

**October Board Meeting** 

To be held at the offices of Texas State Affordable Housing Corporation 2200 East Martin Luther King Jr. Blvd. Austin, TX 78702

> Thursday, October 11, 2012 10:00 a.m.

BOARD MEETING TEXAS STATE AFFORDABLE HOUSING CORPORATION To be held at the offices of Texas State Affordable Housing Corporation 2200 East Martin Luther King Jr. Blvd Austin, Texas 78702 October 11, 2012 at 10:00 am

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

The Board of Directors of Texas State Affordable Housing Corporation will meet to consider and possibly act on the following:

#### PUBLIC COMMENT

#### PRESIDENT'S REPORT

Tab A: Homeownership Finance Report Tab B: Development Finance Report Tab C: Monthly Budget and Investment Reports

#### STAFF PRESENTATIONS

#### **ACTION ITEMS IN OPEN MEETING:**

- Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on September 13, 2012.
- Tab 2Presentation, Discussion and Possible Approval of a Resolution Regarding the Submission of One or More<br/>Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for Qualified Mortgage<br/>Bonds and Containing Other Matters Incident and Related Thereto
- Tab 3
   Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's Investment Policy
- Tab 4 Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's Broker Listing.

#### **CLOSED MEETING**

Consultation with legal counsel on legal matters - Texas Government Code § 551.071

Deliberation regarding purchase, exchange, lease, or value of real property - Texas Government Code § 551.072

Deliberation regarding prospective gift or donation to the state or Texas State Affordable Housing Corporation – Texas Government Code § 551.073

Personnel Matters – Texas Government Code § 551.074

Implementation of security personnel or devices – Texas Government Code § 551.076

Other matters authorized under the Texas Government Code

#### **OPEN MEETING**

Action in Open Meeting on Items Discussed in Closed Meeting

#### **ADJOURN**

Individuals who require auxiliary aids or services for this meeting should contact Laura Ross, ADA Responsible Employee, at 512-477-3560 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that the appropriate arrangements can be made.

Texas State Affordable Housing Corporation reserves the right to recess this meeting (without adjourning) and convene at a later stated time, if and to the extent allowed by law. If Texas State Affordable Housing Corporation adjourns this meeting and reconvenes at a later time, the later meeting will be held in the same location as this meeting. Texas State Affordable Housing Corporation also reserves the right to proceed into a closed meeting during the meeting in accordance with the Open Meetings Act, Chapter 551 of the Texas Government Code, If permitted by the Open Meetings Act, Chapter 551 of the Texas Government Code, any item on this Agenda to be discussed in open meeting may also be discussed by the Board (and any other authorized persons) in closed meeting.

