,000	\$54,050	57	Recommended for award
2010-02	4/20/2010	Housing Authority of the City of Brownsville/ <i>Rental</i>	County of Cameron	\$1,600,000	\$80,000	16	77	0	0	0	*Not Recommended
2010-08	4/20/2010	City of Garland/ <i>Ownership</i>	County of Dallas	\$502,200	\$25,150	4	68	\$503,000	\$25,150	4	Recommended for award
2010-04	4/20/2010	Affordable Homes of South Texas. Inc./ <i>Land Bank</i>	Hidalgo County	\$3,600,000	\$288,000	200	65	\$1,602,000	\$128,160	130	Recommended for award
2010-05	4/20/2010	Housing and Community Services, Inc./ <i>Rental</i>	County of Bexar	\$2,424,000	\$121,120	64	46	0	0	0	**Not Recommended
2010-01	4/16/2010	County of Willacy/ <i>Ownership</i>	County of Willacy	\$760,000	\$38,000	10	36	0	0	0	Not Recommended

Application Number	Received Date	Applicant/ <i>Eligible Use</i>	Area(s) Served	Project Funds Requested	Admin Funds Requested	Total Units	Score (out of 100)	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-010	4/20/2010	City of San Antonio/ <i>Land Bank</i>	County of Bexar	\$1,456,000	\$116,480	13	33.5			0	Not Recommended
2010-06	4/20/2010	Tender Loving Care Center dba Legacy CDC/ <i>Rental &amp; Ownership</i>	County of Jefferson	\$3,965,154	\$198,257	37	14	0	0	0	Not Recommended
2010-09	4/20/2010	North Texas Housing Coalition/ <i>Ownership</i>	Multiple Counties	\$1,000,000	\$50,000	50	0				Not Recommended
	<b>TOTALS</b>			<b>\$16,888,354</b>	<b>\$996,057</b>			<b>\$3,186,000</b>	<b>\$207,360</b>	<b>154</b>	

\* Housing Authority of the City of Brownsville proposal relies on additional funding from other sources, which has not been fully secured. The application will be evaluated for potential future award if the additional funding is received and sufficient NSP-R funding is available for obligation within HUD deadlines.

\*\* Housing and Community Services' application describes a specific property without a pending purchase contract or other evidence of site control. The application will be evaluated for potential future award if a purchase contract is secured and sufficient NSP-R funding available for obligation within HUD deadlines.

**NEIGHBORHOOD STABILIZATION PROGRAM**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve the contract amendment requests for Neighborhood Stabilization Program (NSP) subrecipient awards.

**RESOLVED**, that the contract scope of work amendment requests presented at this meeting relating to the City of Irving NSP Contract No 77090000106; City of Galveston NSP Contract No 77090000110; City of Odessa NSP Contract No 77090000158; Harris County NSP Contract No 77090000162; and, Plano Housing Corporation NSP Contract No 77090000166 are hereby approved in the form presented to this meeting.

**Background**

City of Irving – Neighborhood Stabilization Program Contract No 77090000106

The City of Irving is a Neighborhood Stabilization Program (NSP) subrecipient. They are requesting an amendment to their contract which currently includes Acquisition and Rehabilitation under Eligible Use B to include Acquisition and Redevelopment under Eligible Use E and Demolition, Eligible Use D. In addition to the fore mentioned changes, they are also requesting a decrease to the number of units produced in the Schedule A, Performance Statement, of the contract. Approval of the request necessitates a Contract Amendment consisting of changes to Exhibit A, Performance Statement and Exhibit B, Budget. This amendment to contract activities will result in an extension of the contract end date of August 31, 2011 to the new end date of August 31, 2012.

The City of Irving has identified a project site for redevelopment of a new 13-unit affordable townhome development. This contract change represents an exchange of funds between different eligible uses and requires Board approval because of the decrease in proposed units served. After adjustments of units between activities the units to be assisted will decrease from 22 to 20 units produced.

The Amendment Request is summarized as follows:

City of Irving:	
County:	Dallas
Purchase and Rehabilitation:	\$825,000 (previously \$2,800,000)
Demolition:	\$100,000 (previously \$0)
Redevelopment:	\$1,875,000 (previously \$0)
Proposed Households Assisted:	20 (previously 22 homes)

City of Galveston Neighborhood Stabilization Program Contract No 77090000110

The City of Galveston is a Neighborhood Stabilization Program (NSP) subrecipient. They are requesting an amendment to their contract from the current Acquisition and Rehabilitation, Eligible Use B, to Redevelopment, Eligible Use E. In addition to the fore mentioned changes, they are also requesting to decrease the number of units produced in the Schedule A, Performance Statement, of the contract and to

increase the funding and units designated for demolition, Eligible Use D of the Performance Statement and Exhibit B, Budget.

The amendment will remove the Acquisition and Rehabilitation, Eligible Use B from the contract, in order to add the Redevelopment category, Eligible Use E. This contract change represents an exchange of funds between different eligible uses and it requires Board approval because of the decrease in proposed units served. The units to be assisted will decrease from 6 units that were to benefit under Acquisition and Rehabilitation, Eligible Use B under the original contract, to 4 units that will be assisted under Redevelopment, Eligible Use E under the proposed amendment.

In addition the amendment will increase funds in the Demolition category, Eligible Use D. The amendment will subtract funds from Eligible Use B and increase the Demolition portion of the contract. The City of Galveston also intends to increase area in which they will carry our demolition activities.

The Amendment Request is summarized as follows:

Subrecipient:	City of Galveston
County:	Galveston
Purchase & Rehabilitation:	\$0 (previously \$949,049 in the contract)
Demolition:	\$124,900 (previously \$52,662 in the contract)
Redevelopment:	\$878,204 (previously \$0 in the contract)
Proposed Households Assisted:	4 (previously 6 homes)

City of Odessa – Neighborhood Stabilization Program Contract No 77090000158

The City of Odessa is a Neighborhood Stabilization Program (NSP) subrecipient. They are requesting an amendment to their contract which currently includes Eligible Use B, Purchase and Rehabilitation, Eligible Use D, Demolition and Eligible Use E, Reconstruction. They are requesting that their funds for Eligible Use E, Reconstruction be added to Eligible Use B, Purchase and Rehabilitation (see attached letter). The letter also includes minor changes to their target activity areas for Eligible Use B, Purchase and Rehabilitation and Eligible Use D, Demolition and a reduction in one unit of production. .

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 Redevelopment would serve their community. Now the City believes that due to a lack of sufficient vacant foreclosed land and their already proven 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 a 25% or less 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.

The Amendment Request is summarized as follows:

Applicant:	City of Odessa
County:	Ector
Purchase & Rehabilitation:	\$1,325,000 (previously \$769,000 in the contract)
Demolition:	\$100,000 (previously \$100,000 in the contract)
Redevelopment:	\$0 (previously \$556,000 in the contract)
Administration:	\$71,249
Total Request:	\$1,496,249
Proposed Households Assisted:	14 (previously 15 homes)

Harris County Neighborhood Stabilization Program Contract No 77090000162

Harris County is a Neighborhood Stabilization Program (NSP) subrecipient. They are requesting an amendment to their contract which currently includes the Homebuyer Assistance (HBA) and Permanent Financing portions of Eligible Use A, Financing Mechanisms. They are requesting that all funds currently budgeted under Eligible Use A, Financing Mechanisms, be moved to eligible Use B, Purchase and Rehabilitation. They are also requesting a reduction in the amount of funds set aside to serve households at or below 50% AMI. Approval of the request necessitates a Contract Amendment consisting of changes to Exhibit A, Performance Statement and Exhibit B, Budget.

The amendment will remove all funds from the Financing Mechanism category in order to move the funding to the Purchase and Rehabilitation category on Exhibit B, Budget. This contract change requires Board approval because it represents an exchange of funds between categories of different Eligible Uses, along with a decrease in proposed units served. The units to be assisted will decrease from 17 units that were to benefit from HBA and 15 units that would benefit from both HBA and 100% permanent financing for a total of 32 units in the original Exhibit A, Performance Statement to 14 units that will be purchased and rehabilitated.

The 14 units that will be purchased and rehabilitated under the proposed amendment will be sold to households at or below 120% AMI. Thirty-five percent (35%) or five (5) of the units will be sold to households at or below 50% AMI. Homebuyers will be able to access NSP financing mechanisms at resale of the properties.

Harris County has experienced significant difficulty in finding mortgage-ready income-eligible households to provide NSP financing. The proposed change will allow them to fully obligate their Texas NSP funds, while allowing time to develop income-eligible households into qualified buyers. The significant reduction in units can be attributed to increasing real estate costs in Harris County, and the larger investment required to rehabilitate foreclosed properties.

The Amendment Request is summarized as follows:

Subrecipient	Harris County
County	Harris
Financing Mechanisms	\$0 (previously \$1,545,000)
Purchase and Rehabilitation:	\$1,545,000 (previously \$0)
Proposed Households Assisted:	14 (previously 32)

Plano Housing Corporation Neighborhood Stabilization Program Contact No 77090000166

Plano Housing Corporation is a Neighborhood Stabilization Program (NSP) subrecipient. They are requesting an amendment to their contract which currently includes the Homebuyer Assistance (HBA) and Permanent Financing portions of Eligible Use A, Financing Mechanisms and the Acquisition and Rehabilitation portions of Eligible Use B, Purchase and Rehabilitation. They would like to increase the Permanent Financing portion of Eligible Use A to compliment the HBA. Approval of the request necessitates a Contract Amendment consisting of changes to Exhibit A, Performance Statement and Exhibit B, Budget.

The amendment will subtract funds from the Financing Mechanism subcategory of HBA in order to increase the funding in the Permanent Financing subcategory. Although this contract change only represents an exchange of funds between subcategories of the same Eligible Use, it requires Board approval because of the decrease in proposed units served. The units to be assisted will decrease from 22

units that were to benefit from HBA and 100% permanent financing to 6 units that will receive HBA and permanent financing together.

In addition to the changes of Eligible Use A, Financing Mechanisms, the amendment will increase funds from Eligible Use B, Purchase and Rehabilitation, subcategory of Acquisition. The amendment will subtract funds from the HBA portion of Eligible Use A and increase the Acquisition portion of Eligible Use B. Plano Housing Corporation intends to increase the number of homes for acquisition and rehabilitation in Eligible Use B from four properties to five.

The proposed amendment will reduce the number of units assisted under the contract, due to the larger investment required to purchase properties for rehabilitation and assist households at or below 50% of AMI. The original contract required that 14 households with income below 120% AMI receive Homebuyer Assistance. The proposed amendment removes the Homebuyer Assistance activity, as it has been determined that homebuyers at that income level do not need assistance to purchase foreclosures in the target areas, in order to direct resources to lower income households.

The Amendment Request is summarized as follows:

Subrecipient	Plano Housing Corporation
County	Collin
Homebuyer Assistance	\$171,487 (previously \$511,487)
Permanent Financing	\$500,000 (previously \$360,000)
Purchase:	\$500,000 (previously \$300,000)
Proposed Households Assisted:	11 (previously 26)





April 16, 2010

Texas Department of Housing and Community Affairs  
Attn: Neighborhood Stabilization Program  
P.O. Box 13941  
Austin, Texas 78711-3941

Subject: Texas NSP Contract No. 77090000106

Dear Neighborhood Stabilization Program Administrator,

The City of Irving is requesting an amendment regarding the obligation of funding in relation to our NSP contract. In accordance with Section 16, Section E, of this contract, the City of Irving would like to respectfully request this amendment to assist with the implementation of the Neighborhood Stabilization Program in the City of Irving. The City of Irving is inclusion of funding for Redevelopment Activities that are eligible under the Texas Notice of Funding Availability.

The City of Irving has seven (7) properties under contract to date, which at this point will leave us with fifteen (15) properties remaining to be acquired, in accordance with our contract. The City of Irving has found it difficult to find REO properties owned by lenders and banks that are willing to execute contract addendums required for purchasing these homes. The City of Irving has encountered this problem with purchasing HUD foreclosures as well.

The City of Irving has identified a project site in which redevelopment funding may be used. Information concerning this project has been included for your review. The City of Irving believes this project will play a vital role in the resurgence of a once crime-ridden neighborhood and provide a model project through funding partnerships including Texas NSP, Community Development Block Grant funding, and HOME Investment Partnerships Program funding. Enclosed you will find information concerning the proposed project including a proposed budget and timeline for the project.

Should you have any questions, please contact Vicki Ebner, Housing and Human Services Manager, at 972-721-4800. We look forward to working with you to implement the Neighborhood Stabilization Program.

**Housing and Human Services Department**

# REDEVELOPMENT

## Preliminary Budget Estimate & Timeline (NSP Funds)

Assumptions: 13 new 2-story townhomes, avg. size 1200 sq. ft.

### PROJECT COSTS

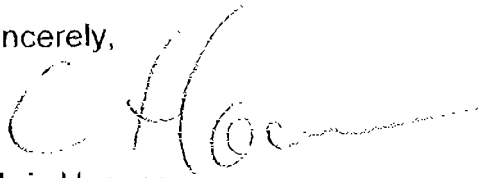
Environmental Assessment	10,000
Demolition	100,000
Site Prep	140,000
Architecture	15,000
Engineering	15,000
Masonry Wall	85,000
Alleyway	50,000
New Townhome Construction	1,560,000

**ESTIMATED PROJECT COSTS** **\$1,975,000**

### PROJECT TIMELINE

Zoning Approval	Jul-10
Development Contracts	Jul-10
Site Development Begin	Sep-10
Construction Begin (NSP units)	Jan-11
Construction End (NSP units)	Jun-11

Sincerely,

A handwritten signature in black ink, appearing to read "C Hooper". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chris Hooper  
Housing & Human Services Director  
City of Irving

Enclosures

# City of Galveston



## Office of the City Manager

P.O. Box 779 / Galveston, Texas 77553-0779 / (409) 797-3520 / Fax (409) 797-3521

April 8, 2010

Robb Stevenson  
Texas NSP Manager  
221 East 11th Street  
Austin, Texas 78701-2410

### **Re: Request to Amend Contract Number 77090000110**

Dear Mr. Stevenson:

The City of Galveston would like to amend the City's original NSP contract for the acquisition of six (6) foreclosed/abandoned properties ~~to~~ the acquisition of four (4) foreclosed/abandoned properties and increase the number of demolitions of vacant dilapidated and unsafe properties from seven (7) ~~to~~ eleven (11). The City would also like to add two (2) additional census tracts for demolition activities 725000 and 725100.

On March 25, 2010, the City of Galveston's City Council approved the acquisition of six (6) tax foreclosed properties for rehabilitation/redevelopment under the Neighborhood Stabilization Program. On March 29, 2010, we were advised by the City of Galveston's Tax Foreclosure Committee that additional research revealed that two (2) out of the six (6) properties were not properly registered with the Galveston County Clerk's office and therefore, we were unable to purchase these properties at this time. For non-homestead properties State statute allows a six month redemption period which does not start until County records are changed.

The City of Galveston would like to acquire four (4) tax foreclosed properties and carry out eleven (11) demolitions under the Neighborhood Stabilization Program. Three (3) out of the four (4) tax foreclosed properties will be used to meet our 47% set aside. We are requesting to transfer the remaining funds into demolition activities. We have incorporated a revised budget to accommodate the changes that we would like to make. **(Enclosure A and B)**

The City's request for an amendment is necessitated by several factors:

- Our research has demonstrated that the acquisition costs of mortgage foreclosed properties in our low-to-moderate income areas are very expensive. The subsequent rehabilitation of the mortgage foreclosed properties is too costly. Since the Neighborhood Stabilization Program requires the properties to be sold for the price of rehab put into the properties plus

Mr. Robb Stevenson

April 5, 2010

Page Two

the acquisition cost, our low-to-moderate income residents would not be able to afford them. (Enclosure C)

- The remaining tax foreclosed vacant lots available to the City are too small to accommodate the redevelopment of housing units. The sizes of the remaining lots make it impossible to comply with the required City Building Codes (mandatory setbacks) and the Section 20306.514 Accessibility requirements. (Enclosure D)

This amendment will ensure that the City meets its NSP deadlines.

If you have any questions or need additional information please feel free to contact Sterling Patrick at 409.797.3820.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Leblanc", with a long horizontal flourish extending to the right.

Steve Leblanc  
City Manager

SU:SP:SL

Enclosures



## COMMUNITY DEVELOPMENT

February 11, 2010

Mr. Thomas Kincaid, Program Specialist  
Neighborhood Stabilization Program  
Texas Department of Housing & Community Affairs  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: REQUEST FOR MODIFICATION OF NSP CONTRACT

Dear Mr. Kincaid:

As you are aware the City of Odessa was awarded \$1,496,249 in Neighborhood Stabilization Program funding to assist our community in addressing foreclosed properties in Odessa.

To date, the City has been relatively successful in the acquisition of foreclosed homes with closing the purchase of two homes during the week of February 1, 2010 and four additional closings scheduled for the end of February.

Due to The City's success in the acquisition of foreclosed homes and the lack of sufficient vacant, foreclosed land for redevelopment, we are requesting to amend our contract and allocate the \$556,000 that was budgeted for redevelopment into the purchase and rehabilitation of homes.

Several of these properties in foreclosure are located in an area we did not anticipate. Therefore, we are also requesting to expand the list of zip codes for this project to include 79765.

It is estimated the City will assist another five households (for a total of 14 properties) with these funds, with at least two of those households meeting the AMI income requirements of 50% and below.

The initial proposal for the Demolition project incorporated The City of Odessa partnering with Ector County to remove unsafe structures outside of the city limits. However, Ector County recently informed The City they no longer wish to participate. The City is therefore requesting to allocate these funds towards the demolition of nine residential properties within the city limits that are currently ordered and cleared for removal.

In summary, the City of Odessa is proposing to amend the contract to include five additional properties under Purchase and Rehabilitation to assist a total of fourteen (14) households. Furthermore, The City is requesting to change the Census Tracts of the structures under the Demolition Project Funds to CT 19, CT 15, CT 11, CT 8 and CT 5. Finally, we are requesting to expand the purchase and rehabilitation areas to include the zip code 79765.

Thank you for your continued assistance and please do not hesitate to contact me if you need anything further.

Sincerely,

Merita Sandoval  
Director of Community Development



**HARRIS COUNTY, TEXAS**  
**COMMUNITY SERVICES DEPARTMENT**

**Office of Housing & Community Development**

8410 Lantern Point Drive

Houston, Texas 77054

Tel (713) 578-2000

Fax (713) 578-2090

**David B. Turkel**

*Director*

**Daphne Lemelle**

*Community Development Director*

April 30, 2010

Mr. Michael Gerber

Executive Director

Texas Department of Housing and Community Affairs

221 East 11<sup>th</sup> Street

Austin, Texas 78701-2410

RE: NSP: Amendment to the Texas NSP Contract Activity

Mr. Gerber,

Pursuant to the phone conversation on April 23<sup>rd</sup>, 2010, Harris County Community Services Department (HCCSD) is requesting an amendment to the current contract activity, permitting the use of the award to be changed from Permanent Financing Mechanisms to the Acquisition/Disposition of NSP eligible properties.

Under the current contract, HCCSD was to provide permanent financing for 15 low-income households and homebuyer assistance to 17 low-to-middle income households. The amendment in activity will allow HCCSD to acquire, rehabilitate, and sell up to fourteen (14) NSP eligible properties to qualified homebuyers up to 120% Area Median Income (AMI). Thirty-five percent (35%) or five (5) of the properties acquired and rehabilitated will be sold to qualified homebuyers at 50% AMI or below.

To further extend ownership opportunities to qualified homebuyers, Texas Department of Housing and Community Affairs (TDHCA) may provide up to \$30,000.00 in Home Buyer Assistance to homebuyers up to 120% AMI and one-hundred percent (100%) permanent financing to homebuyers at 50% AMI or below with credit scores of no less than 560 per the TDHCA Underwriting Guidelines.

This amendment to the current contract agreement will ensure HCCSD's ability to expedite the expenditure of the Texas NSP award; in addition to providing homeownership opportunities to qualified individuals and families. Should this amendment request be granted, HCCSD agrees to have the funds under the Texas NSP Award obligated no later than July 31, 2010.

We appreciate the opportunity to work with TDHCA and the Neighborhood Stabilization Program. If additional information is needed, please do not hesitate to contact Mr. Larry Moody, Assistant Director, Housing Programs at (713) 578-2241.

Respectfully,

David Turkel

Director, Community Services Department



## Plano Housing Corporation

February 26, 2010

Mr. Robb Stevenson  
Director – Neighborhood Stabilization Program  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, Texas 78711

Re: NSP Contract #77090000166

Dear Mr. Stevenson:

Plano Housing Corporation requests three amendments to our Texas Neighborhood Stabilization Program Contract. These changes are the result of our experience over the last five months trying to negotiate the purchase of foreclosed homes and work with eligible home buyers.

### ADJUST THE USE OF CONTRACT FUNDS

Line	Categories	Current Contract Funds	Requested Contract Funds
A	Financing Mechanisms		
A1	Permanent Financing	\$360,000	\$500,000
A2	Homebuyer Assistance	\$511,487	171,487
B	Purchase and Rehabilitation		
B1	Acquisition/Disposition	\$300,000	\$500,000
B2	Rehabilitation/Reconstruction	\$100,000	\$100,000
F	Administration	\$63,574	\$63,574
	Totals	\$1,335,061	\$1,335,061

The reasons for these changes are:

- Homebuyers with income less than 120% of median income don't need assistance to buy foreclosures in our service area. In fact, they are competing with lower income clients that need this program for available foreclosed homes.
- There is a substantial demand for permanent financing –more than we anticipated.
- Foreclosed homes that don't require extensive rehabilitation are in great demand. We are experiencing significant competition purchasing these homes and because of required contract addendums and length of time before we can close with NSP funds, are losing out to private purchasers.
- There are foreclosed homes available that we can purchase but they require extensive repairs.

The requested changes would allow us to purchase 5 foreclosed homes at approximately \$100,000, rehabilitate them at an average cost of \$20,000, and sell the



homes to buyers at less than 50% of AMI at cost with a \$100,000 mortgage and \$20,000 homebuyer assistance. The balance of the homebuyer assistance will be used for families <120% AMI.

Although this helps fewer families than initially intended, the percentage of very low income families helped is significantly higher.

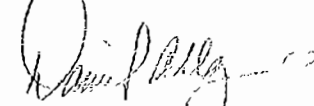
**ADJUST PROJECT IMPLEMENTATION SCHEDULE**

Our current contract conditions require that we Obligate 100% of our acquisitions. Due to program delays beyond our control that hasn't been possible. We request an extension of this deadline until May 30, 2010.

**ELIMINATE REQUIREMENT FOR PURCHASE PRICE OF 95% OF APPRAISED VALUE**

Due to the competitive environment to obtain foreclosed homes, it is difficult to meet this requirement. We request that we be allowed to purchase homes at 100% of appraised value.

Sincerely,



Daniel Allgeier  
Executive Director

*(Faint, illegible text)*



**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**May 12, 2010**

**Recommended Action**

Approve the requests for amendments as presented.

**RESOLVED**, that the amendments relating to Applications #09760, Taylor Farms; and 09793, Belmont Senior Village be and they hereby are approved in the form presented to this meeting;

**FURTHER RESOLVED**, that the requested amendment to Application #01029, Brazos Landing is denied.

**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. 09760, Taylor Farms (HTC No. 09314)**

Summary of Request: The owner requested approval to add 0.544 acres of land to the original development site. The owner already added 0.444 acres to the site through an administrative amendment approved January 8, 2010. The original size of the site was 4.528 acres. The size after the latest addition will be 5.516 acres. The final land area is therefore about 22% larger than the site originally proposed. However, the increased area would not have affected the score of the application because there was no Pre-Application and therefore no limitation on the land area that would have affected scoring.

Staff's review indicated that all of the 5.516 acres of land now proposed to comprise the development site was controlled by an affiliate of the Development Owner throughout the application review period and was included the environmental site assessment. Therefore, the request does not affect Threshold or scoring or the recommendation of the application for an award.

The owner stated that the change is requested so that the site approved by the City of Dallas will be the same as the site included in the TDHCA land use restrictive agreement. The site was enlarged during the city's review process to accommodate garage footprints that were discovered to be larger than the space allocated in the owner's original plan.

Owner:	TF Development, L.P.
General Partner:	TF Development GP, LLC
Developers:	GFD Opportunity I, LLC
Principals/Interested Parties:	Jason Hutton, Brandon Bolin, Alan McDonald
Syndicator:	National Equity Fund, Inc.
Construction Lender:	JPMorgan Chase
Permanent Lender:	Grandbridge Real Estate Capital
Other Funding:	\$1,612,476 TCAP Funds
City/County:	Dallas/Dallas
Set-Aside:	General Population
Type of Area:	Urban
Region:	3
Type of Development:	New Construction
Population Served:	General Population
Units:	144 HTC units and 16 market rate units
2009 Allocation:	\$1,879,930
Allocation per HTC Unit:	\$13,055
Prior Board Actions:	7/09 – Approved award of tax credits
REA Recommendation:	The proposed acreage does not negatively impact the underwriting of the transaction, and the previous recommendations of TCAP and tax credits continue to be supported; no changes to the award amounts are recommended at this time.
<b>Staff Recommendation:</b>	<b>Staff recommends that the request be approved.</b>

**Exchange No. 09793 Belmont Senior Village (HTC No. 09138)**

**Summary of Request:** The owner requested approval to change the unit targeting as indicated in the table below. The table shows the conversion of four one-bedroom/one bathroom units (1/1s) from the 50% AMGI rent level to the 30% AMGI level and 25 1/1s from the 50% AMGI level to the 60% AMGI level. Similarly, two 2/1s convert from the 50% AMGI level to the 30% AMGI level and 17 2/1s convert from the 50% level to the 60% level. Finally, three 2/2s convert from the 50% level to the 30% level and 27 2/2s convert from the 50% level to the 60% level. A summary of the changes in HOME units is given at the bottom of the table.

Application						Amended					
Target	HOME	Units	BR /Bath	Sq.Ft.	Total Sq.Ft.	Target	HOME	Units	BR /Bath	Sq.Ft.	Total Sq.Ft.
30%	LH	7	1/1	733	5,131	30%	LH	11	1/1	733	8,063
50%	HH	8	1/1	727	5,816	50%	HH	8	1/1	727	5,816
50%		38	1/1	727	27,626	50%		19	1/1	727	13,813
50%		5	1/1	733	3,665	50%		1	1/1	733	733
50%		8	1/1	860	6,880	50%		2	1/1	860	1,720
						60%		19	1/1	727	13,813
						60%		6	1/1	860	5,160
Total LI 1/1s		66			49,118	Total LI 1/1s		66			49,118
30%	LH	4	2/1	917	3,668	30%	LH	6	2/1	917	5,502
50%	HH	6	2/1	917	5,502	50%	HH	6	2/1	917	5,502
50%		32	2/1	917	29,344	50%		13	2/1	917	11,921
						60%		17	2/1	917	15,589
Total LI 2/1s		42			38,514	Total LI 2/1s		42			38,514
30%	LH	6	2/2	968	5,808	30%	LH	9	2/2	968	8,712
50%	HH	8	2/2	1,001	8,008	50%	HH	8	2/2	1,001	8,008
50%		46	2/2	968	44,528	50%		19	2/2	968	18,392
						60%		24	2/2	968	23,232
Total LI 2/2s		60			58,344	Total LI 2/2s		60			58,344
MR		10	1/1	727	7,270	MR		10	1/1	727	7,270
MR		6	2/1	917	5,502	MR		6	2/1	917	5,502
MR		4	2/2	968	3,872	MR		4	2/2	968	3,872
MR		4	2/2	1,001	4,004	MR		4	2/2	1,001	4,004
Total MR units		24			20,648	Total MR units		24			20,648
<b>Total units &amp; NRA</b>		<b>192</b>			<b>166,624</b>	<b>Total units &amp; NRA</b>		<b>192</b>			<b>166,624</b>
LH units: 7-1/1s + 4-2/1s + 6-2/2s =				17	units	LH units: 11-1/1s + 6-2/1s + 9-2/2s=				26	units
HH units: 8-1/1s 6-2/2s+ 8-2/2s =				22	units	HH units: 8-1/1s + 6-2/1s + 8-2/2s =				22	units
Total HOME Units				39	units	Total HOME Units				48	units

The table indicates that the number of 30% AMGI units increases from 17 to 26, 50% AMGI units decrease from 151 to 76, and 60% AMGI units increase from zero to 66. Market rate units remain the same (24 units) in both proposals as does the unit mix and net rentable area (NRA). Please note for the discussion of scoring below that the numbers of units at or below the 50% AMGI level were 168 originally and 102 as amended.

Staff found that the original rent and income targeting scored 22 points under §49.9(i)(3)(A) requiring that “at least 80% of the Low-Income Units in the Development are set-aside with incomes at or below 50% of AMGI” and 12 points under §49.9(i)(7) requiring “an additional 10% of all Low-Income Units in excess of those committed in subsection (i)(3) of this section at rents and incomes at or below 50% of AMGI.” The amended targeting is eligible for 22 points under §49.9(i)(3)(B) requiring that “at least 40% of the Low-Income Units in the Development are set-aside with incomes at or below a combination of 50% and 30% of AMGI in which at least 5% of the Low-Income Units are at or below 30% of AMGI.” Under the amended targeting, the application remains eligible for the 12 points of §49.9(i)(7). Therefore, the score of the application as amended remains the same as the original score.

The owner stated that the amendment request was made to address concerns of the equity provider and lender about the strength of the anticipated revenues. The changes requested will provide additional assurance that the development will remain financially feasible throughout the affordability period.

Owner:	DDC Belmont, Ltd.
General Partner:	DDC Belmont GP, LLC
Developers:	Crossroads Housing Development Corporation (Nonprofit); DDC Investments, Ltd.
Principals/Interested Parties:	Colby Denison; Crossroads Housing Development Corporation
Syndicator:	PNC Multifamily Capital
Construction Lender:	PNC Multifamily Capital
Permanent Lender:	PNC Multifamily Capital
Other Funding:	\$3,900,000 TCAP Funds; \$3,000,000 TDHCA HOME Funds
City/County:	Leander/Williamson
Set-Aside:	General Population
Type of Area:	Urban
Region:	7
Type of Development:	New Construction
Population Served:	Elderly Population
Units:	192 HTC units
2009 Allocation:	\$2,000,000
Allocation per HTC Unit:	\$10,417
Prior Board Actions:	7/09 – Approved award of tax credits
REA Recommendation:	The proposed changes do not negatively impact the underwriting and previous recommendations of TCAP, tax credits and HOME funds continue to be supported. No changes to the award amounts are recommended at this time.

**Staff Recommendation:** Staff recommends that the request be approved. The amendment does not change the number of low income units and the fact that the application scoring criteria offers the same score for the amended rent and income targeting as for the original targeting is proof of the equivalency of the original and amended proposals.

## **HTC No. 01029, Brazos Landing**

Summary of Request: The owner requested approval to eliminate the requirement to have a certified Historically Underutilized Business (HUB) as the controlling general partner of the development. The representation to maintain this requirement scored three points for the subject application.

The owner stated that the request was made to comply with the terms of the lender (Capital One) to an affiliate that is an owner of another tax credit property (HTC No. 08124, Mill Stone Apartments). The lender requested that the owner minimize the participation of Jennifer T. Magill as a principal of the organization that controls the general partners of the subject property and various other properties controlled by affiliated development owners. Ms. Magill is the person whose participation in the general partner of the owner fulfills the HUB requirement.

Owner:	Lakeshore Partners, LP
General Partner:	LSP Development Company, LLC
City/County:	Waco/McLennan
Set-Aside:	General Population
Type of Development:	New Construction
Units:	160 HTC units
1996 Allocation:	\$903,089
Allocation per HTC Unit:	\$5,644
Affordability Period:	1/1/2007 - 12/31/2046
<b>Staff Recommendation:</b>	<b>Staff recommends the board deny the request and require the owner to comply with the agreements set forth in the application.</b>



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## Memorandum

**To:** File

**From:** Diamond Thompson, Real Estate Analysis

**cc:** Ben Sheppard, Multifamily Finance Production

**Date:** April 21, 2010

**Re:** Amendment Request for Taylor Farms, TDHCA #09760 / 09314

### Background

The Development was approved for an allocation of 9% tax credits in the amount of \$1,879,930 in September 2009. The Development also received an award in the amount of \$1,612,476 under the Tax Credit Assistance Program ("TCAP") Permanent Loan Replacement Initiative in 2009.

### Request for Update

The Applicant requested approval to increase the development site acreage from the previously amended 4.972 acres to 5.516 acres. The Applicant indicated that there will be no additional cost associated with the additional acreage. However, due to the fact that the land transfer is an identity of interest transaction, the Underwriter prorated the original acquisition cost for the acreage utilized for the development, which resulted in an increased acquisition cost of \$600,692.

### Conclusion

Real Estate Analysis has reviewed the Applicant's amendment request. The Underwriter's analysis indicates that the proposed acreage increase does not negatively impact the underwriting of the transaction, and the previous recommendations of TCAP and tax credits continue to be supported; no changes to the award amounts are recommended at this time.



