TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FINANCE COMMITTEE

State Capital Extension
Room E1.012
1400 North Congress Avenue
Austin, Texas

10:07 a.m.
Friday,
August 11, 2000

COMMITTEE MEMBERS:

DONALD R. BETHEL, Chair
MICHAEL JONES
MARGIE BINGHAM

ALSO PRESENT:

RUTH CEDILLO, Deputy Director
BILL DALLY
DAVID ALDRICH
PAM MORRIS
BYRON JOHNSON
DELORES GRONECK, Administrative Assistant
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MR. BETHEL: -- call this meeting to order.

This is the meeting of the Finance Committee of the Texas Department of Housing and Community Affairs meeting August 11 at approximately 10:07 a.m. Don Bethel is here.

Margie Bingham?

MS. BINGHAM: Here.

MR. BETHEL: Michael Jones?

MR. JONES: Here.

MR. BETHEL: All the members of the Committee are present. We would ask if any of you would like to speak before this Committee that you would come forward and fill out a witness affirmation form.

I guess Penny has -- we don't have any. Okay. If you'd come -- if you'd raise your hand and be recognized. And then we'll get you to sign one a little bit later. All proceedings of this hearing are open for public record. We'd also ask for you to come forward and state your name for Penny's benefit.

Is there any public comment at this time?

(No response.)

MR. BETHEL: Is there anyone wishing to speak before the Finance Committee?

(No response.)

MR. BETHEL: There not being any, we'll go to
the -- first item on the agenda is the approval of the
minutes of the Finance Committee meeting of July 28, the
year 2000.

MS. BINGHAM: Mr. Chairman, I move for approval
of the minutes.

MR. JONES: I second the motion.

MR. BETHEL: Okay. We have a motion by Ms.
Bingham, seconded by Mr. Jones, that they be approved.
All those in favor say aye.

(A chorus of ayes.)

MR. BETHEL: Opposed say nay.

(No response.)

MR. BETHEL: The motion carried. The second
item on the agenda is the approval of the Fiscal Year 2001
TDHCA Operating Budget. And you might notice that Ms.
Stiner is not sitting beside me today. It's the deputy
director --

MS. CEDILLO: Ruth Cedillo.

MR. BETHEL: -- Ruth. I went blank. Ruth
Cedillo. And so Ruth is going to be -- I think Ms. Stiner
took some mandatory -- or some leave to take her daughter
back to school. And so we hope she is getting some R&R
this week. So, with that, I'll turn it over to Ruth.

MS. CEDILLO: This morning we have Bill Dally
and David Aldrich, which -- who will be reviewing the 2001
MR. DALLY: Good morning, Chairman, Committee Members, Ruth Cedillo. I don't know if you know David Aldrich, but he is the one that gets into the trenches and actually takes the submissions from all of our directors and puts this together. And then he takes a shoehorn and makes it fit within the appropriations bill and the money we've been appropriated.

Today we've got -- we're asking for your approval on two different budgets, the first one being our overall operating budget for the Department. The second one is the Housing Finance Division, and that is a subset of the first overall.

And both of these budgets are essentially just the operating portion or a subset of our overall appropriations bill that was passed last session. We had 2000, which was the fiscal year we're in now, and this will be the 2001 operating budget.

Another word of clarification -- and this is not our legislative appropriation request that we are currently in the middle of preparing that will go this fall to the Governor's Office and the LBB.

There will be hearings on it -- and then at the beginning of the session that the LBB will make a recommendation based on our requests. And that will be
what's under discussion with appropriations this fall. But this is not the LAR. This is --

MS. BINGHAM: Will you be requesting any variations when you go to the Legislative Budget Board?

MR. DALLY: Sorry?

MS. BINGHAM: Will you be requesting any exemptions or variations -- for example, on travel and other issues -- FTEs?

MR. DALLY: We can. We can.

MS. BINGHAM: I'm saying -- but will you, based on what you present to us? Do you project to be doing any of that?

MR. DALLY: Well, this is still operating underneath our appropriation for 2000/2001.

MS. BINGHAM: Okay.

MR. DALLY: We will -- as we prepare that LAR for 2002 and 2003, our instructions are to build a baseline strategy. And that is essentially what you've done the last two years.

But we'd also have the option of doing exceptional items. And that's where we can begin to address some of the sunset issues, and we can line out the additional resources that we need -- money and FTEs -- and what we will --

MS. BINGHAM: But currently you are in
compliance with the FTEs as established under the last appropriation.