Bob Jones Chair

**David Long** 

# President's Report

# Tab A



December 09         S0         O         OK           Strip 10         S171.40         S         No           March 10         S172.353.10         9         6%           March 10         S172.457.10         9         6%           March 10         S172.457.10         9         6%           March 10         S172.457.10         90         6%           March 10         S172.457.10         90         6%           March 10         S172.457.10         90         5%           March 10         S172.457.10         90         5%           March 10         S170.677.0         15         1%           March 11         S170.677.0         15         1%         4.00%           March 11         S170.677.0         15         1%         4.00%         2           March 11         S170.677.0         15         1%         4.00%         2           March 11         S170.677.0         15         1%         4.00%         1         3.00%         1         3.00%         1         3.00%         1         3.00%         1         3.00%         1         3.00%         1         3.00%         1         3.00%	Month	Originated	# of Loans	% Total	At a Glance	
Seventy-10         \$3.251.4(97)         26         11, %           March 10         \$3.252.4(97)         26         11, %           March 10         \$3.252.4(97)         26         11, %           March 10         \$3.141.16.23         98         6%           March 10         \$3.127.760         90         9%           March 10         \$4.127.760         90         9%           Segments-10         \$4.127.760         90         9%           Segments-10         \$5.277.150         47         9%           Segments-11         \$5.277.157         20         1%           Segments-11         \$5.208.273         20         1%           March 11         \$5.208.273         20         1%           March 11         \$5.208.273         20         1%           Segments-11         \$5.208.273         20         1%           Segments-11         \$5.208.273         20         1%           Segments-12         \$5.126.809         10         1%           Segments-12         \$5.208.209         90         1%           Segments-12         \$5.208.209         10         1%           Segments-12         \$5.208.209 <td< th=""><th>December-09</th><th>\$0</th><th>0</th><th></th><th>Total Amount Originated</th><th>\$215,3</th></td<>	December-09	\$0	0		Total Amount Originated	\$215,3
March-10         \$12235,190         99         0%           Gran D         \$12235,190         99         0%           Jame 10         \$12425,201         0.0         0.0           Jame 10         \$12635,120         0.0         0.0           Jaget 10         \$2575,120         0.0         5.20%         0.0           Jaget 10         \$2535,200         0.0         5.20%         0.0           Jaget 10         \$2537,302         46         9%         4.20%         0.0           Jaget 11         \$2526,200         0.0         5.307,302         46         9%         4.20%         0.0         4.20%         0.0         4.20%         0.0         4.20%         0.0         4.20%         0.0         0.0         4.20%         0.0         0.0         0.0         4.20%         0.0 <td< td=""><td>January-10</td><td></td><td></td><td></td><td>Average Annual Income</td><td>\$44</td></td<>	January-10				Average Annual Income	\$44
Spir-10         \$12,63,760         103         0%           Spir-10         \$11,10,824         35         55           Common Comparison         Spir-10	February-10					
Uby-10         ST1418283         93         6%           Uby-10         ST1418284         93         6%           Uby-10         ST416335         90         3%           Uby-10         St40715         90         3%           Uby-10         St40715         90         3%           Uby-10         St40715         90         47           Uby-10         St407175         20         47           Uby-11         St27576         90         47           Uby-11         St27576         20         1%           Uby-11         St27576         20         1%           Uby-11         St27578         90         475%           Uby-11         St27578         90         475%           Uby-11         St27578         90         7%           Uby-11         St27572         22         1%           Uby-11         St275720         22         1%           Uby-12         St1255823         10         1%           Uby-12         St1255825         17%         90           Uby-12         St1255826         177         90           Uby-12         St1255825         17%<						\$121
June 10         \$7,166,334         99         3%         3           June 10         \$10,176         50         3%         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         <						
hgh-10         88.127.766         50         3%           1         53.632.543         30         2%         5           1         53.632.543         30         2%         5           1         53.632.543         30         2%         4.375%         1           1         53.637.530         37         2%         4.375%         1           1         35.637.530         30         2%         4.375%         1           1         35.637.530         30         2%         4.375%         1           1         35.637.530         30         2%         4.375%         1           1         35.637.530         30         2%         4.375%         1           1         35.637.530         30         2%         4.375%         1           1         35.637.530         30         2%         1         4.350%         3           1         35.637.530         30         2%         1         1         4.350%         3           1         35.637.530         30         0         1%         1         1         1         1         1         1         1         1         1						# of L
August 10         States 431         30         2%           Oddober 10         States 432         30         2%           Ismuny 11         States 431         46         3%           Jamary 11         States 431         28         1%           March 11         States 4213         28         1%           Jamary 11         States 232         35         7%           Jamary 11         States 232         36         7%           Jamary 12         States 232         36         7%           Segmenter 11         States 232         36         7%           Jamary 12         States 300         9%         10%           Jamary 12         States 300         9%         10%           Jamary 12         States 300         9%         1						3
September 10         \$4.001.883         39         2%           Souther 10         \$5.217.156         47         3%           Souther 10         \$5.207.202         46         3%           Souther 10         \$5.207.202         1%         4.20%           Souther 11         \$5.207.202         1%         4.20%           Souther 11         \$5.207.202         1%         3.00%           Spetember 11         \$5.207.202         0.9         2%           Spetember 11         \$5.207.202         0.9         2%           Spetember 11         \$5.207.202         0.9         5%           Spetember 11         \$5.207.202         0.9         7%           Spetember 11         \$5.207.202         0.9         7%           Spetember 11         \$5.207.202         0.9         7%           Spetember 12         \$1.000.209         0.14         6%           Spetember 12         \$1.000.209         0.14         6%           Spetember 12         \$2.207.48.21         18         1%           Spetember 12         \$2.207.48.21         18         1%           Spetember 12         \$2.207.48.21         18         1%           Spetember 12						3
Cataber10         \$5.871.150         47         3%           December 10         \$5.271.202         45         3%           December 10         \$5.271.202         45         3%           December 10         \$5.2702         45         3%           December 11         \$5.254.295         10         1%           March 11         \$5.254.395         10         1%           March 11         \$5.355.35         2%         3.350%         2           March 11         \$5.355.35         30         2%         3.350%         2           Symmather 11         \$5.355.35         30         2%         Foreascher         5           December 11         \$5.355.35         30         0         7%         Foreascher         5           December 11         \$5.355.35         11         6%         7%         Foreascher         5           December 12         \$1.1598.042         9         0%         Wartace         1         Foreascher         1           December 12         \$1.259.238.100         110         0%         1         1         1         1         1         1         1         1         1         1         1         1						1