MULTIFAMILY COMPARATIVE ANALYSIS

Taylor Farms, Dallas, R2 TCAP / 9% HTC #09760/09314

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%	5	1	1	753	\$380	282		\$1,410	\$0.37	\$98.00	\$46.00
TC 50%	5	1	1	753	\$633	535		\$2,675	\$0.71	\$98.00	\$46.00
TC 60%	32	1	1	753	\$760	662		\$21,184	\$0.88	\$98.00	\$46.00
MR	6	1	1	753		725		\$4,350	\$0.96	\$98.00	\$46.00
TC 30%	8	2	2	985	\$456	333		\$2,664	\$0.34	\$123.00	\$54.00
TC 50%	8	2	2	985	\$760	637		\$5,096	\$0.65	\$123.00	\$54.00
TC 60%	64	2	2	985	\$912	789		\$50,496	\$0.80	\$123.00	\$54.00
MR	8	2	2	985		850		\$6,800	\$0.86	\$123.00	\$54.00
TC 30%	2	3	2	1,331	\$527	379		\$758	\$0.28	\$148.00	\$64.00
TC 50%	2	3	2	1,331	\$878	730		\$1,460	\$0.55	\$148.00	\$64.00
TC 60%	18	3	2	1,331	\$1,054	906		\$16,308	\$0.68	\$148.00	\$64.00
MR	2	3	2	1,331		975		\$1,950	\$0.73	\$148.00	\$64.00
<b>TOTAL:</b>	<b>160</b>		<b>AVERAGE:</b>	<b>967</b>		<b>\$720</b>		<b>\$115,151</b>	<b>\$0.74</b>	<b>\$119.25</b>	<b>\$53.10</b>

**INCOME** Total Net Rentable Sq Ft: **154,768**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA - Amend	TDHCA TCAP	TDHCA - UW	APPLICATION	APPLICANT - TCAP	APPLICANT - Amend
\$1,381,812	\$1,381,812	\$1,381,332	\$1,381,812	\$1,381,812	\$1,381,812
28,800	28,800	28,800	28,800	28,800	28,800
0	0	0			
\$1,410,612	\$1,410,612	\$1,410,132	\$1,410,612	\$1,410,612	\$1,410,612
(105,796)	(105,796)	(105,760)	(105,792)	(105,792)	(105,792)
0	0	(14,112)	(14,112)		
\$1,304,816	\$1,304,816	\$1,290,260	\$1,290,708	\$1,304,820	\$1,304,820

COUNTY: Dallas

IREM REGION: Dallas

COMPT. REGION: 3

\$15.00 Per Unit Per Month

\$0.00 Per Unit Per Month

-7.50% of Potential Gross Income

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	3.84%	\$313	0.32
Management	4.12%	336	0.35
Payroll & Payroll Tax	12.08%	985	1.02
Repairs & Maintenance	6.41%	523	0.54
Utilities	4.18%	341	0.35
Water, Sewer, & Trash	4.77%	389	0.40
Property Insurance	3.06%	249	0.26
Property Tax	2.621455%	918	0.95
Reserve for Replacements	3.07%	250	0.26
TDHCA Compliance Fees	0.44%	36	0.04
TCAP Asset Oversight Fees	0.61%	50	0.05
Other: Cable, Supp. Serv., Security,	2.19%	178	0.18
<b>TOTAL EXPENSES</b>	<b>56.00%</b>	<b>\$4,567</b>	<b>\$4.72</b>

TDHCA - Amend	TDHCA TCAP	TDHCA - UW	APPLICATION	APPLICANT - TCAP	APPLICANT - Amend
\$50,092	\$50,092	\$50,092	\$40,540	\$50,000	\$50,000
53,719	53,719	53,120	64,536	52,193	52,193
157,576	157,576	157,576	149,726	157,826	157,826
83,632	83,632	83,632	69,280	84,080	84,080
54,507	54,507	54,507	32,000	54,500	54,500
62,209	62,209	62,209	47,000	62,000	62,000
39,877	39,877	39,877	40,000	40,000	40,000
146,801	146,801	140,433	160,000	143,000	143,000
40,000	40,000	40,000	40,000	40,000	40,000
5,760	5,760	5,760	5,760	5,760	5,760
8,000	8,000				
28,520	28,520	28,520	28,520	28,520	28,520
\$730,694	\$730,694	\$715,726	\$677,362	\$717,879	\$717,879

PER SQ FT

PER UNIT

% OF EGI

\$0.32 \$313 3.83%

0.34 326 4.00%

1.02 986 12.10%

0.54 526 6.44%

0.35 341 4.18%

0.40 388 4.75%

0.26 250 3.07%

0.92 894 10.96%

0.26 250 3.07%

0.04 36 0.44%

0.00 0 0.00%

0.18 178 2.19%

\$4.64 \$4,487 55.02%

\$3.79 \$3,668 44.98%

**DEBT SERVICE**

Dougherty Mortgage LLC	33.86%	\$2,761	\$2.85	\$441,767	\$441,767	\$495,621	\$495,621	\$469,891	\$469,891
TCAP Permanent Loan Replacement	3.09%	\$252	\$0.26	40,312	40,312	0	0	40,312	40,312
Mortgage Insurance Premium (MIP)	2.16%	\$176	\$0.18	28,125	28,125	0	0	0	0
<b>NET CASH FLOW</b>	<b>4.90%</b>	<b>\$399</b>	<b>\$0.41</b>	<b>\$63,918</b>	<b>\$63,918</b>	<b>\$78,913</b>	<b>\$117,726</b>	<b>\$76,738</b>	<b>\$76,738</b>

1.13	1.13	1.16	1.24	1.15	1.15
		1.16		1.15	1.15

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		2.88%	\$3,754	\$3.88
Off-Sites		0.00%	0	0.00
Sitework		6.90%	9,000	9.30
Direct Construction		47.98%	62,541	64.65
Contingency	4.84%	2.66%	3,463	3.58
Contractor's Fees	13.55%	7.44%	9,697	10.02
Indirect Construction		6.68%	8,702	9.00
Ineligible Costs		3.27%	4,266	4.41
Developer's Fees	14.73%	11.62%	15,143	15.66
Interim Financing		7.21%	9,398	9.72
Reserves		3.37%	4,390	4.54
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$130,355</b>	<b>\$134.76</b>	<b>\$20,856,768</b>

TDHCA - Amend	TDHCA TCAP	TDHCA - UW	APPLICATION	APPLICANT - TCAP	APPLICANT - Amend
\$600,692	\$541,451	\$493,317	\$1,973,268	\$1,973,268	\$1,973,268
0	0	0	0	0	0
1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995
10,006,518	10,006,518	10,006,518	9,614,009	9,642,009	9,642,009
554,100	554,100	552,700	552,700	554,100	554,100
1,551,480	1,551,480	1,547,560	1,547,560	1,551,480	1,551,480
1,392,304	1,392,304	1,225,971	1,225,971	1,392,304	1,392,304
682,597	682,597	847,247	847,247	682,597	682,597
2,422,907	2,422,907	2,356,481	2,356,481	2,422,907	2,422,907
1,503,725	1,503,725	1,331,000	1,331,000	1,503,725	1,503,725
702,449	702,449	541,974	756,491	1,093,987	1,093,987
\$20,856,768	\$20,797,527	\$20,342,763	\$21,644,722	\$22,256,372	\$22,256,372

PER SQ FT

PER UNIT

% of TOTAL

\$12.75 \$12,333 8.87%

0.00 0 0.00%

9.30 9,000 6.47%

62.30 60,263 43.32%

3.58 3,463 2.49%

10.02 9,697 6.97%

9.00 8,702 6.26%

4.41 4,266 3.07%

15.66 15,143 10.89%

9.72 9,398 6.76%

7.07 6,837 4.92%

\$143.80 \$139,102 100.00%

**SOURCES OF FUNDS**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Dougherty Mortgage LLC		29.97%	\$39,063	\$40.38
TIF Proceeds (Grant)		0.00%	\$0	\$0.00
TCAP Permanent Loan Replaceme		7.73%	\$10,078	\$10.42
HTC Syndication Proceeds		61.29%	\$79,889	\$82.59
Deferred Developer Fees		7.73%	\$10,073	\$10.41
Additional (Excess) Funds Req'd		-6.71%	(\$6,748)	(\$9.04)
<b>TOTAL SOURCES</b>				

TDHCA - Amend	TDHCA TCAP	TDHCA - UW	APPLICATION	APPLICANT - TCAP	APPLICANT - Amend
\$6,250,000	\$6,250,000	\$5,250,000	\$5,250,000	\$6,250,000	\$6,250,000
0	0	2,000,000	2,000,000	0	0
1,612,476	1,612,476	0	0	1,612,476	1,612,476
12,782,246	12,782,246	12,782,246	12,782,246	12,782,246	12,782,246
1,611,649	1,611,649	1,612,476	1,612,476	1,611,649	1,611,649
(1,399,603)	(1,399,603)	(1,301,959)	0	1	1
\$20,856,768	\$20,856,768	\$20,342,763	\$21,644,722	\$22,256,372	\$22,256,372

RECOMMENDED

Developer Fee Available

\$2,412,542

% of Dev. Fee Deferred

9%

15-Yr Cumulative Cash Flow

\$2,408,678

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Taylor Farms, Dallas, R2 TCAP / 9% HTC #09760/09314

**DIRECT CONSTRUCTION COST ESTIMATE**

Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
<b>Adjustments</b>				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.42)	(374,539)
Floor Cover			2.38	368,348
Breezeways/Balconies	\$22.95		0.00	0
Plumbing Fixtures	\$835		0.00	0
Rough-ins	\$410		0.00	0
Built-In Appliances	\$1,800	160	1.86	288,000
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			1.83	283,225
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other: fire sprinkler	\$2.15	154,768	2.15	332,751
<b>SUBTOTAL</b>			<b>5.80</b>	<b>897,786</b>
Current Cost Multiplier	1.01		0.06	8,978
Local Multiplier			(5.80)	(897,786)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$0.06</b>	<b>\$8,978</b>
Plans, specs, survey, bid prep	3.90%		(\$0.00)	(\$350)
Interim Construction Interest	3.38%		(0.00)	(303)
Contractor's OH & Profit	11.50%		(0.01)	(1,032)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$0.05</b>	<b>\$7,292</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$6,250,000	Amort	480
Int Rate	6.55%	DCR	1.30

<b>TCAP</b>	\$1,612,476	Amort	480
Int Rate	0.00%	Subtotal DCR	1.19

<b>MIP</b>	\$1,125,000	Amort	480
Int Rate	0.00%	Aggregate DCR	1.13

**RECOMMENDED FINANCING STRUCTURE APPLICANT'S**

<b>NOI:</b>	
Primary Debt Service	\$441,767
TCAP Debt Service	40,312
MIP	28,125
<b>NET CASH FLOW</b>	<b>\$76,738</b>

<b>Primary</b>	\$6,250,000	Amort	480
Int Rate	6.55%	DCR	1.33

<b>TCAP</b>	\$1,612,476	Amort	480
Int Rate	0.00%	Subtotal DCR	1.22

<b>MIP</b>	\$1,125,000	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	\$1,381,812	\$1,409,448	\$1,437,637	\$1,466,390	\$1,495,718
Secondary Income	28,800	29,376	29,964	30,563	31,174
Other Support Income:	0	0	0	0	75,000
<b>POTENTIAL GROSS INCOME</b>	<b>1,410,612</b>	<b>1,438,824</b>	<b>1,467,601</b>	<b>1,496,953</b>	<b>1,601,892</b>
Vacancy & Collection Loss	(105,792)	(107,912)	(110,070)	(112,271)	(120,142)
Employee or Other Non-Rental	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,304,820</b>	<b>\$1,330,912</b>	<b>\$1,357,531</b>	<b>\$1,384,681</b>	<b>\$1,481,750</b>
<b>EXPENSES at 3.00%</b>					
General & Administrative	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Management	52,193	53,236	54,301	55,387	56,500
Payroll & Payroll Tax	157,826	162,561	167,438	172,461	177,635
Repairs & Maintenance	84,080	86,602	89,200	91,876	94,633
Utilities	54,500	56,135	57,819	59,554	61,340
Water, Sewer & Trash	62,000	63,860	65,776	67,749	69,782
Insurance	40,000	41,200	42,436	43,709	45,020
Property Tax	143,000	147,290	151,709	156,260	160,948
Reserve for Replacements	40,000	41,200	42,436	43,709	45,020
TDHCA Compliance Fee	5,760	5,933	6,111	6,294	6,483
TCAP Asset Oversight Fee	0	0	0	0	0
Other	28,520	29,376	30,257	31,165	32,100
<b>TOTAL EXPENSES</b>	<b>\$717,879</b>	<b>\$738,893</b>	<b>\$760,527</b>	<b>\$782,800</b>	<b>\$808,505</b>
<b>NET OPERATING INCOME</b>	<b>\$586,941</b>	<b>\$592,020</b>	<b>\$597,003</b>	<b>\$601,881</b>	<b>\$673,245</b>
<b>DEBT SERVICE</b>					
First Lien Financing	\$441,767	\$441,767	\$441,767	\$441,767	\$441,767
TCAP	40,312	40,312	40,312	40,312	40,312
MIP	28,125	28,125	28,125	28,125	28,125
<b>NET CASH FLOW</b>	<b>\$76,738</b>	<b>\$81,816</b>	<b>\$86,800</b>	<b>\$91,677</b>	<b>\$163,041</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.15</b>	<b>1.16</b>	<b>1.17</b>	<b>1.18</b>	<b>1.32</b>

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,651,393	\$1,823,272	\$2,013,039	\$2,453,884
34,419	38,001	41,956	51,144
82,806	91,425	100,940	123,045
1,768,618	1,952,697	2,155,935	2,628,073
(132,646)	(146,452)	(161,695)	(197,105)
0	0	0	0
<b>\$1,635,972</b>	<b>\$1,806,245</b>	<b>\$1,994,240</b>	<b>\$2,430,968</b>
\$65,239	\$75,629	\$87,675	\$117,828
65,439	72,250	79,769	97,238
205,927	238,726	276,749	371,927
109,705	127,179	147,435	198,140
71,110	82,436	95,566	128,433
80,896	93,781	108,717	146,107
52,191	60,504	70,140	94,263
186,583	216,300	250,751	336,989
52,191	60,504	70,140	94,263
7,515	8,713	10,100	13,574
0	0	0	0
37,212	43,139	50,010	67,209
<b>\$934,008</b>	<b>\$1,079,159</b>	<b>\$1,247,054</b>	<b>\$1,665,971</b>
<b>\$701,964</b>	<b>\$727,085</b>	<b>\$747,186</b>	<b>\$764,997</b>
\$441,767	\$441,767	\$441,767	\$441,767
40,312	40,312	40,312	40,312
28,125	28,125	28,125	28,125
<b>\$191,760</b>	<b>\$216,882</b>	<b>\$236,983</b>	<b>\$254,793</b>
1.38	1.43	1.46	1.50

**HTC ALLOCATION ANALYSIS -Taylor Farms, Dallas, R2 TCAP / 9% HTC #09760/09314**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,973,268	\$600,692		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$1,439,995	\$1,439,995	\$1,439,995	\$1,439,995
<b>Construction Hard Costs</b>	\$9,642,009	\$10,006,518	\$9,642,009	\$10,006,518
<b>Contractor Fees</b>	\$1,551,480	\$1,551,480	\$1,551,480	\$1,551,480
<b>Contingencies</b>	\$554,100	\$554,100	\$554,100	\$554,100
<b>Eligible Indirect Fees</b>	\$1,392,304	\$1,392,304	\$1,392,304	\$1,392,304
<b>Eligible Financing Fees</b>	\$1,503,725	\$1,503,725	\$1,503,725	\$1,503,725
<b>All Ineligible Costs</b>	\$682,597	\$682,597		
<b>Developer Fees</b>			\$2,412,542	
Developer Fees	\$2,422,907	\$2,422,907		\$2,422,907
<b>Development Reserves</b>	\$1,093,987	\$702,449		
<b>TOTAL DEVELOPMENT COSTS</b>	\$22,256,372	\$20,856,768	\$18,496,155	\$18,871,029

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		\$18,496,155	\$18,871,029
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$24,045,001	\$24,532,338
Applicable Fraction		90%	90%
<b>TOTAL QUALIFIED BASIS</b>		\$21,640,501	\$22,079,104
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$1,947,645	\$1,987,119

<b>Syndication Proceeds</b>	<b>0.6799</b>	<b>\$13,242,663</b>	<b>\$13,511,061</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$1,947,645</b>	<b>\$1,987,119</b>
<b>Syndication Proceeds</b>		<b>\$13,242,663</b>	<b>\$13,511,061</b>
<b>Previously Awarded Tax Credits</b>		<b>\$1,879,930</b>	
<b>Syndication Proceeds</b>		<b>\$12,782,246</b>	
<b>Gap of Syndication Proceeds Needed</b>			<b>\$12,994,292</b>
<b>Total Tax Credits (Gap Method)</b>			<b>\$1,911,116</b>



<b>Development Name:</b>	Taylor Farms	<b>Date:</b>	December 15, 2009
<b>Address:</b>	32 Pinnacle Park Blvd.	<b>FILE NUMBER:</b>	09760/09314
<b>City:</b>	Dallas	<b>Population:</b>	General
<b>County:</b>	Dallas	<b>Activity:</b>	New Construction

	Amount	Interest	Amort/Term	Lien Position
<b>Request: Permanent Loan Replacement</b>	\$1,612,476	0.00%	40/40	2nd
<b>Recommendation: Permanent Loan Replacement</b>	<b>\$1,612,476</b>	<b>0.00%</b>	<b>40/40</b>	<b>2nd</b>
<b>Request: Housing Tax Credit (Annual)</b>	\$1,879,930			
<b>Recommendation: Housing Tax Credit (Annual)</b>	<b>\$1,879,930</b>			

The recommended Housing Tax Credit award amount was calculated using the previously awarded / Applicant's requested housing tax credit allocation.

**Conditions to Recommendation**

- 1 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
- 2 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.

**Property Summary**

<b># Units</b>	160	<b>Acreage:</b>	4.972
<b>Year Built</b>	N/A	<b>Units/Acre:</b>	32.18
<b>Current Occupancy</b>	0%	<b>Flood Zone:</b>	X
<b>Number Buildings</b>	7	<b>Zoning:</b>	MF-3(A)
<b>Units/Building</b>	22.86	<b>Stabilized DCR:</b>	1.15

**TDHCA SET-ASIDES for LURA**

Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	15
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	114

The Applicant is requesting funds under the Permanent Loan Replacement initiative in the amount of \$1,612,476 to replace the expected \$2 million in Tax Increment Financing (TIF) proceeds from the City of Dallas originally identified as permanent financing source.

**Salient Issues**

- **Environmental concerns not discussed in original UW:**
- The Applicant indicated that the development has not received Environmental Clearance from HUD. However, the environmental review will be considered by the Department's HOME Division in conjunction with the U.S. Department of HUD as part of the environmental review under 24 CFR Parts 50 and 58.

### Operating Pro Forma

For LIHTC units, rents are based on current 2009 HTC program gross rent limits & PHA utility allowances as of August 1, 2008.

TCAP Asset Oversight Fee: The Underwriter's estimate includes a TCAP 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 below Department guidelines to 1.13.

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 seller of the land have agreed to amend the Letter of Intent to include the option of extending the closing date until December 31, 2010.

Amendment: The Applicant requested approval to increase the development site acreage from 4.53 acres originally proposed to 4.972 acres. Due to the fact that the land transfer is an identity of interest transaction, the Underwriter prorated the original acquisition cost for the acreage utilized for the development, which resulted in an increased acquisition cost of \$541,451. The Underwriter's analysis indicates that the proposed acreage increase does not negatively impact the underwriting of the transaction, and no change to the recommended credit amount is recommended as a result of the proposed change.

Direct construction costs pursuant to the Underwriter's Marshall & Swift-derived estimate as originally underwritten total \$10,006,518.

The Applicant's total development costs increased by \$611,650 from original underwriting primarily as a result from increases in ineligible costs, interim financing and reserves.

**Reserves:** The Applicant provided lender confirmation for additional reserves including a \$125K operating deficit reserve and a \$150K working capital reserve. The Underwriter's estimate includes the \$150K working capital reserve in addition to the standard operating reserve allowed under the REA guidelines.

The Underwriter reduced the Applicant's eligible interim financing fees by \$3,125 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's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$10,365, and therefore, the eligible portion of the Applicant's developer fee must be reduced by the same amount.

The Underwriter'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 not within 5% of the Underwriter's estimate.

An eligible basis of \$18,871,029 supports annual tax credits of \$1,987,119.

**Source of Funds**

The syndication rate of \$0.68 is equal to the syndication rate utilized during the most recent underwriting, and there is no change in proceeds created by the tax credit allocation.

Dougherty Mortgage LLC will provide interim and permanent financing in the amount of \$6,250,000. Both the interim and permanent loans will be fixed at a 6.55% interest rate, and the permanent loan will be fully amortized over 40 years. However, during the permanent phase, the debt service will include a 0.45% non amortizing Mortgage Insurance Premium (MIP), and the total annual debt service for the permanent loan will be \$469,841.

JPMorgan Chase Bank will also provide interim financing. The term sheet for this financing identifies a loan amount of \$16,750,000; however, the Applicant indicated that the actual loan is expected to be of \$10,500,000 because the construction loan from Dougherty Mortgage LLC had not been contemplated when this term sheet was obtained. The construction loan from JPMorgan Chase Bank will have an interest rate of 30-day LIBOR plus a 350 basis point spread. The term sheet identifies a 3.77% indicative rate as of August 12, 2009.

The development will also receive Tax Increment Finance (TIF) proceeds from the Davis Garden TIF District in an amount not to exceed \$2,071,197. However, although these funds were identified as a permanent financing source in the previous underwriting, the Applicant indicated that these funds are expected to be in the form of an operating subsidy. Documentation from the City of Dallas indicates that this funding has been approved and that this subsidy will be paid from future revenues in the Tax Increment Fund, subject to the availability of tax increment. The Applicant's pro forma reflects an estimated \$75K subsidy starting in year five.

Based on the recommended financing structure, \$152,804 of the developer fee is expected to be deferred. The recommended financing structure indicates that this amount can be repaid within two years of stabilized operations. Should actual costs prove to be equal to the Applicant's total development cost and all other assumptions remain equal, an additional \$117k of developer fee would be deferred. The 15 year cash flow is also sufficient to cover this additional deferral.

**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.
- The Underwriter recommends a TCAP loan not to exceed \$1,612,476, structured as a fully amortizing loan over 40 years at a 0.00% interest rate.

The Department's policy for the TCAP Permanent Loan Replacement Initiative states that "the interest rate shall be based on a rate required to yield a Debt Coverage Ratio within a range of 1.15 to 1.35 but shall not exceed the interest rate on the permanent first lien debt or 5%, whichever is higher." The Underwriter used an initial rate equal to the permanent loan interest rate (6.55%), adjusted downward based on the current projected NOI in order to reach a DCR within a range of 1.15 to 1.35, resulting in a recommended interest rate of 0%. It is also recommended that the TCAP loan remain in a second lien position throughout the permanent loan repayment period.

Underwriter:	<u>Rosalio Banuelos</u>	Date:	<u>15-Dec-09</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>15-Dec-09</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>15-Dec-09</u>

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Taylor Farms, Dallas, R2 TCAP / 9% HTC #09760/09314**

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%	5	1	1	753	\$380	282		\$1,410	\$0.37	\$98.00	\$46.00
TC 50%	5	1	1	753	\$633	535		\$2,675	\$0.71	\$98.00	\$46.00
TC 60%	32	1	1	753	\$760	662		\$21,184	\$0.88	\$98.00	\$46.00
MR	6	1	1	753		725		\$4,350	\$0.96	\$98.00	\$46.00
TC 30%	8	2	2	985	\$456	333		\$2,664	\$0.34	\$123.00	\$54.00
TC 50%	8	2	2	985	\$760	637		\$5,096	\$0.65	\$123.00	\$54.00
TC 60%	64	2	2	985	\$912	789		\$50,496	\$0.80	\$123.00	\$54.00
MR	8	2	2	985		850		\$6,800	\$0.86	\$123.00	\$54.00
TC 30%	2	3	2	1,331	\$527	379		\$758	\$0.28	\$148.00	\$64.00
TC 50%	2	3	2	1,331	\$878	730		\$1,460	\$0.55	\$148.00	\$64.00
TC 60%	18	3	2	1,331	\$1,054	906		\$16,308	\$0.68	\$148.00	\$64.00
MR	2	3	2	1,331		975		\$1,950	\$0.73	\$148.00	\$64.00
<b>TOTAL:</b>	<b>160</b>		<b>AVERAGE:</b>	<b>967</b>		<b>\$720</b>		<b>\$115,151</b>	<b>\$0.74</b>	<b>\$119.25</b>	<b>\$53.10</b>

<b>INCOME</b>				Total Net Rentable Sq Ft:	<b>TDHCA</b>				<b>TDHCA - UW</b>				<b>APPLICATION</b>				<b>APPLICANT</b>				<b>COUNTY</b>	<b>IREM REGION</b>	<b>COMPT. REGION</b>		
<b>POTENTIAL GROSS RENT</b>				154,768	\$1,381,812	\$1,381,332	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	\$1,381,812	Dallas	Dallas	3				
Secondary Income				Per Unit Per Month: \$15.00	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	\$15.00	Per Unit Per Month					
Other Support Income:					0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00	Per Unit Per Month					
<b>POTENTIAL GROSS INCOME</b>					\$1,410,612	\$1,410,132	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612	\$1,410,612							
Vacancy & Collection Loss				% of Potential Gross Income: -7.50%	(105,796)	(105,760)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	(105,792)	-7.50%	of Potential Gross Income					
Employee or Other Non-Rental Units or Concessions					0	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)	(14,112)							
<b>EFFECTIVE GROSS INCOME</b>					\$1,304,816	\$1,290,260	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708	\$1,290,708							
<b>EXPENSES</b>				% OF EGI	PER UNIT	PER SQ FT	<b>TDHCA</b>				<b>TDHCA - UW</b>				<b>APPLICATION</b>				<b>APPLICANT</b>				PER SQ FT	PER UNIT	% OF EGI
General & Administrative				3.84%	\$313	0.32	\$50,092	\$50,092	\$40,540	\$50,000	\$50,092	\$50,092	\$50,092	\$50,092	\$50,092	\$50,092	\$50,092	\$50,092	\$50,092	0.32	\$313	0.32	3.83%		
Management				4.12%	336	0.35	53,719	53,120	64,536	52,193	53,719	53,120	64,536	52,193	53,719	53,120	64,536	52,193	53,719	0.34	326	0.35	4.00%		
Payroll & Payroll Tax				12.08%	985	1.02	157,576	157,576	149,726	157,826	157,576	157,576	149,726	157,826	157,576	157,576	149,726	157,826	157,576	1.02	986	1.02	12.10%		
Repairs & Maintenance				6.41%	523	0.54	83,632	83,632	69,280	84,080	83,632	83,632	69,280	84,080	83,632	83,632	69,280	84,080	83,632	0.54	526	0.54	6.44%		
Utilities				4.18%	341	0.35	54,507	54,507	32,000	54,500	54,507	54,507	32,000	54,500	54,507	54,507	32,000	54,500	54,507	0.35	341	0.35	4.18%		
Water, Sewer, & Trash				4.77%	389	0.40	62,209	62,209	47,000	62,000	62,209	62,209	47,000	62,000	62,209	62,209	47,000	62,000	62,209	0.40	388	0.40	4.75%		
Property Insurance				3.06%	249	0.26	39,877	39,877	40,000	40,000	39,877	39,877	40,000	40,000	39,877	39,877	40,000	40,000	39,877	0.26	250	0.26	3.07%		
Property Tax				2.621455	11.25%	918	146,801	140,433	160,000	143,000	146,801	140,433	160,000	143,000	146,801	140,433	160,000	143,000	146,801	0.92	894	11.25%	10.96%		
Reserve for Replacements				3.07%	250	0.26	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	0.26	250	0.26	3.07%		
TDHCA Compliance Fees				0.44%	36	0.04	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	0.04	36	0.04	0.44%		
TCAP Asset Oversight Fees				0.61%	50	0.05	8,000				8,000				8,000				8,000	0.05	50	0.05	0.61%		
Other: Cable, Supp. Serv., Security				2.19%	178	0.18	28,520	28,520	28,520	28,520	28,520	28,520	28,520	28,520	28,520	28,520	28,520	28,520	28,520	0.18	178	0.18	2.19%		
<b>TOTAL EXPENSES</b>				56.00%	\$4,567	\$4.72	\$730,694	\$715,726	\$677,362	\$717,879	\$730,694	\$715,726	\$677,362	\$717,879	\$730,694	\$715,726	\$677,362	\$717,879	\$730,694	\$4.64	\$4,487	\$4.72	55.02%		
<b>NET OPERATING INC</b>				44.00%	\$3,588	\$3.71	\$574,122	\$574,534	\$613,347	\$586,941	\$574,122	\$574,534	\$613,347	\$586,941	\$574,122	\$574,534	\$613,347	\$586,941	\$574,122	\$3.79	\$3,668	\$3.71	44.98%		
<b>DEBT SERVICE</b>							<b>TDHCA</b>				<b>TDHCA - UW</b>				<b>APPLICATION</b>				<b>APPLICANT</b>						
Dougherty Mortgage LLC				33.86%	\$2,761	\$2.85	\$441,767	\$495,621	\$495,621	\$469,891	\$441,767	\$495,621	\$495,621	\$469,891	\$441,767	\$495,621	\$495,621	\$469,891	\$441,767	\$3.04	\$2,937	\$2.85	36.01%		
TCAP Permanent Loan Replacemei				3.09%	\$252	\$0.26	40,312	0	0	40,312	40,312	0	0	40,312	40,312	0	0	40,312	40,312	\$0.26	\$252	\$0.26	3.09%		
Mortgage Insurance Premium (MIP)				2.16%	\$176	\$0.18	28,125	0	0	0	28,125	0	0	28,125	28,125	0	0	28,125	28,125	\$0.00	\$0	\$0.18	0.00%		
<b>NET CASH FLOW</b>				4.90%	\$399	\$0.41	\$63,918	\$78,913	\$117,726	\$76,738	\$63,918	\$78,913	\$117,726	\$76,738	\$63,918	\$78,913	\$117,726	\$76,738	\$63,918	\$0.50	\$480	\$0.41	5.88%		
<b>AGGREGATE DEBT COVERAGE RATIO</b>							1.13	1.16	1.24	1.15	1.13	1.16	1.24	1.15	1.13	1.16	1.24	1.15							
<b>RECOMMENDED DEBT COVERAGE RATIO</b>								1.16		1.15		1.16		1.15		1.16		1.15							

<b>CONSTRUCTION COST</b>						<b>TDHCA</b>				<b>TDHCA - UW</b>				<b>APPLICATION</b>				<b>APPLICANT</b>				PER SQ FT	PER UNIT	% of TOTAL
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT		\$541,451	\$493,317	\$1,973,268	\$1,973,268	\$541,451	\$493,317	\$1,973,268	\$1,973,268	\$541,451	\$493,317	\$1,973,268	\$1,973,268	\$541,451	\$493,317	\$1,973,268	\$1,973,268	\$12.75	\$12,333	8.87%
Acquisition Cost (site or bldg)		2.60%	\$3,384	\$3.50		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00%
Off-Sites		0.00%	0	0.00		1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	1,439,995	9.30	9,000	6.47%	
Sitework		6.92%	9,000	9.30		10,006,518	10,006,518	9,614,009	9,642,009	10,006,518	10,006,518	9,614,009	9,642,009	10,006,518	10,006,518	9,614,009	9,642,009	10,006,518	10,006,518	10,006,518	62.30	60,263	43.32%	
Direct Construction		48.11%	62,541	64.65		554,100	552,700	552,700	554,100	554,100	552,700	552,700	554,100	554,100	552,700	552,700	554,100	554,100	554,100	554,100	3.58	3,463	2.49%	
Contingency	4.84%	2.66%	3,463	3.58		1,551,480	1,547,560	1,547,560	1,551,480	1,551,480	1,547,560	1,547,560	1,551,480	1,551,480	1,547,560	1,547,560	1,551,480	1,551,480	1,551,480	1,551,480	10.02	9,697	6.97%	
Contractor's Fees	13.55%	7.46%	9,697	10.02		1,392,304	1,225,971	1,225,971	1,392,304	1,392,304	1,225,971	1,225,971	1,392,304	1,392,304	1,225,971	1,225,971	1,392,304	1,392,304	1,392,304	1,392,304	9.00	8,702	6.26%	
Indirect Construction		6.69%	8,702	9.00		682,597	847,247	847,247	682,597	682,597	847,247	847,247	682,597	682,597	847,247	847,247	682,597	682,597	682,597	682,597	4.41	4,266	3.07%	
Ineligible Costs		3.28%	4,266	4.41		2,422,907	2,356,481	2,356,481	2,422,907	2,422,907	2,356,481	2,356,481	2,422,907	2,422,907	2,356,481	2,356,481	2,422,907	2,422,907	2,422,907	2,422,907	15.66	15,143	10.89%	
Developer's Fees	14.73%	11.65%	15,143	15.66		1,503,725	1,331,000	1,331,000	1,503,725	1,503,725	1,331,000	1,331,000	1,503,725	1,503,725	1,331,000	1,331,000	1,503,725	1,503,725	1,503,725	1,503,725	9.72	9,398	6.76%	
Interim Financing		7.23%	9,398	9.72		702,449	541,974	541,974	702,449	702,449	541,974	541,974	702,449	702,449	541,974	541,974	702,449	702,449	702,449	702,449	7.07	6,837	4.92%	
Reserves		3.38%	4,390	4.54		\$20,797,526	\$20,342,763	\$21,644,722	\$22,256,372	\$20,797,526	\$20,342,763	\$21,644,722	\$22,256,372	\$20,797,526	\$20,342,763	\$21,644,722	\$22,256,372	\$20,797,526	\$20,797,526	\$20,797,526	\$143.80	\$139,102	100.00%	
<b>TOTAL COST</b>		100.00%	\$129,985	\$134.38		\$13,552,093	\$13,187,584	\$13,187,584	\$13,552,093	\$13,552,093	\$13,187,584	\$13,187,584	\$13,552,093	\$13,552,093	\$13,187,584	\$13,187,584								

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

Taylor Farms, Dallas, R2 TCAP / 9% HTC #09760/09314

<b>DIRECT CONSTRUCTION COST ESTIMATE</b>				
Marshall & Swift Residential Cost Handbook				
Average Quality Multiple Residence Basis				
CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
<b>Adjustments</b>				
Exterior Wall Finish			\$0.00	\$0
Eldery			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.42)	(374,539)
Floor Cover			2.38	368,346
Breezeways/Balconies	\$22.95		0.00	0
Plumbing Fixtures	\$835		0.00	0
Rough-ins	\$410		0.00	0
Built-in Appliances	\$1,800	100	1.86	288,000
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			1.83	283,225
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other fire sprinkler	\$2.15	154,766	2.15	332,751
<b>SUBTOTAL</b>			<b>5.80</b>	<b>\$97,786</b>
Current Cost Multiplier	1.01		0.06	8,978
Local Multiplier			(5.80)	(897,786)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$0.06</b>	<b>\$8,978</b>
Plans, specs, survey, bld perm	3.90%		(\$0.00)	(\$350)
Interim Construction Interest	3.35%		(0.00)	(303)
Contractor's OH & Profit	11.50%		(0.01)	(1,032)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$0.05</b>	<b>\$7,292</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$6,250,000	Amort	480
Int Rate	6.55%	DCR	1.30
<b>TCAP</b>	\$1,612,476	Amort	480
Int Rate	0.00%	Subtotal DCR	1.19
<b>MIP</b>	\$1,125,000	Amort	480
Int Rate	0.00%	Aggregate DCR	1.13

**RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:**

Primary Debt Service	\$441,767
TCAP Debt Service	40,312
MIP	28,125
<b>NET CASH FLOW</b>	<b>\$76,738</b>