MR. DALLY: The FTE level in this budget today is what was approved in our appropriation for 2000/2001.

MS. BINGHAM: What about travel?

MR. DALLY: Travel is the same. So we did not ask for a waiver [phonetic].

MS. BINGHAM: We were able to -- okay.

MR. DALLY: So it's within those criteria.

MR. BETHEL: So the appropriations -- LAR does a two-year -- we're on biennium. Right?

MR. DALLY: Correct.

MR. BETHEL: And this budget is within the second year of the biennium.

MR. DALLY: Of the one that was passed the last session.

MR. BETHEL: Right.

MR. DALLY: That's correct.

MR. BETHEL: The what, 76th session?

MR. DALLY: That's correct. And it's a -- I don't know if this is typical of all agencies, but, in our legislation, it requires that we go ahead and bring to you this portion of the operating budget for the Housing and Finance Division. I think that's a carryover from when it was a housing agency.
But that's -- this exercise today is to bring you that operating budget. But it's operating underneath the umbrella of that appropriations bill for 2000/2001. And we are currently working on our requests for the next two years, 2002 and 2003. So I kind of wanted to clarify that.

MS. BINGHAM: Could you, for the purpose of the Committee, just go over the overall budget in comparison to the previous budget and the proposed budget for '01 and explain the variances? I think -- I'm sure the Board is going to want to hear some -- we have some new members. They may want to hear something in detail.

But could -- for my sake, could you just explain the overall budget and the variances from -- between this year and the upcoming year?

MR. DALLY: Okay. If you'll turn to page 2 of this document. The first column is last year's budget that was approved. And then the second column is what we're proposing today. And then you can see our variances.

I -- and I faxed this out late yesterday, and I've got copies. Do you have a copy of this?

MS. BINGHAM: I have a copy of it.

MR. DALLY: Okay. If you'll flip to about the third page --
MS. BINGHAM: I've read it. I just want you to get it on record.

MR. DALLY: Okay. First thing I wanted to point out, on the salary and wages, that when we build this budget, we build it under the assumption of 370 employees 12 months a year.

In actuality, if you look back over our history and look at -- you'll see that those numbers in actuality will not be that high, because we are not fully staffed, you know, each and every year up to those levels.

But we do have an increase of about 2.9 percent in salary and wages, and that's to accommodate for our reclass and merit approval between last year and this year.

Now, on payroll-related costs, even though our salary and wages have gone up, we used -- we lowered the percentage that we used for payroll-related costs. And payroll-related costs are the state-paid health insurance for employees, the retirement match, and the employer's side of FICA that's paid by the State.

And, typically, we've used in the past 26 percent. When you actually look at the actual numbers from a year, that's a little high. And so we went ahead and rolled that back to 22 percent. And I'm still comfortable that that still gives us some cushion of
MR. BETHEL: So that's even with the $445,000 increase?

MR. DALLY: Right. There's sort of a wash there. So -- but we're sort of taking out the -- probably overbudgeted under that 26 percent in prior years on payroll-related costs. So, between the salary increase and the payroll-related costs, that's pretty much a wash.

MR. BETHEL: So the 22 percent, is that based on the 2001 budget? It's 22 percent of the increase?

MR. DALLY: What we're using -- we're using the 2001 salary and wages times 22 percent --

MR. BETHEL: Okay.

MR. DALLY: -- to arrive at that --

MR. BETHEL: Okay.

MR. DALLY: -- payroll-related cost. Travel is a fixed number. The next large number on this budget is professional fees. And let me go over sort of what that includes.

That's our outside legal counsel, our independent auditors, engineers, and any other third-party expertise, such as software programmers and stuff that we need to go outside our own staff to get.

Also in there is the fees that we pay to cities and counties that do installation and inspections. We
have contracts with them to do some of our installations and inspections on manufactured housing. So that's built in there.

We also have an interagency contract with the Department of Economic Development. They do our underwriting on the Texas Capitol Funds. And so that's built into this professional fees.

And I should point out that, within that line item, we sort of built in some contingency budget. In other words, we have $500,000 for outside legal fees. We have not approached that this year. But we -- but that's sort of been our standing amount. And some years, you know, we'll have more in legal fees than others.

But we will not necessarily spend all of this professional fees, but we do have some contingency built in there.