November 10         5.372.302         45         3%           November 10         6.464.3286         39         2%           Jaruary 11         62.071.05         15         1%           Strong 11         62.071.05         16         1%           Mayer 11         52.224.398         19         1%           June 11         52.224.398         19         1%           June 11         53.220.500         26         1%           June 11         53.220.502         26         1%           June 11         53.220.502         26         1%           June 11         53.220.502         26         1%           Status 12         53.230.220         1%         3.20%           June 12         51.250.358         12         1%         7%           June 12         51.250.358         12         1%         7%           June 12         51.250.358         110         0%         1%           June 12         51.250.265         106         0%         1%           June 12         51.250.265         106         0%         1%           June 12         51.250.265         106         0%         1%				2%		5
December 10         \$4,632265         39         2%           Janary 11         \$1,70,079         15         1%           February 11         \$2,257,075         20         1%           March 11         \$2,254,290         19         1%           March 11         \$2,254,290         19         1%           March 11         \$3,022,073         30         2%           March 11         \$3,022,073         30         2%           Superhort 11         \$3,022,073         30         2%           Superhort 11         \$3,022,073         30         2%           Superhort 11         \$3,020,073         16         1%           December 11         \$2,020         0         0%           Superhort 11         \$2,020         0         0%           Superhort 11         \$2,020         0         0%           Superhort 12         \$1,0300         0         0           Superhort 12         \$1,03000         0         0	October-10	\$5,871,150	47	3%	4.875%	2
Jarcany-11         \$1,700,079         16         1%           March-11         \$2,215,767         20         1%           March-11         \$2,249,213         26         1%           Jare H         \$2,206,00         26         1%           Jare H         \$2,206,00         26         1%           Jare H         \$3,000%         20%           Vermitter         \$3,000%         20%           Jare H         \$3,000%         20%           Jare H         \$3,000%         20%           Jare H         \$3,000%         20%           Jare J         \$1,00010         20%           Jare J         \$1,00010         90         %           Jare J         \$1,00010         90         %           March L2         \$1,00010         90         %           March L2         \$1,00010         90%	November-10	\$5,307,302	45	3%	4.750%	7
Fibruary-11         S2.517.675         20         1%           April-11         S2.205.66         1%         3.50%         2           April-11         S2.205.66         26         1%         3.50%         2           June -11         S2.205.66         26         1%         3.50%         2           June -11         S2.205.66         26         1%         3.50%         2           September -11         S3.057.55         20         2%         5         1%         5           November -11         S2.244.782         18         1%         5         5         7%           September -11         S0.0         0%         3         7%         6         7%         6         7%         6         7%         6         7%	December-10	\$4,843,295	39	2%	4.500%	10
March-11         S.2.84.213         26         1%           March-11         S.2.5000         26         1%           March-11         S.2.524.530         10         1%           Juh-11         S.2.524.530         10         1%           Juh-11         S.2.524.530         10         1%           Juh-11         S.2.524.530         10         1%           Juh-11         S.2.524.530         26         1%           Systember-11         S.2.524.530         10         7%           December-11         S.2.524.530         12         1%           December-11         S.2.524.530         12         1%           December-12         S.2.7.535.500         11         9%           Juh-12         S.1.020.100         90         0%           Juh-12         S.2.2.54.535.500         1104         0%           Juh-12         S.2.2.54.535.500         1104         0%           Juh-12         S.2.2.54.535.500         1779         10%           Gordenic 2         S.2.15.53.55.500         1779         10%           Gordenic 2         S.2.15.53.55.500         1779         10%           Reader         Mortal and and anxikan n	January-11	\$1,700,979	15	1%	4.250%	4
April-11         S.220,560         26         1%           Jure 11         S.220,523         91         1%           Jure 11         S.6455,533         35         2%           Jure 11         S.6455,533         35         2%           Mague 11         S.6455,733         30         2%           Normber 11         S.635,235         26         1%           December 11         S.224,722         18         1%           Jure 12         S.1268,638         12         1%           Jure 12         S.1268,638         104         6%           Jure 12         S.1268,638         104         6%           Jure 12         S.1268,638         170         100%           Conder         Originited         S.1268,638         170         10%           Conder         Originited         S.128,438         18         18           Conder         Originited         S.168,17,17         100%         16           Conder	February-11	\$2,517,675	20	1%	4.000%	2
Appli-11         \$2,220,050         26         1%         3,300%           June 11         \$2,220,050         26         1%         3,300%           June 11         \$2,520,050         27%         New Method         27%           September 11         \$3,361,353         30         2%         Protessional Educators         3           November 11         \$3,200,050         27%         Protessional Educators         3           December 11         \$2,204,782         18         1%         Protessional Educators         3           Darea 11         \$2,204,782         18         1%         Protessional Educators         3           Darea 12         \$1,203,0565         100         0%         Traval 44         1%           June 12         \$1,203,0565         104         6%         1%	March-11	\$2,884,213	26	1%	3.750%	2
May-11         S2,284,389         19         1%           July-11         S4,515,383         35         2%           July-11         S5,802,277         30         2%           Signember 1         S5,802,277         30         2%           Signember 11         S5,802,277         30         2%           Normber 11         S5,204,22         1%         5%           December 11         S5,204,22         1%         5%           December 11         S5,204,22         1%         Trans Hein           Signamber 12         S1,220,306,42         89         5%           April-12         S1,206,028         104         6%           April-12         S1,206,018         104         6%           April-12         S1,206,018         104         6%           April-12         S1,206,018         104         6%           April-12         S2,108,011         108         9%           Construct         S1,206,012         109         6%           Construct         S1,206,013         109         6%           Construct         S2,15,355,350         1779         100%           Construct         S2,16,39,37         104 <td>April-11</td> <td></td> <td>26</td> <td>1%</td> <td>3.500%</td> <td>1</td>	April-11		26	1%	3.500%	1
June 11         St. 43 15.33         35         2%           July 11         St. 80 2.373         30         2%           Jung 11         St. 80 12.777         30         2%           September 11         St. 80 12.777         30         2%           Dadoer 11         St. 80 12.777         30         2%           Database 11         St. 80 12.777         30         2%           Database 11         St. 80 12.777         30         2%           January 12         St. 228, 38         12         1%           January 12         St. 228, 38         12         1%           March 12         St. 228, 38         12         1%           March 12         St. 228, 58         104         6%           March 12         St. 228, 58         104         6%           Database 12         St. 228, 58         104         6%           Database 12         St. 228, 58         104         6%           Database 12         St. 228, 58         107         10%           Database 12         St. 228, 58         107         10%           Database 12         St. 218, 58, 560         177         10%           Database 12         St			19	1%	New/Existing	
July-11         \$3.802.273         30         2%           September-11         \$3.802.277         30         2%           Sourcher-11         \$3.901.533         30         2%           Noverher-11         \$3.052.553         2%         8%           Noverher-11         \$3.052.553         2%         1%           Seconder-11         \$3.052.553         2%         1%           Seconder-11         \$3.052.553         2%         1%           Seconder-11         \$3.056.553         2%         1%           Seconder-12         \$3.7279.020         12         1%           April-12         \$1.18.09.919         99         6%           Myr-12         \$1.000.866 917         99         6%           Myr-12         \$1.000.805         104         6%           June-12         \$1.000.805         104         6%           March 12         \$1.000.805         104         6%           Carder <b>Criders of Criders of Cr</b>						44