<b>Primary</b>	\$6,250,000	Amort	480
Int Rate	6.55%	DCR	1.33
<b>TCAP</b>	\$1,612,476	Amort	480
Int Rate	0.00%	Subtotal DCR	1.22
<b>MIP</b>	\$1,125,000	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	\$1,381,812	\$1,409,448	\$1,437,637	\$1,466,390	\$1,495,718
Secondary Income	28,800	29,376	29,964	30,563	31,174
Other Support Income:	0	0	0	0	75,000
<b>POTENTIAL GROSS INCOME</b>	<b>1,410,612</b>	<b>1,438,824</b>	<b>1,467,601</b>	<b>1,496,953</b>	<b>1,601,892</b>
Vacancy & Collection Loss	(105,792)	(107,912)	(110,070)	(112,271)	(120,142)
Employee or Other Non-Rental	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,304,820</b>	<b>\$1,330,912</b>	<b>\$1,357,531</b>	<b>\$1,384,681</b>	<b>\$1,481,750</b>
<b>EXPENSES at 3.00%</b>					
General & Administrative	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Management	52,193	53,236	54,301	55,387	59,270
Payroll & Payroll Tax	157,826	162,561	167,438	172,461	177,635
Repairs & Maintenance	84,080	86,602	89,200	91,876	94,633
Utilities	54,500	56,135	57,819	59,554	61,340
Water, Sewer & Trash	62,000	63,860	65,776	67,749	69,782
Insurance	40,000	41,200	42,436	43,709	45,020
Property Tax	143,000	147,290	151,709	156,260	160,948
Reserve for Replacements	40,000	41,200	42,436	43,709	45,020
TDHCA Compliance Fee	5,760	5,933	6,111	6,294	6,483
TCAP Asset Oversight Fee	0	0	0	0	0
Other	28,520	29,376	30,257	31,165	32,100
<b>TOTAL EXPENSES</b>	<b>\$717,879</b>	<b>\$738,893</b>	<b>\$760,527</b>	<b>\$782,800</b>	<b>\$808,505</b>
<b>NET OPERATING INCOME</b>	<b>\$586,941</b>	<b>\$592,020</b>	<b>\$597,003</b>	<b>\$601,881</b>	<b>\$673,245</b>
<b>DEBT SERVICE</b>					
First Lien Financing	\$441,767	\$441,767	\$441,767	\$441,767	\$441,767
TCAP	40,312	40,312	40,312	40,312	40,312
MIP	28,125	28,125	28,125	28,125	28,125
<b>NET CASH FLOW</b>	<b>\$76,738</b>	<b>\$81,816</b>	<b>\$86,800</b>	<b>\$91,677</b>	<b>\$163,041</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.15</b>	<b>1.16</b>	<b>1.17</b>	<b>1.18</b>	<b>1.32</b>

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,651,393	\$1,823,272	\$2,013,039	\$2,453,884
34,419	38,001	41,956	51,144
82,806	91,425	100,940	123,045
1,768,618	1,952,697	2,155,935	2,628,073
(132,646)	(146,452)	(161,695)	(197,105)
0	0	0	0
<b>\$1,635,972</b>	<b>\$1,806,245</b>	<b>\$1,994,240</b>	<b>\$2,430,968</b>
\$65,239	\$75,629	\$87,675	\$117,828
65,439	72,250	79,769	97,238
205,927	238,726	276,749	371,927
109,705	127,179	147,435	198,140
71,110	82,436	95,566	128,433
80,896	93,781	108,717	146,107
52,191	60,504	70,140	94,263
186,583	216,300	250,751	336,989
52,191	60,504	70,140	94,263
7,515	8,713	10,100	13,574
0	0	0	0
37,212	43,139	50,010	67,209
<b>\$934,008</b>	<b>\$1,079,159</b>	<b>\$1,247,054</b>	<b>\$1,665,971</b>
<b>\$701,964</b>	<b>\$727,085</b>	<b>\$747,186</b>	<b>\$764,997</b>
\$441,767	\$441,767	\$441,767	\$441,767
40,312	40,312	40,312	40,312
28,125	28,125	28,125	28,125
<b>\$191,760</b>	<b>\$216,882</b>	<b>\$236,983</b>	<b>\$254,793</b>
1.38	1.43	1.46	1.50



**HTC ALLOCATION ANALYSIS -Taylor Farms, Dallas, R2 TCAP / 9% HTC #09760/09314**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,973,268	\$541,451		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$1,439,995	\$1,439,995	\$1,439,995	\$1,439,995
<b>Construction Hard Costs</b>	\$9,642,009	\$10,006,518	\$9,642,009	\$10,006,518
<b>Contractor Fees</b>	\$1,551,480	\$1,551,480	\$1,551,480	\$1,551,480
<b>Contingencies</b>	\$554,100	\$554,100	\$554,100	\$554,100
<b>Eligible Indirect Fees</b>	\$1,392,304	\$1,392,304	\$1,392,304	\$1,392,304
<b>Eligible Financing Fees</b>	\$1,503,725	\$1,503,725	\$1,503,725	\$1,503,725
<b>All Ineligible Costs</b>	\$682,597	\$682,597		
<b>Developer Fees</b>			\$2,412,542	
Developer Fees	\$2,422,907	\$2,422,907		\$2,422,907
<b>Development Reserves</b>	\$1,093,987	\$702,449		
<b>TOTAL DEVELOPMENT COSTS</b>	\$22,256,372	\$20,797,526	\$18,496,155	\$18,871,029

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		\$18,496,155	\$18,871,029
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$24,045,001	\$24,532,338
Applicable Fraction		90%	90%
<b>TOTAL QUALIFIED BASIS</b>		\$21,640,501	\$22,079,104
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$1,947,645	\$1,987,119

<b>Syndication Proceeds</b>	<b>0.6799</b>	<b>\$13,242,663</b>	<b>\$13,511,061</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$1,947,645</b>	<b>\$1,987,119</b>
<b>Syndication Proceeds</b>		<b>\$13,242,663</b>	<b>\$13,511,061</b>
<b>Previously Awarded Tax Credits</b>		<b>\$1,879,930</b>	
<b>Syndication Proceeds</b>		<b>\$12,782,246</b>	
<b>Gap of Syndication Proceeds Needed</b>			<b>\$12,935,050</b>
<b>Total Tax Credits (Gap Method)</b>			<b>\$1,902,403</b>



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
 Real Estate Analysis Division  
 Underwriting Report

REPORT DATE: 09/11/09

PROGRAM: 9% HTC

FILE NUMBER: 09314

**DEVELOPMENT**

Taylor Farms

Location: 32 Pinnacle Park Blvd. Region: 3

City: Dallas County: Dallas Zip: 75211  QCT  DDA

Key Attributes: Family, New Construction, Urban and Multifamily

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,879,930			\$1,879,930		

**CONDITIONS**

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Dallas for the anticipated \$2M grant provided through the (TIF) Tax Increment Financing.
- 2 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.

**SALIENT ISSUES**

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	15
50% of AMI	50% of AMI	15
60% of AMI	60% of AMI	114

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

- Principals of Applicant have no HTC development experience.

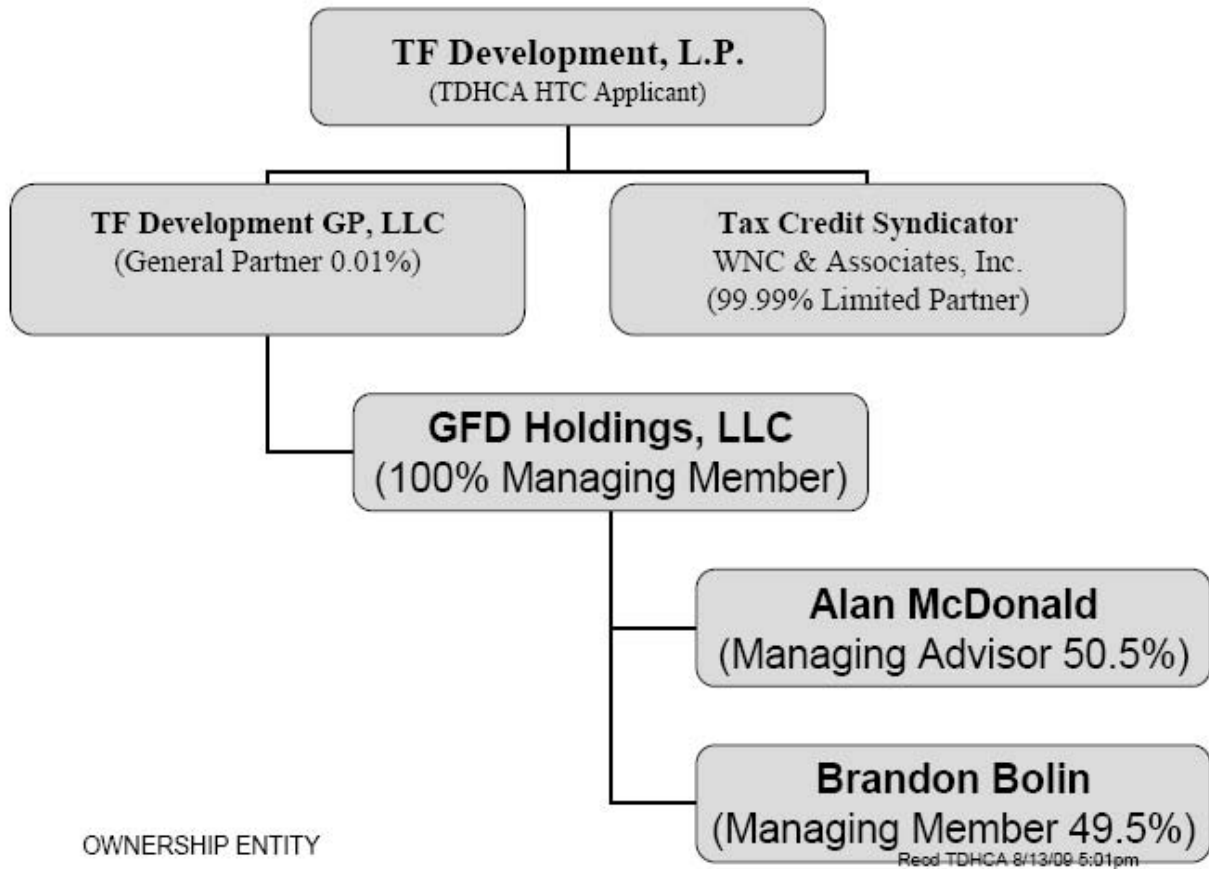
**PREVIOUS UNDERWRITING REPORTS**

None

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**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Brandon Bolin/Alan McDonald Phone: (214) 991-8331 Fax: 214922-3380  
 Email: bbolin@groundfloordev.com

**KEY PARTICIPANTS**

Name	Financial Notes	# Completed Developments
Alan McDonald	N/A	See Comments:
Brandon Bolin	N/A	See Comments:

**Comments:**

Mr. McDonald is Fund Manager for INCAP Group, Ltd., an urban opportunity real estate investment fund focused primarily on strategic emerging neighborhoods and infill markets. In 1995, Mr. McDonald was the founder and owner of CityHomes, the nation's largest inner city homebuilder, which was acquired in 2001 by Centex Corporation, a FORTUNE 200 company and Mr. McDonald subsequently became the Division President for Centex Homes for two years ending in 2003. Prior to the formation of CityHomes in 1995, Mr. McDonald was President and CEO of Parkwood Development Corporation which was formed in 1988 and at that time, Parkwood was the largest inner-city, multi-family adaptive re-use developer in Dallas and in 1995, Post Properties (Columbus Realty Trust), the Atlanta based REIT, acquired all of the Parkwood portfolio. Mr. McDonald provides over twenty-five (25) years experience in the construction, real estate, accounting and finance industries. Mr. McDonald, a CPA, served as a Certified Public Accountant with the Dallas office of Laventhol & Horwath until 1987.

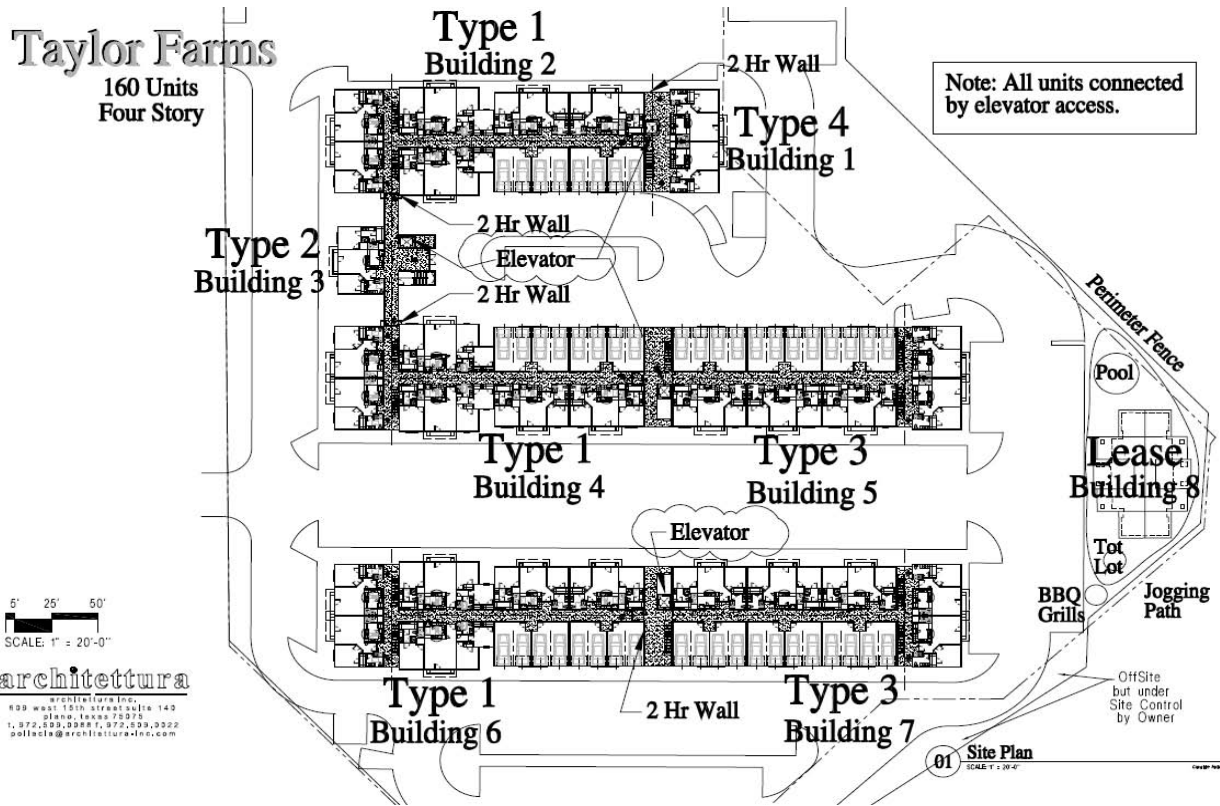
Mr. McDonald's public accounting experience as an audit and tax supervisor involved diverse clients in the banking, real estate, construction and securities industries and Mr. McDonald has extensive real estate syndication and complex legal, finance and tax structuring experience. Mr. Brandon Bolin is a recent graduate from Southern Methodist University, Dedman School of Law with limited real estate experience.

**IDENTITIES of INTEREST**

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.
- The seller Alan McDonald is regarded as a related party due to the fact that he is also a general partner of the land seller.

**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	1	2	3	4								Total Buildings
Floors/Stories	4	4	4	4								
Number	3	1	2	1								7

BR/BA	SF	Units										Total Units	Total SF
1/1	753	8		8	8							48	36,144
2/2	985	14	4	21								88	86,680
3/2	1,331	8										24	31,944
Units per Building		30	4	29	8							160	154,768

**SITE ISSUES**

Total Size: 4.53 acres      Scattered site?       Yes       No  
 Flood Zone: X      Within 100-yr floodplain?       Yes       No  
 Zoning: MF-3(A)      Needs to be re-zoned?       Yes       No       N/A

**TDHCA SITE INSPECTION**

Inspector: Manufactured Housing Staff      Date: 4/16/2009  
 Overall Assessment:  
 Excellent       Acceptable       Questionable       Poor       Unacceptable  
 Surrounding Uses:  
 North: Vacant land and industrial uses beyond      East: Vacant land and trailer park beyond  
 South: Vacant land and Fort Worth Avenue beyond      West: Light industrial and warehouse buildings beyond

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: W&M Environmental Group, Inc.      Date: 9/19/2008  
 Recognized Environmental Concerns (RECs) and Other Concerns:  
 • W&M Environmental Group, Inc. did not identify RECs which, in their opinion, warrant additional investigation at this time. (p. 15)

**MARKET HIGHLIGHTS**

Provider: Ipser & Associates, Inc.      Date: 3/19/2009  
 Contact: Edward A. Ipser, Sr.      Phone: (817) 927-2838      Fax: (817) 927-0032  
 Number of Revisions: None      Date of Last Applicant Revision: N/A  
 Primary Market Area (PMA):      26 sq. miles      2.5 mile equivalent radius  
 The primary market area is defined by a 26 census tract area, including the town of Cockrell Hill. The northern boundary is the Trinity River curving southeast to IH-30, The eastern boundary is N. Beckley Ave. south to IH-65. The southern boundary follows the Burlington Northern & Sante Fe railroad line, then curving north and following W. Jefferson Blvd. across Loop 12 to Mountain Creek. The western boundary is Mountain Creek into the West Fork of the Trinity River.

Secondary Market Area (SMA):  
 The market study does not define a Secondary Market Area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
None	N/A	0	0	N/A			

INCOME LIMITS						
Dallas						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$14,200	\$16,250	\$18,250	\$20,300	\$21,900	\$23,550
50	\$23,650	\$27,050	\$30,400	\$33,800	\$36,500	\$39,200
60	\$28,380	\$32,460	\$36,480	\$40,560	\$43,800	\$47,040

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%	52	0	0	52	6	0	11.5%
1 BR/50%	60	-2	0	58	43	0	74.1%
1 BR/60%	71	-2	0	69	32	0	46.4%
2 BR/30%	96	-2	0	94	8	0	8.5%
2 BR/50%	151	-5	0	146	8	0	5.5%
2 BR/60%	145	-1	0	145	64	0	44.1%
3 BR/30%	265	-11	0	255	2	0	0.8%
3 BR/50%	158	-2	0	157	2	0	1.3%
3 BR/60%	185	-1	0	185	18	0	9.7%

UNDERWRITING ANALYSIS of 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%	52	0	0	52	5	0	9.6%
1 BR/50%	60	-2	0	58	5	0	8.6%
1 BR/60%	71	-2	0	69	32	0	46.4%
2 BR/30%	96	-2	0	94	8	0	8.5%
2 BR/50%	151	-5	0	146	8	0	5.5%
2 BR/60%	145	-1	0	144	64	0	44.4%
3 BR/30%	265	-11	0	254	2	0	0.8%
3 BR/50%	158	-2	0	156	2	0	1.3%
3 BR/60%	185	-1	0	184	18	0	9.8%

OVERALL DEMAND							
	Target Households	Household Size	Income Eligible	Tenure	Demand		
PMA DEMAND from TURNOVER turnover							
Market Analyst p. 3-5				6,477	36%	2,332	
Underwriter	100% 34,694	100% 34,694	47% 16,434	47% 7,700	47%	3,588	
PMA DEMAND from GROWTH growth							
Market Analyst p. 3-5						57	
Underwriter	100% 300	100% 300	47% 142	47% 67	100%	67	

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand	Inclusive Capture Rate
Market Analyst p. 3-5	144	0	0	144	1,887	7.6%
Underwriter	144	0	0	144	2,887	5.0%

Supply and Demand Analysis:

"The proposed site is an in-fill in one of Dallas' older neighborhoods. The location and the surrounding area, particularly the west Dallas area contains mostly lower income neighborhoods. The subject's proposed location in Census Tract 107.01 is a qualified census tract. Census data from 2000 show that approximately 63.7% of renters in the market area whose income was less than \$20,000 were paying 30% or more of income for rent in 2000 (3,792 out of 5,949 renter households), with 55.3% (3,290) of those paying 35% or more." (p. 3-6)

Primary Market Occupancy Rates:

"Physical occupancy of the 10 conventional properties ranges from 85.0% to 97.3% with three properties below 88.5% and 7 others above 93.0%." (p. 2-17)

Absorption Projections:

"Average absorption for the subject is estimated at 10 to 12 units per month, and it is expected that a 12 to 14 month lease-up period will be required to achieve 92.5% occupancy of the 160 units." (p. 2-20)

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market		
1 BR 753 SF 30%	\$282	\$282	\$740	\$282	\$458		
1 BR 753 SF 50%	\$535	\$535	\$740	\$535	\$205		
1 BR 753 SF 60%	\$662	\$662	\$740	\$662	\$78		
1 BR 753 SF Mkt	\$725	N/A	\$740	\$725	\$15		
2 BR 985 SF 30%	\$333	\$333	\$845	\$333	\$512		
2 BR 985 SF 50%	\$637	\$637	\$845	\$637	\$208		
2 BR 985 SF 60%	\$789	\$789	\$845	\$789	\$56		
2 BR 985 SF Mkt	\$850	N/A	\$845	\$845	\$0		
3 BR 1,331 SF 30%	\$379	\$379	\$995	\$379	\$616		
3 BR 1,331 SF 50%	\$730	\$730	\$995	\$730	\$265		
3 BR 1,331 SF 60%	\$906	\$906	\$995	\$906	\$89		
3 BR 1,331 SF Mkt	\$975	N/A	\$995	\$975	\$20		

Market Impact:

"HTC rental apartments provide affordable housing that can ease this rent burden. Existing HTC housing in the market area has been readily absorbed with a need for continued development (redevelopment and in-fill). Several of the older complexes in the area were rehabilitated with HTC funding, but the newer HTC complexes are farther west. The subject will provide good quality new housing close to downtown." (p. 3-6)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's projected rents were calculated by subtracting the tenant-paid utility allowances as of August 1, 2008, maintained by the City of Dallas Housing Authority from the 2009 program gross rent limits. Tenants will be required to pay electric utilities only. The projected rents are achievable based on the market rents determined by the Market Analyst.

Expense:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's total annual operating expense projection at \$4,234 per unit is not within 5% of the Underwriter's estimate of \$4,473, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, specifically: utilities (\$22.5K lower), and property tax (\$19.6K higher).

Conclusion:

The Applicant's estimate of total expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR).

Based on the Applicant's proposed financing structure, the estimated DCR of 1.16 falls within the Department's guidelines.

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. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Provider: CB Richard Ellis, Inc. Date: 2/15/2009  
Number of Revisions: None Date of Last Applicant Revision: N/A

Land Only: 4.53 acres \$1,450,000 As of: 2/15/2009  
Value of TIF Premium: \$540,000 As of: 2/15/2009  
Total Development: (as-is) \$1,990,000 As of: 2/15/2009

Comments:

"The subject property is located in a Tax Incremental Financing District (TIF), which provides additional financing for vertical development. This benefit reportedly accrues to the site, and this benefit appears to offer contributory value to the subject." (p. V)

**ASSESSED VALUE**

Land Only: 9.756 acres \$1,062,430 Tax Year: 2008  
Prorated 1 acre: \$108,900 Valuation by: Dallas CAD  
Assessed Value 4.53 acres: \$493,318 Tax Rate: 2.50773

**EVIDENCE of PROPERTY CONTROL**

Type: Letter of Intent Acreage: 4.53  
Contract Expiration: 11/1/2009 Valid Through Board Date?  Yes  No  
Acquisition Cost: \$1,973,268 Other: \_\_\_\_\_  
Seller: SLF III/INCAP, L.P. Related to Development Team?  Yes  No

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The seller, SLFIII/INCAP, L.P., is part owner of the General Partner and acquired the site as part of a larger 9.756 acre parcel in September 2008 at a cost of \$1,062,428. This amounts to a prorated cost of \$108,900 per acre or \$493,317 for the subject 4.53 acres. The Applicant provided no other documentation of holding costs or improvements made to the site that would provide justification for a high non-arm's-length sale. Therefore, the Underwriter used a proration of the original purchase price as the appropriate transfer price to ensure that a windfall profit or excess developer fee is not provided to the developer as a result of the potential TDHCA funding for the project.

Sitework Cost:

The Applicant's claimed sitework costs of \$9,000 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$392.5K or 4% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.



Conclusion:

The Applicant's total development cost is not within 5% of the Underwriter's estimate; therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$18,460,225 and the 9% applicable percentage rate supports annual tax credits of \$1,943,862. 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: None Date of Last Applicant Revision: N/A

Source: JPMorganChase Type: Interim Financing

Principal: \$16,750,000 Interest Rate: 3.77%  Fixed Term: 30 months

Comments:

Rate set by 30-day LIBOR plus 350 bp spread floating

Source: Grandbridge Real Estate Capital Type: Permanent Financing

Principal: \$5,250,000 Interest Rate: 8.75%  Fixed Amort: 360 months

Source: City of Dallas - TIF Proceeds Type: Grant

Principal: \$2,000,000 Conditions: \_\_\_\_\_

Comments:

Tax Increment Financing providing

Source: National Equity Fund, Inc. Type: Syndication

Proceeds: \$12,782,246 Syndication Rate: 68% Anticipated HTC: \$ 1,879,930

Comments:

The Underwriter has determined that should the credit pricing for this transaction fall below \$0.62, the financial feasibility of the transaction could be jeopardized. The equity commitment did not specify an expiration date.

Amount: \$1,612,476 Type: Deferred Developer Fees

**CONCLUSIONS**

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$5,250,000 and TIF grant provided by TIF funds indicates the need for \$13,092,763 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,925,599 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$1,879,930), the gap-driven amount (\$1,925,599), and eligible basis-derived estimate (\$1,943,862), the Applicant's request of \$1,879,930 is recommended resulting in proceeds of \$12,782,246 based on a syndication rate of 68%.

The Underwriter's recommended financing structure indicates the need for \$310,517 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within four years of stabilized operation.

Underwriter: \_\_\_\_\_ Date: September 11, 2009  
*Carl Hoover*

Manager of Real Estate Analysis: \_\_\_\_\_ Date: September 11, 2009  
*Raquel Morales*

Director of Real Estate Analysis: \_\_\_\_\_ Date: September 11, 2009  
*Brent Stewart*

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Taylor Farms, Dallas, 9% HTC #09314**

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%	5	1	1	753	\$380	\$282	\$1,410	\$0.37	\$98.00	\$46.00
TC 50%	5	1	1	753	\$633	\$535	\$2,675	\$0.71	\$98.00	\$46.00
TC 60%	32	1	1	753	\$760	\$662	\$21,184	\$0.88	\$98.00	\$46.00
MR	6	1	1	753		\$725	\$4,350	\$0.96	\$98.00	\$46.00
TC 30%	8	2	2	985	\$456	\$333	\$2,664	\$0.34	\$123.00	\$54.00
TC 50%	8	2	2	985	\$760	\$637	\$5,096	\$0.65	\$123.00	\$54.00
TC 60%	64	2	2	985	\$912	\$789	\$50,496	\$0.80	\$123.00	\$54.00
MR	8	2	2	985		\$845	\$6,760	\$0.86	\$123.00	\$54.00
TC 30%	2	3	2	1,331	\$527	\$379	\$758	\$0.28	\$148.00	\$64.00
TC 50%	2	3	2	1,331	\$878	\$730	\$1,460	\$0.55	\$148.00	\$64.00
TC 60%	18	3	2	1,331	\$1,054	\$906	\$16,308	\$0.68	\$148.00	\$64.00
MR	2	3	2	1,331		\$975	\$1,950	\$0.73	\$148.00	\$64.00
<b>TOTAL:</b>	<b>160</b>		<b>AVERAGE:</b>	<b>967</b>		<b>\$719</b>	<b>\$115,111</b>	<b>\$0.74</b>	<b>\$119.25</b>	<b>\$53.10</b>

**INCOME**

Total Net Rentable Sq Ft: **154,768**

**POTENTIAL GROSS RENT**

Secondary Income

Per Unit Per Month: \$15.00

Other Support Income:

**POTENTIAL GROSS INCOME**

Vacancy & Collection Loss

% of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	3.88%	\$313	0.32
Management	4.12%	332	0.34
Payroll & Payroll Tax	12.21%	985	1.02
Repairs & Maintenance	6.48%	523	0.54
Utilities	4.22%	341	0.35
Water, Sewer, & Trash	4.82%	389	0.40
Property Insurance	3.09%	249	0.26
Property Tax	2.50773	878	0.91
Reserve for Replacements	3.10%	250	0.26
TDHCA Compliance Fees	0.45%	36	0.04
Other: Supp. Serv., Security	2.21%	178	0.18
<b>TOTAL EXPENSES</b>	<b>55.47%</b>	<b>\$4,473</b>	<b>\$4.62</b>

**NET OPERATING INC**

**DEBT SERVICE**

Grandbridge Real Estate Capital

TIF Proceeds (Grant)

Additional Financing

**NET CASH FLOW**

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		2.43%	\$3,083	\$3.19	\$493,317	\$1,973,268	\$12.75	\$12,333	9.12%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		7.08%	9,000	9.30	1,439,995	1,439,995	9.30	9,000	6.65%
Direct Construction		49.19%	62,541	64.65	10,006,518	9,614,009	62.12	60,088	44.42%
Contingency	4.83%	2.72%	3,454	3.57	552,700	552,700	3.57	3,454	2.55%
Contractor's Fees	13.52%	7.61%	9,672	10.00	1,547,560	1,547,560	10.00	9,672	7.15%
Indirect Construction		6.03%	7,662	7.92	1,225,971	1,225,971	7.92	7,662	5.66%
Ineligible Costs		4.16%	5,295	5.47	847,247	847,247	5.47	5,295	3.91%
Developer's Fees	14.63%	11.58%	14,728	15.23	2,356,481	2,356,481	15.23	14,728	10.89%
Interim Financing		6.54%	8,319	8.60	1,331,000	1,331,000	8.60	8,319	6.15%
Reserves		2.66%	3,387	3.50	541,974	756,491	4.89	4,728	3.50%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$127,142</b>	<b>\$131.44</b>	<b>\$20,342,763</b>	<b>\$21,644,722</b>	<b>\$139.85</b>	<b>\$135,280</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>66.59%</b>	<b>\$84,667</b>	<b>\$87.53</b>	<b>\$13,546,773</b>	<b>\$13,154,264</b>	<b>\$84.99</b>	<b>\$82,214</b>	<b>60.77%</b>

**SOURCES OF FUNDS**

				TDHCA	APPLICANT	RECOMMENDED	
Grandbridge Real Estate Capital	25.81%	\$32,813	\$33.92	\$5,250,000	\$5,250,000	\$5,250,000	Developer Fee Available
TIF Proceeds (Grant)	9.83%	\$12,500	\$12.92	2,000,000	2,000,000	2,000,000	\$2,356,481
HTC Syndication Proceeds	62.83%	\$79,889	\$82.59	12,782,246	12,782,246	12,782,246	% of Dev. Fee Deferred
Deferred Developer Fees	7.93%	\$10,078	\$10.42	1,612,476	1,612,476	310,517	13%
Additional (Excess) Funds Req'd	-6.40%	(\$8,137)	(\$8.41)	(1,301,959)	0	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$20,342,763</b>	<b>\$21,644,722</b>	<b>\$20,342,763</b>	<b>\$1,614,371</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Taylor Farms, Dallas, 9% HTC #09314*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.08	\$8,524,335
Adjustments				
Exterior Wall Finish	2.40%		\$1.32	\$204,584
Elderly			0.00	0
9-Ft. Ceilings	3.30%		1.82	281,303
Roofing			0.00	0
Subfloor			(0.61)	(93,635)
Floor Cover			2.38	368,348
Breezeways/Balconies	\$23.27	6,623	1.00	154,117
Plumbing Fixtures	\$835	336	1.81	280,560
Rough-ins	\$410	320	0.85	131,200
Built-In Appliances	\$1,800	160	1.86	288,000
Exterior Stairs	\$1,875	45	0.55	84,375
Enclosed Corridors	\$43.12	38,240	10.65	1,648,838
Heating/Cooling			1.83	283,225
Garages/Carports	\$32.27	25,192	5.25	813,044
Comm &/or Aux Bldgs	\$73.56	3,220	1.53	236,871
Other: fire sprinkler	\$2.15	154,768	2.15	332,751
<b>SUBTOTAL</b>			<b>87.47</b>	<b>13,537,918</b>
Current Cost Multiplier	1.01		0.87	135,379
Local Multiplier	0.90		(8.75)	(1,353,792)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$79.60</b>	<b>\$12,319,505</b>
Plans, specs, survy, bld prm	3.90%		(\$3.10)	(\$480,461)
Interim Construction Interest	3.38%		(2.69)	(415,783)
Contractor's OH & Profit	11.50%		(9.15)	(1,416,743)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$64.65</b>	<b>\$10,006,518</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$5,250,000	Amort	360
Int Rate	8.75%	DCR	1.16

<b>Secondary</b>	\$2,000,000	Amort	
Int Rate		Subtotal DCR	1.16

<b>Additional</b>	\$12,782,246	Amort	
Int Rate		Aggregate DCR	1.16

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$495,621
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$78,913</b>

<b>Primary</b>	\$5,250,000	Amort	360
Int Rate	8.75%	DCR	1.16

<b>Secondary</b>	\$2,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.16

<b>Additional</b>	\$12,782,246	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