The other items -- materials, supplies, repairs -- that's your consumables, postage and paper. Repairs and maintenance -- that includes software licensing agreements. Those are considered a maintenance item -- printers, our faxes, and those sorts of things.

Rental and lease -- this includes both the rents for our Austin office, as well as some of the field offices. And we've been paying -- this is the last year of our modular furniture.
And that's one of the reasons that that particular line is going down because we only have to pay -- there's generally two payments in a year, and we'll only have the one payment. We're on our last payment this year, so we won't have that second payment. And that's the reason that's gone down.

Registration fees includes some of the directors' and officers' insurance that the Department carries for employees and the board. We also have board and employee surety bonding that covers those conference and registration fees for trainings and conferences that staff and the board go to during the year.

Freight and delivery -- that's our overnight delivery chiefly.

Communications and utilities -- that's our -- both our local and our long-distance telephone networks. We have contracts locally with the GSC, who provides the capitol area network telephone system. But we also have long distance providers.

Our capital outlay -- that includes chiefly our upgrades and moving our computer systems, both the ones that are our backbone and the IS, but also those desktop units. And we're -- been in a goal that every -- within three years that we would have everyone upgraded. So there's sort of a three-year cycle. We're not trying to
upgrade everybody in any one single year, but we're moving
on sort of a three-year plan.

And I've attached a memo with regard to some of
that capital outlay. I had the -- Terry Vickers is our
software -- recent software manager. And I asked him to
prepare that for your information.

The last item -- the 275,000 for office
renovation and consolidation. I think the topic came up
at the last meeting. We're going to have -- more than
likely we're close on signing a lease on our current
building. But we're going to hold the same rent, but
we're going to have to give up a floor, so that's the
trade off.

And we're giving up a floor because we -- we're
mandated under the state to have no more than, on average,
153 square feet per employee. We have been over that,
chiefly because we still had some of that space when the
corporation -- Texas State Affordable Housing Corporation
moved away about a year and a half ago and got their own
office space. We still have some of that space on our
third floor. We'll need to give some of that up.

And we'll have to consolidate. And that's
going to mean reconfiguring some of the telephone lines
and computer lines and some of the network stuff.

MR. BETHEL: Does the board room figure in on
that computation on the square feet per employee?

MR. DALLY: Yes. In fact -- well, the computation includes all common areas, and it's all looked at in total. I've got the facilities person here --

MR. BETHEL: Is that per -- the FTEs are the budgeted FTEs?

MR. DALLY: It's budgeted FTEs. We also have in there -- we can budget in there -- typically, we've got a set of auditors, too, and consultants and whatever, that may be on premises. And we can put them in our average too.

There's also allowances made for your -- some of your file cabinets and those kind of things. But there's an elaborate set of rules that GSC has set out that we must follow.

If you look at that bottom line, the total variance between this year and last year is $285,000. And our estimate on that office renovation and consolidation is 275,000. So we -- essentially, we're about the same as last year in that we made -- you'll see that we've made some shifts between line items because we had to -- if we want a little more in one line item then we give up something somewhere else. Because, like I say, we're still operating under our -- the appropriation that was given to us last session.
MS. BINGHAM: Now, you're basically 1 percent over your last year's budget, and most of that is attributable to the field out -- office?

MR. DALLY: Yes. And I should say that we had some discussion even yesterday about this particular number because the lease is not, you know, firm. We don't have firm bids against this number.

This is our educated guess about what we think, given our experience with some of the modular furniture and moving things around on the phone lines and stuff. This is our best guess at what that will cost to lose that floor in the bidding.

The next --

MR. JONES: Could I ask a question?

MR. DALLY: Uh-huh.

MR. JONES: I didn't mean to interrupt. Going to page 3, could you comment on the changes with regard to the Community Development Division and with regard with the Office of Colonia Initiatives, please?

MR. DALLY: Yes. If you'll skip back in this memo one page -- or two pages -- I laid out a page on staffing. And there have been some shifts among the staff. And part of that -- what's happened -- change from CDBG is we've moved some of that monitoring staff out from that division and into compliance. We've also done that
in HOME.

    A lot of that came out of our -- David Gaines on the internal audit report -- the Audit Committee -- where the idea is to remove -- where before, when they're in their programs they could also be doing technical assistance and for those clients and making awards and then turn around and doing some monitoring and then still reporting to that division head.