Langue 11         S.3.612,777         30         2%           September 11         S.3.961,533         30         2%           October 11         S.3.042,4782         18         1%           December 11         S.2.04,782         18         1%           December 11         S.2.04,782         18         1%           December 11         S.2.04,782         18         1%           December 11         S.2.03,98         12         1%           December 12         S.1.28,398         12         1%           March 12         S.1.28,398         12         1%           March 12         S.1.28,309         10         6%           March 12         S.1.28,309         10         6%           March 12         S.1.28,309         104         6%           July 12         S.1.28,309         104         6%           Ordeber 12         S.2.18,480         18         1%           Total S         S.2.16,307         291         16%           Ordeber 12         S.2.18,480         18         1%           Ordeber 12         S.2.16,102         291         16%           Diff Moragac Company         S.2.16,102         1						56
September-11         S.3.91.53.3         3.00         2%         Professional Educator         5           November-11         S.2.05,253         25         1%         Traces al fear         3           November-11         S.2.04,722         18         1%         Traces al fear         3           January-12         St.2.05,369         12         1%         Traces al fear         7           January-12         St.2.00,398         104         6%         14         15         16         17         17         100%         16         16         16         16         16         16         16         16         16         16         16 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
October-11         S3 035 25         1%           December-11         \$2,037,823         18         1%           December-11         \$30         0         0%           Jayr-12         \$1,283,389         12         1%           December-11         \$50         0         0%           Maruary-12         \$1,283,389         12         1%           December-12         \$1,1806,042         89         5%           Apri-12         \$1,1806,042         90         6%           Apri-12         \$1,2550,013         108         6%           Segtember-12         \$2,128,489         18         1%           Contrastore <b>Orginited</b> \$0         0%           Contrastore <b>Orginited</b> \$0         100%           Contrastore <b>Orginited</b> \$0         100%           Contrastore         Marina         \$2,2488,693         170         10%           Contrastore         Marina         \$2,488,635         10         10%           Contrastore         Marina         \$2,488,635         20         3%           Contrastore         Marina         \$2,5568,270         20%         Marina      <						56
November-11         52, 224, 722         18         1%           December-11         50         0         0%           Jaruay-12         51, 225, 338         12         1%           March-12         \$1, 286, 348         12         1%           March-12         \$1, 130, 96, 94         99         6%           March-12         \$1, 150, 06, 12         99         6%           July-12         \$1, 12, 250, 07, 3         108         6%           July-12         \$1, 12, 250, 07, 3         108         6%           Constraint 2         \$1, 12, 260, 07, 3         108         6%           Constraint 2         \$1, 12, 260, 07, 3         108         6%           Constraint 2         \$1, 12, 260, 07, 3         108         6%           Constraint 2         \$1, 12, 260, 07, 3         108         6%           Constraint 2         \$1, 12, 260, 07, 3         100%         100%           Constraint 2         \$1, 15, 15, 14, 17, 17         106         106           Constraint 2         \$1, 15, 248, 183         10         10%           States Mortage         \$1, 14, 13, 15%         10         10%           Witastraint 10         \$1, 15, 22, 248, 683         10 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
December-11         S0         0         0%           Tebuary-12         \$1,263,388         12         1%           March-12         \$1,306,947         89         5%           April-12         \$11,306,947         89         5%           March-12         \$11,306,947         89         5%           March-12         \$11,306,947         89         5%           June-12         \$11,306,947         89         5%           June-12         \$11,200,855         104         6%           Mayus-12         \$12,506,055         104         6%           Spetember-12         \$2,125,469         10         106           Correstone Murgage Company         \$85,517,137         291         106           Correstone Murgage Company         \$85,517,137         126         7%           DPI Mortgage Contast         \$21         106         106           Carstone Murgage Company         \$85,517,137         126         7%           DPI Mortgage Contast         \$24,864,363         170         10%           Dranstant American         \$4,453,367         126         7%           Obid Mortgage Company         \$84,450,355         25         3%						
January-12     51,285,388     12     1%       March-12     57,279.023     62     3%,       March-12     \$11,986,947     89     5%,       March-12     \$11,986,947     89     6%,       July-12     \$11,986,942     99     6%,       July-12     \$11,265,0613     108     6%,       July-12     \$12,265,0613     108     6%,       July-12     \$12,656,013     108     6%,       Status More Company     \$215,355,350     100%,     100%,       Connerstone Mortgage Company     \$26,617,173     201     100%,       Connerstone Mortgage Co., Lu.     \$216,542,291     100%,       Connerstone Mortgage Co., Lu.     \$216,542,291     39     8%,       Collin Change Company     \$36,416,327     76,     8exar     1       Thread American Mortgage Co., Lu.     \$216,542,91     39     8%,       Collin Grage Company     \$34,443,37     76,423     76,423       Status Mortgage Company     \$34,443,361     81     5%,       Firet Connerstone Mortgage Company     \$34,443,310     84,443,483     38,       Collin Grage Company     \$34,452,113,32     31,564,429     76,433       Strike Mortgage Lu.     \$4,663,160     40,454,454     86,582						14
February 12         \$7,270,23         62         3%           Aparl-12         \$11,0366,447         89         5%           Aparl-12         \$11,039,049         99         6%           June-12         \$11,039,049         99         6%           June-12         \$12,056,085         104         6%           June-12         \$12,056,085         104         6%           June-12         \$21,256,085         104         6%           Septembor-12         \$22,126,08,085         104         6%           Correrstore Morpage Con- promer Nationappe Company         \$8,435,035         52         3%           Collin Morpage Con- promer Nationappe Company         \$8,435,035         52         3%         Bell         6           Contrainer Morpage Con- promer Nationappe Company         \$8,435,035         52         3%         Bell         6           Contrainer Morpage Con- primer Contrainer Morpage Con- primer Contrainer Morpage Con- primer Mationappe Contrainer         \$3,566,27         7%						
March-12         \$10,386,847         89         5%           May-12         \$11,809,919         99         6%           May-12         \$11,809,919         99         6%           July-12         \$12,050,0855         104         6%           July-12         \$12,050,0855         104         6%           Sopember-12         \$2,125,063         108         6%           Coherer 12         \$2,128,466         18         1%           Totals         \$2,175,355,360         1779         100%           Cohererstone Mortgage Company         \$36,6517,137         291         Mortganting Countas         # of Loans           Concerstone Mortgage Concepany         \$36,6517,137         291         10%         Harris         3           Concerstone Mortgage Concepany         \$36,6517,137         291         Mortganting Countas         # of Loans         * f of all astant Native Ortganting Countas         # of						99