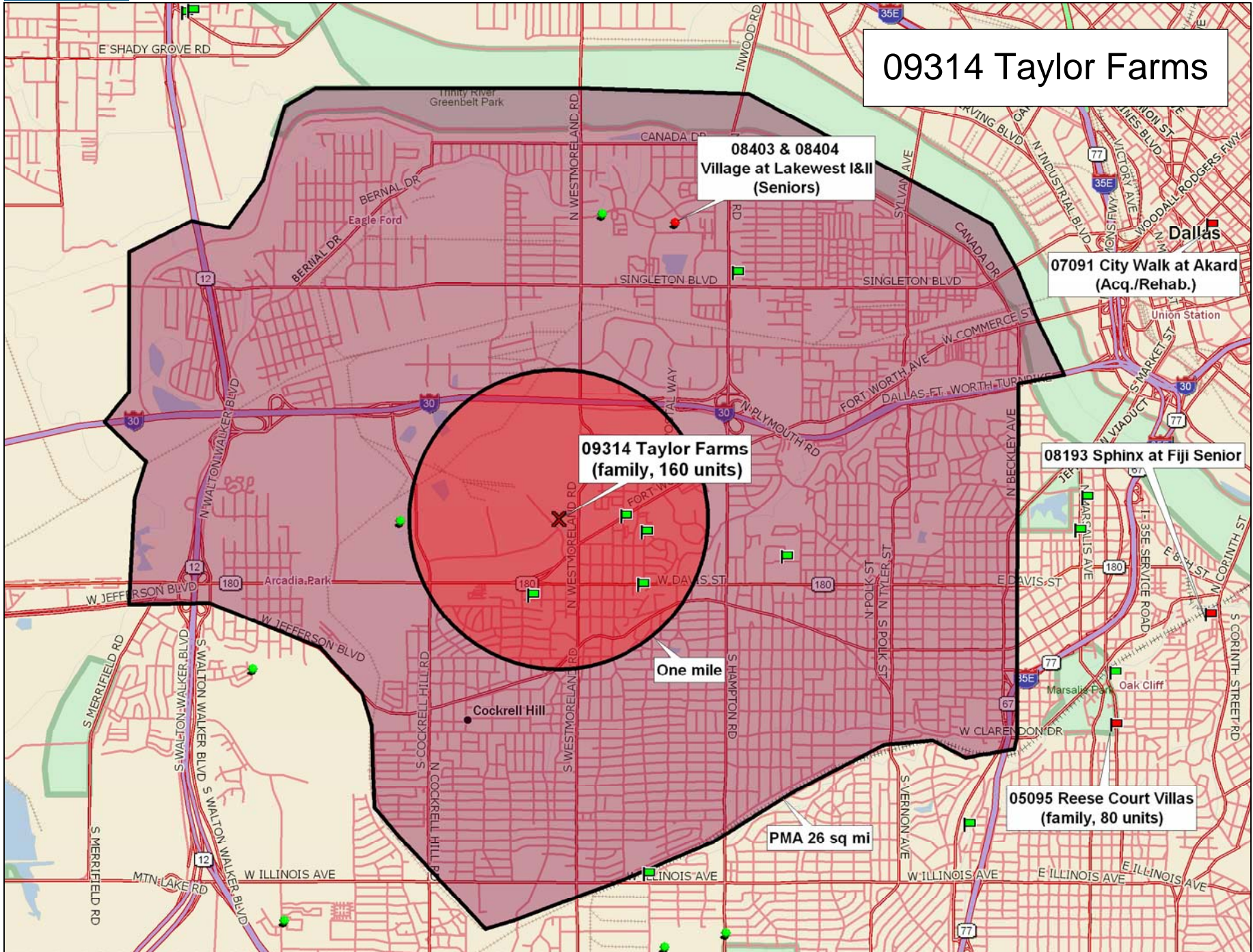
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,381,332	\$1,408,959	\$1,437,138	\$1,465,881	\$1,495,198	\$1,650,820	\$1,822,638	\$2,012,340	\$2,453,031
Secondary Income	28,800	29,376	29,964	30,563	31,174	34,419	38,001	41,956	51,144
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,410,132	1,438,335	1,467,101	1,496,443	1,526,372	1,685,238	1,860,639	2,054,296	2,504,175
Vacancy & Collection Loss	(105,760)	(107,875)	(110,033)	(112,233)	(114,478)	(126,393)	(139,548)	(154,072)	(187,813)
Employee or Other Non-Rental	(14,112)	(14,394)	(14,682)	(14,976)	(15,275)	(16,865)	(18,620)	(20,559)	(25,061)
<b>EFFEKTIVE GROSS INCOME</b>	<b>\$1,290,260</b>	<b>\$1,316,065</b>	<b>\$1,342,387</b>	<b>\$1,369,234</b>	<b>\$1,396,619</b>	<b>\$1,541,980</b>	<b>\$1,702,471</b>	<b>\$1,879,665</b>	<b>\$2,291,302</b>
<b>EXPENSES at 3.00%</b>									
General & Administrative	\$50,092	\$51,595	\$53,143	\$54,737	\$56,379	\$65,359	\$75,769	\$87,837	\$118,045
Management	53,120	54,182	55,266	56,371	57,498	63,483	70,090	77,385	94,332
Payroll & Payroll Tax	157,576	162,304	167,173	172,188	177,354	205,602	238,349	276,311	371,339
Repairs & Maintenance	83,632	86,141	88,725	91,387	94,129	109,121	126,501	146,649	197,085
Utilities	54,507	56,142	57,827	59,562	61,348	71,120	82,447	95,579	128,450
Water, Sewer & Trash	62,209	64,075	65,997	67,977	70,017	81,169	94,097	109,084	146,599
Insurance	39,877	41,073	42,305	43,574	44,882	52,030	60,317	69,924	93,972
Property Tax	140,433	144,646	148,985	153,455	158,058	183,233	212,417	246,250	330,939
Reserve for Replacements	40,000	41,200	42,436	43,709	45,020	52,191	60,504	70,140	94,263
Other	34,280	35,308	36,368	37,459	38,582	44,728	51,852	60,110	80,783
<b>TOTAL EXPENSES</b>	<b>\$715,726</b>	<b>\$736,667</b>	<b>\$758,225</b>	<b>\$780,419</b>	<b>\$803,268</b>	<b>\$928,034</b>	<b>\$1,072,342</b>	<b>\$1,239,270</b>	<b>\$1,655,808</b>
<b>NET OPERATING INCOME</b>	<b>\$574,534</b>	<b>\$579,399</b>	<b>\$584,162</b>	<b>\$588,815</b>	<b>\$593,351</b>	<b>\$613,946</b>	<b>\$630,129</b>	<b>\$640,395</b>	<b>\$635,494</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$495,621	\$495,621	\$495,621	\$495,621	\$495,621	\$495,621	\$495,621	\$495,621	\$495,621
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$78,913</b>	<b>\$83,777</b>	<b>\$88,540</b>	<b>\$93,194</b>	<b>\$97,730</b>	<b>\$118,325</b>	<b>\$134,507</b>	<b>\$144,774</b>	<b>\$139,872</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.16</b>	<b>1.17</b>	<b>1.18</b>	<b>1.19</b>	<b>1.20</b>	<b>1.24</b>	<b>1.27</b>	<b>1.29</b>	<b>1.28</b>

**HTC ALLOCATION ANALYSIS -Taylor Farms, Dallas, 9% HTC #09314**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,973,268	\$493,317		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$1,439,995	\$1,439,995	\$1,439,995	\$1,439,995
<b>Construction Hard Costs</b>	\$9,614,009	\$10,006,518	\$9,614,009	\$10,006,518
<b>Contractor Fees</b>	\$1,547,560	\$1,547,560	\$1,547,560	\$1,547,560
<b>Contingencies</b>	\$552,700	\$552,700	\$552,700	\$552,700
<b>Eligible Indirect Fees</b>	\$1,225,971	\$1,225,971	\$1,225,971	\$1,225,971
<b>Eligible Financing Fees</b>	\$1,331,000	\$1,331,000	\$1,331,000	\$1,331,000
<b>All Ineligible Costs</b>	\$847,247	\$847,247		
<b>Developer Fees</b>				
Developer Fees	\$2,356,481	\$2,356,481	\$2,356,481	\$2,356,481
<b>Development Reserves</b>	\$756,491	\$541,974		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$21,644,722</b>	<b>\$20,342,763</b>	<b>\$18,067,716</b>	<b>\$18,460,225</b>

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		\$18,067,716	\$18,460,225
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$23,488,031	\$23,998,293
Applicable Fraction		90%	90%
<b>TOTAL QUALIFIED BASIS</b>		\$21,139,228	\$21,598,463
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$1,902,530	\$1,943,862

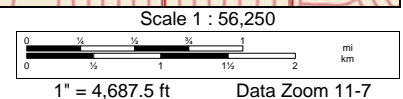
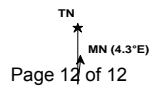
<b>Syndication Proceeds</b>	<b>0.6799</b>	<b>\$12,935,914</b>	<b>\$13,216,938</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$1,902,530</b>	<b>\$1,943,862</b>
<b>Syndication Proceeds</b>		<b>\$12,935,914</b>	<b>\$13,216,938</b>
<b>Requested Tax Credits</b>		<b>\$1,879,930</b>	
<b>Syndication Proceeds</b>		<b>\$12,782,246</b>	
<b>Gap of Syndication Proceeds Needed</b>			<b>\$13,092,763</b>
<b>Total Tax Credits (Gap Method)</b>			<b>\$1,925,599</b>



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<b>Development Name:</b>	Belmont Senior Village	<b>Date:</b>	April 21, 2010
<b>Address:</b>	12.3 acres out of Lots 1-3, Replat of lots 1-9, Block A of Leander 2243 subdivision on FM 2243	<b>FILE NUMBER:</b>	09793 / 09138
<b>City:</b>	Leander	<b>Population:</b>	Seniors
<b>County:</b>	Williamson	<b>Activity:</b>	New Construction

Recommendation	Amount	Interest	Amort/Term	Lien Position
Permanent Loan Replacement	\$3,900,000	0.75%	35/18	2nd
Housing Tax Credit (Annual)	\$2,000,000			
TDHCA - HOME	\$3,000,000	0.00%	35/18	3rd

**Conditions to Recommendation**

1 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.  
 2 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.

**Property Summary**

<b># Units</b>	192	<b>Acreage:</b>	12.3
<b>Year Built</b>	N/A	<b>Units/Acre:</b>	15.61
<b>Current Occupancy</b>	0%	<b>Flood Zone:</b>	No
<b>Number Buildings</b>	12	<b>Zoning:</b>	MF-3-A
<b>Units/Building</b>	16	<b>Stabilized DCR:</b>	1.32

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	26
50% of AMI	50% of AMI	76
60% of AMI	60% of AMI	66

**ADDENDUM**

The Underwriter has reviewed the Applicant's amendment request, dated April 6, 2010, for the following requested changes:

- 1) Include 60% units & additional 30% AMI units, and
- 2) Allow changes to the Income Level of Tenants selection

The Applicant provided an updated market analysis report, rent schedule, expenses, cost schedule, sources and uses, and commitments for the permanent funds and syndication proceeds. The Applicant also provided a letter dated April 15, 2010 from NEF, Inc. indicating that the requested modifications will, "increase marketability of the project...[and] enable the project to target an additional band of prospective renters not currently contemplated in [the original] structure...NEF believes this additional band of renters is crucial to the project's success in the emerging Leander market."

The Applicant's revised effective gross income (EGI), expenses, and net operating income (NOI) are within 5% of the Underwriter's revised estimates; therefore the Applicant's year one pro forma will continue be used to determine the development's debt capacity.

The Applicant's revised development cost schedule reflects a \$1,029,620 increase in total development costs, largely attributed to an increase in the acquisition price and reserves. The Applicant indicates no changes in sitework or direct construction costs; however, certain other eligible and ineligible costs have shifted slightly according to the new cost schedule. It should be noted, the Applicant submitted a revised commitment from the syndicator indicating that \$637K in operating reserves, \$150K in lease-up reserves, & \$450K in revenue deficit reserves will be required. Therefore, the Underwriter has assumed the Lender's total reserve requirement of \$1,237,000, which is significantly higher than the typical underwriting requirement.

The permanent loan from JP Morgan has decreased by \$800K and the tax credit proceeds have increased by \$1,299,740 due to higher credit pricing.

The inclusion of the 60% units effectively widens the target income band, allowing the Subject development to attract a greater portion of the market area that was otherwise restricted under the original structure.

Updated Market Highlights:				Demand	Mrkt. Analyst	Underwriter
Provider:	O'Connor & Associates	Date:	11/26/2008	Turnover:	135	113
PMA:	63 sq. miles	Rev. Date:	4/4/2010	Growth:	35	46
SMA:	N/A	Phone:	(713) 375-4279	Senior Homeowners:	374	148
Unstabilized Developments:	None			Inclusive Capture Rate:	30.9%	54.8%
PMA Occupancy:	94.60%			Income Band:	\$9,888	\$39,600

Overall the Market Analyst considered demand for 135 units from turnover of existing senior renter households; demand for 35 units from growth of existing senior renter households; and demand for 374 units from senior homeowner households. This demand represents an inclusive capture rate of 30.9% for the 168 restricted units at the subject property.

The revised underwriting analysis identified demand for 113 units from turnover of existing senior renter households, demand for 46 units from growth of existing senior renter households; and demand for 148 units from senior homeowner households. The total demand for 307 units represents an inclusive capture rate of 54.8% for the 168 restricted units at the subject property. This is below the maximum capture rate of 75% for developments targeting seniors.

### CONCLUSIONS

Real Estate Analysis has reviewed the Applicant's amendment request. The Underwriter's analysis indicates that the proposed changes do not negatively impact the underwriting of the transaction, and the previous recommendations of TCAP, tax credits and HOME funds continue to be supported; no changes to the award amounts are recommended at this time.

### Underwriting Assumptions/Limiting Conditions

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

Underwriter:	<u>Diamond Unique Thompson</u>	Date:	<u>April 21, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>April 21, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>April 21, 2010</u>

MULTIFAMILY COMPARATIVE ANALYSIS

Belmont Senior Village, Leander, R2 TCAP / 9% HTC #09793 / 09138

Type of Unit	HOME	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected		HOME Rent Lmt		Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 50%	HH	8	1	1	727	\$686	632		\$749		\$5,056	\$0.87	\$54	\$47
TC 50%		19	1	1	727	\$686	632				\$12,008	\$0.87	\$54	\$47
TC 60%		19	1	1	727	\$824	670				\$12,730	\$0.92	\$54	\$47
MR		10	1	1	727		670				\$6,700	\$0.92	\$54	\$47
TC 30%	LH	11	1	1	733	\$412	358		\$686		\$3,938	\$0.49	\$54	\$47
TC 50%		1	1	1	733	\$686	632				\$632	\$0.86	\$54	\$47
TC 50%		2	1	1	860	\$686	632				\$1,264	\$0.73	\$54	\$47
TC 60%		6	1	1	860	\$824	670				\$4,020	\$0.78	\$54	\$47
TC 30%	LH	6	2	1	917	\$495	426		\$825		\$2,556	\$0.46	\$69	\$54
TC 50%	HH	6	2	1	917	\$825	750		\$912		\$4,500	\$0.82	\$69	\$54
TC 50%		13	2	1	917	\$825	750				\$9,750	\$0.82	\$69	\$54
TC 60%		17	2	1	917	\$990	750				\$12,750	\$0.82	\$69	\$54
MR		6	2	1	917		750				\$4,500	\$0.82	\$69	\$54
TC 30%	LH	9	2	2	968	\$495	426		\$825		\$3,834	\$0.44	\$69	\$54
TC 50%		19	2	2	968	\$825	756				\$14,364	\$0.78	\$69	\$54
TC 60%		24	2	2	968	\$990	825				\$19,800	\$0.85	\$69	\$54
MR		4	2	2	968		825				\$3,300	\$0.85	\$69	\$54
TC 50%	HH	8	2	2	1,001	\$825	756		\$912		\$6,048	\$0.76	\$69	\$54
MR		4	2	2	1,001		825				\$3,300	\$0.82	\$69	\$54
<b>TOTAL:</b>		<b>192</b>		<b>AVERAGE:</b>	<b>868</b>		<b>\$683</b>				<b>\$131,050</b>	<b>\$0.79</b>	<b>\$63.06</b>	<b>\$51.23</b>

INCOME		Total Net Rentable Sq Ft:	166,624											
POTENTIAL GROSS RENT														
Secondary Income	Per Unit Per Month:	\$15.00												
Other Support Income: Carports & Garages														
POTENTIAL GROSS INCOME														
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%												
Employee or Other Non-Rental Units or Concessions														
EFFECTIVE GROSS INCOME														
<b>EXPENSES</b>	<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>											
General & Administrative	4.00%	\$310	0.36	\$59,473	\$59,473	\$59,473	\$56,500	\$56,500	\$56,500	\$0.34	\$294	3.74%		
Management	5.00%	387	0.45	74,331	74,402	74,402	76,352	74,529	75,615	0.45	394	5.00%		
Payroll & Payroll Tax	13.34%	1,033	1.19	198,346	198,346	198,346	178,000	178,000	178,000	1.07	927	11.77%		
Repairs & Maintenance	4.58%	355	0.41	68,160	96,643	96,643	81,360	81,360	81,360	0.49	424	5.38%		
Utilities	2.44%	189	0.22	36,324	36,324	36,324	39,000	39,000	39,000	0.23	203	2.58%		
Water, Sewer, & Trash	7.13%	552	0.64	106,069	106,069	106,069	100,000	100,000	100,000	0.60	521	6.61%		
Property Insurance	2.71%	210	0.24	40,284	40,284	40,284	35,000	35,000	42,240	0.25	220	2.79%		
Property Tax	2.565554	449	0.52	86,203	86,203	86,203	110,200	110,200	110,200	0.66	574	7.29%		
Reserve for Replacements	3.23%	250	0.29	48,000	48,000	48,000	48,000	48,000	48,000	0.29	250	3.17%		
TDHCA Compliance Fees	0.52%	40	0.05	7,680	7,680	6,720	7,680	7,680	7,680	0.05	40	0.51%		
TCAP Asset Oversight Fees	0.65%	50	0.06	9,600	9,600	0	0	0	0	0.00	0	0.00%		
Other: Supportive Services	0.52%	40	0.05	7,680	7,680	39,936	39,936	7,680	7,680	0.05	40	0.51%		
<b>TOTAL EXPENSES</b>	<b>49.92%</b>	<b>\$3,865</b>	<b>\$4.45</b>	<b>\$742,149</b>	<b>\$770,703</b>	<b>\$792,399</b>	<b>\$772,028</b>	<b>\$737,949</b>	<b>\$746,275</b>	<b>\$4.48</b>	<b>\$3,887</b>	<b>49.35%</b>		
NET OPERATING INC	50.08%	\$3,877	\$4.47	\$744,474	\$717,341	\$695,645	\$755,020	\$752,631	\$766,037	\$4.60	\$3,990	50.65%		
<b>DEBT SERVICE</b>														
JP Morgan Chase	24.71%	\$1,913	\$2.20	\$367,374	\$440,849	\$498,288	\$498,288	\$440,849	\$367,374	\$2.20	\$1,913	24.29%		
TCAP Permanent Loan Replacement	8.52%	\$660	\$0.76	126,727	111,429	114,286	114,286	111,429	126,727	\$0.76	\$660	8.38%		
TDHCA - HOME	5.77%	\$446	\$0.51	85,714	85,714	0	0	85,714	85,714	\$0.51	\$446	5.67%		
NET CASH FLOW	11.08%	\$858	\$0.99	\$164,658	\$79,349	\$83,071	\$142,446	\$114,639	\$186,222	\$1.12	\$970	12.31%		
AGGREGATE DEBT COVERAGE RATIO				1.28	1.12	1.14	1.23	1.18	1.32					
RECOMMENDED DEBT COVERAGE RATIO				\$44,598.69		1.19		1.15	1.32					

CONSTRUCTION COST														
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA - Amend	TDHCA - TCAP	TDHCA - UW	APPLICATION	APP - TCAP	APP - Amend	PER SQ FT	PER UNIT	% of TOTAL	
Acquisition Cost (site or bldg)		8.81%	\$11,456	\$13.20	\$2,199,600	\$1,921,500	\$1,861,500	\$1,861,500	\$1,921,500	\$2,199,600	\$13.20	\$11,456	8.89%	
Off-Sites		0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%	
Sitework		10.92%	14,198	16.36	2,726,035	2,726,035	2,726,035	2,726,035	2,726,035	2,726,035	16.36	14,198	11.02%	
Direct Construction		40.55%	52,706	60.73	10,119,571	10,119,571	10,119,571	9,539,775	9,899,847	9,899,847	59.41	51,562	40.02%	
Contingency	4.91%	2.53%	3,288	3.79	631,294	631,294	613,290	613,290	631,294	631,294	3.79	3,288	2.55%	
Contractor's Fees	13.76%	7.08%	9,206	10.61	1,767,624	1,767,624	1,717,214	1,717,214	1,767,624	1,767,624	10.61	9,206	7.15%	
Indirect Construction		4.99%	6,489	7.48	1,245,909	1,245,909	1,245,909	1,245,909	1,245,909	1,245,909	7.48	6,489	5.04%	
Ineligible Costs		4.69%	6,099	7.03	1,170,974	1,178,974	1,347,970	1,000,770	1,178,974	1,170,974	7.03	6,099	4.73%	
Developer's Fees	14.81%	10.52%	13,674	15.76	2,625,481	2,635,606	2,595,558	2,595,558	2,625,481	2,625,481	15.76	13,674	10.61%	
Interim Financing		4.94%	6,419	7.40	1,232,500	1,300,000	1,461,500	1,461,500	1,300,000	1,232,500	7.40	6,419	4.98%	
Reserves		4.96%	6,443	7.42	1,237,000	400,000	400,000	400,000	400,000	1,237,145	7.42	6,443	5.00%	
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$129,979</b>	<b>\$149.77</b>	<b>\$24,955,988</b>	<b>\$23,926,513</b>	<b>\$24,088,547</b>	<b>\$23,161,551</b>	<b>\$23,706,789</b>	<b>\$24,736,409</b>	<b>\$148.46</b>	<b>\$128,835</b>	<b>100.00%</b>		
Construction Cost Recap	61.09%	\$79,399	\$91.49	\$15,244,524	\$15,244,524			\$15,024,800	\$15,024,800	\$90.17	\$78,254	60.74%		

SOURCES OF FUNDS														
JP Morgan Chase	16.03%	\$20,833	\$24.01	\$4,000,000	\$4,800,000	\$5,700,000	\$5,700,000	\$4,800,000	\$4,000,000	\$4,000,000	\$24.01	\$20,833	16.03%	
TCAP Permanent Loan Replacement	15.63%	\$20,313	\$23.41	3,900,000	3,900,000	0	0	3,900,000	3,900,000	3,900,000	\$23.41	\$20,313	15.63%	
TDHCA - HOME	12.02%	\$15,625	\$18.00	3,000,000	3,000,000	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000	\$18.00	\$15,625	12.02%	
Raymond James	53.28%	\$69,257	\$79.80	13,297,340	11,997,600	12,997,400	12,997,400	11,997,600	13,297,340	13,297,340	\$79.80	\$69,257	53.28%	% of Dev. Fee Deferred
Deferred Developer Fees	2.16%	\$2,808	\$3.24	539,069	9,189	464,150	464,150	9,189	539,069	539,069	\$3.24	\$2,808	2.16%	21%
Additional (Excess) Funds Req'd	0.88%	\$1,144	\$1.32	219,579	219,724	926,997	1	0	0	0	\$1.32	\$1,144	0.88%	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$24,955,988</b>	<b>\$23,926,513</b>	<b>\$24,088,547</b>	<b>\$23,161,551</b>	<b>\$23,706,789</b>	<b>\$24,736,409</b>	<b>\$24,736,409</b>				<b>\$3,632,214</b>



**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**  
**Belmont Senior Village, Leander, R2 TCAP / 9% HTC #09793 / 09138**

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
 Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
<b>Adjustments</b>				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.42)	(403,230)
Floor Cover			2.38	396,565
Breezeways/Balconies	\$22.95		0.00	0
Plumbing Fixtures	\$835		0.00	0
Rough-ins	\$410		0.00	0
Built-In Appliances	\$1,800	192	2.07	345,600
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			1.83	304,922
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other: fire sprinkler	\$2.15	166,624	2.15	358,242
<b>SUBTOTAL</b>			<b>6.01</b>	<b>1,002,099</b>
Current Cost Multiplier	1.01		0.06	10,021
Local Multiplier			(6.01)	(1,002,099)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$0.06</b>	<b>\$10,021</b>
Plans, specs, survy, bld prmts	3.90%		(\$0.00)	(\$391)
Interim Construction Interest	3.38%		(0.00)	(338)
Contractor's OH & Profit	11.50%		(0.01)	(1,152)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$0.05</b>	<b>\$8,140</b>

**PAYMENT COMPUTATION**

Primary	\$4,000,000	Amort	420
Int Rate	8.75%	DCR	2.03

TCAP	\$3,900,000	Amort	420
Int Rate	0.75%	Subtotal DCR	1.51

TDHCA - HOME	\$3,000,000	Amort	420
Int Rate	0.00%	Aggregate DCR	1.28

**RECOMMENDED FINANCING STRUCTURE**

**APPLICANT'S NOI:**

Primary Debt Service	\$367,374
Secondary Debt Service	126,727
Additional Debt Service	85,714
<b>NET CASH FLOW</b>	<b>\$186,221</b>

Primary	\$4,000,000	Amort	420
Int Rate	8.75%	DCR	2.09

TCAP	\$3,900,000	Amort	420
Int Rate	0.75%	Subtotal DCR	1.55

TDHCA - HOME	\$3,000,000	Amort	420
Int Rate	0.00%	Aggregate DCR	1.32

**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	\$1,573,968	\$1,605,447	\$1,637,556	\$1,670,307	\$1,703,714
Secondary Income	34,560	35,251	35,956	36,675	37,409
Other Support Income: Carports & Garages	26,400	26,928	27,467	28,016	28,576
POTENTIAL GROSS INCOME	1,634,928	1,667,627	1,700,979	1,734,999	1,769,699
Vacancy & Collection Loss	(122,616)	(125,072)	(127,573)	(130,125)	(132,727)
Employee or Other Non-Rental Units or Conc	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,512,312</b>	<b>\$1,542,555</b>	<b>\$1,573,406</b>	<b>\$1,604,874</b>	<b>\$1,636,971</b>
<b>EXPENSES at 3.00%</b>					
General & Administrative	\$56,500	\$58,195	\$59,941	\$61,739	\$63,591
Management	75,615	77,128	78,670	80,243	81,848
Payroll & Payroll Tax	178,000	183,340	188,840	194,505	200,341
Repairs & Maintenance	81,360	83,801	86,315	88,904	91,571
Utilities	39,000	40,170	41,375	42,616	43,895
Water, Sewer & Trash	100,000	103,000	106,090	109,273	112,551
Insurance	42,240	43,507	44,812	46,157	47,541
Property Tax	110,200	113,506	116,911	120,419	124,031
Reserve for Replacements	48,000	49,440	50,923	52,451	54,024
TDHCA Compliance Fee	7,680	7,910	8,148	8,392	8,644
TCAP Asset Oversight Fee	0	0	0	0	0
Other	7,680	7,910	8,148	8,392	8,644
<b>TOTAL EXPENSES</b>	<b>\$746,275</b>	<b>\$767,907</b>	<b>\$790,173</b>	<b>\$813,092</b>	<b>\$836,682</b>
<b>NET OPERATING INCOME</b>	<b>\$766,037</b>	<b>\$774,647</b>	<b>\$783,232</b>	<b>\$791,782</b>	<b>\$800,289</b>
<b>DEBT SERVICE</b>					
First Lien Financing	\$367,374	\$367,374	\$367,374	\$367,374	\$367,374
Second Lien	126,727	126,727	126,727	126,727	126,727
Other Financing	85,714	85,714	85,714	85,714	85,714
<b>NET CASH FLOW</b>	<b>\$186,221</b>	<b>\$194,831</b>	<b>\$203,416</b>	<b>\$211,966</b>	<b>\$220,473</b>
DEBT COVERAGE RATIO	1.32	1.34	1.35	1.37	1.38

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,881,037	\$2,076,817	\$2,292,974	\$2,795,123
41,302	45,601	50,347	61,373
31,550	34,834	38,460	46,882
1,953,890	2,157,253	2,381,781	2,903,378
(146,542)	(161,794)	(178,634)	(217,753)
0	0	0	0
\$1,807,349	\$1,995,459	\$2,203,148	\$2,685,625
\$73,720	\$85,461	\$99,073	\$133,146
90,367	99,773	110,157	134,281
232,250	269,241	312,124	419,469
106,156	123,064	142,665	191,730
50,886	58,991	68,387	91,906
130,477	151,259	175,351	235,657
55,114	63,892	74,068	99,541
143,786	166,687	193,236	259,694
62,629	72,604	84,168	113,115
10,021	11,617	13,467	18,098
0	0	0	0
10,021	11,617	13,467	18,098
\$965,426	\$1,114,206	\$1,286,163	\$1,714,735
\$841,922	\$981,253	\$916,984	\$970,890
\$367,374	\$367,374	\$367,374	\$367,374
126,727	126,727	126,727	126,727
85,714	85,714	85,714	85,714
\$262,106	\$301,437	\$337,168	\$391,074
1.45	1.52	1.58	1.67

**HTC ALLOCATION ANALYSIS -Belmont Senior Village, Leander, R2 TCAP / 9% HTC #09793 / 09138**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$2,199,600	\$2,199,600		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$2,726,035	\$2,726,035	\$2,726,035	\$2,726,035
<b>Construction Hard Costs</b>	\$9,899,847	\$10,119,571	\$9,899,847	\$10,119,571
<b>Contractor Fees</b>	\$1,767,624	\$1,767,624	\$1,767,623	\$1,767,624
<b>Contingencies</b>	\$631,294	\$631,294	\$631,294	\$631,294
<b>Eligible Indirect Fees</b>	\$1,245,909	\$1,245,909	\$1,245,909	\$1,245,909
<b>Eligible Financing Fees</b>	\$1,232,500	\$1,232,500	\$1,232,500	\$1,232,500
<b>All Ineligible Costs</b>	\$1,170,974	\$1,170,974		
<b>Developer Fees</b>				
Developer Fees	\$2,625,481	\$2,625,481	\$2,625,481	\$2,625,481
<b>Development Reserves</b>	\$1,237,145	\$1,237,000		
<b>TOTAL DEVELOPMENT COSTS</b>	\$24,736,409	\$24,955,988	\$20,128,689	\$20,348,414

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		\$20,128,689	\$20,348,414
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$26,167,296	\$26,452,939
Applicable Fraction		88%	88%
<b>TOTAL QUALIFIED BASIS</b>		\$22,896,384	\$23,146,321
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$2,060,675	\$2,083,169

<b>Syndication Proceeds</b>	<b>0.6649</b>	<b>\$13,700,745</b>	<b>\$13,850,303</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$2,060,675</b>	<b>\$2,083,169</b>
<b>Syndication Proceeds</b>		<b>\$13,700,745</b>	<b>\$13,850,303</b>
<b>Previously Awarded Tax Credits</b>		<b>\$2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$13,297,340</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$13,836,409</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$2,081,079</b>	



<b>Development Name:</b>	Belmont Senior Village	<b>Date:</b>	December 1, 2009
<b>Address:</b>	12.3 acres out of Lots 1-3, Replat of lots 1-9, Block A of Leander 2243 subdivision on FM 2243	<b>FILE NUMBER:</b>	09793 / 09138
<b>City:</b>	Leander	<b>Population:</b>	Seniors
<b>County:</b>	Williamson	<b>Activity:</b>	New Construction

	Amount	Interest/Equity Price	Amort/Term	Lien Position
<b>Request: Permanent Loan Replacement</b>	\$3,900,000	0.00%	35/18	2nd
<b>Recommendation: Permanent Loan Replacement</b>	<b>\$3,900,000</b>	<b>0.75%</b>	<b>35/18</b>	<b>2nd</b>
<b>Request: Housing Tax Credit (Annual)</b>	\$2,000,000			
<b>Recommendation: Housing Tax Credit (Annual)</b>	<b>\$2,000,000</b>			
<b>Previously Committed: TDHCA - HOME</b>	\$3,000,000	0.00%	35/18	3rd
<b>Recommendation: TDHCA - HOME</b>	<b>\$3,000,000</b>	<b>0.00%</b>	<b>35/18</b>	<b>3rd</b>

The recommended Housing Tax Credit award amount was calculated using the previously awarded housing tax credit allocation.

**Conditions to Recommendation**

- 1 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
- 2 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.

**Property Summary**

<b># Units</b>	192	<b>Acreage:</b>	12.3
<b>Year Built</b>	N/A	<b>Units/Acre:</b>	15.61
<b>Current Occupancy</b>	0%	<b>Flood Zone:</b>	No
<b>Number Buildings</b>	12	<b>Zoning:</b>	MF-3-A
<b>Units/Building</b>	16	<b>Stabilized DCR:</b>	1.15

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	17
50% of AMI	50% of AMI	151

The Applicant is requesting funds under the TCAP Permanent Loan Replacement initiative in the amount of \$3.9M to replace a reduction of \$900K in permanent loan funds, \$1M dollars in reduced TDHCA - HOME funds, a \$999.8K reduction in tax credit proceeds, to reduce the deferred developer fee by \$454K, and to fund a gap in financing due to higher total development costs of \$545K.

**Operating Pro Forma**

Rents based on: Current 2009 HTC program gross rent limits less Georgetown housing Authority's utility allowances as of July 2007.

TCAP Asset Oversight Fee: The Underwriter's estimate includes a TCAP 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 from 1.18 to 1.16.

The Applicant's year one proforma will be used to determine the development's debt capacity because the Applicant's effective gross income (EGI), expenses, and net operating income (NOI) are all within 5% of the Underwriter's estimates.

The Applicant's submitted proforma does meet current Department guidelines with regard to the DCR limit.

Since the previous underwriting, the Applicant has not closed on the land, and has extended the contract through 12/31/2010.

Site work and Direct Construction costs pursuant to the Underwriter's current Marshall & Swift estimate total \$12,845,606.

The Applicant's total development costs increased by \$545,238 from original underwriting.

The Applicant's current cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis because the Applicant's total current development costs are within 5% of the Underwriter's updated estimate.

An eligible basis of \$20,206,314 supports annual tax credits of \$2,068,621. 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.

**Source of Funds**

The syndication rate of \$0.60 is \$0.05 lower than the syndication rate utilized during the most recent underwriting, resulting in a decrease in proceeds created by the tax credit allocation.

The permanent loan has decreased by \$900K. The TDHCA HOME loan has been reduced by \$1M. The tax credit proceeds have reduced by \$999,800 due to lower credit pricing. The requested TCAP loan of \$3.9M will be used to fill the gap in financing created by the reduction of permanent financing sources and the increased development costs of \$545K.