    So we decided it would be a better plan to consolidate and put some of those folks in the compliance area to meet -- address some of the issues and -- I think, too, it occurred, at least in HOME's case, where, when we had open FTE positions there tended to be the monitors. And they kept moving folks up meeting the needs in the way of managing the program and making awards and those sorts of things and not on the monitoring. I mean, that's -- so we're --

    MS. BINGHAM: Isn't it more or less a segregation of duties that you want the -- you don't want the same people who are recommending awards and contracts to also be monitoring them, so you move the people to a separate compliance section?

    MR. DALLY: Exactly.

    MS. CEDILLO: And I can explain some more on that. We had them separated in CDBG, and we felt that
bringing in the HOME monitors with the CDBG monitors, because we have so many similar regulations under CDBG, that those two areas could probably be cross-trained. And, in fact, I think that Ms. Phillips has already started that to be able to get those monitors from the HOME program working with the CDBG monitors.

And we've actually increased the number of monitors in the HOME program by one. We took one person from the program area and put it in compliance -- put that person in compliance.

And what we've also done -- and you notice a decrease in an FTE in the Office of Colonia Initiatives. We've taken a person from the Office of Colonia Initiatives and given it to the HOME program area as a regional coordinator.

MR. DALLY: And there was some other minor one or two half FTEs that moved among divisions just to kind of meet workload demands. That page 3 -- it's essentially the same budge, but it's laying it out. And you see all the various divisions, and you're looking at the changes.

And then down below you'll see the various methods of finance -- the general revenue, federal funds, appropriated receipts and stuff. Are there any questions on that?

(Pause.)
MR. DALLY: Then, as you go back through the budget, you'll see which of the program areas laid out as they are in the appropriation bill under their various goals. You can see each of those individually and the comparison budget. I trust you don't want it page by page, but --

MR. BETHEL: I don't have any questions. Any other questions?

MS. BINGHAM: Mr. Chairman, I would make a motion to refer this budget to the full board for discussion only -- not for approval, but for discussion -- additional discussion.

MR. BETHEL: Okay. And I -- we can do it by common consent, then, I think -- just not take action on it. All right. Do we have -- do we want to go with the Housing Finance Division?

MR. DALLY: Yes. And that's in this -- the memo dated yesterday. If you'll flip back, it will have a title page, Annual Housing Finance Operating Budget, Fiscal Year 2001.

This is that subset of our -- of the overall operating budget, but it focuses in on those sources of funds and methods of finance that come from our bond administration fees, tax credit fees, the Affordable Housing Disposition Program fees, which are the --
considered our Housing Finance Division revenues. And you'll see that's about $10.7 million.

And then you'll see spread across -- the titles across the top are the various divisions that are receiving support from that source of funds. And then down in the left hand, you'll see the objects of expense.

I think this is -- if I recall, I believe this is probably an overall increase of about 300-, $400,000 over last year.

MS. BINGHAM: Could you explain the -- why the -- this budget is generally presented separately from the regular budget?

MR. DALLY: It has to do with -- I made copies of our legislation. And if you -- I think that may be the next page or two. I believe it's a carryover. If you look at the historical and statutory notes, this thing dates back into the eighties and seventies.

So I think this language is something that's been a carryover from when we had a separate housing agency. And then when the two were combined the distinction that's generally made in the legislation now is it's the Housing Finance Division.

And that's where they also make distinctions about where our funds are deposited for the Housing Finance Division. They are not in the treasury. They are
kept in Safekeeping Trust Company because those are
generally our bond funds, and those are pledged in a trust
estate, so that bondholders have rights to those, but we
manage them. But that's just a legacy I think. I can't
explain it other than that.

MR. BETHEL: Are there any questions on this?
We want to, by common consent, throw this to the board?

MS. BINGHAM: Yes.

MR. JONES: Fine with me.

MR. BETHEL: Okay. We'll just do both of these
at the board meeting then.

MR. DALLY: Okay.

MR. BETHEL: We'll pass on them.

MR. DALLY: Right.

MR. BETHEL: And I don't have -- do you have
any other questions? Any more? Okay. Thank you very
much.

MR. DALLY: Thank you.

MR. BETHEL: That would be agenda item 2 and 3
that we will not make a recommendation on. Thank you,
David.

MR. ALDRICH: Thank you, sir.

MR. BETHEL: We'll go to agenda item number 4
is the -- a possible approval of a resolution approving
documents relating to the issuance of residential mortgage

Ms. Cedillo?

MS. CEDILLO: Yes, sir. Byron Johnson will be making that presentation this morning. And he has his whole team here to back him up.