April-12         \$11.809.049         99         6%           June-12         \$11.098.042         99         6%           June-12         \$13.031.939         111         6%           June-12         \$12.050.895         104         6%           June-12         \$2.12.050.895         104         6%           June-12         \$2.12.060.895         104         6%           October-12         \$2.12.8469         18         1%           Totals         \$2.17.3535.360         1779         100%           Lender         Originated         # of Loans         % Total           Correstone Mortgage Company         \$3.85.17.137         291         16%           Point NationWortgage         \$11.69.04.854         171         10%           Rocky Mountain Mortgage Co.         \$16.644.231         139         8%           Guid Mortgage Company         \$8.164.91         139         8%         Mortgage.01           Carrestone Mortgage Company         \$9.144.913         7%         Mortgage.01         Dalas         1           Dalas         171         10%         Mortgage.01         States Mortgage.01         States Mortgage.01         States Mortgage.01           Universtal American						1
May-12         \$11.980.042         99         6%           July-12         \$11.303.19.39         111         6%           July-12         \$12.050.685         104         6%           September-12         \$2.125.06.81         108         9%           Corber-12         \$2.128.468         18         1%           Totals         \$2.128.468         18         1%           Cornerstone Mortgage Company         \$36.517.137         291         16%           Cornerstone Mortgage Company         \$36.517.137         291         16%           Cornerstone Mortgage Company         \$36.517.137         291         16%           DHI Mortgage Co., Ltd.         \$22.486.683         170         10%           Trans Mortgage Co., Ltd.         \$22.486.631         170         10%           VR Starkey Mortgage         \$14.610.367         126         7%.           VR Starkey Mortgage         \$14.610.367         126         7%.           VR Starkey Mortgage Conpany         \$36.511.06.01         83         160           Trans of the star Connunity Mortgage Conpany         \$4.463.532         39         2%.           Front Bend mortgage Conpany         \$4.463.16         3%.         160.001n         170.001						0
June 12         \$13.031.939         111         6%           Jugus 12         \$12.050.855         104         6%           Jugus 1-12         \$212.050.851         108         6%           Jugus 1-12         \$212.050.851         108         6%           Jord 12         \$212.050.851         108         6%           Jord 12         \$212.8469         18         1%           Totals         \$217.5355.360         1779         100%           Lender         Originated         # of Loans         % Total           Cornersone Mortgage Company         \$36.517.137         291         16%           Permier Nationweils and merican Mortgage Co.         \$19.04.8654         171         10%           Nex Starky Mortgage         \$14.461.9367         126         7%           Guid Mortgage Company         \$9.14.49.911         81         5%           Next Starky Mortgage         \$17.79.203         79         4%           Guid Mortgage Company         \$9.14.49.911         84         5%           Guid Mortgage Company         \$9.14.69.91         86         9%           Milliaed Bark         Sciel Admeriae         \$6.63.90.55         2%           Marteraborneket, Mino <t< td=""><td>April-12</td><td>\$11,809,919</td><td>99</td><td>6%</td><td>Ethnicity</td><td></td></t<>	April-12	\$11,809,919	99	6%	Ethnicity	
June 12         \$13,03,939         111         6%           Jugue 12         \$12,050,895         104         6%           Jugue 12         \$212,050,805         108         6%           Jugue 12         \$212,050,805         108         6%           October 12         \$212,050,805         108         6%           October 12         \$212,8469         18         1%           Totals         \$217,353,550         1779         100%           Demons Nationway Conception Mortgage Company         \$36,517,137         291         16%           Rocky Mountain Mortgage Co.         \$19,048,854         171         10%           Premiser Nationway Lending Co.         \$16,644,291         139         8%           Universal American Mortgage Company         \$9,144,911         6%         Dalas         1           Netstarky Mortgage         \$7,74,203         79         4%         Mortgafor Community Mortgage Company         \$9,144,911         86         0         2%           Bank of America         \$6,63,005         62         3%         Mortgaformeter, Inc.         \$6,63,005         2%         Mortgaformeter, Inc.         \$6,63,005         60         Barter American Mortgafor         10         Balas         10	May-12	\$11,598,042	99	6%	White	43
July-12         \$12,050,895         104         6%           August-12         \$12,2506,815         108         6%           September-12         \$21,2506,805         118         9%           Cotcher-12         \$21,28,408         18         1%           Total S         \$215,355,360         1779         100%           Concrestore Mortage Company         \$36,517,137         291         16%           Cornerstore Mortage Company         \$36,817,137         291         16%           Dell Mortage Con, Ld.         \$22,486,083         170         10%           Rocky Mourtan Mortage Co.         \$19,084,844         171         10%           Universal American Mortage Company         \$16,152,341         126         7%           Guid Mortage Company         \$16,152,341         126         7%           Guid Mortage Company         \$16,152,341         126         7%           Guid Mortage Company         \$16,452,341         126         7%           Guid Mortage Company         \$16,452,342         39         2%           First Community Mortage         \$7,794,203         79         4%           Bank of American Mortage Company         \$14,453,478         38         2%			111		Hispanic	27
Juguet-12         \$12,550,613         108         6%           Soptember-12         \$20,169,914         168         9%           Catober-12         \$21,28,469         18         1%           Totals         \$215,355,360         1779         100%           Correstome Mortgage Company         \$36,571,37         291         16%           Del Mortgage Co., Ltd.         \$22,486,683         170         10%           Premer Nationwick Lending (INTFA, Inc.)         \$16,644,291         19         9%           Muntain Mortgage Co.         \$16,142,301         126         7%           Will Starkey Mortgage         \$14,619,367         126         7%           Guild Mortgage Company         \$16,844,291         19         9%           Guild Mortgage Company         \$16,844,291         19         9%           Mill Starkey Mortgage         \$7,784,203         79         9%           Mill Starkey Mortgage         \$6,430,055         52         9%         Willimmson           First Continnel Mortgage, Inc         \$4,469,370         42         2%         Fort Bend         5           Frint Continnel Mortgage, Inc         \$4,469,370         42         2%         Galvestion         5	July-12		104			21
September-12         S20.169.914         168         9%           Cotaber-12         \$2.128.408         18         1%           Total S         \$2.153.355.360         1779         100%           Cornerstore Mortage Company         \$2.128.408         18         1%           Cornerstore Mortage Company         \$2.617.177         291         10%           Cornerstore Mortage Company         \$2.619.177.17         10%           Rocky Mourtan Mortage Co.         \$19.084.84         171         10%           Definitions Mortage Company         \$19.084.84         171         10%           WR Starkey Mortage         \$19.084.84         171         10%           Marciarhomeky, Inc.         \$5.687.270         42         2%           WR Starkey Mortage         \$7.79.4203         79         4%           Bank of America         \$6.450.035         23         %           First Continential Mortage Itd         \$4.043.488         38         2%           Frintelending         \$4.666.160         40         2%           Milated Bank         \$4.060.216         48         3%           Milated Bank         \$4.060.216         48         3%           Merican Mortage Company         \$1						8
Circuber 12         \$2,12,24,89         18         1%           Totals         \$215,355,360         177.9         100%           Cornerstom Mortgage Company         \$26,517,137         291         16%           Del Mortgage Co.         16 of Looms         % Total         77.9         00%           Othortgage Company         386,517,137         291         16%         E Paso         2           Denk Mortgage Co.         516,342,91         139         9%         60%         77.9         00%           Universal American Mortgage Co.         516,342,91         139         9%         Colin         7         00%           Will Starker, Mortgage         57,742,037         18         7%         7%         00%         Oallas         1           Del Nortgage Company         534,693,05         52         9%         6%         0         0         Dalas         1           Del America Mortgage Ind         44,493,483         38         2%         Fort Bend         18         6%         Williamson           Travis         19         52         9%         Williamson         2%         Mortgale Company         44,493,483         38         2%         Fort Bend         36						1