**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.
- The Applicant's previous award of \$2,000,000 in annual tax credits is recommended resulting in total proceeds of \$11,997,600 based on a credit price of \$0.60.
- The Underwriter recommends a TCAP Permanent Loan Replacement of \$3,900,000 fully amortized over 35 years at a rate of 0.75% with a term of 18 years to be in parity with the 1st lien and the TDHCA HOME loan.
- The Department's policy for the TCAP Permanent Loan Replacement Initiative states that "the interest rate shall be based on a rate required to yield a Debt Coverage Ratio within a range of 1.15 to 1.35 but shall not exceed the interest rate on the permanent first lien debt or 5%, whichever is higher." The Underwriter used an initial rate equal to the permanent loan interest rate (8.75%), adjusted downward based on the Applicant's projected NOI in order to reach a DCR within a range of 1.15 to 1.35, resulting in a recommended interest rate of 0.75%. It is also recommended that the TCAP loan remain in a 2nd lien position throughout the permanent loan repayment period.
- The TDHCA - HOME loan is recommended to be \$3,000,000 fully amortized over 35 years at a rate of 0% with a term of 18 years to be in parity with the 1st lien debt and the TCAP loan. It is recommended that the HOME loan remain in a 3rd lien position throughout the permanent loan repayment period.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>December 1, 2009</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>December 1, 2009</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>December 1, 2009</u>

MULTIFAMILY COMPARATIVE ANALYSIS

Belmont Senior Village, Leander, R2 TCAP / 9% HTC #09793 / 09138

Type of Unit	HOME	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	HOME Rent Lmt	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 50%	HH	8	1	1	727	\$686	632	\$749	\$5,056	\$0.87	\$54	\$47
TC 50%		38	1	1	727	\$686	632		\$24,016	\$0.87	\$54	\$47
MR		10	1	1	727		670		\$6,700	\$0.92	\$54	\$47
TC 30%	LH	7	1	1	733	\$412	358	\$686	\$2,506	\$0.49	\$54	\$47
TC 50%		5	1	1	733	\$686	632		\$3,160	\$0.86	\$54	\$47
TC 50%		8	1	1	860	\$686	632		\$5,056	\$0.73	\$54	\$47
TC 30%	LH	4	2	1	917	\$495	426	\$825	\$1,704	\$0.46	\$69	\$54
TC 50%	HH	6	2	1	917	\$825	750	\$912	\$4,500	\$0.82	\$69	\$54
TC 50%		32	2	1	917	\$825	750		\$24,000	\$0.82	\$69	\$54
MR		6	2	1	917		750		\$4,500	\$0.82	\$69	\$54
TC 30%	LH	6	2	2	968	\$495	426	\$825	\$2,556	\$0.44	\$69	\$54
TC 50%		46	2	2	968	\$825	756		\$34,776	\$0.78	\$69	\$54
MR		4	2	2	968		825		\$3,300	\$0.85	\$69	\$54
TC 50%	HH	8	2	2	1,001	\$825	756	\$912	\$6,048	\$0.76	\$69	\$54
MR		4	2	2	1,001		825		\$3,300	\$0.82	\$69	\$54
<b>TOTAL:</b>		<b>192</b>			<b>AVERAGE: 868</b>				<b>\$131,178</b>	<b>\$0.79</b>	<b>\$63.06</b>	<b>\$51.23</b>

**INCOME**

Total Net Rentable Sq Ft: 166,624

**POTENTIAL GROSS RENT**

Secondary Income Per Unit Per Month: \$15.00  
Other Support Income: \$0.00 Per Unit Per Month

**POTENTIAL GROSS INCOME**

Vacancy & Collection Loss % of Potential Gross Income: -7.50%  
Employee or Other Non-Rental Units or Concessions

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.00%	\$310	0.36
Management	5.00%	388	0.45
Payroll & Payroll Tax	13.33%	1,033	1.19
Repairs & Maintenance	6.49%	503	0.58
Utilities	2.44%	189	0.22
Water, Sewer, & Trash	7.13%	552	0.64
Property Insurance	2.71%	210	0.24
Property Tax	2.565554	449	0.52
Reserve for Replacements	3.23%	250	0.29
TDHCA Compliance Fees	0.52%	40	0.05
TCAP Asset Oversight Fees	0.65%	50	0.06
Other:	0.52%	40	0.05
<b>TOTAL EXPENSES</b>	<b>51.79%</b>	<b>\$4,014</b>	<b>\$4.63</b>

**NET OPERATING INC**

48.21% \$3,736 \$4.31

**DEBT SERVICE**

JP Morgan Chase	29.63%	\$2,296	\$2.65
TCAP Permanent Loan Replacement	7.49%	\$580	\$0.67
TDHCA - HOME	5.76%	\$446	\$0.51
<b>NET CASH FLOW</b>	<b>5.33%</b>	<b>\$413</b>	<b>\$0.48</b>

**AGGREGATE DEBT COVERAGE RATIO**

**RECOMMENDED DEBT COVERAGE RATIO**

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		8.03%	\$10,008	\$11.53
Off-Sites		0.00%	0	0.00
Sitework		11.39%	14,198	16.36
Direct Construction		42.29%	52,706	60.73
Contingency	4.91%	2.64%	3,288	3.79
Contractor's Fees	13.76%	7.39%	9,206	10.61
Indirect Construction		5.21%	6,489	7.48
Ineligible Costs		4.93%	6,140	7.08
Developer's Fees	14.81%	11.02%	13,727	15.82
Interim Financing		5.43%	6,771	7.80
Reserves		1.67%	2,083	2.40
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$124,617</b>	<b>\$143.60</b>	
<b>Construction Cost Recap</b>	<b>63.71%</b>	<b>\$79,399</b>	<b>\$91.49</b>	

**SOURCES OF FUNDS**

JP Morgan Chase	20.06%	\$25,000	\$28.81
<b>TCAP Permanent Loan Replacement</b>	<b>16.30%</b>	<b>\$20,313</b>	<b>\$23.41</b>
TDHCA - HOME	12.54%	\$15,625	\$18.00
Raymond James	50.14%	\$62,488	\$72.00
Deferred Developer Fees	0.04%	\$48	\$0.06
Additional (Excess) Funds Req'd	0.92%	\$1,144	\$1.32
<b>TOTAL SOURCES</b>			

TDHCA	TDHCA - UW	APPLICATION	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
\$1,574,136	\$1,574,136	\$1,532,304	\$1,576,872	Williamson		7
34,560	34,560	92,160	34,560	\$15.00	Per Unit Per Month	
0	0	26,400	0	\$0.00	Per Unit Per Month	
\$1,608,696	\$1,608,696	\$1,650,864	\$1,611,432			
(120,652)	(120,652)	(123,816)	(120,852)	-7.50%	of Potential Gross Income	
0	0	0	0			
\$1,488,044	\$1,488,044	\$1,527,048	\$1,490,580			
\$59,473	\$59,473	\$56,500	\$56,500	\$0.34	\$294	3.79%
74,402	74,402	76,352	74,529	0.45	388	5.00%
198,346	198,346	178,000	178,000	1.07	927	11.94%
96,643	96,643	81,360	81,360	0.49	424	5.46%
36,324	36,324	39,000	39,000	0.23	203	2.62%
106,069	106,069	100,000	100,000	0.60	521	6.71%
40,284	40,284	35,000	35,000	0.21	182	2.35%
86,203	86,203	110,200	110,200	0.66	574	7.39%
48,000	48,000	48,000	48,000	0.29	250	3.22%
7,680	6,720	7,680	7,680	0.05	40	0.52%
9,600	0	0	0	0.00	0	0.00%
7,680	39,936	39,936	7,680	0.05	40	0.52%
\$770,703	\$792,399	\$772,028	\$737,949	\$4.43	\$3,843	49.51%
\$717,341	\$695,645	\$755,020	\$752,631	\$4.52	\$3,920	50.49%
\$440,849	\$498,288	\$498,288	\$440,849	\$2.65	\$2,296	29.58%
111,429	114,286	114,286	111,429	\$0.67	\$580	7.48%
85,714	0	0	85,714	\$0.51	\$446	5.75%
\$79,349	\$83,071	\$142,446	\$114,639	\$0.69	\$597	7.69%
1.12	1.14	1.23	1.18			
	1.19		1.15			

TDHCA	TDHCA - UW	APPLICATION	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
\$1,921,500	\$1,861,500	\$1,861,500	\$1,921,500	\$11.53	\$10,008	8.11%
0	0	0	0	0.00	0	0.00%
2,726,035	2,726,035	2,726,035	2,726,035	16.36	14,198	11.50%
10,119,571	10,119,571	9,539,775	9,899,847	59.41	51,562	41.76%
631,294	613,290	613,290	631,294	3.79	3,288	2.66%
1,767,624	1,717,214	1,717,214	1,767,624	10.61	9,206	7.46%
1,245,909	1,245,909	1,245,909	1,245,909	7.48	6,489	5.26%
1,178,974	1,347,970	1,000,770	1,178,974	7.08	6,140	4.97%
2,635,606	2,595,558	2,595,558	2,635,606	15.82	13,727	11.12%
1,300,000	1,461,500	1,461,500	1,300,000	7.80	6,771	5.48%
400,000	400,000	400,000	400,000	2.40	2,083	1.69%
\$23,926,513	\$24,088,547	\$23,161,551	\$23,706,789	\$142.28	\$123,473	100.00%
\$15,244,524			\$15,024,800	\$90.17	\$78,254	63.38%
\$4,800,000	\$5,700,000	\$5,700,000	\$4,800,000			
3,900,000	0		3,900,000			Developer Fee Available
3,000,000	4,000,000	4,000,000	3,000,000			\$2,635,606
11,997,600	12,997,400	12,997,400	11,997,600			% of Dev. Fee Deferred
9,189	464,150	464,150	9,189			0%
219,724	926,997	1	0			15-Yr Cumulative Cash Flow
\$23,926,513	\$24,088,547	\$23,161,551	\$23,706,789	\$23,706,789		\$2,308,709

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Belmont Senior Village, Leander, R2 TCAP / 9% HTC #09793 / 09138*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
<b>Adjustments</b>				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.42)	(403,230)
Floor Cover			2.38	396,565
Breezeways/Balconies	\$22.95		0.00	0
Plumbing Fixtures	\$835		0.00	0
Rough-ins	\$410		0.00	0
Built-In Appliances	\$1,800	192	2.07	345,600
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	(\$9.82)		0.00	0
Heating/Cooling			1.83	304,922
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other: fire sprinkler	\$2.15	166.624	2.15	358,242
<b>SUBTOTAL</b>			<b>6.01</b>	<b>1,002,099</b>
Current Cost Multiplier	1.01		0.06	10,021
Local Multiplier			(6.01)	(1,002,099)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$0.06</b>	<b>\$10,021</b>
Plans, specs, survy, bld prmts	3.90%		(\$0.00)	(\$391)
Interim Construction Interest	3.38%		(0.00)	(338)
Contractors OH & Profit	11.50%		(0.01)	(1,152)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$0.05</b>	<b>\$8,140</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$4,800,000	Amort	420
Int Rate	8.75%	DCR	1.63

<b>TCAP</b>	\$3,900,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.30

<b>TDHCA - HOME</b>	\$3,000,000	Amort	420
Int Rate	0.00%	Aggregate DCR	1.12

**RECOMMENDED FINANCING STRUCTURE**

**APPLICANT'S NOI:**

Primary Debt Service	\$440,849
Secondary Debt Service	126,727
Additional Debt Service	85,714
<b>NET CASH FLOW</b>	<b>\$99,341</b>

<b>Primary</b>	\$4,800,000	Amort	420
Int Rate	8.75%	DCR	1.71

<b>TCAP</b>	\$3,900,000	Amort	420
Int Rate	0.75%	Subtotal DCR	1.33

<b>TDHCA - HOME</b>	\$3,000,000	Amort	420
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	\$1,576,872	\$1,608,409	\$1,640,578	\$1,673,389	\$1,706,857
Secondary Income	34,560	35,251	35,956	36,675	37,409
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS INCOME	1,611,432	1,643,661	1,676,534	1,710,065	1,744,266
Vacancy & Collection Loss	(120,852)	(123,275)	(125,740)	(128,255)	(130,820)
Employee or Other Non-Rental Units or Concess:	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,490,580	\$1,520,386	\$1,550,794	\$1,581,810	\$1,613,446
<b>EXPENSES at 3.00%</b>					
General & Administrative	\$56,500	\$58,195	\$59,941	\$61,739	\$63,591
Management	74,529	76,019	77,539	79,090	80,672
Payroll & Payroll Tax	178,000	183,340	188,840	194,505	200,341
Repairs & Maintenance	81,360	83,801	86,315	88,904	91,571
Utilities	39,000	40,170	41,375	42,616	43,895
Water, Sewer & Trash	100,000	103,000	106,090	109,273	112,551
Insurance	35,000	36,050	37,132	38,245	39,393
Property Tax	110,200	113,506	116,911	120,419	124,031
Reserve for Replacements	48,000	49,440	50,923	52,451	54,024
TDHCA Compliance Fee	7,680	7,910	8,148	8,392	8,644
TCAP Asset Oversight Fee	0	0	0	0	0
Other	7,680	7,910	8,148	8,392	8,644
TOTAL EXPENSES	\$737,949	\$759,342	\$781,362	\$804,027	\$827,357
NET OPERATING INCOME	\$752,631	\$761,044	\$769,432	\$777,783	\$786,089
<b>DEBT SERVICE</b>					
First Lien Financing	\$440,849	\$440,849	\$440,849	\$440,849	\$440,849
Second Lien	126,727	126,727	126,727	126,727	126,727
Other Financing	85,714	85,714	85,714	85,714	85,714
NET CASH FLOW	\$99,341	\$107,754	\$116,141	\$124,492	\$132,798
DEBT COVERAGE RATIO	1.15	1.16	1.18	1.19	1.20

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,884,508	\$2,080,649	\$2,297,205	\$2,800,280
41,302	45,601	50,347	61,373
0	0	0	0
1,925,810	2,126,250	2,347,552	2,861,653
(144,436)	(159,469)	(176,066)	(214,624)
0	0	0	0
\$1,781,375	\$1,966,782	\$2,171,486	\$2,647,029
\$73,720	\$85,461	\$99,073	\$133,146
89,068	98,339	108,574	132,351
232,250	269,241	312,124	419,469
106,156	123,064	142,665	191,730
50,886	58,991	68,387	91,906
130,477	151,259	175,351	235,657
45,667	52,941	61,373	82,480
143,786	166,687	193,236	259,694
62,629	72,604	84,168	113,115
10,021	11,617	13,467	18,098
0	0	0	0
10,021	11,617	13,467	18,098
\$954,681	\$1,101,821	\$1,271,885	\$1,695,744
\$826,694	\$864,961	\$899,601	\$951,285
\$440,849	\$440,849	\$440,849	\$440,849
126,727	126,727	126,727	126,727
85,714	85,714	85,714	85,714
\$173,403	\$211,670	\$246,310	\$297,995
1.27	1.32	1.38	1.46

**HTC ALLOCATION ANALYSIS -Belmont Senior Village, Leander, R2 TCAP / 9% HTC #09793 / 09138**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,921,500	\$1,921,500		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$2,726,035	\$2,726,035	\$2,726,035	\$2,726,035
<b>Construction Hard Costs</b>	\$9,899,847	\$10,119,571	\$9,899,847	\$10,119,571
<b>Contractor Fees</b>	\$1,767,624	\$1,767,624	\$1,767,623	\$1,767,624
<b>Contingencies</b>	\$631,294	\$631,294	\$631,294	\$631,294
<b>Eligible Indirect Fees</b>	\$1,245,909	\$1,245,909	\$1,245,909	\$1,245,909
<b>Eligible Financing Fees</b>	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
<b>All Ineligible Costs</b>	\$1,178,974	\$1,178,974		
<b>Developer Fees</b>				
Developer Fees	\$2,635,606	\$2,635,606	\$2,635,606	\$2,635,606
<b>Development Reserves</b>	\$400,000	\$400,000		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$23,706,789</b>	<b>\$23,926,513</b>	<b>\$20,206,314</b>	<b>\$20,426,039</b>

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		<b>\$20,206,314</b>	<b>\$20,426,039</b>
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		<b>\$26,268,209</b>	<b>\$26,553,851</b>
Applicable Fraction		88%	88%
<b>TOTAL QUALIFIED BASIS</b>		<b>\$22,984,683</b>	<b>\$23,234,620</b>
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		<b>\$2,068,621</b>	<b>\$2,091,116</b>

<b>Syndication Proceeds</b>	<b>0.5999</b>	<b>\$12,409,246</b>	<b>\$12,544,185</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$2,068,621</b>	<b>\$2,091,116</b>
<b>Syndication Proceeds</b>		<b>\$12,409,246</b>	<b>\$12,544,185</b>
<b>Previously Awarded Tax Credits</b>		<b>\$2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$11,997,600</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$12,006,789</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$2,001,532</b>	



REPORT DATE: 09/25/09 PROGRAM: 9% HTC / HOME FILE NUMBER: 09138

**DEVELOPMENT**

Belmont Senior Village

Location: 12.3 acres out of Lots 1-3, Replat of lots 1-9, Block A of Leander 2243 subdivision on FM 2243 Region: 7

City: Leander County: Williamson Zip: 78641  OCT  DDA

Key Attributes: Elderly, Urban, General, New Construction, CHDO

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount**	Interest	Amort/Term
HOME/CHDO Funds	\$4,000,000	0.00%	35/18	\$3,000,000	0.00%	35/18
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000		

Recommendation subject to availability of funds and TDHCA Board approval.

\*\*The 2009 HOME/CHDO NOFA limits the maximum funding amount to \$3M.\*\*

**CONDITIONS**

- 1 Receipt, review, and acceptance, by carryover, of documentation that a noise study of the subject site to determine compliance with current HUD guidelines has been completed, and evidence that any subsequent recommendations have been implemented.
- 2 Receipt, review, and acceptance, by carryover, of a legal opinion or letter from the county appraisal district including back-up documentation indicating that the development will qualify for a property tax exemption of at least 50%.
- 3 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

**SALIENT ISSUES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	17
50% of AMI	50% of AMI	151

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	Low HOME	17
60% of AMI	High HOME	22

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**STRENGTHS/MITIGATING FACTORS**

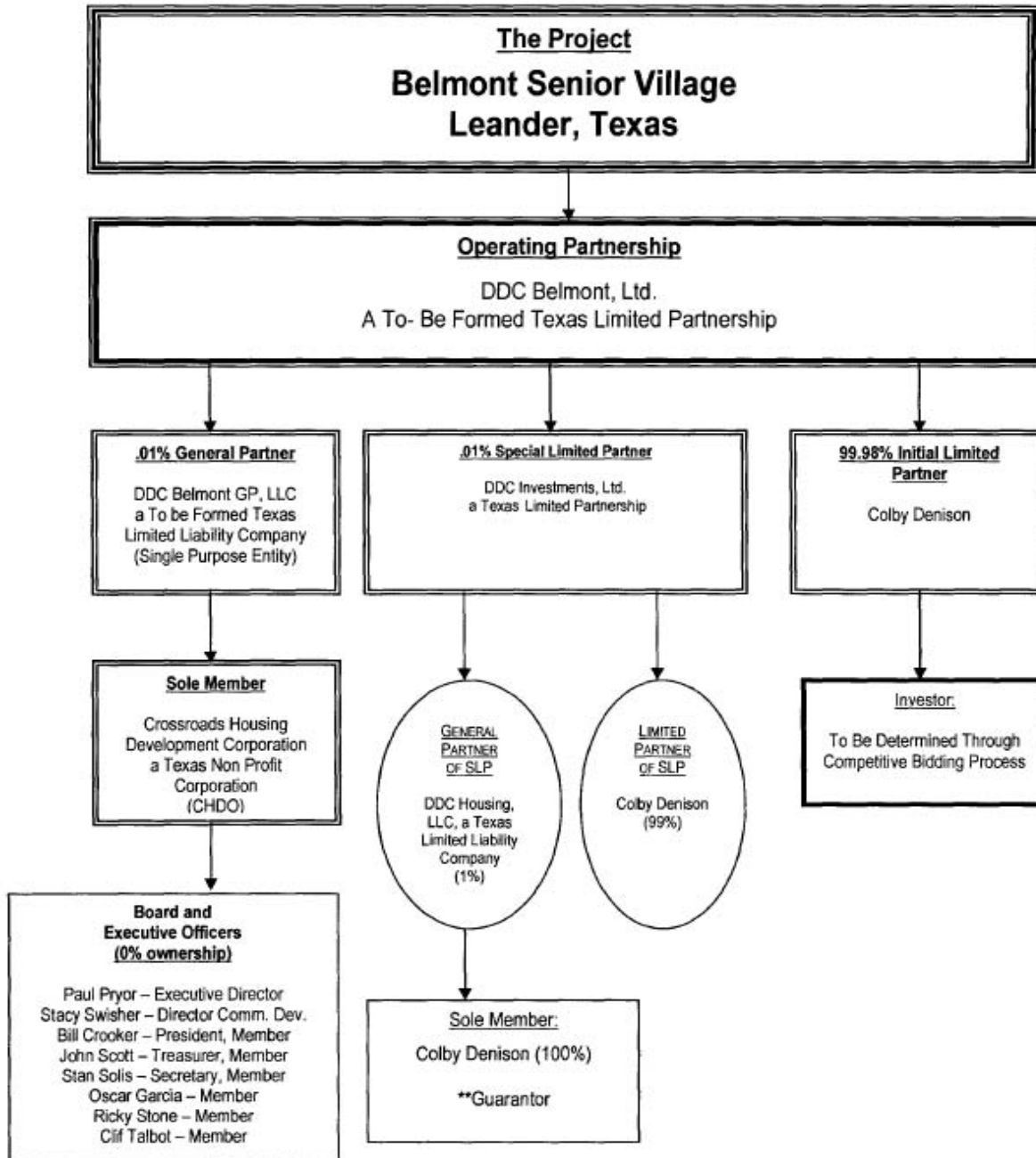
- Occupancy in the PMA is reported at 92% with other nearby comparables as high as 96%.

**WEAKNESSES/RISKS**

- 50% AMI units (78% of total units) show unit capture rates exceeding 200% and the overall inclusive capture rate is 74.8% (75% maximum per underwriting rules).
- Market rate units (13% of total) expose the development to minor market rental rate risk.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Colby Denison Phone: 512-732-1226 Fax: 512-732-1276  
 Email: colby@denisondevelopment.com

**KEY PARTICIPANTS**

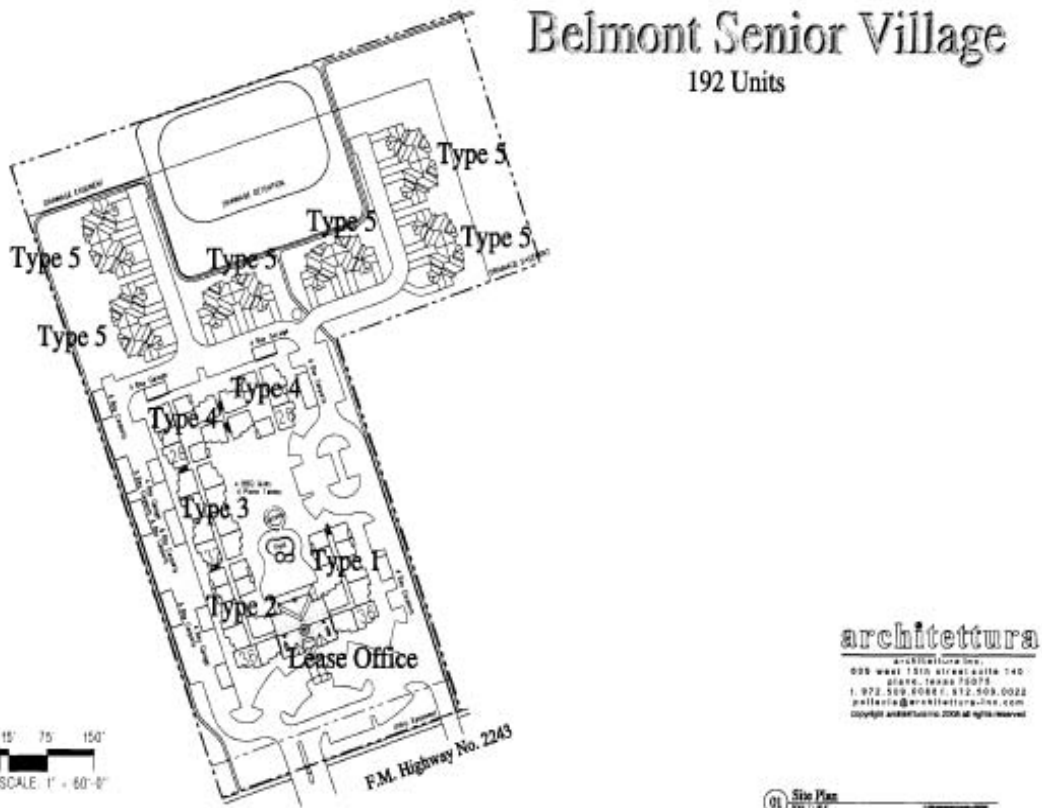
Name	Financial Notes	# Completed Developments
Colby & Susanne Denison	N/A	4
Crossroads Housing Development Corp.	N/A	5
DDC Investments, Ltd.	N/A	3

**IDENTITIES of INTEREST**

- The General Contractor is "To Be Determined" at the time of underwriting. At this point there appears to be no identity of interest issues within the Development Team.
- The seller, Leander 2243 Investments, LLC, could be regarded as a related party as they also plan to provide interim financing used for QAP 9% competitive points purposes. However, the Underwriter does not believe this a true identity of interest given that they do not maintain a financial stake in the applicant, the development team, or in the operations of the property once completed as stated in a letter dated 9/17/09. In order to confirm that this is the case the Underwriter requested documentation pursuant to the 2009 QAP § 49.9(i)(27)(A). Leander 2243 Investments, LLC has satisfied the QAP requirement.

**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	1	2	3	4	5	Club					Total Buildings
Floors/Stories	4	4	4	4	1	1					
Number	1	1	1	2	6	1					<b>12</b>

BR/BA	SF	Units								Total Units	Total SF
1/1	727	16	16		12					56	40,712
1/1	733					2				12	8,796
1/1	860						8			8	6,880
2/1	917			16	16					48	44,016
2/2	968	20	20	16						56	54,208
2/2	1,001					2				12	12,012
Units per Building		36	36	32	28	4	8			<b>192</b>	<b>166,624</b>

**SITE ISSUES**

Total Size: 12.3 acres      Scattered site?     Yes     No  
 Flood Zone: X      Within 100-yr floodplain?     Yes     No  
 Zoning: MF-3-A      Needs to be re-zoned?     Yes     No     N/A

**TDHCA SITE INSPECTION**

Inspector: Manufactured Housing Staff      Date: 4/24/2009  
 Overall Assessment:  
 Excellent     Acceptable     Questionable     Poor     Unacceptable  
 Surrounding Uses:  
 North: Field; Housing      East: Field; Retail center HEB etc.  
 South: Field; Field      West: Business; Grave Yard

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: ECS Texas, LLP      Date: 8/22/2008  
 Recognized Environmental Concerns (RECs) and Other Concerns:  
 ◦ "As documented and qualified by this report, this assessment has revealed no evidence of RECs in connection with the property." (p. 2)  
 ◦ "A noise study is recommended for the target property based on its proximity to civil airfields and other potential sources of excessive noise in accordance with current HUD guidelines. The potential noise sources identified and examined show that the target property is less than 1,000 feet from a road (fronts FM 2243) and is less than 3,000 feet from an active railroad." (addendum letter 04/14/09)  
 Comments:  
 Any funding recommendation will be subject to receipt, review, and acceptance, by carryover, of documentation that a noise study of the subject site to determine compliance with current HUD guidelines has been completed, and evidence that any subsequent recommendations have been implemented.

**MARKET HIGHLIGHTS**

Provider: O'Connor & Associates      Date: 11/26/2008  
 Contact: Robert Coe      Phone: (713) 375-4279      Fax: (713) 686-8336  
 Number of Revisions: None      Date of Last Applicant Revision: N/A  
 Primary Market Area (PMA): 63 sq. miles    4 mile equivalent radius  
 The Primary Market Area is defined by the geographic boundaries: CR 268 & 317, Brushy Creek Road and Brushy Creek to the east; FM 620 to the south; South Fork of the San Gabriel River and CR 280 to the north; and Line Creek Road, FM 2243 and Mesa Oaks Road to the west.

Secondary Market Area (SMA):

The market study does not define a Secondary Market Area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
none				none			

INCOME LIMITS						
Williamson						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$15,400	\$17,600	\$19,800	\$22,000	\$23,750	\$25,500
40	\$20,520	\$23,440	\$26,400	\$29,320	\$31,680	\$34,000
50	\$25,650	\$29,300	\$33,000	\$36,650	\$39,600	\$42,500
60	\$30,780	\$35,160	\$39,600	\$43,980	\$47,520	\$51,000

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%	77	4	0	81	5	0	6%
1 BR/50%	103	9	0	112	61	0	54%
2 BR/30%	333	-17	0	316	12	0	4%
2 BR/50%	174	-1	0	173	90	0	52%

UNDERWRITING ANALYSIS of 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%	17	4	0	21	7	0	33%
1 BR/50%	18	6	0	24	59	0	247%
2 BR/30%	14	3	0	18	10	0	57%
2 BR/50%	21	7	0	28	92	0	328%

OVERALL DEMAND									
	Target Households	Household Size	Income Eligible	Tenure	Demand				
PMA DEMAND from TURNOVER					turnover				
Market Analyst p. 70	19%	6,006	100%	6,006	8%	509	23%	116	
Underwriter	22%	6,981	100%	6,981	11%	781	48%	373	22%
PMA DEMAND from GROWTH					growth				
Market Analyst p. 70	19%	356	100%	356	8%	30	100%	30	
Underwriter	22%	624	100%	624	11%	70	48%	33	100%
DEMAND from OTHER SOURCES					senior homeowners				
Market Analyst p. 70								374	
Underwriter								109	

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INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand	Inclusive Capture Rate
Market Analyst p. 71	168	0	0	168	520	<b>32%</b>
Underwriter	168	0	0	168	225	<b>74.8%</b>

Proposed, Under Construction, or Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable units located within the PMA.

Demand Analysis:

The market study clearly states that the subject property will offer restricted units at 30% and 50% of AMI; however, the demand analysis incorrectly includes the 60% income range, thereby overstating the eligible income range. At the same time, the Market Analyst understates the number of senior households in the PMA. Despite the fact that the market study includes a HISTA Data report clearly specifying the senior household population, the Market Analyst indirectly calculates senior households based on the senior population relative to the overall adult population.

The Market Analyst identified demand for 374 units from existing senior homeowners. This amount includes 119 units based on 10% turnover of existing owner households and 225 units resulting from projected growth in existing owner households. The REA rules allow for up to 10% turnover of existing homeowners if supported by applicable data. The 2000 census data for the PMA indicates a senior homeowner turnover rate of 11.9%, so the limit of 10% has been applied. The REA rules do not allow for consideration of demand based on growth of homeowner households.

Overall the Market Analyst considered demand for 116 units from turnover of existing senior renter households; demand for 30 units from growth of existing senior renter households; and demand for 374 units from senior homeowner households. This demand represents an inclusive capture rate of 32% for the 168 restricted units at the subject property.

The underwriting analysis identified demand for 82 units from turnover of existing senior renter households, demand for 33 units from growth of existing senior renter households; and demand for 109 units from senior homeowner households. The total demand for 225 units represents an inclusive capture rate of 74.8% for the 168 restricted units at the subject property. This is marginally below the maximum capture rate of 75% for developments targeting seniors.

Primary Market Occupancy Rates:

"The occupancy of the comparable rentals included in this study range from 93% to 96%, with a median occupancy of 94.60%. The average occupancy for comparable apartments in the subject's primary market area was reported at 92.35% in the most recent O'Connor Data survey (September 2008).

According to the survey, occupancy in the primary market area in November 2008 has increased slightly from the prior quarter. Average occupancy in the primary market area has remained in the high 80% to mid 90's since June 2002. The fluctuations were due to new product coming on-line. Based on our analysis of the market, moderate increases in occupancy are projected for this market." (p. 40)

Absorption Projections:

"Typically, HTC projects in the Greater Austin area have achieved stabilized occupancy at a rapid pace, most likely due to the projects being new and superior compared to older multifamily projects. The subject should be able to reach a stabilized occupancy level within 12 months of completion." (p. 40)

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RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)			Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR	727 SF	50%	\$612	\$632	\$670	\$632	\$38
1 BR	727 SF	50%	\$612	\$632	\$670	\$632	\$38
1 BR	727 SF	MR	\$670	\$670	\$670	\$670	\$0
1 BR	733 SF	30%	\$346	\$358	\$670	\$358	\$312
1 BR	733 SF	50%	\$612	\$632	\$670	\$632	\$38
1 BR	860 SF	50%	\$612	\$632	\$670	\$632	\$38
2 BR	917 SF	30%	\$411	\$426	\$750	\$426	\$324
2 BR	917 SF	50%	\$731	\$756	\$750	\$750	\$0
2 BR	917 SF	50%	\$731	\$756	\$750	\$750	\$0
2 BR	917 SF	MR	\$750	\$750	\$750	\$750	\$0
2 BR	968 SF	30%	\$411	\$426	\$825	\$426	\$399
2 BR	968 SF	50%	\$731	\$756	\$825	\$756	\$69
2 BR	968 SF	MR	\$825	\$825	\$825	\$825	\$0
2 BR	1,001 SF	50%	\$731	\$756	\$825	\$756	\$69
2 BR	1,001 SF	MR	\$825	\$825	\$825	\$825	\$0

**Market Impact:**

"Based on the high occupancy levels of the existing properties in the market, along with the strong recent absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market." (p. 12)

**Comments:**

The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant has applied for HOME financing as well as tax credits; some units are therefore subject to multi-layered restrictions. When more than one program applies, the most restrictive rent restriction is used for purposes of determining the projected rents collected. The Applicant's projected rents per unit were calculated by subtracting tenant-paid utility allowances as of June 2007 maintained by the Georgetown Housing Authority from the 2008 HTC and HOME program rent limits. At the time the application was submitted the 2009 program rents were not yet published. The Underwriter's projected rents were calculated by subtracting tenant paid utilities from the 2009 program rent limits. It should be noted that the Underwriter's projected rent collected for the TC50%/High HOME two-bedroom units have been capped to the achievable market rent. The calculated program net rents for these units are \$756, however, the market study has indicated that the achievable market rent for two-bedroom units is \$750.

The Applicant's secondary income projections exceed the Department's \$15 per unit maximum guideline. In addition to the income generated from standard fees such as late and laundry fees, the Applicant's estimate also includes income generated from carport/garage rentals and cable service. The Applicant's vacancy and collection loss assumptions are consistent with current TDHCA underwriting guidelines. Despite the differences described above, the Applicant's effective gross income estimate 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 of \$4,021 per unit is within 5% of the Underwriter's estimate of \$4,127 per unit, as derived from the TDHCA and IREM databases as well as other third-party data sources. Several of the Applicant's line-item estimates differ significantly from the Underwriter's estimates, including: payroll (\$20K lower); repairs and maintenance (\$15K lower); and property taxes (\$24K higher).

Of note, the Applicant's projections include a 50% property tax exemption based on the fact that the sole member of the General Partner, Crossroads Housing Development Corporation (CHDO), is a 501(c)(3) non-profit entity. The Underwriter's analysis also includes the 50% property tax exemption since the same type of exemption for a similar type of development in the same area and with the same ownership structure was secured by the Applicant for a property awarded in 2005.

It should also be noted that if the Underwriter applies the Applicant's property tax estimate of \$110,200 the development will still remain feasible with a DCR of 1.15. However, if the property does not qualify for a 50% reduction in property taxes the development will become infeasible with a DCR of 1.04 and cashflow projections will not be able to repay the deferred developer fee within 15 years of stabilized operations.

**Conclusion:**

The Applicant's income and operating expenses are within 5% of the Underwriter's projections. However, net operating income (NOI) is not within 5% of the Underwriter's estimate because of differences in secondary income; therefore the Underwriter's year one proforma will be used to determine the development's debt capacity. The Applicant's permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.14, which is below the Department's minimum DCR guideline of 1.15. However, the Underwriter's recommended financing structure reflects a lower amount of HOME funds (\$3M) as this is the maximum funding amount per deal under the current 2009 NOFA. This will be discussed in more detail in the "Financing Structure" section of the report.

**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 2009 TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a DCR that remains above 1.15 with continued positive cashflow throughout a 30 year projection once the Underwriter's recommend financing structure is included in all calculations.

**ACQUISITION INFORMATION**

**ASSESSED VALUE**

Land Only:	17.1 acres	\$1,118,752	Tax Year:	2007
Per Acre:		\$65,340	Valuation by:	Williamson CAD
Total Assessed Value (12.3 acres):		\$803,682	Tax Rate:	2.57

**EVIDENCE of PROPERTY CONTROL**

Type:	<u>Commercial Contract for Purchase</u>	Acreage:	<u>12.3</u>
Contract Expiration:	<u>9/1/2009</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$1,854,000</u>	Other:	<u></u>
Seller:	<u>Leander 2243 Investments, LLC</u>	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**CONSTRUCTION COST ESTIMATE EVALUATION**

<i>COST SCHEDULE</i> Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
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**Acquisition Value:**

The Applicant's acquisition cost consists of the purchase price of \$1,854,000 plus closing costs and acquisition legal fees of \$7,500 for a total acquisition cost of \$1,861,500 or \$9,695 per unit. The acquisition costs appears to be reasonable since the transfer will be an arm's length transaction.

**Sitework Cost:**

The Applicant's sitework cost estimate equates to \$14,198 per unit which exceeds the Department's guideline of \$9,000 per unit. This cost has been documented and certified by a third-party professional engineer; and a CPA letter indicating which costs are attributable to eligible basis. Therefore further substantiation of these costs is not required.