MR. JOHNSON: Good morning, Mr. Chairman, members, Ruth. We're here today to present to you the resolution for the next bond program. We -- as you may recall -- I think it was April -- we came to you and said we were going to do something a little different. We took and refunded an old program -- took the proceeds from that program and recycled them into additional monies to add into the next bond program.

That was -- that turned out to be about $18,265,000. The total size of this deal we're estimating to be between 115 million and $140 million. The difference in that amount is attributable to the use of taxable bonds.

We feel that the underwriters and financial advisor and bond finance feels that this is a very highly favorable time in the market, and we can add additional volume with little cost or impact in the mortgage rate.

We're estimating -- or at the time we were preparing the documents, we were estimating a rate of about 7-11-707. And, just based on some numbers from
yesterday, you know, we're looking at a 6-90 with 25 million in taxable bonds and the 18-million-265. So those are -- on the bond side those are the highlights.

On the program side, you have a separate handout which talks about the program itself. We're doing two things a little different. First, we're switching from a lender allocation process to a first-come, first-served process. This is where lenders can come in and, you know, take them out of proceeds they wish and use at their discretion.

With the allocation method we would, you know, assign a certain amount of monies to each lender. And then, you know, for all intents and purposes, the lenders could do what they wanted because they paid for it up front. And they could just hold on to it for about a year or so, and just if rates moved against them or whatnot, just not use the money. So this way everybody has an equal opportunity to use the money.

Something else we're doing a little bit differently is, for the first time, we're --

MS. BINGHAM: May I interrupt you for a second? How do you control the income set-asides when you do that?

MR. JOHNSON: Let me bring Pam Morris up.

MS. BINGHAM: Yes. I just want to know how
you're going to --

MS. MORRIS: Good morning. I'm Pam Morris, Director of Housing Finance Programs. In the past when a lender received an allocation of two million or one million, or whatever it was, 30 percent of their money was restricted to borrowers at 60 or below.

Basically, it will work the same way. What we're going to do is allocate by regions. So we'll have a set-aside by region, and it will be first-come, first-served within the region.

But you'll have two pools of money. You'll have 60 percent income -- 30 -- which is 30 percent of the money set aside for registrations under that, and then the rest of it -- the balance will be in a pool.

MS. BINGHAM: So they'll come on a first-come, first-served --

MS. MORRIS: Right.

MS. BINGHAM: -- basis, but they'll have to -- that percentage that they take down -- they'd have to bring it down into income.

MS. MORRIS: Right.

MS. BINGHAM: Thank you.

MS. MORRIS: When they register with the service they know which --

MS. BINGHAM: Thank you.
MR. JOHNSON: And that kind of leads into the second major revision that was made to the program. We're using a regional reservation system. And for the first six months of the program, the funds will be made available on a regional basis.

And we will calculate how much to put in each region based on the population of that region for this particular issue -- you know, going forward, single families -- you know, exploring other options. But right now -- time constraints -- we felt that population was the best basis for allocating the funds to those regions.

MS. BINGHAM: And I assume Houston will get most of the money.

MR. BETHEL: And Lamesa's not going to get any.

MR. JOHNSON: We'll work it out.

MS. MORRIS: We hope that the six months will at least help give some regions an amount of money protected for them.

MS. BINGHAM: How are the regions by population? Are they pretty even by population or are there some variations?

MS. MORRIS: It goes from, say, region one, which is like a 3.89 percent of the population, to one of the highest being region six, which is 23 percent of the population.
MS. BINGHAM: Which region is that?

MS. MORRIS: Region six is --

MR. BETHEL: It's Houston.

MS. BINGHAM: I know the answer.

MS. MORRIS: Houston.

MS. BINGHAM: I just want everybody to know.

MR. BETHEL: What about region nine? What percent?

MS. MORRIS: Region 9 is 2.72 percent of the population.

MS. BINGHAM: And I'm just -- I just raised that -- I knew the answer. I just raised that question in terms of regional allocation. How could one assume that each region should have the same amount of money to population? It's so uneven. But I would like a copy of your population by region.

MS. MORRIS: Sure. We used it based on the uniform state service region population numbers through -- estimated through 1999 out of Housing Resource Center to kind of be consistent.

MS. BINGHAM: Could you get those for me?

MS. MORRIS: Absolutely.

MS. BINGHAM: Just mail them to me please.

MS. MORRIS: Absolutely.