Totals         \$215,355,360         1779         100%           Correstore Mortage Company         \$36,517,327         219         16%           Drill Mortage Co., Lut.         \$22,488,693         170         10%           Rock Mountain Mortage Co.         \$19,084,854         171         10%           Primer Nationwide Lending (NTFN, Inc.)         \$16,542,334         126         7%           Wit Starkey Mortage Community Mortage Community Mortage Community Mortage Str.794,203         79         4%           Driversal American Mortage Community Mortage Str.794,203         79         4%         Onitorian Mortage Community Mortage Str.794,203         79         4%           Bark of America         \$6,435,036         52         3%         Bell         0         0           America Mortage Group, Inc.         \$6,663,100         40         2%         Baracota         Ellis         0           Primer Vestore Mortage Group, Inc.         \$6,663,100         40         2%         Baracota         Ellis         0           Primer Vestore Mortage Group, Inc.         \$6,663,100         40         2%         Baracota         Ellis         0           Primer Vestore Mortage Group, Inc.         \$6,663,100         40         2%         Ellis         0         Ellis </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td>						0
Lender         Originated         # of Loans         % Total           Cornerstore Mortgage Company         \$36,517,137         291         16%           DFI Mortgage Co., LLI         \$22,488,633         170         10%           Rocky Mountan Mortgage Co., LLI         \$22,488,633         170         10%           Driversal American Mortgage Co.         \$16,62,334         126         7%           Driversal American Mortgage Company         \$16,162,334         126         7%           Quil Mortgage Company         \$14,1619,367         126         7%           MK Starkey Mortgage         \$14,619,367         126         7%           MarceathomeKey, Inc.         \$56,82,70         42         2%           K. Hornanian American Mutgage Company         \$4,846,532         39         2%           Fort Bend         3         34         6           Amerizor Funding         \$4,868,532         39         2%           Continental Mortgage ILd         \$4,943,488         38         2%           Primale Andig         \$4,363,775         34         2%           Multised Bank         \$4,633,6219         35         2%           Multisege Compuny         \$4,437,758         34         2%						
Lender         Originated         # 0 Loans         % Total         E I Paso         2           Ort Morpage Connegative Morpage Co., Lt.         \$22,488,603         170         10%         Bears         1           Drit Morpage Co., Lt.         \$22,488,603         170         10%         Bears         1           Premier Nationwide Lending (NTFN, Inc.)         \$16,614,221         139         8%         Datas         1           Universal American Morpage Co.         \$16,614,307         126         7%         Colinance         Morpage Company         \$34,46,311         81         5%         Datas         1         0           VPS Starkey Morpage         \$7,742,023         79         4%         Williamson         0         Williamson         0         Williamson         0         Williamson         0         Williamson         0	Totals	<i>\$</i> 213,333,300	1119	10076		
Cornerstore Mortgage Company         \$38,617,137         291         16%           Dell Mortgage Co., Lid.         \$22,488,693         170         10%           Rocky Mountain Mortgage Co.         \$10,084,854         171         10%           Primer Nationwide Lending (NTFN, Inc.)         \$16,544,291         139         8%           Universal American Mortgage Co.         \$16,152,334         128         7%           WR Stankey Mortgage         \$14,4619,667         128         7%           Oddi Mortgage Company         \$34,146,19,867         128         7%           MR Stankey Mortgage         \$17,794,203         79         4%         Mortgame           And America an Mg, LLC         \$56,453,035         52         3%         Bell         1           Rink of America, and Mg, LLC         \$56,653,203         92         4%         Gaudalupe         1           PrimeLinding         \$4,863,621         39         2%         Gaudalupe         1           PrimeLinding         \$4,863,260         19         1%         Hiddago           Venetri Finand Jindig, Inc.         \$4,360,219         35         2%         Hiddago           Venetri Finand Jindig, Inc.         \$4,300,219         35         2%         Hidda	l andan	Oniminated	# - 1	0/ T-4-1		
DHI Mortgage Co., Ltd.         \$22,488,693         170         10%           Bocky Mountain Mortgage Co.         \$19,094,8454         171         10%           Premer Nationwide Lending (NTFN, Inc.)         \$16,544,291         139         8%           Universal American Mortgage Co.         \$316,152,334         126         7%           With Starkey Mortgage         \$14,619,367         126         7%           Guid Mortgage Company         \$34,481,9367         126         7%           FNB Tob First Community Mortgage         \$17,42,033         79         4%           Bank of America         \$64,435,036         52         3%         Bell         5           K. Hovnaina American Mtg. LLC         \$5,104,4203         79         4%         Brazonia         5           Trist Continent Mortgage Ltd         \$4,438,101         81         3%         Bell         5           K. Hovnaina American Mtg. LLC         \$5,668,270         42         2%         Brazonia         5           Frist Continent Mortgage Ltd         \$4,460,516         48         3%         Ellis         6           Houstorian Mortgage, Inc         \$4,600,516         48         3%         Ellis         5           Primary Residemilial Mortgage, Inc <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Rocky Mountain Mortgage Co.         \$19,084,854         171         10%           Premier Nationwide Lending (NTFN, Inc.)         \$116,544,291         139         8%           Universal American Mortgage Co         \$16,544,291         139         8%           Qild Mortgage Company         \$14,619,367         126         7%           MR Starkey Mortgage         \$14,619,367         126         7%           MC Americal Company         \$54,48,911         81         5%           Guid Mortgage Company         \$54,48,015         126         7%           MericablomeKey, Inc.         \$56,68,270         42         2%           First Continental Mortgage Ltd         \$4,48,652         39         2%           Galveston         \$4,865,52         39         2%           Galveston         \$4,865,32         39         2%           Meris Fargo Bank, NA         \$4,337,758,31         30         2%           Primary Residential Mortgage, Inc         \$4,380,621         19         1%           Vereis Fargo Bank, NA         \$4,337,758,31         30         2%           Pulle Mortgage Corponation         \$3,310,694         25         1%           Nuerees         14/37,052         18         1% <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Premer Nationwide Lending (NTFN, Inc.)         \$16,544,291         139         8%           UNR Starkey Mortgage         \$16,164,2334         126         7%           WR Starkey Mortgage         \$14,619,367         126         7%           Ordid Mortgage Company         \$814,86,11         81         5%           FNBT das First Community Mortgage         \$7,794,203         79         4%           Bank of America         \$6,435,035         52         3%         Bell         0           Americal-MorteGy, Inc.         \$5,568,270         42         2%         Brazonia         6           Frist Continental Mortgage Ltd         \$4,434,388         38         2%         Galveston         3           Primary Residential Mortgage, Inc         \$4,486,532         39         2%         Galveston         3           Houstonian Mortgage Corup, Inc.         \$4,480,516         40         2%         Galveston         3           Houtgage LC         \$3,477,758         30         2%         McLeman         3           Vestize Mortgage Comparition         \$99,1240         7         0%         Garayson         Westize Mortgage Comparition         \$99,1240         7         0%         Galveston fini fini finitiage Comparition         \$99,1240 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Universal American Mortgage         S14 (512,334         126         7%           Guild Mortgage         S14 (619,367)         126         7%           Guild Mortgage Company         \$9,148,011         81         5%           Bark of America         \$6,435,036         52         3%           Americal Mortgage         \$7,794,203         79         4%           Milliamson         12         2%         Bell         16           K. Hornanian American Mtg, LLC         \$56,662,701         42         2%         Galveston         16           First Continental Mortgage Ind         \$4,494,348         38         2%         Galveston         2           Affiliated Bark         \$4,663,160         40         2%         Galveston         2           Milested Bark         \$4,360,218         35         2%         Hidalgo         2%           Milested Bark         \$4,360,216         48         3%         Ellis         16           Primary Residential Mortgage, Inc         \$4,360,216         2%         16         16           Mortgage Corporation         \$33,17,65         34         2%         McLemana           Mortgage Corporation         \$361,240         7         0%         Ga						