Direct Construction Cost:

The Underwriter's *Marshall & Swift Residential Cost Handbook* -derived estimate of direct construction cost is 6% or \$579K higher than the Applicant's estimate.

Interim Interest Expense:

The interim interest expense was found to be within Departmental guidelines, therefore no adjustment to the eligible basis is warranted for this line-item expense.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion:

The Applicant's total development costs, as adjusted for the items identified above, are within 5% of the Underwriter's estimate; therefore the Applicant's development cost schedule will be utilized to determine the development's need for permanent funds and to calculate the eligible basis. An eligible basis of \$19,899,280 supports annual tax credits of \$2,037,189 based on a syndication rate of \$0.65. While the development is not located in a QCT or DDA, the application does qualify for a 30% boost due to the proposal to include more than 10% of its units at or below 30% AMI, pursuant to §49.6(h)(4)(C) of the 2009 Qualified Allocation Plan.

**FINANCING STRUCTURE**

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Leander 2243 Investments, LLC Type: Interim Private Loan

Principal: \$550,000 Conditions: To be used during pre-development.

Comments:

Leander 2243 Investments, LLC is the current owner / seller of the development site. It should be noted that these funds are to be used for pre-development fees and repaid within 6 months from the date of execution of the promissory note. The Applicant has assured the Underwriter that these funds are a loan and not a grant. Full repayment plus interest is necessary. The interest rate is set at 1% + "the highest prime rate as published on the date of execution of the Note in the Wall Street Journal." Please see the Identity of Interest section of the report for further explanation.

Source: PNC Multifamily Capital Type: Interim Financing

Principal: \$13,700,000 Interest Rate: PNC Prime + 100bps  Fixed Term: 24 months

Source: PNC Multifamily Capital Type: Permanent Financing

Principal: \$5,700,000 Interest Rate: 8.25%  Fixed Amort: 420 months

Comments:

Interest rate may be locked by providing deposit equal to 3% of the loan amount. Deposit will be funded upon conversion of the permanent loan. Borrower must also provide a promissory note to the lender at the time of rate lock in the amount of 5% of the permanent loan amount secured by a 2nd lien of trust against the property. The promissory note will be returned to the borrower upon the funding of the permanent loan and the deed of trust will then be released.

Source: TDHCA HOME Funds Type: TDHCA HOME Funds

Principal: \$3,000,000 Interest Rate: 0%  Fixed Amort: 420 months

Comments:

The application reflects a request of \$4M in TDHCA HOMECHDO funds. However, the Underwriter has limited the Applicant's request to \$3M as this is the maximum funding amount per development under to the 2009 NOFA. The Applicant is requesting that the HOME funds be structured as a fully repayable loan set at 0% interest and 35- year amortization. Any recommendation of a HOME award made in this report is contingent upon the availability of HOME funds and TDHCA Board approval. Should the HOME funds ultimately not be awarded, the financial feasibility of this transaction would be in jeopardy unless alternative sources of financing are found.



Source: PNC Multifamily Capital Type: Syndication  
 Proceeds: \$12,997,400 Syndication Rate: 65% Anticipated HTC: \$ 2,000,000  
 Comments:  
 Sensitivity test shows that if the syndication rate falls below \$0.58 per tax credit dollar the deferred developer fee becomes un-repayable within 15 years and pricing above \$0.68 results in an excess of funds which would cause a reduction in the awarded allocation.  
 Amount: \$464,150 Type: Deferred Developer Fees

**CONCLUSIONS**

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.15. However, the recommended financing structure reflects a change in the requested HOME/CHDO award from \$4M to \$3M. The lower amount is the maximum funding amount per development allowed under the current 2009 NOFA. Based on a \$3M HOME award the proforma analysis results in a DCR of 1.19 which is acceptable.

The Applicant's total development cost estimate less the permanent loan amount of \$5.7M and the recommended TDHCA HOME amount of \$3M indicates the need for \$14,461,551 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,225,299 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,037,189
Allocation determined by gap in financing:	\$2,225,299
<b>Allocation requested by Applicant:</b>	<b>\$2,000,000</b>

The allocation amount as requested by the Applicant is recommended. A tax credit allocation of \$2,000,000 per year for 10 years results in total equity proceeds of \$12,997,400 at a syndication rate of \$0.65 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$1,464,151 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 15 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. If the TDHCA HOME funds become unavailable to this development, then a classification of financial infeasibility is certain because the development will not be able to fill the gap in financing unless additional funds are provided.

Underwriter:	<i>Colton Sanders</i>	Date: <u>September 25, 2009</u>
Manager of Real Estate Analysis:	<i>Raquel Morales</i>	Date: <u>September 25, 2009</u>
Director of Real Estate Analysis:	<i>R. Brent Stewart</i>	Date: <u>September 25, 2009</u>

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Belmont Senior Village, Leander, 9% HTC / HOME #09138**

Type of Unit	Other	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 50%	HH	8	1	1	727	\$686	\$632	\$5,056	\$0.87	\$54.00	\$47.00
TC 50%		38	1	1	727	\$686	\$632	\$24,016	\$0.87	\$54.00	\$47.00
MR		10	1	1	727		\$670	\$6,700	\$0.92	\$54.00	\$47.00
TC 30%	LH	7	1	1	733	\$412	\$358	\$2,506	\$0.49	\$54.00	\$47.00
TC 50%		5	1	1	733	\$686	\$632	\$3,160	\$0.86	\$54.00	\$47.00
TC 50%		8	1	1	860	\$686	\$632	\$5,056	\$0.73	\$54.00	\$47.00
TC 30%	LH	4	2	1	917	\$495	\$426	\$1,704	\$0.46	\$69.00	\$54.00
TC 50%	HH	6	2	1	917	\$825	\$750	\$4,500	\$0.82	\$69.00	\$54.00
TC 50%		32	2	1	917	\$825	\$750	\$24,000	\$0.82	\$69.00	\$54.00
MR		6	2	1	917		\$750	\$4,500	\$0.82	\$69.00	\$54.00
TC 30%	LH	6	2	2	968	\$495	\$426	\$2,556	\$0.44	\$69.00	\$54.00
TC 50%		46	2	2	968	\$825	\$756	\$34,776	\$0.78	\$69.00	\$54.00
MR		4	2	2	968		\$825	\$3,300	\$0.85	\$69.00	\$54.00
TC 50%	HH	8	2	2	1,001	\$825	\$756	\$6,048	\$0.76	\$69.00	\$54.00
MR		4	2	2	1,001		\$825	\$3,300	\$0.82	\$69.00	\$54.00
<b>TOTAL:</b>		<b>192</b>		<b>AVERAGE:</b>	<b>868</b>		<b>\$683</b>	<b>\$131,178</b>	<b>\$0.79</b>	<b>\$63.06</b>	<b>\$51.23</b>

**INCOME**

Total Net Rentable Sq Ft: 166,624

**POTENTIAL GROSS RENT**

Secondary Income	Per Unit Per Month:	\$15.00
Other Support Income: Garages & Carports		

**POTENTIAL GROSS INCOME**

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.00%	\$310	0.36	\$59,473	\$56,500	\$0.34	\$294	3.70%
Management	5.00%	388	0.45	74,402	76,352	0.46	398	5.00%
Payroll & Payroll Tax	13.33%	1,033	1.19	198,346	178,000	1.07	927	11.66%
Repairs & Maintenance	6.49%	503	0.58	96,643	81,360	0.49	424	5.33%
Utilities	2.44%	189	0.22	36,324	39,000	0.23	203	2.55%
Water, Sewer, & Trash	7.13%	552	0.64	106,069	100,000	0.60	521	6.55%
Property Insurance	2.71%	210	0.24	40,284	35,000	0.21	182	2.29%
Property Tax	2.565554	5.79%	449	86,203	110,200	0.66	574	7.22%
Reserve for Replacements	3.23%	250	0.29	48,000	48,000	0.29	250	3.14%
TDHCA Compliance Fees	0.45%	35	0.04	6,720	7,680	0.05	40	0.50%
Other: Cable & Supp Services	2.68%	208	0.24	39,936	39,936	0.24	208	2.62%
<b>TOTAL EXPENSES</b>	<b>53.25%</b>	<b>\$4,127</b>	<b>\$4.76</b>	<b>\$792,399</b>	<b>\$772,028</b>	<b>\$4.63</b>	<b>\$4,021</b>	<b>50.56%</b>
<b>NET OPERATING INC</b>	<b>46.75%</b>	<b>\$3,623</b>	<b>\$4.17</b>	<b>\$695,645</b>	<b>\$755,020</b>	<b>\$4.53</b>	<b>\$3,932</b>	<b>49.44%</b>

**DEBT SERVICE**

PNC	33.49%	\$2,595	\$2.99	\$498,288	\$498,288	\$2.99	\$2,595	32.63%
TDHCA - HOME Funds	7.68%	\$595	\$0.69	114,286	114,286	\$0.69	\$595	7.48%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>5.58%</b>	<b>\$433</b>	<b>\$0.50</b>	<b>\$83,071</b>	<b>\$142,446</b>	<b>\$0.85</b>	<b>\$742</b>	<b>9.33%</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>				<b>1.14</b>	<b>1.23</b>			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>				<b>1.19</b>				

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		7.73%	\$9,695	\$11.17	\$1,861,500	\$1,861,500	\$11.17	\$9,695	8.04%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		11.32%	14,198	16.36	2,726,035	2,726,035	16.36	14,198	11.77%
Direct Construction		42.01%	52,706	60.73	10,119,571	9,539,775	57.25	49,686	41.19%
Contingency	4.77%	2.55%	3,194	3.68	613,290	613,290	3.68	3,194	2.65%
Contractor's Fees	13.37%	7.13%	8,944	10.31	1,717,214	1,717,214	10.31	8,944	7.41%
Indirect Construction		5.17%	6,489	7.48	1,245,909	1,245,909	7.48	6,489	5.38%
Ineligible Costs		5.60%	7,021	8.09	1,347,970	1,000,770	6.01	5,212	4.32%
Developer's Fees	14.51%	10.78%	13,519	15.58	2,595,558	2,595,558	15.58	13,519	11.21%
Interim Financing		6.07%	7,612	8.77	1,461,500	1,461,500	8.77	7,612	6.31%
Reserves		1.66%	2,083	2.40	400,000	400,000	2.40	2,083	1.73%
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$125,461</b>	<b>\$144.57</b>	<b>\$24,088,547</b>	<b>\$23,161,551</b>	<b>\$139.00</b>	<b>\$120,633</b>	<b>100.00%</b>	
<b>Construction Cost Recap</b>	<b>63.00%</b>	<b>\$79,042</b>	<b>\$91.08</b>	<b>\$15,176,110</b>	<b>\$14,596,314</b>	<b>\$87.60</b>	<b>\$76,022</b>	<b>63.02%</b>	

**SOURCES OF FUNDS**

				TDHCA	APPLICANT	RECOMMENDED	
PNC	23.66%	\$29,688	\$34.21	\$5,700,000	\$5,700,000	\$5,700,000	Developer Fee Available
TDHCA - HOME Funds	16.61%	\$20,833	\$24.01	4,000,000	4,000,000	3,000,000	\$2,595,558
PNC - HTC Syndication Proceeds	53.96%	\$67,695	\$78.00	12,997,400	12,997,400	12,997,400	% of Dev. Fee Deferred
Deferred Developer Fees	1.93%	\$2,417	\$2.79	464,150	464,150	1,464,151	56%
Additional (Excess) Funds Req'd	3.85%	\$4,828	\$5.56	926,997	1	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$24,088,547</b>	<b>\$23,161,551</b>	<b>\$23,161,551</b>	<b>\$2,300,954</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Belmont Senior Village, Leander, 9% HTC / HOME #09138*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$57.82	\$9,634,747
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	3.00%		1.73	289,042
9-Ft. Ceilings	3.00%		1.73	289,042
Elevators	\$63,600	3	1.15	190,800
Subfloor			(0.96)	(159,174)
Floor Cover			2.29	381,324
Breezeways/Balconies	\$22.95	6,668	0.92	153,031
Plumbing Fixtures	\$856	156	0.80	133,474
Rough-ins	\$413	360	0.89	148,724
Built-In Appliances	\$1,887	192	2.17	362,384
Exterior Stairs	\$1,875	18	0.20	33,750
Enclosed Corridors	\$47.90	23,676	6.81	1,134,158
Heating/Cooling			1.83	304,922
Garages/Carports	\$24.35	32,000	4.68	779,200
Comm &/or Aux Bldgs	\$71.50	8,527	3.66	609,681
Other: fire sprinkler	\$2.15	166,624	2.15	358,242
<b>SUBTOTAL</b>			<b>87.88</b>	<b>14,643,347</b>
Current Cost Multiplier	1.01		0.88	146,433
Local Multiplier	0.87		(11.42)	(1,903,635)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$77.34</b>	<b>\$12,886,145</b>
Plans, specs, survy, bld prmts	3.90%		(\$3.02)	(\$502,560)
Interim Construction Interest	3.38%		(2.61)	(434,907)
Contractor's OH & Profit	11.50%		(8.89)	(1,481,907)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$62.82</b>	<b>\$10,466,771</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$5,700,000	Amort	420
Int Rate	8.25%	DCR	1.40

<b>Secondary</b>	\$4,000,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.14

<b>Additional</b>	\$12,997,400	Amort	
Int Rate		Aggregate DCR	1.14

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$498,288
Secondary Debt Service	85,714
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$111,642</b>

<b>Primary</b>	\$5,700,000	Amort	420
Int Rate	8.25%	DCR	1.40

<b>Secondary</b>	\$3,000,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.19

<b>Additional</b>	\$12,997,400	Amort	0
Int Rate	0.00%	Aggregate DCR	1.19

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,574,136	\$1,605,619	\$1,637,731	\$1,670,486	\$1,703,895	\$1,881,238	\$2,077,039	\$2,293,219	\$2,795,421
Secondary Income	34,560	35,251	35,956	36,675	37,409	41,302	45,601	50,347	61,373
Other Support Income: Garages & Carpor	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,608,696	1,640,870	1,673,687	1,707,161	1,741,304	1,922,541	2,122,640	2,343,566	2,856,794
Vacancy & Collection Loss	(120,652)	(123,065)	(125,527)	(128,037)	(130,598)	(144,191)	(159,198)	(175,767)	(214,260)
Employee or Other Non-Rental Units or C	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,488,044</b>	<b>\$1,517,805</b>	<b>\$1,548,161</b>	<b>\$1,579,124</b>	<b>\$1,610,706</b>	<b>\$1,778,350</b>	<b>\$1,963,442</b>	<b>\$2,167,799</b>	<b>\$2,642,535</b>
<b>EXPENSES at 3.00%</b>									
General & Administrative	\$59,473	\$61,258	\$63,095	\$64,988	\$66,938	\$77,599	\$89,959	\$104,287	\$140,153
Management	74,402	75,890	77,408	78,956	80,535	88,918	98,172	108,390	132,127
Payroll & Payroll Tax	198,346	204,296	210,425	216,738	223,240	258,796	300,016	347,800	467,414
Repairs & Maintenance	96,643	99,542	102,528	105,604	108,772	126,097	146,181	169,464	227,745
Utilities	36,324	37,414	38,536	39,692	40,883	47,395	54,943	63,694	85,600
Water, Sewer & Trash	106,069	109,251	112,529	115,904	119,382	138,396	160,439	185,993	249,959
Insurance	40,284	41,492	42,737	44,019	45,339	52,561	60,932	70,637	94,931
Property Tax	86,203	88,789	91,452	94,196	97,022	112,475	130,389	151,157	203,142
Reserve for Replacements	48,000	49,440	50,923	52,451	54,024	62,629	72,604	84,168	113,115
Other	46,656	48,056	49,497	50,982	52,512	60,875	70,571	81,812	109,948
<b>TOTAL EXPENSES</b>	<b>\$792,399</b>	<b>\$815,427</b>	<b>\$839,131</b>	<b>\$863,531</b>	<b>\$888,647</b>	<b>\$1,025,741</b>	<b>\$1,184,207</b>	<b>\$1,367,402</b>	<b>\$1,824,134</b>
<b>NET OPERATING INCOME</b>	<b>\$695,645</b>	<b>\$702,378</b>	<b>\$709,030</b>	<b>\$715,593</b>	<b>\$722,059</b>	<b>\$752,609</b>	<b>\$779,235</b>	<b>\$800,397</b>	<b>\$818,401</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$498,288	\$498,288	\$498,288	\$498,288	\$498,288	\$498,288	\$498,288	\$498,288	\$498,288
Second Lien	85,714	85,714	85,714	85,714	85,714	85,714	85,714	85,714	85,714
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$111,642</b>	<b>\$118,375</b>	<b>\$125,028</b>	<b>\$131,591</b>	<b>\$138,057</b>	<b>\$168,607</b>	<b>\$195,233</b>	<b>\$216,395</b>	<b>\$234,399</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.19</b>	<b>1.20</b>	<b>1.21</b>	<b>1.23</b>	<b>1.24</b>	<b>1.29</b>	<b>1.33</b>	<b>1.37</b>	<b>1.40</b>

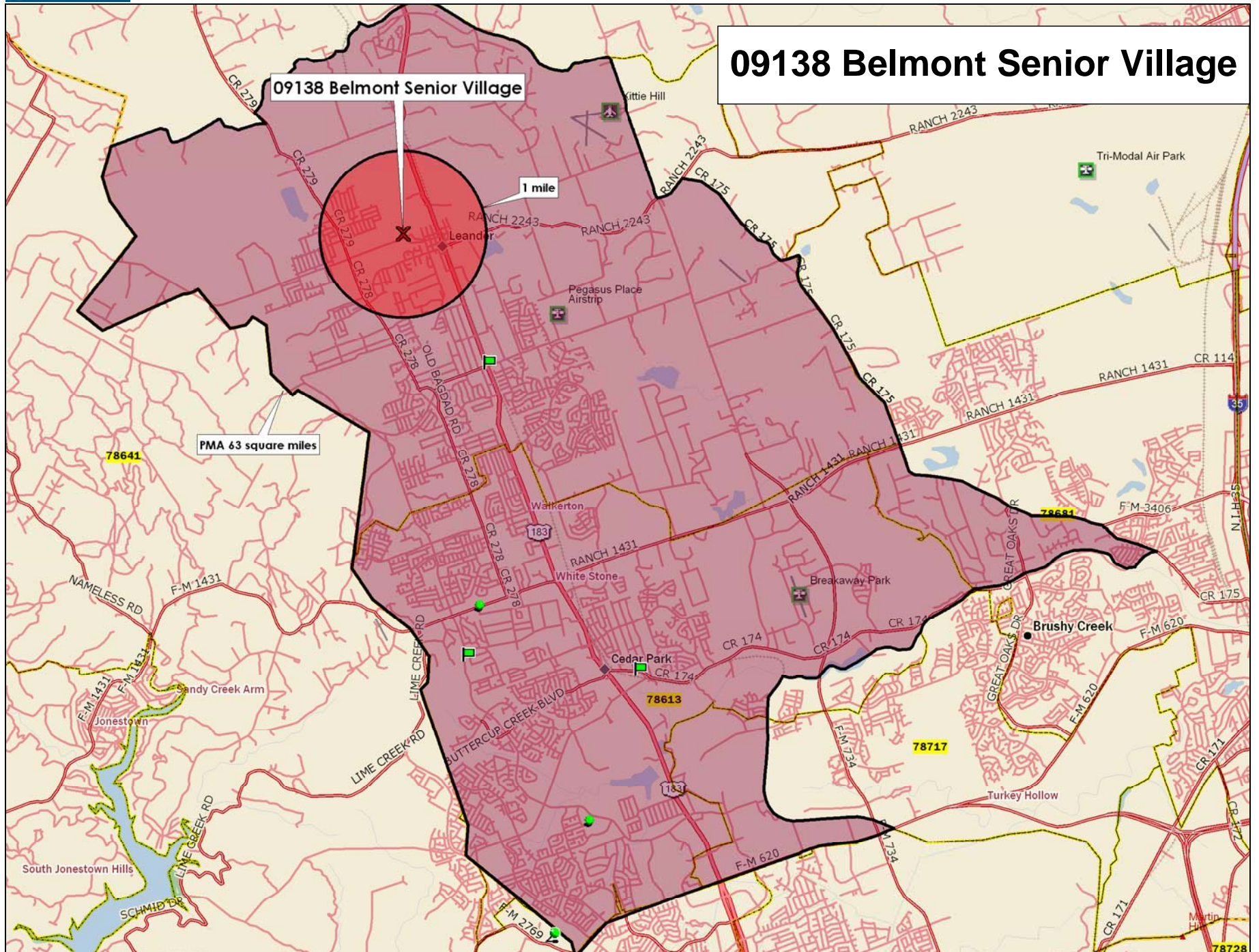
**HTC ALLOCATION ANALYSIS -Belmont Senior Village, Leander, 9% HTC / HOME #09138**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,861,500	\$1,861,500		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$2,726,035	\$2,726,035	\$2,726,035	\$2,726,035
<b>Construction Hard Costs</b>	\$9,539,775	\$10,119,571	\$9,539,775	\$10,119,571
<b>Contractor Fees</b>	\$1,717,214	\$1,717,214	\$1,717,213	\$1,717,214
<b>Contingencies</b>	\$613,290	\$613,290	\$613,290	\$613,290
<b>Eligible Indirect Fees</b>	\$1,245,909	\$1,245,909	\$1,245,909	\$1,245,909
<b>Eligible Financing Fees</b>	\$1,461,500	\$1,461,500	\$1,461,500	\$1,461,500
<b>All Ineligible Costs</b>	\$1,000,770	\$1,347,970		
<b>Developer Fees</b>				
Developer Fees	\$2,595,558	\$2,595,558	\$2,595,558	\$2,595,558
<b>Development Reserves</b>	\$400,000	\$400,000		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$23,161,551</b>	<b>\$24,088,547</b>	<b>\$19,899,280</b>	<b>\$20,479,077</b>

<b>Deduct from Basis:</b>			
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)			
<b>TOTAL ELIGIBLE BASIS</b>		\$19,899,280	\$20,479,077
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$25,869,065	\$26,622,801
Applicable Fraction		87.50%	87.50%
<b>TOTAL QUALIFIED BASIS</b>		\$22,635,431	\$23,294,950
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$2,037,189	\$2,096,546

<b>Syndication Proceeds</b>	<b>0.6499</b>	<b>\$13,239,079</b>	<b>\$13,624,821</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$2,037,189</b>	<b>\$2,096,546</b>
<b>Syndication Proceeds</b>		<b>\$13,239,079</b>	<b>\$13,624,821</b>
<b>Requested Tax Credits</b>		<b>\$2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$12,997,400</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$14,461,551</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$2,225,299</b>	

# 09138 Belmont Senior Village

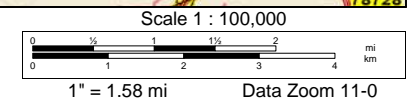


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**SHACKELFORD MELTON & MCKINLEY**  
ATTORNEYS & COUNSELORS

John C. Shackelford  
Also Admitted in Florida and Georgia  
Direct 214.780.1414  
jshack@shacklaw.net

March 3, 2010

**VIA E-MAIL**

Michael Gerber, Executive Director  
Texas Department of Housing and Community Affairs  
211 East 11<sup>th</sup> Street  
Austin, TX 78701

Re: Taylor Farms, Dallas, TX, Dallas County  
Housing Tax Credit Development No. 09314/09760

Dear Mr. Gerber,

This law firm represents TF Development, LP ("Applicant"), and the purpose of this letter is to advise the Texas Department of Housing and Community Affairs ("TDHCA") of a change to the site acreage of the Taylor Farms site plan.

During the platting process with the City of Dallas, the project civil engineer and architect discovered a design issue during a project coordination meeting. The detached garage footprints were larger than the space that was allocated on the plan originally. The 8 car garage was 16 feet larger and the 4 car garage was 12 feet larger than the space allocated on our original plan. This discovery resulted in a need to add .544 acres of irregular shaped land adjacent to the 4.972 acre parcel that has been approved by TDHCA.

It is important to note that the additional .544 acres added to the site plan contains no structures or amenities, but only contains an impervious covering parking lot that is needed to comply with the parking requirements of the MF-3 zoning category.

Since the Taylor Farms site has been amended once from the original application size of 4.528 to 4.972 acres, the additional .544 acres now needed for the development would represent a material change to the site plan per Section 49.17(d)(4)(G) and needs TDHCA Board approval.

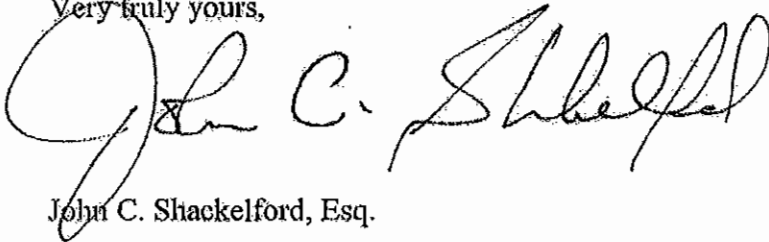
Michael Gerber, Executive Director  
Texas Department of Housing and Community Affairs  
March 3, 2010  
Page 2

09760/09314

The additional .544 acres is being added at no additional cost consideration to the Applicant and therefore does not affect the TDHCA approved underwriting of the project. Additionally the Applicant did not submit a 2009 Pre-Application for Taylor Farms. As you pointed out in your January 8, 2010 letter to our office supporting the first change to the site-plan, "Staff found that the change in the land would not have affected the recommendation to award tax credits because there was no Pre-Application and consequently no effect on the application's score."

Based on the aforementioned factors, we feel confident that the TDHCA Board, once apprised of the situation, will agree to amend the Taylor Farms site-plan from 4.972 acres to 5.516 acres so that LURA site-plan and the approved preliminary plat with the City of Dallas are identical. We respectfully ask that we be added to the agenda so that we can address the Board at the March 11, 2010 meeting.

Very truly yours,



John C. Shackelford, Esq.

JCS/sd

cc: Brandon Bolin (*via e-mail*)  
Terri Anderson (*via e-mail*)

Enclosures: Plat approval letter – City of Dallas  
Taylor Farms Survey – 5.516 acres



CITY OF DALLAS

09760/09314

January 8, 2010

SLF III / Incap, L.P.  
Attn: Joe Greer  
300 Crescent Ct. Suite 1100  
Dallas, Texas 75201

**RE: S 090-032**

The City Plan Commission on Thursday, January 7, 2010 approved your preliminary plat Taylor farms Addition, subject to the following conditions:

1. The final plat must conform to all requirements of the Dallas Development Code, Texas Local Government Code, Texas Land Surveying Practices Act and the Rules and Regulations of the Texas Board of Land Surveying.
2. Sustainable Development and Construction, Engineering Division must verify that the plat conforms with water, wastewater and easement requirements under the provisions of Chapter 49 of the Dallas City Code.
3. Compliance with all plans, contracts, ordinances and requirements of the City.
4. Fire apparatus access roads and the number and location of fire hydrants must comply with the Dallas Fire Code.
5. Any structure new or existing may not extend across new property lines unless any proposed construction, renovation, conversion, etc. of the building complies with the Dallas Building Code to permit the building to cross lot lines. In addition, any detached sign must be shown on the final plat.
6. Provide a copy of the digital electronic CADD file of the final plat at the time the final plat is submitted for signature by the Chairman of the City Plan Commission in a format that is compatible with the "Microstation" format.
7. The final plat is limited to a maximum of one lot.




8. Submit drainage and/or paving plans, prepared by a Professional Engineer, to Sustainable Development and Construction, Engineering Division, Room 200, Oak Cliff Municipal Center. Additions and alterations to the public infrastructure require approval and may require private development contracts with bonds.
9. Place a note on the final plat "Lot to lot drainage is not allowed without Engineering Section approval."
10. On the final plat, dedicate 28 feet of ROW from the established centerline of Pinnacle Park Blvd.
11. The proposed plat must comply with the requirements of the Escarpment Application approval.
12. Site plan must be submitted to the Water/Wastewater Section in Room 200 of 320 E. Jefferson Blvd. showing proposed buildings and development.

These conditions represent additional requirements for preparing the final plat. It will be necessary for your engineer or your surveyor to work directly with the various city departments and public utilities involved in the platting process to determine their individual requirements.

If you have any questions concerning the action of the City Plan Commission, please contact me at (214) 948-4381.

Sincerely,



Mike Grace, AICP  
Senior Planner, Current Planning Division  
Sustainable Development and Construction Department

cc Kimley-Horn & Associates, Inc.  
Attn: David Meyers  
12700 Park Central Dr. #1800  
Dallas, Texas 75251

E-Mail: Phillip Erwin, Michael R. Miller, Stacy Salinas, Casey Burgess, John Stepp,  
Kathryn Branson, Hamid Fard, Mina Eskander, and Danny Fugate







April 6, 2010

Ms. Robbye Meyer  
Director, Multifamily Finance Production Division  
Texas Department of Housing and Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, Texas 78701

Re: TDHCA # 09138 – Belmont Senior Village  
Amendment Request to Add 60% AMI units and 30% AMI units

Dear Robbye,

Per our email conversations, please find attached our requested amendment to change some of the 50% AMI units to 60% and 30% AMI units.

In V4T3 (Income Level of Tenants), we would like to change our selection here to 40% of Low Income Units set aside with income at or below a combination of 50% and 30% of AMGI in which at least 5% of the Low Income Units are at 30% of AMGI. This change in selection would result in no change to our scoring.

In V4T6 (Rent Levels of Units), we are maintaining our selection of an additional 10% of all Low Income Units in excess of those committed in section (i)(3) of this section at rents at or below 50% of AMGI.

Please find attached:

1. Revised V4T3
2. V4T6 (*Unchanged*)
3. Revised Rent Schedule
4. Utility Allowances (*Unchanged*)
5. Revised Detailed Expenses
6. Revised 30 Yr Proforma
7. Development Cost Schedule
8. Revised Sources & Uses
9. Revised Reasonably Expected Basis
10. Revised Financing Narrative
11. Revised Market Data from O'Conner for the 60% rents
12. Revised Term Sheet from JP Morgan Chase
13. Revised Equity LOI from NEF

Sincerely,

A handwritten signature in black ink, appearing to read 'Colby Denison', with a long horizontal flourish extending to the right.

Colby Denison  
DDC Belmont, Ltd

**Volume 4, Tab 3  
Income Levels of Tenants (§49.9(i)(3))**

Applications may qualify to receive up to 22 points for qualifying under this exhibit. Select the appropriate box for points applied for:

To qualify for these points, the household incomes must not be higher than permitted by the AMGI level. The Development Owner, upon making selections for this exhibit, will set aside Units at the levels of AMGI and will maintain the percentage of such Units continuously over the compliance and extended use period as specified in the LURA. These income levels require corresponding rent levels that do not exceed 30% of the income limitation. Do NOT count employee Units in Low Income Units. Do not round.

If the Development includes Units that are not Low Income Units (i.e. market rate units), at least 10% of all the Units that are not Low Income Units must be set aside with incomes at or below 80% of AMGI in order for the Application to qualify for these points. \* See Note in VITZPB

- 22 points if at least 80% of the Low Income Units in the Development are set-aside with incomes at or below 50% of AMGI; or
- 22 points if at least 40% of the Low Income Units in the Development are set-aside with incomes at or below a combination of 50% and 30% of AMGI in which at least 5% of the Low Income Units are at or below 30% of AMGI; or
- 20 points if at least 60% of the Low Income Units in the Development are set-aside with incomes at or below 50% of AMGI; or
- 18 points if at least 10% of the Low Income Units in the Development are set-aside with incomes at or below 30% of AMGI; or
- 16 points if at least 40% of the Low Income Units in the Development are set-aside with incomes at or below 50% of AMGI; or
- 14 points if at least 35% of the Low Income Units in the Development are set-aside with incomes at or below 50% of AMGI.

*New Selection per Amendment\**

**\* NO LOSS OF POINTS \***



**\* NO CHANGE \***

09793/09138

**Volume 4, Tab 6 (§49.9(i)(7))  
Rent Levels of the Units**

In order for Applications to qualify for points under this item, the Application **MUST** have qualified for points under subsection (i)(3) of this section (Volume 4, Tab 3 Income Levels of Tenants of the Development). Applications may qualify to receive up to 12 points for qualifying under either Part A or Part B of this exhibit by providing additional Low Income Units at or below 50% AMGI (must round up to the next whole Unit, not less than one Unit).

Select the appropriate box for points applied for:

**Part A** Application requests 12 points for providing an additional 10% of all Low Income (LI) Units in excess of those committed in subsection (i)(3) of this section at rents and incomes at or below 50% of AMGI;

or

**Part B** Application requests 6 points for providing an additional 5% of all Low Income (LI) Units in excess of those committed in subsection (i)(3) of this section at rents and incomes at or below 50% of AMGI;

Complete the calculations below. Do NOT count employee Units in LI Units:

1. Number of LI Units at or below 50% AMGI 168 ÷ Total number LI Units 168  
= 100% of LI Units at or below 50% AMGI
  
2. Percentage of LI Units at or below 50% AMGI used to qualify for points under §49.9(i)(3)  
(80%, 60%, 40%, 35% or 10%)  
= 80%
  
3. Percentage of all LI Units in excess of those committed in subsection (i)(3) at rents and incomes at or below 50% of AMGI (Percentage from 1 minus percentage from 2)  
= 20%







April 15, 2010

Colby W. Denison  
Denison Development & Construction  
3701 North Lamar, Ste. 206  
Austin, Texas 78705

*Re: Belmont Senior Village – Request for Amendment to Include 60% Rents*

Dear Colby,

NEF is currently underwriting Belmont Senior Village. Preliminary data from our market analyst indicates that the project may experience difficulty with lease-up efforts due to the fact that, with the exception of the 24 market rate units, all of the proposed 192 units are currently targeted to residents with incomes at or below 50% of Area Median Incomes (AMI).

To increase marketability of the project, NEF is requesting that you seek an amendment to your tax credit application from TDHCA to allow for a portion of the units to be rented at or below 60% AMI. Such an amendment would enable the project to target an additional band of prospective renters not currently contemplated in your structure. NEF believes this additional band of renters is crucial to the project's success in the emerging Leander market.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hunter Botts', is written over a light blue horizontal line.

Hunter Botts  
Vice President

Magill Development Company, LLC  
5851 San Felipe – Suite 700  
Houston, Texas 77057  
713-785-6006

01029

April 5, 2010

Mr. Ben Sheppard  
TDHCA – Multifamily Division  
Amendment Specialist  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

Re: Brazos Landing #01029  
HUB Amendment

Dear Ben:

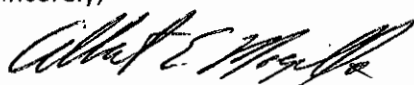
Over the last several months I have been working with Elizabeth Henderson in an effort to obtain a modification of ownership of Magill Development Company, LLC to release Jennifer Magill from her majority ownership as called for in my recent Capital One Loan Agreement (attached) on FW Mill Stone Partners, L.P. #09007.