MR. JOHNSON: And this same information we have
provided to Bond Review Board. And this is something we
can start providing to you when we come to you, you know,
for bond issuances.

    MR. BETHEL: You didn't factor in the median
income on any of these, just the population?

    MS. MORRIS: Just the population. We --

    MR. BETHEL: Not median income?

    MS. MORRIS: We have a variety of variables to
choose from, and I've worked with Sarah [phonetic] to see
what those options are for us going forward, because we
obviously have a formula that we're working on for Senate
Bill 1112.

    And even though the bond program isn't subject
to that, I wanted to be somewhat consistent in our
formula. It's just in the amount of time I only used
population. But, going forward, yes, we'd like to take on
housing needs, income, and those variables to come up with
a more true percentage per region for need.

    MR. JOHNSON: But we also wanted to keep it a
little bit more simple for this issue because bond
investors see this, and then they're like, Well, you know,
explain it or we're not going to buy your bonds. So we
wanted something we can explain readily available and
quickly.

    MR. BETHEL: Okay.
MR. JOHNSON: Okay. So it's about a $140 million deal, 25 million of which will be taxable. However, we will use our discretion on the day of pricing to determine the amount of taxable bonds based on the impact on the mortgage rate.

Countrywide has provided a point up front to assist us with the cost of issuance. We're going to raise premiums from the bonds to pay for the cost of issuance. We're trying to -- there are certain stipulations in indenture which may require us to use funds from our pockets up front. But the premium will be used like within two or three months to reimburse us. So, ideally, we will have no out-of-pocket expenses for the transaction. And that's all I have right now.

MS. BINGHAM: What is the number that's on this, for the sake of the motion?

MR. JONES: It's 00-25. I'll go ahead and make a motion.

MS. BINGHAM: Okay.

MR. JONES: I move we recommend Resolution Number 00-25 to the full board for approval.

MS. BINGHAM: Second.

MR. BETHEL: We have a motion by Mr. Jones, seconded by Ms. Bingham, that we pass Resolution 00-25 relating to the Program 56. Is this 56?
MS. CEDILLO: Yes.

MS. BINGHAM: 56.

MR. BETHEL: 56. Okay. All those in favor say aye.

(A chorus of ayes.)

MR. BETHEL: Opposed nay.

(No response.)

MR. BETHEL: Motion carried. Thank you.

MR. JOHNSON: Thank you.

MR. BETHEL: All right. Are you on the next one? The last item on the agenda is the single family mortgage refunding tax-exempt commercial paper notes, Series A, B, and other things. Byron?

MS. CEDILLO: Byron.

MR. JOHNSON: Thank you, Ruth. In 1994 the department created a mechanism for recycling prepayments to new mortgages. And this is what we just referred to in the previous deal. We were able to use this mechanism, the issuance of commercial paper, to recycle $18 million.

The program started in '94. It was approved annually by the Bond Review Board. And then in '96 the Bond Review Bond gave us a four-year approval. That four years is due to expire December 31, 2000. So we didn't want to wait that long.

We would like to come to you now and ask that
you give us authority to extend the program another four years.

And, as I pointed out, we're using commercial paper program right now to recycle about $30-some million in the current Program 56. It's slightly cumbersome to use, but it's a very effective method of recycling and reusing volume cap.

MR. BETHEL: Are there any questions?

(Pause.)

MR. JONES: Mr. Chairman, I would move that we recommend Resolution Number 00-26 for approval to the full board.

MS. BINGHAM: Second the motion.

MR. BETHEL: We have a motion by Mr. Jones, seconded by Ms. Bingham, that we approve Resolution 00-26 and recommend it to the board. All those in favor say aye.

(A chorus of ayes.)

MR. BETHEL: Opposed nay.

(No response.)

MR. BETHEL: Motion carried. Do we have anything else for the Finance Committee?

MS. CEDILLO: No, sir.

MR. BETHEL: I believe we have a -- the board meeting is scheduled for -- what time, Mr. -- Chairman
Jones?

MS. BINGHAM: 11:30.

MR. BETHEL: 11:30. So at 11:30 we'll have the full board. Thank you very much.

(Whereupon, the meeting was concluded.)
CERTIFICATE

MEETING OF: Finance Committee
LOCATION: Austin, Texas
DATE: August 11, 2000

I do hereby certify that the foregoing pages, numbers 1 through 31, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

08/17/2000
(Transcriber) (Date)

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