WR Starkey Mortgage         \$14 619.367         126         7%           Guild Mortgage Company         \$814 649.11         81         5%           FNBT da First Community Mortgage         \$7,794.203         79         4%           Bank of America         \$6,645,033         52         3%         Bell         Starter           K Hornaina American Mtg. LLC         \$6,110,041         48         3%         Bell         Starter           Americal-MomeKey, Inc.         \$5,568,270         42         2%         Brazonia         Fort Bend           Americal-Inding         \$4,480,532         39         2%         Galveston         Starter           Houstonian Mortgage Coropu, Inc.         \$4,600,516         48         3%         Ellis         Eareron         Ellis         Starteron         Stareron         Starteron         Starteron						1:
Guild Mortgage Company         \$9, 149, 911         81         5%           Bank of America         \$6, 435, 035         52         3%           Bank of America         \$6, 435, 035         52         3%           Americal-Ommerky, Inc.         \$5, 568, 270         42         2%           Brinst Continental Mortgage Ltd         \$4, 494, 488         38         2%         Brazonia           Americal-Ommekey, Inc.         \$4, 663, 160         40         2%         Galveston           Affiliated Bank         \$4, 494, 488         38         2%         Galveston           Affiliated Bank         \$4, 430, 219         35         2%         Hidalgo           Weils Fargo Bank, NA         \$4, 337, 726         34         2%         McLennan           Veils Fargo Bank, NA         \$4, 337, 726         1%         McLennan         5           Primary Residential Mortgage         \$2, 17, 210         26         1%         McLennan         5           Veils Fargo Bank, NA         \$4, 33, 310, 694         25         1%         McLennan         5           Veils Fargo Bank Matgage Corporation         \$94, 663, 57         7%         McLantgage Corporation         \$96, 507         7%         Galveston         5						4
FNBT dba First Community Mortgage         \$7,794,203         79         4%           Bank of America         \$6,436,035         52         3%           K. Hovnanian American Mtg. LLC         \$6,110,401         48         3%           K. Hovnanian American Mtg. LLC         \$6,110,401         48         3%           First Continental Mortgage Lid         \$4,484,488         38         2%         Guadalupe           Frinst Continental Mortgage, Lid         \$4,486,5160         40         2%         Galveston           Hillated Bank         \$4,680,219         35         2%         Galveston           Houstorian Mortgage, Inc         \$4,600,516         48         3%         Ellis         9           Primary Residential Mortgage, Inc         \$4,430,785         34         2%         McLennan           Amerizor Funding Inc.         \$3,310,694         25         1%         Nueces           Pulle Mortgage Company         \$1,473,057         15         1%         Kaufman         Cornal           Foretter First Mortgage Corporation         \$294,650         7         0%         Garayson           Cachera Funding, Inc.         \$794,693         7         0%         Garayson           Cornal         500,1151		\$14,619,367			Montgomery	4
Bank of America         Sc. 435:035         52         3%           K. Hovnanian American Mtg. LLC         \$6:110.401         48         3%           Americal-OmmeKey, Inc.         \$5:568.270         42         2%           First Continental Mortgage Ltd         \$4:494.488         38         2%           Affiliated Bank         \$4:685.523         39         2%           Galeveston         \$4:600.516         48         3%           Primary Residential Mortgage, Inc.         \$4:300.219         35         2%           Weils Fargo Bank, NA         \$4:37.785         34         2%           Mortgage Croup, Inc.         \$4:30.0219         35         2%           Mortgage Croup, Inc.         \$4:30.0219         35         2%           Veils Fargo Bank, NA         \$4:337.785         34         2%           Mortgage Cup         \$3:377.6831         30         2%           Puite Mortgage Cup         \$3:310.694         25         1%           Convidage Corporation         \$940.650         7         0%           Cardera Funding, Inc.         \$796.979         7         0%           Cardera Funding, Inc.         \$796.979         7         0%           Seorgoration	Guild Mortgage Company	\$9,148,911				4
K. Hovnanian Americahmerkey, Inc.         Science         Fort Bend         Science           First Continental Mortgage Ltd         \$4,943,488         38         2%         Brazoria           First Continental Mortgage Ltd         \$4,943,488         38         2%         Gaudalupe         Science           First Continental Mortgage Croup, Inc.         \$4,660,516         40         2%         Galveston         Science           Houstonian Mortgage Croup, Inc.         \$4,600,516         48         3%         Cameron         Science           Primary Residential Mortgage, Inc         \$4,307,783         34         2%         Hickalgo         Science           Amerizor Funding Inc.         \$3,375,831         30         2%         McLennan         Science           Everett First Mortgage Compary         \$1,473,057         15         1%         Hays         Science		\$7,794,203	79		Williamson	3
Americal-bomeKey, Inc.         \$5.668,270         42         2%           First Continental Mortgage Ltd         \$4.943,488         38         2%           PrimeLending         \$4.886,532         39         2%           Attilized Bank         \$4.663,160         40         2%           Attilized Bank         \$4.663,160         40         2%           Origonal Status         \$4.663,160         40         2%           Attilized Bank         \$4.663,160         40         2%           Wells Fargo Bank, NA         \$4.330,219         35         2%           Amerizor Funding Inc.         \$3.377,831         30         2%           Mortgage, Com         \$3.310,694         25         1%           Periver First Mortgage         \$2.112,062         18         1%           Corryell         \$3.310,694         25         1%           Hometrust Mortgage Corporation         \$994,650         7         0%           Captar Lending, LC         \$951,240         7         0%           Cardera F unding, Inc.         \$796,979         7         0%           Kaufmape Corporation         \$954,527         0%         Gateway Mortgage Corporation         \$6560,976           Strik		\$6,435,035	52	3%		3
First Continental Mortgage Ltd       \$4.943,488       38       2%         Affiliated Bank       \$4.986,532       39       2%         Affiliated Bank       \$4.680,516       40       2%         Houstonian Mortgage Group, Inc.       \$4.600,516       48       3%         Pimary Residential Mortgage, Inc       \$4.307,783       34       2%         Mells Fargo Bank, NA       \$4.337,785       34       2%         Merrigor Funding Inc.       \$3.310,694       25       1%         Putle Mortgage LCC       \$2,353,620       19       1%         Service First Mortgage       \$2,112,052       18       1%         Constrating, LtC       \$994,650       7       0%         Weststar Mortgage Corporation       \$994,650       7       0%         Service First Mortgage Corporation       \$810,635       7       0%         Weststar Mortgage Corporation       \$800,635       7       0%         Weststar Mortgage Corporation       \$869,332       5       0%         Ervey Marciana Bwrt Texas       \$422,404       4       0%         Colonial Savings, FA       \$501,755       6       %         Ervey Mortgage Group, LLC       \$270,506       3       0%	K. Hovnanian American Mtg. LLC	\$6,110,401	48	3%	Fort Bend	3
PrimeLending         \$4.886,532         39         2%           Affliated Bank         \$4.686,160         40         2%           Houstonian Mortgage Group, Inc.         \$4.603,160         48         3%           Primery Residential Mortgage, Inc.         \$4.300,219         35         2%           Wells Fargo Bank, NA         \$4.337,785         34         2%           Ameripo Funding Inc.         \$3.37,758,31         30         2%           Eventt Financial, Inc., dba Supreme Lending         \$3.310,694         25         1%           Imottgage LC         \$2.33,620         19         1%         Hays           Putte Mortgage         \$2.412,052         18         1%         Hays           Homatrust Mortgage Corporation         \$984,650         7         0%         Galvestan           Capstar Lending, LC         \$951,635         7         0%         Garyson         Westsan Mortgage Corporation         \$841,655         6         0%         Wise         Inbrison           EnterLine Mortgage Corporation         \$861,055         6         0%         Galveul         Enterson           SWBC Mortgage Linited         \$650,978         5         0%         Galveul         Enterson           SWBC Mortgag	AmericaHomeKey, Inc.					3