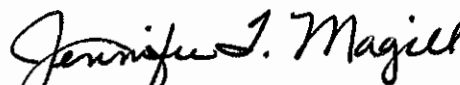
Elizabeth stated that the transfer of ownership does not require approval by the department for all of Magill Development Company partnership interests with the exception of Brazos Landing #01029. She explained that points were awarded only for Brazos Landing #01029 HUB certification and that it would require an Amendment that may need Board Action. In reviewing the 2001 QAP, points were awarded to the HUB if the MWOB guaranteed the construction loan and the GP obligations. Since the property was built, leased and converted to a Permanent loan in April 2004 all Guaranty's of the Key Principals have expired and no longer requires Jennifer Magill as a participant. Third Party management maintains all of the day to day operation of the property with little or no action by Magill Development Company. Additionally, over the years Jennifer has taken less of an active role in our business than she did in the early years.

It was suggested that we try to find another HUB to take Jennifer's position. However, to relinquish control of the company to a non family member would require a large amount of compensation that would prove unlikely. Also, the suggestion that we form a new entity to apply for HUB Certification would not be viewed favorably by the Texas Work Force Commission since it would require an operational and financial history that now have been passed to the property management company.

As a result of Capital One's requirement and Jennifer's concurrence, please accept this letter and the required Amendment Fee of \$2,500 to seek approval for Magill Development Company in its request to reduce Jennifer Magill's ownership to the level as required by Capital One's Loan Agreement on the Mill Stone Apartments #09007.

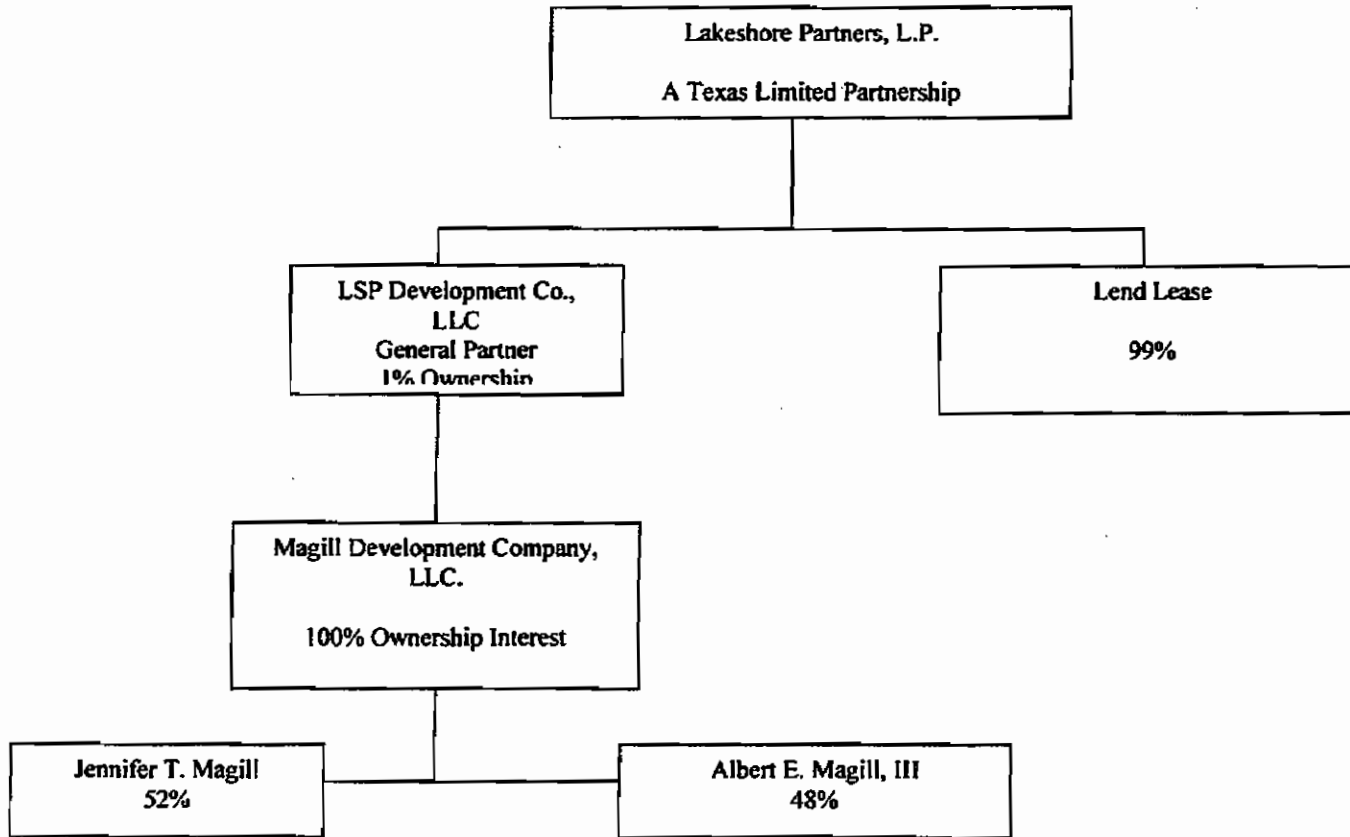
Sincerely,

  
Albert E. Magill, III  
Manager

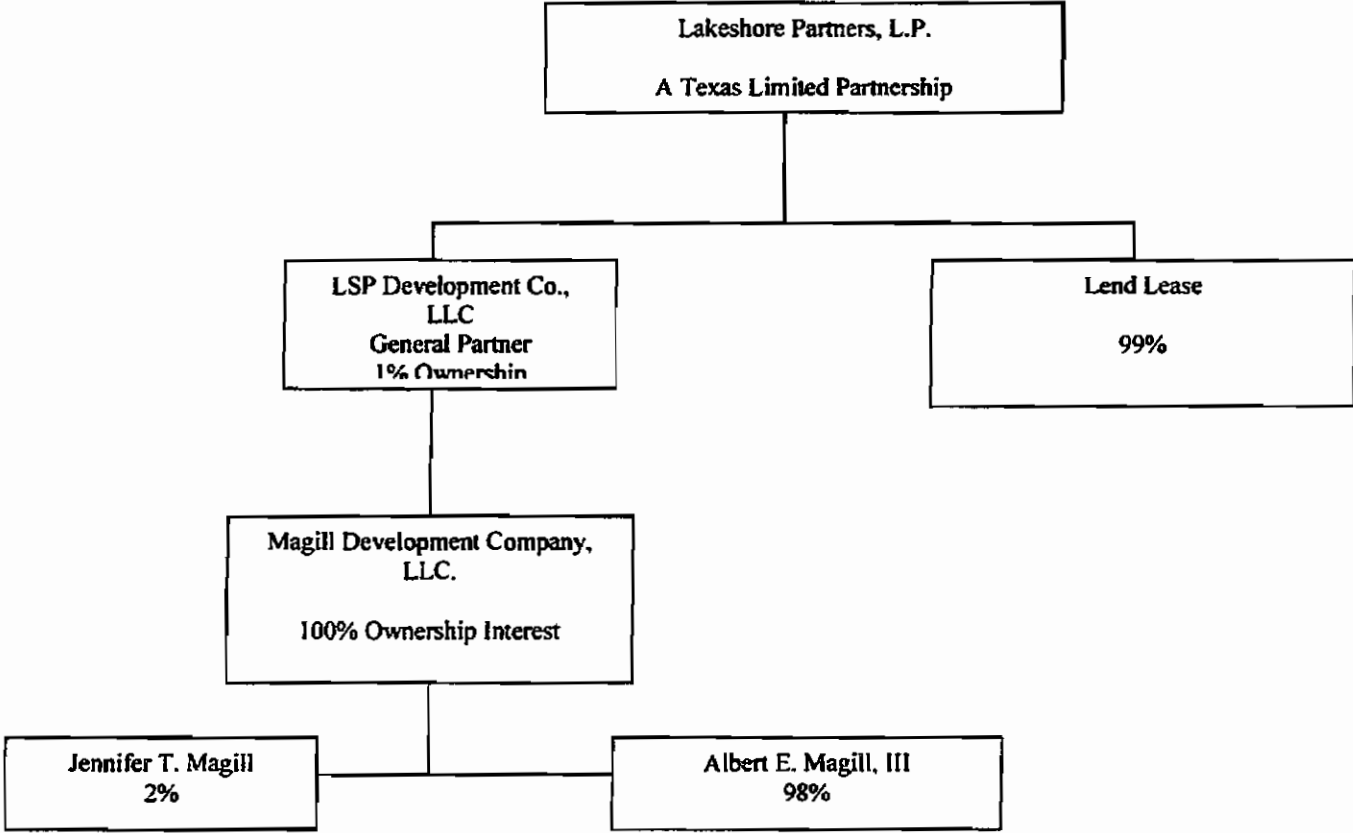
  
Jennifer T. Magill  
Manager

04-07-10 A10:17 IN

# Brazos Landing Townhomes



**Brazos Landing Townhomes  
Amended per change in Magill Development**



**Magill Development Company, LLC**

5851 San Felipe – Suite 700  
Houston, Texas 77057  
713-785-6006

01029

January 5, 2010

Ms. Robbye Meyer  
Director of Multi-family Finance  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701

Re: Transfer of Ownership Interest  
Magill Development Company, LLC

Dear Ms. Meyer:

Please be advised that as a result of the terms of our latest financing of affordable housing as it related to the Mill Stone Apartments, Capital One (Lender) is requiring that Magill Development Company, LLC amend its ownership structure to minimize the ownership interest of Jennifer T. Magill. As a result of this Capital One requirement we are seeking approval from TDHCA to transfer Jennifer T. Magill's 50% ownership interest in Magill Development Company, LLC to Albert E. Magill, III.

This request is necessary as a result of Magill Development Company, LLC having ownership interest in various General Partners included in Limited Partnerships that own a number of affordable housing developments that are subject to Land Use Restrictive Covenants that are included in the TDHCA oversight.

Although none of the properties will result in an ownership change nor a General Partner change and no new individuals or entities will be inserted to the ownership it will require a shift in % Interest. To that end we have enclosed Original Organizational Charts for each effected partnership along with a Modified Organization Chart for your review.

Since Magill Development Company, LLC was certified as a HUB in 2001 and continues this certification today this impending ownership change will cause that HUB certification to be terminated. Only one Development , Brazos Landing Townhomes TDHCA #01029 received Selection Criteria points as a qualified HUB and is required to obtain TDHCA approval for its release.

The Transfer of Jennifer Magill's interest does not trigger a change in ownership and therefore does not have any Right of First Refusal ramifications.

The Transfer of Jennifer Magill's interest does not affect any LURA requirements with the exception of Brazos Landing Townhomes and that LURA is attached for your review.

The Transfer of Jennifer Magill's interest does not change any property or Ownership other than that which is presented in the revised Organization Charts.

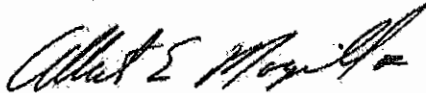
The Transfer of Jennifer Magill's interest does not change any Organization Documents of property ownership.

The Transfer of Jennifer Magill's interest does not change any Previous Participation of any of the principals or entities in any of the property ownership.

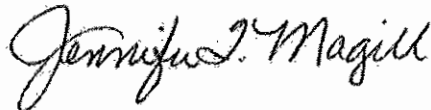
The Transfer of Jennifer Magill's interest does not does not require the transfer of real property.

If you require any additional information regarding this transfer or its minimal affect on the ongoing operation of any property that Magill Development Company, LLC has an interest please feel free to contact me.

Sincerely,



Albert E. Magill, III  
Manager  
Magill Development Company, LLC



Jennifer T. Magill  
Manager  
Magill Development Company, LLC

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
May 12, 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 receiving and processing documents, the Board extended the deadline for closing at the November 9, 2009 meeting and subsequently at the March 11, 2010 meeting, and

**WHEREAS**, the Department has closed 23 of 87 Developments originally awarded funds, and

**WHEREAS**, an additional non-refundable \$2500 extension fee per development will be required to be submitted and be, along with any prior extension fee and payment of any other past due fees before and additional extension is provided, 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 applicants may, upon payment of a \$2500 extension fee and payment of any other past due fees, be granted an extension of 60 days, such extension to apply to the following Exchange policy deadlines: closing, commencement of substantial construction (for 2007 and 2008 only), 10% Test (for 2007 and 2008 only) and placement in service (for 2007 and 2008 only).

**Background**

At the November 2009 meeting, the Board set all Exchange program closing deadlines to March 31, 2010 due to staff delays in document preparation. The 10% Test and Substantial Construction deadlines for 2007 and 2008 application were likewise reset for May 31, 2010 and Placement in Service was set at March 31, 2011. 2009 applications would have the usual 10% Test, Substantial Construction and Placement in Service deadlines according to the 2009 Qualified Allocation Plan and Rules.



At the March 11, 2010 meeting, staff recommended a 60 day extension of the Exchange deadlines in the presentation to the Board; however, there was some confusion between the printed material and what was presented and approved. The presentation recommended the closing deadline for all applications (2007, 2008 and 2009) be extended to May 31, 2010. For 2007/2008 applications, the 10% Test and Substantial Construction deadline to be extended to July 31, 2010 and Placement in Service for 2007/2008 application to be extended to July 31, 2011. For 2009 applications, the 10% Test, Substantial Construction and Placement in Service will remain according to the 2009 QAP (December 1, 2010, December 1, 2010 and December 31, 2011, respectively)

The Qualified Allocation Plan and Rules stipulates that a \$2500 extension fee be paid by a development prior to processing any extension request. The Board waived such extension fee when it reset the deadlines in November of 2009 and provided that a credit be given to those transactions that required an extension but closed by the amended May 31, 2010 deadline that was granted at the March meeting. Staff is recommending that developments requiring this additional extension pay the fee prior to receiving the extension and that the credit offer provided previously not be extended to the deadlines.

Staff recommends the Board accept these clarifications.

Year	Closing	10% test	Commencement of Substantial Construction	Placed in Service
2007-2008	7/31/2010	9/31/2010	9/31/2010	9/31/2011
2009	7/31/2010	12/1/2010	12/1/2010	12/31/2011

Staff will continue to report the status of the Exchange program application to the Board on a monthly basis and advising the Board of any issues that need Board resolution. Staff will notify all applicants of these clarifications and proceedings.

**EXCHANGE CLOSING CALENDAR  
AS OF MAY 4, 2010**

Exchange	2007	2008	Development Name	City	Region	Extension Request	Projected Closing Date	REQUESTED EXTENSION - UPDATED CLOSING DATE	Other Funding
09951			Canyons Retirement Community	Amarillo	1	REQUESTED EXTENSION	NO WORD	08/30/10	
09946			Cedar Street Apartments	Brownfield	1	REQUESTED EXTENSION	CLOSING WEEK OF 5.3.10	OPEN DATE REQUEST	
09914		08091	StoneLeaf at Dalhart	Dalhart	1		CLOSED		
09949			Hampton Villages	Pampa	1		CLOSED		
09920		08142	Anson Park Seniors	Abilene	2		CLOSED		
09906	07194	08932	377 Villas	Brownwood	2	TDHCA REQUIRED CLOSING	CLOSED		
09955			Oakwood Apartments	Brownwood	2	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - USDA DEAL	OPEN DATE REQUEST	HOME USDA
09953			Gholson Hotel	Ranger	2	REQUESTED EXTENSION	IN REVIEW PROCESS	OPEN DATE REQUEST	
09952			Villages at Snyder	Snyder	2	REQUESTED EXTENSION	CLOSED	05/31/10	
09965			Peachtree Seniors	Balch Springs	3	REQUESTED EXTENSION	NO WORD	05/31/10	
09958			Crestmoor Park South Apartments	Burleson	3	REQUESTED EXTENSION	IN REVIEW PROCESS - USDA DEAL	OPEN DATE REQUEST	HOME USDA
09913	07303	08096	Villas on Raiford	Carrollton	3	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	OPEN DATE REQUEST	
09937		08264	Cambridge Crossing	Corsicana	3		CLOSED		HOME
09940		08297	St. Charles Place	Crowley	3	REQUESTED EXTENSION	IN REVIEW - USDA DEAL	OPEN DATE REQUEST	HOME USDA
09927		08207	Carpenter's Point	Dallas	3		CLOSED		
09963			Hacienda Del Sol	Dallas	3	REQUESTED EXTENSION	NO WORD	OPEN DATE REQUEST	
09957			Woodland Park at Decatur	Decatur	3	REQUESTED EXTENSION	NO WORD	OPEN DATE REQUEST	
09928		08233	Heritage Park Vista	Fort Worth	3	REQUESTED EXTENSION	CLOSED	04/30/10	
09941		08298	Residences at Stalcup	Fort Worth	3	REQUESTED EXTENSION	CLOSED	04/30/10	
09961			Lincoln Terrace	Fort Worth	3	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	OPEN DATE REQUEST	
09947			Mineral Wells Pioneer Crossing	Mineral Wells	3		CLOSED		HOME
09967			Millie Street Apartments	Longview	4	REQUESTED EXTENSION	CLOSED	03/22/10	
09966			Turner Street Apartments	Palestine	4	REQUESTED EXTENSION	IN REVIEW PROCESS	03/22/10	
09936		08262	Lake View Apartment Homes	Tyler	4	REQUESTED EXTENSION	NO WORD	05/31/10	
09971			Stone Hearst Seniors	Beaumont	5	REQUESTED EXTENSION	IN REVIEW PROCESS	05/31/10	
09970			Lufkin Pioneer Crossing for Seniors	Lufkin	5	REQUESTED EXTENSION	IN REVIEW PROCESS	05/31/10	HOME
09968			Arbor Pines Apartment Homes	Orange	5	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE	05/30/10	
09907	07203	08908	Melbourne Apartments	Alvin	6	REQUESTED EXTENSION	CLOSED	OPEN DATE REQUEST	
09910	07246	08917	Lexington Square	Angleton	6	REQUESTED EXTENSION	IN REVIEW PROCESS - PENDING CDBG CLOSING	OPEN DATE REQUEST	
09912	07300	08922	Wentworth Apartments	Atascocita	6	REQUESTED EXTENSION	CLOSED	OPEN DATE REQUEST	
09945		08304	Park Place Apartments	Cleveland	6	REQUESTED EXTENSION	DOCS READY TO CLOSE - WAITING ON DEVELOPER	OPEN DATE REQUEST	
09981			Casa Brazoria	Clute	6	REQUESTED EXTENSION	IN REVIEW PROCESS	05/31/10	
09902	07103	08924	Oak Tree Village	Dickinson	6		CLOSED		
09974			Courtwood Apts	Eagle Lake	6	REQUESTED EXTENSION	NO WORD - USDA DEAL	05/31/10	HOME USDA
09919		08140	Premier on Woodfair	Houston	6	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	04/16/10	
09939		08295	Vista Bonita Apartments	Houston	6	REQUESTED EXTENSION	IN REVIEW PROCESS - TARGET CLOSING - MAY 11TH	OPEN DATE REQUEST	

**EXCHANGE CLOSING CALENDAR  
AS OF MAY 4, 2010**

Exchange	2007	2008	Development Name	City	Region	Extension Request	Projected Closing Date	REQUESTED EXTENSION - UPDATED CLOSING DATE	Other Funding
09977			Chelsea Senior Community	Houston	6	REQUESTED EXTENSION	IN REVIEW PROCESS	OPEN DATE REQUEST	
09978			Floral Gardens	Houston	6	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	06/30/10	
09982			Sierra Meadows	Houston	6	REQUESTED EXTENSION	IN REVIEW PROCESS	OPEN DATE REQUEST	
09986			Greenhouse Place	Houston	6	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - ALL DUE DILIGENCE - NO CORE DOCS	05/31/10	
09931		08254	Montgomery Meadows Phase II	Huntsville	6		CLOSED		
09973			Senior Villages at Huntsville	Huntsville	6	REQUESTED EXTENSION	IN REVIEW PROCESS	05/31/10	
09976			Trebah Village	Katy	6		CLOSED		
09926		08198	Highland Manor	La Marque	6		CLOSED		
09915		08101	Jackson Village Retirement Center	Lake Jackson	6	REQUESTED EXTENSION	CLOSED	04/12/10	
09911	07258	08918	Trinity Garden Apartment Homes	Liberty	6	REQUESTED EXTENSION	DOCS READY TO CLOSE - WAITING ON DEVELOPER	05/30/10	
09934		08260	Harris Manor Apartments	Pasadena	6	REQUESTED EXTENSION	IN REVIEW PROCESS	05/31/10	
09983			Brazos Bend Villa	Richmond	6	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	END OF JUNE	
09987			Heritage Crossing	Santa Fe	6	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - ALL DUE DILIGENCE - NO CORE DOCS	06/01/10	HOME
09944		08303	Heritage Square	Texas City	6	REQUESTED EXTENSION	DOCS READY TO CLOSE - WAITING ON DEVELOPER	OPEN DATE REQUEST	
09916		08128	Mid-Towne Apartments	Tomball	6	REQUESTED EXTENSION	NO WORD - USDA DEAL	OPEN DATE REQUEST	USDA
09993			Malibu Apartments	Austin	7	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	05/07/10	
09930		08253	Creekside Villas Senior Village	Buda	7		CLOSED		HOME
09992			Northgate Apts and Rhomberg Apts	Burnet	7	REQUESTED EXTENSION	NO WORD - USDA DEAL	OPEN DATE REQUEST	USDA
09990			San Gabriel Crossing	Liberty Hill	7	REQUESTED EXTENSION	IN REVIEW PROCESS - LEASEHOLD DOCUMENTATION	04/15/10	
09948			Park Ridge Apartments	Llano	7	REQUESTED EXTENSION	IN REVIEW PROCESS	04/30/10	HOME
09917		08129	Alta Vista Apartments	Marble Falls	7	REQUESTED EXTENSION	IN QUEUE FOR REVIEW - USDA DEAL	OPEN DATE REQUEST	HOME USDA
09932		08257	Constitution Court	Copperas Cove	8	REQUESTED EXTENSION	IN REVIEW - USDA DEAL		HOME
09996			Whispering Oaks Apartments	Goldthwaite	8	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - USDA DEAL	OPEN DATE REQUEST	USDA
09994			Holland House Apartments	Holland	8	REQUESTED EXTENSION	IN REVIEW - USDA DEAL	04/15/10	HOME USDA
09350			Tremont Apartment Homes	Killeen	8	REQUESTED EXTENSION	NO WORD	05/31/10	
09995			Village Place Apartments	Lorena	8	REQUESTED EXTENSION	IN QUEUE FOR REVIEW - USDA DEAL	OPEN DATE REQUEST	USDA
09997			Autumn Villas	Lorena	8	REQUESTED EXTENSION	IN QUEUE FOR REVIEW - USDA DEAL	OPEN DATE REQUEST	USDA
09998			Prairie Village Apartments	Rogers	8	REQUESTED EXTENSION	IN QUEUE FOR REVIEW - USDA DEAL	OPEN DATE REQUEST	HOME USDA
09999			Cherrywood Apartments	West	8	REQUESTED EXTENSION	NO MOVEMENT - IN PIPELINE - USDA DEAL	05/31/10	USDA
09351			Tierra Pointe	Karnes City	9	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	05/31/10	
09918		08135	Gardens at Clearwater	Kerrville	9		CLOSED		
09901	07095	08951	Las Palmas Gardens Apartments	San Antonio	9	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - ALL DUE DILIGENCE - NO CORE DOCS	OPEN DATE REQUEST	
09903	07173	08903	West End Baptist Manor Apartments	San Antonio	9	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - ALL DUE DILIGENCE - NO CORE DOCS	OPEN DATE REQUEST	

**EXCHANGE CLOSING CALENDAR  
AS OF MAY 4, 2010**

Exchange	2007	2008	Development Name	City	Region	Extension Request	Projected Closing Date	REQUESTED EXTENSION - UPDATED CLOSING DATE	Other Funding
09921		08150	Oak Manor/Oak Village Apartments	San Antonio	9	REQUESTED EXTENSION	CLOSED	05/31/10	
09354			Arrowsmith Apartments	Corpus Christi	10	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	05/31/10	
09904	07174	08904	LULAC Hacienda Apartments	Corpus Christi	10	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - ALL DUE DILIGENCE - NO CORE DOCS	OPEN DATE REQUEST	
09929		08235	Buena Vida Senior Village	Corpus Christi	10	REQUESTED EXTENSION	NO WORD	05/31/10	
09353			Hyatt Manor I and II Apartments	Gonzales	10	REQUESTED EXTENSION	NO WORD - USDA DEAL	OPEN DATE REQUEST	USDA
09352			Heights at Corral	Kingsville	10	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	05/31/10	HOME
09356			Legacy Villas	Eagle Pass	11	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE - ALL DUE DILIGENCE - NO CORE DOCS	05/31/10	
09905	07178	08905	Aurora Meadows	Eagle Pass	11	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE	07/31/10	
09924		08176	Maeghan Pointe	Elsa	11	REQUESTED EXTENSION	IN REVIEW PROCESS	05/31/10	
09909	07227	08916	Champion Home at La Joya	La Joya	11	REQUESTED EXTENSION	NO WORD	06/30/10	
09923		08158	Villas at Beaumont	McAllen	11	REQUESTED EXTENSION	CLOSING WEEK OF 5.3.10	05/31/10	
09922		08151	Parkview Terrace	Pharr	11	REQUESTED EXTENSION	IN QUEUE FOR REVIEW	05/31/10	
09938		08294	Stardust Village	Uvalde	11		NO WORD - DIDN'T FILE FOR REQUEST		
09943		08302	Leona Apartments	Uvalde	11	REQUESTED EXTENSION	DOCS READY TO CLOSE - WAITING ON DEVELOPER	OPEN DATE REQUEST	
09357			Weslaco Hills Apartments	Weslaco	11	REQUESTED EXTENSION	SOME MOVEMENT - IN PIPELINE	05/31/10	
09942		08299	Southern View Apartments	Fort Stockton	12		CLOSED		
09925		08182	Suncrest Apartments	El Paso	13	REQUESTED EXTENSION	IN REVIEW PROCESS	OPEN DATE REQUEST	

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
May 12, 2010**

**Recommended Action**

Ratify the decision made by the Executive Director to Extend the Receipt Date of letters from State Senators and State Representatives for the Housing Tax Credit Program.

**WHEREAS**, there was an error made in the deliverance of notification to specific State Senators and Representatives, and

**WHEREAS**, the Department made every effort to correct the notification error as timely and efficiently as possible and re-notified those officials that were incorrectly notified.

It is hereby:

RESOLVED, that in an effort to keep the Housing Tax Credit Program moving forward, the Executive Director made the decision to extend the time for some specific State Senators and Representatives to respond to the Department's notification until May 1, 2010, and that extension is hereby ratified.

**Background**

Section 2306 of the Texas Government Code, the Department's governing statute, requires the Department to notify elected State Officials of the receipt of applications for the Housing Tax Credit Program to allow the officials to weigh in their support or opposition for a particular development. Section 50.9(i)(6) of the Qualified Allocation Plan and Rules requires State Officials to submit their letters of support or opposition by April 1<sup>st</sup>.

On March 15, 2010, the Department mailed notifications to all required elected officials; however, after the notifications had been made, several errors were found in the mailings. It was identified in the cross-referencing of the districts. The incorrect district was assigned to the applications. Therefore, the incorrect legislator and address was entered into the Department's database. The notifications were then printed with the incorrect legislator and address. Once the errors were identified, the officials were notified immediately. The Executive Director believed it was in the best interest of the program as well as the applicants to allow the officials additional time to respond to the Department's notification. The April 1<sup>st</sup> date was extended to May 1<sup>st</sup>.

Staff is requesting the Board's ratification of this decision.

List of State Senators and Representatives  
Incorrectly Notified

TDHCA#	Development	City	District	Senator Name
10045	North Court Villas	Frisco	8	Florence Shapiro
10068	McAlister Gardens	Fort Worth	10	Wendy Davis
10120	Montabella Senior	San Antonio	19	Carlos Uresti
10137	Evergreen at Wylie	Wylie	8	Florence Shapiro
10142	Mason Senior Apartment Homes	Houston	7	Dan Patrick
10162	Promontory Pointe	Austin	14	Kirk Watson
10202	Brae Estates	Fort Worth	12	Jane Nelson

TDHCA#	Development	City	District	Representative Name
10045	North Court Villas	Frisco	70	Ken Paxton
10068	McAlister Gardens	Fort Wortj	96	Chris Turner
10113	Promenade at Mercer Crossing	Farmers Branch	103	Rafael Anchia
10115	Tuscany Place	Kingwood	16	C. Brandon Creighton
10118	San Juan Square III	San Antonio	119	Roland Gutierrez
10162	Promontory Pointe	Austin	50	Mark Strama
10178	Cypress Creek at Fayridge	Houston	147	Garnet Coleman
10193	Copperfield Apartments	Houston ETJ	135	Gary Elkins
10228	Wintersprings Apartments	Humble	127	Joe Crabb

**OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT**

**BOARD REPORT ITEM**

**May 12, 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 quarterly Section 1512 jobs reporting submitted for January through March 2010.

**Recovery Act Program Summary**

<b>Program</b>	<b>Activities</b>	<b>Program Status</b>	<b>Total Funding Expended to Date* Percent Expended</b>	<b>Served to Date** Jobs Created or Retained ^</b>	<b>Timeline / Contract Period</b>
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household.  Households at or below 200% of poverty.	<ul style="list-style-type: none"> <li>The Department submitted the Amended WAP Plan to DOE in early March.</li> <li>Contracts executed for 49% of funds, subrecipients drawing funds. Remainder to be awarded to allocated subrecipients based on performance.</li> <li>Deobligation/reobligation rule in effect. Request for Applications published April 22.</li> </ul>	\$326,975,732 \$20,447,138 6.3%	4,669 households 297.3 jobs	<ul style="list-style-type: none"> <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 Program	Rental assistance, housing search, credit repair, deposits, moving cost assistance, and case management.  Persons at or below 50% AMI.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds.</li> </ul>	\$41,472,772 \$9,737,642 23.5%	15,615 persons 150.1 jobs	<ul style="list-style-type: none"> <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 Program	Assists existing network of Community Action Agencies with services including child care, job training, and poverty-related programs.  Persons at or below 200% of poverty.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds. Expenditure rates have increased.</li> </ul>	\$48,148,071 \$24,439,912 50.8%	33,946 persons 264.2 jobs	<ul style="list-style-type: none"> <li>Obligation required by September 30, 2010.</li> <li>Recipients required to expend funds within a one year contract period.</li> </ul>

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date** Jobs Created or Retained ^	Timeline / Contract Period
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written agreements executed for 47 out of 50 awards as of May 5, 2010. Twelve loans have closed.</li> </ul>	\$148,354,769 \$4,631,425 3.1%	1,693 households 93.1 jobs	<ul style="list-style-type: none"> <li>Commitment of 75% of funds required by February 17, 2010.</li> <li>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 Program	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written agreements have been executed for 20 out of 87 awards as of May 5, 2010.</li> </ul>	\$594,091,929 \$15,237,346 2.6%	1,969 households 1,519 jobs	<ul style="list-style-type: none"> <li>Unused funds to be returned by December 2012.</li> </ul>
Total			\$1,159,043,273 \$74,493,463 6.4%	49,561 persons 8,035 households 2,323.7 jobs	

\*This table includes updated expenditure data as of 4/30/10.

\*\*Total served data through 3/31/10 for CSBG and HPRP; 5/3/10 for WAP, TCAP and HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^Jobs created or retained between 1/1/10 and 3/31/10. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 3/31/10.



## **Recovery Act Weatherization Outreach**

As requested by the Board at the March meeting, staff is providing samples of weatherization subrecipient outreach to potential beneficiary households. Outreach examples include the following:

1. **City of Arlington** brochure including program description, information on eligible activities and households and program income limits;
2. **City of Arlington** one-pager on benefits of weatherization;
3. **City of Fort Worth** yard sign announcing “A More Energy-Efficient Home” free to qualifying households;
4. **Community Services, Inc.** newspaper advertisement announcing “Weatherization Program Eligibility Limits Increased” as a result of the American Recovery and Reinvestment Act stimulus program;
5. **Rolling Plains Management Corporation** program brochure including Weatherization Assistance Program; and
6. **City of Austin** mailing to targeted utility customers including:
  - Letter of introduction;
  - Summary of documentation needed for eligibility;
  - Landlord agreement for rental tenants;
  - Dates and locations of Austin Energy Customer Assistance events;
  - Application form for Weatherization Assistance Program including Client Agreement form; and
  - Postage-paid return envelope.

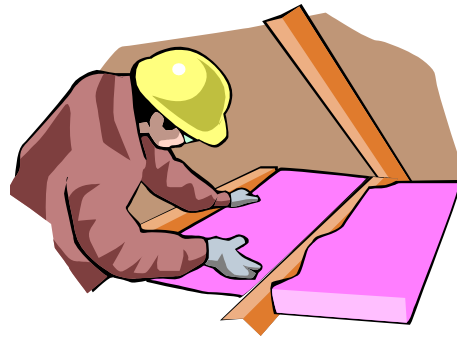
## Eligible Activities

- Energy audits include a review of your home's energy efficiency, identifying where air leaks may be occurring, inefficient appliances, etc.
- Installation of weatherization measures to increase energy efficiency of a home.
- Weatherization work including caulking; weather-stripping; adding ceiling, wall, and floor insulation; patching holes in the building envelope; duct work, and tune-up, repair or replacement of energy inefficient heating and cooling systems
- Weatherization measures installed must meet specific energy-saving goals.



For additional information about this and other home ownership programs, go to the following:

[www.arlingtonhousing.us](http://www.arlingtonhousing.us)



## Program Contacts

For application assistance or general information contact the Arlington Weatherization Assistance Program at 817-276-6740 or by email:

[Nicolette.Arceneaux@arlingtonhousing.us](mailto:Nicolette.Arceneaux@arlingtonhousing.us)

## Weatherization Assistance Program

817-276-6740



*Weatherization Works*

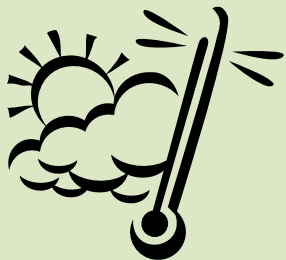
[www.arlingtontx.gov/housing/wap.html](http://www.arlingtontx.gov/housing/wap.html)

## Weatherization Assistance Program (WAP)

The Weatherization Assistance Program is designed to help low-income households control their energy costs through weatherization of their home and through consumer education.

Funds are provided to the City of Arlington from the Department of Energy through the Texas Department of Housing and Community Affairs.

The City of Arlington's Weatherization Assistance Program is anticipated to be available for two years and will assist 250 households.



## ELIGIBILITY REQUIREMENTS

### Eligible HOUSEHOLDS:

- Complete application for Weatherization Assistance program
- Have income at or below the maximum income limits
- Either own or have owner approval for weatherization assistance

### Ineligible HOMES include:

- Units weatherized with weatherization funds after 9/30/93
- Vacant dwellings (with some exceptions)
- Units whose demolition is scheduled in the next 12 months
- Condemned units
- Units with serious structural problems that make weatherization impractical
- Mobile homes not adequately installed or supported
- Units where the owner disallows the weatherization work

## Maximum Income Limits

*Income limits are based upon 200% of the Federal Poverty Income Guidelines.*

Household Size	Maximum Income
1	\$21,600
2	\$29,140
3	\$36,620
4	\$44,100
5	\$51,580
6	\$59,060

Priority is given to:

- Households with children under the age of 6
- Households with an elderly resident
- Households with a disabled resident
- Households with the highest energy cost and lowest income; and
- Households with the highest residential energy use.



# WEATHERIZATION ASSISTANCE PROGRAM

## Repairs may include:

- Weather stripping
- Adding ceiling, wall and floor insulation
- Patching holes in building envelope
- Duct work
- Modification or replacement of existing heating & air conditioning systems



**The City of Arlington's Weatherization Assistance Program (WAP) is a federally funded program to help low income households control their energy costs through weatherization of their home, and through consumer education.**

## BENEFITS OF WEATHERIZATION

### HOUSEHOLD

- Safer homes
- Hundreds of dollars in home utility savings per year
- Increased home energy efficiency

### ENVIRONMENT

- Reduction in emission of greenhouse gases
- Reduces risk of fires

### ECONOMY

- Higher home values
- Creates hundreds of new jobs
- Reduces national energy demand



Arlington Housing Authority WAP  
501 W. Sanford Street  
Suite 20  
Arlington, TX 76011

Nicolette.arceneaux@arlingtonhousing.us



For more information on the Weatherization Assistance Program please refer to:

[www.arlingtontx.gov/housing/wap.html](http://www.arlingtontx.gov/housing/wap.html)





**FREE**  
TO QUALIFYING FAMILIES

**FORT WORTH**



**A More**

**Energy-Efficient Home**

The Weatherization Program can pay for attic insulation, weather stripping, minor roof repairs, caulking and more.

Funded by  
**American Recovery and Reinvestment Act**

Call the Housing and Economic Development Department

**817-392-7548**

# WEATHERIZATION PROGRAM ELIGIBILITY LIMITS INCREASED

AS A RESULT OF THE AMERICAN RECOVERY and REINVESTMENT ACT STIMULUS PROGRAM, COMMUNITY SERVICES, INC. HAS RECEIVED A SIGNIFICANT INCREASE IN FUNDS TO WEATHERIZE HOMES IN THE FIFTEEN COUNTIES WHERE THE AGENCY PROVIDES THIS SERVICE, AND THE INCOME ELIGIBILITY LIMITS HAVE BEEN RAISED TO \$1805/MONTH FOR A SINGLE PERSON AND INCREASES BY \$623.33 FOR EACH ADDITIONAL PERSON LIVING IN THE HOUSING UNIT.

People living Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith or Van Zandt County who are within the new income limits should call the CSI Weatherization intake office at 1-888-817-5715, toll free, between 9 AM and 4 PM, Monday thru Thursday, to request an application. Priority is given to the lowest income, elderly and handicapped individuals and families with children under six years old. Renters who live in a single-family house are eligible, but the landlord must give permission and pay a portion of the weatherization cost.

**CALL 1-888-5715, toll free,**  
between 9 AM and 4 PM, Monday thru Thursday



"THE UNITED STATES CAN ACHIEVE ITS FULL ECONOMIC AND SOCIAL POTENTIAL AS A NATION ONLY IF EVERY INDIVIDUAL HAS THE OPPORTUNITY TO CONTRIBUTE TO THE FULL EXTENT OF HIS (OR HER) CAPABILITIES AND TO PARTICIPATE IN THE WORKINGS OF OUR SOCIETY. IT IS THEREFORE, THE POLICY OF THE UNITED STATES TO ELIMINATE THIS PARADOX OF POVERTY IN THE MIDST OF PLENTY IN THIS NATION BY OPENING TO EVERYONE THE OPPORTUNITY TO LIVE IN DECENCY AND DIGNITY."

-ECONOMIC OPPORTUNITY ACT OF 1964

**WORKFORCE SOLUTIONS CHILD CARE**

**TRANSPORTATION**

**WEATHERIZATION ASSISTANCE PROGRAMS**

**HOUSING PRESERVATION GRANT PROGRAM**

**HEAD START**

**ADDITIONAL SERVICES**

**COMMUNITY SERVICES BLOCK GRANT PROGRAM**

**CEAP**

**HISTORY OF COMMUNITY ACTION**

**ROLLING PLAINS MANAGEMENT CORPORATION**

**ROLLING PLAINS**



## Weatherization Assistance Programs

## Housing Preservation Grant Program

The Weatherization Assistance Program provides assistance to economically disadvantaged individuals, particularly the elderly and disabled, to promote a more comfortable healthy environment, conserve energy and reduce high utility bills.

Weatherization programs are funded by several different sources. The Department of Energy and Low Income Home Energy Assistance Program provides funding through the Texas Department of Housing and Community Affairs. Home Preservation Grants, provided through the United States Department of Agriculture, are also available to qualified clients. As in all weatherization programs, all assistance is based on eligibility and availability of state and federal funds.

Because the goal is to reduce energy consumption by making the home more energy-efficient, renovations and cosmetic improvements are not included. The weatherization assistance program may include the following:

- General caulking*
- Attic, floor and wall insulation*
- Skirting/underpinning exposed floors*
- Window repair/replace*
- Repair/replace doors*
- Patching holes in floor, ceiling, outside walls*
- Repair/replace/retrofit heat/cool equipment*
- Address health and safety issues.*
- All the above items may not apply to every home.*



Weatherization assistance services are available to eligible residents in Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise and Young counties.

Weatherization assistance is located at:  
118 North First, Crowell, Texas  
1-800-633-0852      940-684-1571  
940-684-1693 fax      markhalsell@rollingplainsmgmt.com  
940-684-1576 fax





## City of Austin

*Austin's Municipally Owned Electric Utility*

Town Lake Center 721 Barton Springs Road • Austin, Texas 78704-1194

April 5, 2010

Dear Austin Energy Customer,

Austin Energy received federal stimulus dollars to help eligible Austin residents improve the energy efficiency of their homes over the next two years. Based on the federal guidelines, your home has been identified by Austin Energy as a potential candidate to receive free home energy improvements to reduce your electric bills.

### **Free Home Energy Improvements:**

Qualified participants may receive some of the following energy-saving services at no cost.

- Weather stripping around entry doors
- Additional attic, wall, and floor insulation
- Duct system repair and sealing
- Repair or replacement of inefficient heating and cooling systems
- Replacement of inefficient refrigerators
- Replacement of gas stoves found to be leaking carbon monoxide
- Installation of energy efficient light bulbs

### **Do you qualify?**

To apply for free energy improvements to your home, complete the enclosed application. If you are currently renting your home, please have the owner complete the landlord agreement form. If you need any assistance completing the application, please call us or attend one of our customer assistance locations. Austin Energy representatives will assist you at the locations and times listed on **the orange insert that is attached.**

Any work or inspection performed on your home requires that an adult (18 yrs) be present.

For more information or questions on the Weatherization Assistance Program, please contact Austin Energy at 512- 482-5346 or e-mail [conservation@austinenergy.com](mailto:conservation@austinenergy.com).

Sincerely,

A handwritten signature in black ink, appearing to read "K. Rabago".

Karl R. Rabago  
Vice President, Distributed Energy Services



Austin Energy  
721 Barton Springs Road  
Austin, TX 78704  
Phone: (512) 482-5346  
Fax: (512) 505-4021

## Documents Needed Form

If you decide to participate in this program, please provide the following documentation.

Provide one form of Identification from the list below for the applicant only:

- Texas Driver's License/DPS ID
- Birth Certificate
- Social Security Card
- Benefit Card (WIC, Medicaid)
- Employee or Student Picture ID
- Bureau of Citizenship and Immigration Services (INS) ID

Provide proof of income for all household members with income (Earned or Unearned)

- Proof of total household gross income annually
- Check stub issued 30 days prior to the date on the application
- Letter from Employer
- Proof of Unemployment Benefits
- Statement of No Income/Declaration of Income
- Award Letter (Social Security, VA, TANF, SSI, SSDI)
- Proof of Child Support
- Support Letter

**LANDLORD AGREEMENT**

**It is agreed by and between** \_\_\_\_\_  
**(WAP Agency/the Agency)**

**and** \_\_\_\_\_  
**(Landlord/Authorized Agent)**

**Landlord and /or Authorized Agent of the premises located at:**

\_\_\_\_\_ as follows:

1. The Landlord agrees to cooperate with the Agency by assisting the Agency in gathering all records and documents necessary for the Agency to determine if the tenants residing at the premises are eligible according to the US Department of Energy guidelines for weatherization services. The Agency shall gather and keep confidential the names and incomes of tenants living at the premises.
2. If the Agency, at its sole discretion, determines that the premises are eligible for weatherization services, the Agency agrees to weatherize the premises in accordance with applicable codes, laws and regulations. The Agency agrees to forward a summary of the proposed work to the Landlord after the energy audits are completed. In exchange for these services, the Landlord agrees to be bound by the terms and conditions of this Agreement for a period of 12 months commencing on the date the weatherization work is completed.
3. A tenant's lease may be renewed for successive periods during the period of the Agreement. If an eligible tenant's lease ends during the term of the Agreement, the owner is not obligated to renew the lease, as long as the dwelling unit is subsequently rented to an income eligible household for the remaining time period of the Agreement. The Landlord shall not increase the rents during the term of this Agreement unless the increase is demonstrably related to matters other than weatherization work performed. Landlord shall not evict Tenants for the time period of this Agreement, except for just cause and for matters unrelated to the weatherization work performed. A list of units and agreement amounts, and a sample of the lease agreement must be attached to this Agreement.
4. Weatherized units that become vacant during the term of this Agreement must be rented to income eligible households.
5. The Landlord hereby swears or affirms that the premises is not presently being offered for sale and further agrees to give the Agency thirty days (30) notification of the sale or conversion of the premises. At least ten days (10) prior to the sale or conversion, the Landlord agrees to obtain, in writing, the purchaser's consent to assume the Landlord's obligations under this agreement, or if this consent is not obtained, to pay the Agency the full cost of weatherization pro-rated by the number of months left under this agreement. The landlord agrees that this document may be filed as evidence of a lien (§53 of the Texas Property Code) against the property in the municipal land records.
6. The Landlord agrees to maintain the weatherization materials installed under this agreement in accordance with all relevant codes.
7. The Agency agrees to begin installation of weatherization materials on or about (date) \_\_\_\_\_, 20\_\_\_\_. From this date through the completion of the weatherization work, the Landlord agrees to provide during normal business hours, access by Agency personnel, Agency sub - contractors, and State & Federal officials to all dwelling units and common areas weatherized.
8. The Agency and Landlord agree that the tenants, present and future, are meant as the persons to benefit from the weatherization program. The tenants of weatherized units shall receive a copy of this agreement. The Agency agrees to provide a copy of this agreement to the tenant of the weatherized unit. The Landlord agrees to provide a copy of this agreement to all future tenants of weatherized units while this agreement is in effect.
9. In the event the Landlord defaults on, or materially breaches any term of this agreement, the Landlord shall be liable for liquidated damages, immediately due and payable to the Agency, to be computed as follows: the total cost of the project not borne by the Landlord shall be divided into twelve equal shares. One share shall be

deducted for each full month which elapses between the date of completion of the work and the date of Landlord's default or breach. The remainder shall be paid as liquidated damages.

- 10. If any portion of this Agreement is held to be invalid by a court or administrative tribunal of competent jurisdiction, the remainder shall remain valid and binding.

Landlord/Authorized Agent

\_\_\_\_\_

Date

\_\_\_\_\_

Agency Representative

\_\_\_\_\_

Date

\_\_\_\_\_



## **Austin Energy Weatherization Assistance Program Customer Assistance**

### **Locations and Dates**

#### **Oretega Elementary School – 10:00am to 1:00pm**

1135 Garland Ave. Austin, TX 78721

April 13, 19 and 30

May 4, 11 and 25

Marguerite Jones – Austin Energy on site staff

#### **David Chapel Baptist Church - 10:00AM -2:00PM**

2211 East Martin Luther King Jr. Blvd. Austin, TX 78702

April 20, 22, 53,

May 5, 17, 19,

June 1, 3, 15, 17 and 29

July 1, 12, 15, 26 and 29

Debra Keith-Thompson - Austin Energy on site staff

#### **Carver Branch Library - 1:00pm to 4:00pm**

651 Pleasant Valley Rd. Austin, TX 78702

April 14 through August 25, Wednesday's

**No Staff on site April 21, 2010**

Marguerite Jones - Austin Energy on site staff

#### **Cepeda Branch Library – 4:00pm – 6:00pm**

651 N. Pleasant Valley Rd., Austin, TX 78702

**Tuesdays**, April 13 through May25

**No Staff on site on April 20, 2010**

Marguerite Jones - Austin Energy on site staff

#### **East Austin Neighborhood Center - 9:00am -12:00 Noon**

211 Comal Street Austin, TX 78702

April 15

May 6 and 20,

June 10 and 21

July 8 and 19

Debra Keith Thompson - Austin Energy on site staff

#### **Rosewood- Zaragoza Neighborhood Center - 1:00pm to 5:00pm**

2800 Webberville Road Austin, Texas 78702

April 12 and 14

May 10, 12, 24 and 26

June 7, 9 and 23

July 7 and 14

Debra Keith Thompson - Austin Energy on site staff

**Terrazaz Branch Library - 12:30 to 2:30**

1105 East Cesar Chavez St. Austin, TX 78702

**Monday's, April through May**

Marguerite Jones - Austin Energy on site staff

**Montopolis Neighborhood Center - 9:00am to 12:00 Noon**

1416 Montopolis Drive Austin, TX 78741

**May 13, 27 and 24**

**June 13 and 22**

Debra Keith Thompson - Austin Energy on site staff

**Manchaca Road Branch Library - 2:00pm to 5:00pm**

5500 Manchaca Road Austin, TX 78745

**April 15**

**May 13 and 20**

**June 8 and 22**

**July 6 and 20**

**August 17 and 31**

Marguerite Jones - Austin Energy on site staff



#1061

Office use only:

CABA Application number: \_\_\_\_\_

Search results: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. City of Austin

# Service Request Form

## Part I – Applicant Information (please print)

**Applicant's Name:** \_\_\_\_\_  
*Last First Middle Other Names Used*

**Physical Address:** \_\_\_\_\_  
*Street/Box Number City State Zip Code*

**Mailing Address:** \_\_\_\_\_  
 (if different) *Street/Box Number City State Zip Code*

**Phone Numbers:** (\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_  
*Daytime Phone Evening Phone Cell Phone Message Number*

## Part II – Assistance Requested

Check each assistance type requested – when possible, referrals will be provided.

<input checked="" type="checkbox"/> WEATHERIZATION	<input type="checkbox"/> Propane/Butane	<input type="checkbox"/> Burial	<input type="checkbox"/> Food Voucher	<input type="checkbox"/> Christmas Bureau	<input type="checkbox"/> Home Repair	<input type="checkbox"/> Cooling/Heating Retrofit/Energy Audit
<input type="checkbox"/> Electric	<input type="checkbox"/> Water	<input type="checkbox"/> Prescription	<input type="checkbox"/> Food Pantry	<input type="checkbox"/> Blue Santa	<input type="checkbox"/> Rent/Mortgage	<input type="checkbox"/> Information & Referral
<input type="checkbox"/> Gas	<input type="checkbox"/> Trash	<input type="checkbox"/> Heating Oil/Wood	<input type="checkbox"/> Social Worker Services	<input type="checkbox"/> Brown Santa	<input type="checkbox"/> Notary	<input type="checkbox"/> Other

## Part III – Household Demographics

List ALL PERSONS living in the household and answer each question for each household member. (If additional space is needed, use a separate sheet of paper and attach to this document.)

Name (Include all persons living in the household)	Relation to Applicant	Social Security Number	Date of Birth and Age	Sex M/F	Hispanic Yes/No	Race Native American, Asian, Black, Hawaiian, Hispanic, White, or Multi	Last Grade Completed in School	Health Insurance Yes/No	Veteran Yes/No	Disabled Yes/No	Food Stamps Yes/No	WIC Yes/No
1.	Applicant											
2.												
3.												
4.												
5.												
6.												
7.												
8.												

**Part IV – Income/Workforce Information**

Provide the following for ALL ADULT HOUSEHOLD MEMBERS (ages 18 years and older) and ALL HOUSEHOLD MEMBERS WITH INCOME (wages, Social Security, child support, TANF, veterans benefits, etc.).

Name	Income Type	How Often Paid?	Last Work Date If Unemployed	Date of Last Paycheck	Student or Job Training Yes/No (past 12 mos.)	Total Monthly Gross Income
1.						
2.						
3.						
4.						
5.						
6.						

**Part V – Additional Household Information**

Please check Yes or No for each question.

1-a. Does your household include a household member requiring special equipment?  YES  NO

1-b. If YES, please check which equipment:  
 Life support machine  Refrigerator for insulin  
 Sleep apnea machine  Suction machine  Other

2-a. Does your household include an adult receiving benefits? (SSI, SSDI, VA Disability, etc.)  YES  NO

2-b. If NO, does your household include an adult experiencing a disability for a period of 12 months or more?  YES  NO

3. Does your household include a child with a disability who requires an adult living in the house to provide full-time care that prevents the adult from working?  YES  NO

4. Does your household include a person age 60 or older?  YES  NO

5. Does your household include a child age 5 or under?  YES  NO

6-a. Is any household member a migrant/farm worker?  YES  NO

6-b. If YES, name: \_\_\_\_\_

**Part VI – Housing Information**

1) What type of home do you live in?  House  Manufactured Home  Apartment/Townhome/Duplex  Mobile Home

2) What is your living situation?  
 Own home or apartment  Rent home or apartment  Low rent – federal subsidized housing  
 Public housing project  Live at nursing home  Rent room  Live in someone else's home

3) Have you lived at your address for MORE THAN ONE YEAR?  YES  NO

4) What is the square footage of your home? \_\_\_\_\_ or  UNKNOWN

5) Has your home been weatherized? (Weather stripping around the doors and windows, additional installation in the attic, etc.)  
 YES: If so, when? Month: \_\_\_\_\_ Year: \_\_\_\_\_  NO  UNKNOWN

6) What is your home's heating source?  
 Electric  Natural gas  Butane/Propane  Heating oil  Wood

7) What is your home's cooling source?  
 Central air  Window unit  Other: \_\_\_\_\_  None

**Part VII – Household Expenses**

Provide the dollar amount of your household monthly expenses.

Electric \$ \_\_\_\_\_  
 Water \$ \_\_\_\_\_  
 Insurance \$ \_\_\_\_\_  
 Transportation Cost \$ \_\_\_\_\_  
 Food \$ \_\_\_\_\_  
 Rent/Mortgage \$ \_\_\_\_\_  
 Credit Cards \$ \_\_\_\_\_  
 Loans \$ \_\_\_\_\_  
 Medical Expenses \$ \_\_\_\_\_  
 Gas/Propane/Wood \$ \_\_\_\_\_  
 Child Care \$ \_\_\_\_\_  
 Phone/Cell/Internet \$ \_\_\_\_\_  
 Satellite/Cable \$ \_\_\_\_\_  
 Rent to Own \$ \_\_\_\_\_  
 Furniture \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

**Part VIII – Resources**

Provide the dollar amount for all resources.

Cash on Hand \$ \_\_\_\_\_  
 Checking Account \$ \_\_\_\_\_  
 Savings Account \$ \_\_\_\_\_  
 Keogh Plans/IRA \$ \_\_\_\_\_  
 CD/Stocks/Bonds \$ \_\_\_\_\_  
 Income Property \$ \_\_\_\_\_  
 Real Estate \$ \_\_\_\_\_  
 Other \$ \_\_\_\_\_

The information provided is true and correct to the best of my knowledge and belief. I am aware that I am subject to prosecution for providing false or fraudulent information. My household income has been annualized, at the time of application, according to pre-established agency procedures. I understand I may request a hearing to appeal a denial of eligibility, amount of assistance received, or a delay of service delivery.

**Applicant Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## ARRA-Funded Weatherization Assistance Program Client Agreement

### Your Rights to Confidentiality and Privacy

All information about you is kept strictly confidential and within the agency, except as discussed on this two-page form. We will not release information about you unless:

- We believe your life or someone else's life is in danger
- We believe a child, elderly person, or a person who is disabled is being abused or neglected or is in danger of being abused or neglected, including financial abuse
- Your information or records are court ordered to be released
- You give us written consent for your records or information to be released

### Your Rights as Our Client

- All our services are voluntary; it is your choice whether or not to participate.
- Financial assistance is not guaranteed. No one is entitled to financial assistance.
- We will inform you about the services we can provide to you. If we cannot assist you, we will explain why and offer referrals to other helping agencies.
- We are committed to providing professional services to each individual according to the service needed and requested. Staff may not participate in social gatherings, accept gifts or discuss your services or situation outside our professional relationship.
- We serve clients without discrimination based on age, creed, color, disability, gender, marital status, national origin, race, religion, sex, or sexual orientation.
- We want to treat every client with respect and dignity; if at any time you feel you have not, please tell us. If you have a concern or complaint, you may contact the Program Administrator at (512) 482-5394 or (512) 482-5325.

You may be eligible for additional services or assistance. Checking the following boxes lets us share information about you to help you access additional programs or referrals. This information is NOT REQUIRED to receive Financial Assistance.

**Travis County Family Support Services** – Social Workers are available if you feel you have more problems to discuss, or need more time to speak with someone. They help people with getting benefits, jobs, family issues, and many other areas. Please check here if you would like a referral to a Social Worker.

**Austin Energy** – City of Austin offers additional programs to help with utility payments and costs. Check here to have your address and name referred to the Austin Energy Customer Assistance Program for more information.

**I understand and have been explained my rights and responsibilities. My signature certifies that I agree to these rights and responsibilities.**

\_\_\_\_\_  
Signature of Client or Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Worker

\_\_\_\_\_  
Date

## Customer Assistance Discount Program

The Customer Assistance Discount Program offers over \$40 in monthly discounts off your City of Austin utility bill.

### Discounts Available:

- Electric Service Customer Charge waiver
- Reduced Fuel Charge on electric use
- Water Service Customer Charge waiver
- Wastewater Service Customer Charge waiver
- Transportation User Fee waiver
- Drainage Fee 50% discount

You qualify for discounts on your City of Austin utility bill if you or someone in your household is participating in one of the assistance programs listed below.

- Medicaid program type: 3, 12, 13, 14, 18, 19, 22, 23, 24, or 51
- Supplemental Security Income (SSI) Program
- Travis County Hospital District Medical Assistance Program (MAP)
- Travis County Energy Assistance Programs: CEAP or FEMA
- State paid Medicare Part A and B

For an application, call Austin Energy at (512) 494-9400.

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### Consent To Release and Receive Information About You

We need to obtain and disclose information about you to determine your eligibility for services, and provide services. Your signature on this page gives us permission to talk and share information with:

- Neighborhood Housing and Community Development (NHCD) or Austin Area Urban League
- State of Texas Department of Housing & Community Affairs (TDHCA) – funding for utility assistance and audits
- Your Utility Vendors – Information about your energy billing and consumption histories are needed. Please provide your account information:

Electric Company Name:

Account Number:

Gas/ Propane/ Butane Company Name:

Account Number:

- Your landlord or mortgage lien holder – Information about your household members, household composition, eviction/ foreclosure status, payment information, and bedroom size is needed. Please provide:

Landlord Name :

Phone Number:

This consent, unless revoked sooner expires one year from the date of your signature. Your signature certifies that you understand this consent and agree to the terms.

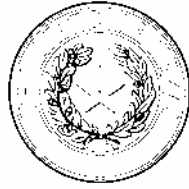
\_\_\_\_\_  
Signature of Client or Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Worker

\_\_\_\_\_  
Date

# REPORT ITEMS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Memorandum**

**To:** Michael Gerber  
**From:** Gordon Anderson  
**cc:** Tim Irvine, Michael Lyttle  
**Date:** May 5, 2010  
**Re:** TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for the months of March and April 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, March-April 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*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
2010 HomeFree Barrier Removal & Rehab Program Application Workshop	Austin	March 2	Housing Trust Fund	Training
HHSCC /Policy & Barriers Committee	Austin	March 2	Housing Resource Center	Participant
HHSCC Council Meeting	Austin	March 2	Housing Resource Center	Participant
Veterans Homeownership Forum	Rockport	March 3	Public Affairs	Presentation, Exhibitor
First Thursday Eligibility Training	Austin	March 4	Compliance and Asset Oversight	Training
Transforming Mental Health Workgroup	Austin	March 5	Housing Resource Center	Participant
Disability Advisory Workgroup	Austin	March 10	Housing Resource Center	Participant
Tenant-Based Rental Assistance Training	Lewisville	March 10	HOME	Training
Tenant-Based Rental Assistance Training	San Elizario	March 15	HOME	Training
San Antonio Board of Realtors/Down Payment Assistance Program Seminar	San Antonio	March 15	Homeownership	Training
Plano Board of Realtors/"United Texas – Housing Initiatives that Work"	Plano	March 16	Homeownership	Training
Owner-Occupied Technical Assistance Visit	Valentine	March 16	HOME	Capacity Building
Owner-Occupied Technical Assistance Visit	Socorro	March 17	HOME	Capacity Building
Owner-Occupied Training	Montague	March 17-19	HOME	Training
Owner-Occupied Technical Assistance Visit	El Paso	March 18	HOME	Capacity Building
Contract for Deed Conversion Technical Assistance/Training	El Paso	March 19	HOME	Capacity Building, Training
Housing Tax Credit Training	San Antonio	March 24	Compliance and Asset Oversight	Training
Community Services ARRA 1512 Reporting Requirements Webinar	Austin	March 24	Community Affairs	Training
TDHCA/USDA Rural Development – 502 Direct Loan Program Training	Dallas	March 24-26	Housing Resource Center	Training
Owner-Occupied Technical Assistance Visit/Regional CHDO NOFA Presentation	Waxahachie	March 24	HOME	Presentation, Capacity Building
HHSCC/Coordination Committee	Austin	March 25	Housing Resource Center	Participant
Rural Housing Workshop	Austin	March 29	Housing Resource Center	Participant
San Marcos Board of Realtors/"United Texas – Housing Initiatives that Work"	San Marcos	March 30	Homeownership	Training
HHSCC/Cross-Agency Education & Training Committee	Austin	April 6	Housing Resource Center	Participant
Owner-Occupied Technical Assistance	Belton	April 6	HOME	Training, Capacity Building
First Thursday Eligibility Training	Austin	April 8	Compliance and Asset Oversight	Training

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Community Affairs Division Public Hearing	Austin	April 9	Community Affairs	Public Hearing
Promoting Independence Advisory Committee	Austin	April 9	Housing Resource Center	Participant
Money Follows the Person Committee	Austin	April 9	Housing Resource Center	Participant
2010 Draft DOE Weatherization Plan	Austin	April 13	Community Affairs	Public Hearing
Policy Advisory Council/Weatherization Assistance Program	Austin	April 13	Community Affairs	Public Hearing
Disaster Recovery Division Public Hearing	Austin	April 14	Disaster Recovery	Public Hearing
FEMA Region VI Summit	Texas City	April 14	Disaster Recovery	Presentation, Participant
Inter-Coordination Council for Building Healthy Families	Austin	April 15	Housing Resource Center	Participant
Texas Veterans, Homeownership Programs Roundtable	Austin	April 15	Housing Trust Fund	Roundtable Hearing
HHSCC/Policy & Barriers Committee Conference Call	Austin	April 15	Housing Resource Center	Participant
Tenant-Based Technical Assistance Visit	San Antonio	April 15-16	HOME	Training
Community REACH Housing and Code Enforcement Seminar	Dallas	April 16	Public Affairs	Presentation
Disability Advisory Workgroup	Austin	April 16	Housing Resource Center	Participant
Texas Veterans, Homeownership Programs Roundtable	Fort Worth	April 19	Housing Trust Fund	Roundtable Hearing
Lender Training/SF Bond Program 77	Austin	April 19	Homeownership	Training
Lender Training/SF Bond Program 77	Houston	April 20	Homeownership	Training
Reentry Taskforce	Austin	April 20	Housing Resource Center	Participant
Ike/Dolly Round II Local Officials Briefing	Beaumont	April 21	Executive, Disaster Recovery	Briefing
Lender Training/SF Bond Program 77	McAllen	April 21	Homeownership	Training
2010-2011 HTF Affordable Housing Match Program NOFA Application Workshop	Austin	April 22	Housing Trust Fund	Training
HHSCC/Policy & Barriers Committee Conference Call	Austin	April 22	Housing Resource Center	Participant
2010-2011 HTF Rural Housing Expansion Program NOFA Application Workshop	Austin	April 22	Housing Trust Fund	Training
Lender Training/SF Bond Program 77	Dallas	April 22	Homeownership	Training
Metro-Tex Board of Realtors/"United Texas – Housing Initiatives that Work"	Dallas	April 22	Homeownership	Training
Ike/Dolly Round II Local Officials Briefing	Harlingen	April 23	Executive, Disaster Recovery	Briefing
Lender Training/SF Bond Program 77	El Paso	April 23	Homeownership	Training
Lender Training/SF Bond Program 77	San Antonio	April 26	Homeownership	Training
Ike/Dolly Round II Local Officials Briefing	Lufkin	April 26	Executive, Disaster Recovery	Briefing
Rural Housing Workgroup	Austin	April 26	Housing Resource Center	Participant

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Ike/Dolly Round II Local Officials Briefing	Houston	April 27	Executive, Disaster Recovery	Briefing
HTF Texas Veterans, Homeownership Programs Roundtable	Lubbock	April 27	Housing Trust Fund	Roundtable Hearing
Owner-Occupied Technical Assistance Visit	Muleshoe	April 27	HOME	Training
Lender Training/SF Bond Program 77	Lubbock	April 27	Homeownership	Training
Owner-Occupied Technical Assistance Visit	Albany	April 28	HOME	Training
Disability Policy Consortium/ Housing and Transportation Summit	Austin	April 28-29	Board, Executive, Multifamily Finance, Housing Resource Center	Participant
Owner-Occupied Technical Assistance Visit	Meadows	April 29	HOME	Training
Ike/Dolly Round II Local Officials Briefing	Austin	April 30	Executive, Disaster Recovery	Briefing
HHSCC/Policy & Barriers Committee Conference Call	Austin	April 30	Housing Resource Center	Participant
Owner-Occupied Technical Assistance Visit	Lorenzo/Smyer	April 30	HOME	Training

**Compliance and Asset Oversight**

**BOARD REPORT ITEM**

**May 12, 2010**

Update on Parkside Village

**Background**

Parkside Village, located in Waco, received a 4% allocation of \$255,214 in Housing Tax Credits for rehabilitation in 2000. The property also has financing through an allocation of tax exempt bonds from a local issuer and a project based rental subsidy contract through HUD.

The property has been the subject of media attention because of poor property condition. A Uniform Physical Condition Inspection was conducted on April 15, 2009 and the property scored 67 out of 100. The property failed to correct the identified deficiencies during the corrective action period. Forms 8823 were sent to the IRS reporting the noncompliance and the property was referred to the Department's Enforcement and Administrative Penalty Committee. Owner representatives met with the Department's committee on March 12, 2010 and explained the troubled history of the property.

HUD conducted a physical inspection of the property on March 23, 2010. At that inspection, the property scored a 25. On April 2, 2010, HUD convened a stakeholder meeting in Waco with owner representatives, neighborhood groups, and city officials. In addition, the mayor of Waco, a city council member and a representative from Chet Edwards' office attended. Patricia Murphy and Michael Lyttle represented the Department.

At the meeting, HUD outlined their options: abatement of the contract or acceleration of the note. Either option will result in a foreclosure which will terminate the Land Use Restriction Agreement for the Housing Tax Credit program. The general consensus of the group was that abatement of the contract is preferable. Under abatement, the residents will be given individual vouchers for rental assistance that can be used at any property that passes Housing Quality Standards (and accepts section 8).

The owners and representatives from HUD met with the residents to explain the process and their rights. It is expected that HUD will abate the contract sometime this summer. At this time, the Department is awaiting the outcome of the HUD abatement before proceeding with any type of enforcement action.



**EXECUTIVE  
BOARD REPORT ITEM  
May 12, 2010**

**Report Item**

Presentation and Discussion of an Overview of the Sunset Advisory Commission Review Process

*Sunset Advisory Commission – General Process and Schedule*

According to the Sunset Advisory Commission (SAC): “The Sunset Review process is the regular assessment of the need for a state agency to exist... The Sunset process works by setting a date on which an agency will be abolished unless legislation is passed to continue its functions.” Under this process, TDHCA was scheduled for review in 2010-2011 for consideration during the 82nd Texas Legislative Session. Therefore, Sunset Commission staff is now conducting a review of TDHCA. Among the issues and criteria that that Commission staff will be evaluating include:

- How efficiently do the agency and its advisory committees operate?
- How successful has the agency been in achieving its mission, goals, and objectives?
- In what ways could the agency’s functions/operations be less burdensome or restrictive and still adequately protect and serve the public?
- How much do the agency’s programs and jurisdiction duplicate those of other agencies and how well does the agency coordinate with those agencies

Each TDHCA Board member received a letter from Ken Levine, Interim Director at the SAC sharing information on their schedule, process and membership. Their schedule provides for:

September 2010	Release of Sunset Report
November 16-17, 2010	Public Hearing
December 15-16, 2010	Sunset Advisory Commission Convenes to adopt recommendations
January 2011	Legislature convenes

*Sunset Advisory Commission – Current Update from TDHCA Staff*

On March 15, TDHCA staff had their first meeting with Sunset staff; at that meeting Sunset laid out the process, schedule, means of communication, etc. On March 17th, TDHCA provided its first presentation to Sunset and legislative staff; this half-day presentation covered all areas of the agency. Following that initial overview meeting, eleven subsequent overview meetings were scheduled that addressed most primary areas of the agency. Each of these meetings lasted approximately three hours and was designed to cover the broad strokes of the specified topic area or division and to give Sunset staff the opportunity to establish direct relationships with program management. The listing of those eleven meetings is provided below.

- ARRA Initiatives
- Emergency Housing & Disaster Recovery Efforts
- Foreclosure Prevention Response (including Neighborhood Stabilization, National Foreclosure Mitigation Counseling; Texas Foreclosure Task Force)
- Budgetary Overview
- LIHTC and Bond
- Housing Trust Fund and Bootstrap
- Community Based Programs (focusing on Housing Resource Center and Community Affairs Programs)
- Housing Programs (focusing on Real Estate Analysis, HOME, Program Services and

Office of Colonia Initiatives

- Administration and Single Family Bond/HO
- Compliance & Asset Oversight
- Internal Audit

Those meetings concluded on April 15th. Since that time, Sunset staff has begun scheduling more intensive follow up sessions with specific program areas including HOME, Housing Trust Fund, Office of Colonia Initiatives, Housing Resource Center and Multifamily. They have attended policy and advisory groups including the Disability Advisory Workgroup, the Rural Housing Workgroup, HOME Program Round Tables, and Housing Trust Fund input sessions. TDHCA has coordinated a tour for Sunset staff of multifamily housing properties and will be assisting Sunset in coordinating visits for Sunset staff to Southeast Texas to visit disaster impacted areas receiving Department funding and to the Texas Border to see the impact TDHCA funds are having in the colonias and border communities.