Affiliated Bank       \$4.663.160       40       2%         Houstonian Mortgage Group. Inc.       \$4.663.160       48       3%         Pinary Residential Mortgage, Inc.       \$4.360.219       35       2%         Wells Fargo Bank, NA       \$4.337,785       34       2%         Mentry To Funding Inc.       \$3.775,831       30       2%         Evenett Financial, Inc., tha Supreme Lending       \$3.477,210       26       1%         Pulte Mortgage Company       \$1.473,057       15       1%         Pulte Mortgage Corporation       \$994,650       7       0%         Cendera Funding, LC       \$994,650       7       0%         Cendera Funding, LC       \$794,503       6       0%         Cendera Funding, Inc.       \$796,977       7       0%         Cendera Funding, Inc.       \$794,503       6       0%         Evenett Fundingage Corporation       \$851,055       6       0%         Evenett Fundingage Corporation       \$854,3274       4       0%         Contails Savings, FA       \$300,4174       2       0%         Fairway Independent Mortgage Corp.       \$432,204       4       0%         Mexitoriat Mortgage Ord.       \$432,204       4		\$4,943,488	38	2%	Guadalupe	2
Houstonian Mortgage Group, Inc.         \$4,600.516         48         3%           Primary Residential Mortgage, Inc.         \$4,400.219         35         2%           Wells Fargo Bank, NA         \$4,337,785         34         2%           Manerpro Funding Inc.         \$3,775,831         30         2%           Verent: Financial, Inc., dba Supreme Lending         \$3,477,210         26         1%           Imottgage, com         \$3,310,694         25         1%           Putte Mortgage LC         \$2,33,320,291         1%         Hays           Service First Mortgage         \$2,112,052         18         1%           Nometrust Mortgage Corporation         \$994,650         7         0%           Capstar Lending, LC         \$351,240         7         0%           Veststar Mortgage Corporation         \$810,635         7         0%           Georgerown Mortgage, LC         \$796,979         7         0%           StyBEC Mortgage Limited         \$650,978         5         0%           Envoy Mortgage Limited         \$650,978         5         0%           Colonial Savings, FA         \$3310,474         0%         Randail           Envoy Mortgage Corporation         \$320,473         0% <t< td=""><td>PrimeLending</td><td>\$4,886,532</td><td>39</td><td>2%</td><td>Galveston</td><td>2</td></t<>	PrimeLending	\$4,886,532	39	2%	Galveston	2
Primary Residential Mortgage, Inc.         \$4,360,219         35         2%           Wells Fargo Bank, NA         \$4,337,785         34         2%           Ameripo Funding Inc.         \$3,377,85         34         2%           Mineripo Funding Inc.         \$3,377,85         34         2%           Mortgage Dimonstration         \$3,377,85         34         2%           Mortgage, Dimonstration         \$3,377,85         34         2%           Pute Mortgage, LC         \$2,317,853         30         2%           Pute Mortgage, LLC         \$2,353,620         19         1%           Borrice First Mortgage Corporation         \$994,650         7         0%           Candera Funding, LC         \$994,650         7         0%         Grayson           Weststar Mortgage, Carporation         \$994,650         7         0%         Bastrop           Cendera Funding, Inc.         \$796,970         7         0%         Bastrop         Bastrop           Cendera Funding, Inc.         \$794,503         6         0%         Caldwell         Envoy Mortgage Corporation         \$650,978         5         0%         Rackawall         Envoy Mortgage Corp.         \$543,274         4         0%         Radeall         Envoy	Affiliated Bank	\$4,663,160	40	2%	Cameron	2
Wells Fargo Bank, NA         \$4,337,785         34         2%           Amerigo Funding Inc.         \$3,775,831         30         2%           Everett Financial, Inc., dba Supreme Lending         \$3,477,210         26         1%           Velte Mortgage Com         \$3,310,694         25         1%           Verett Financial, Inc., dba Supreme Lending         \$3,477,210         26         1%           Verett Financial, Inc., dba Supreme Lending         \$3,477,210         26         1%           Verett Financial, Inc., dba Supreme Lending         \$3,477,210         26         1%           Service First Mortgage Company         \$1,473,057         15         1%         Kaufman           Verettar Financial, Inc.         \$994,650         7         0%         Grayson           Capstar Lending, LLC         \$991,240         7         0%         Bastrop           Candra Funding, Inc.         \$796,979         7         0%         Wise         Mise           Envery Mortgage Corporation         \$850,352         6         0%         Caldwell         Envery Mortgage Corporation         \$851,055         6         %         Caldwell         Envery Mortgage Corpo         S43,274         4         0%         Randaiii         Caldwell         Envery	Houstonian Mortgage Group, Inc.	\$4,600,516	48	3%	Ellis	2
Ameripo Funding Inc.         \$3,775,831         30         2%           Evenett Financial, Inc., the Supreme Lending         \$3,477,210         26         1%           mortgage, com         \$3,310,694         25         1%         Coryell           Putte Mortgage, Cum         \$2,310,694         25         1%         Hays           Putte Mortgage, Cumpany         \$1,473,057         15         1%         Cornal         Cornal           Hometrust Mortgage Corporation         \$994,650         7         0%         Johnson         Cornal           Capstar Lending, LLC         \$951,240         7         0%         Grayson         Westar Mortgage, Cuporation         \$994,650         7         0%         Bastrop           Cendera Funding, Inc.         \$796,979         7         0%         Use of the Second the Se	Primary Residential Mortgage, Inc	\$4,360,219	35	2%	Hidalgo	1
Ameripor Funding Inc.         \$3,775,831         30         2%           Evenett Financial, Inc., dba Supreme Lending         \$3,310,694         26         1%           Imortgage.com         \$3,310,694         25         1%         Coryell           Pulte Mortgage LLC         \$2,353,620         19         1%         Goryell         Science First Mortgage         Science First Mortgage Company         \$1,473,057         15         1%         Cornal         Cornal           Hometrust Mortgage Corporation         \$994,650         7         0%         Garayson         Weststar Mortgage Corporation         Severs First Mortgage Corporation         \$994,650         7         0%         Bastropo           Cendera Funding, Inc.         \$796,979         7         0%         Grayson         Weststar Mortgage Corporation         \$660,978         0%         Wise         Iubbock         Garayson           SwiPSC Mortgage Corporation         \$661,055         6         0%         Caldwell         Envoy Mortgage Corporation         \$660,978         5         0%         Rackaull           Coronal Savings, FA         \$501,151         4         0%         Rackaull         First National Bark Toxas         \$432,404         4         0%         Medefina         Westb         Mision Mortgage O				2%		1
Eveneti Financial, Inc., dba Supreme Lending         \$3,477,210         26         1%           Inordpage.com         \$3,310,694         25         1%           Valte Mortgage LC         \$2,353,620         19         1%           Service First Mortgage         \$2,112,052         18         1%           Ornerturst Mortgage Corporation         \$994,650         7         0%           Capstar Lending, LC         \$994,650         7         0%           Capstar Lending, LC         \$994,650         7         0%           Capstar Lending, LC         \$994,650         7         0%           Cendera Funding, LC         \$784,503         6         0%           Cendera Funding, LC         \$784,503         6         0%           Georgetown Mortgage Corporation         \$810,635         7         0%           WyBC Mortgage Corporation         \$869,978         5         0%           Cataway Mortgage Corp.         \$533,274         4         0%           Cataway Mortgage Corp.         \$534,274         4         0%           Cataway Mortgage Corp.         \$543,274         4         0%           First Natronal Bark Texas         \$4422,404         4         0%           Hancock M			30	2%		1
Imortgage com         \$3.310.694         25         1%           Pulte Mortgage LC         \$2.353.620         19         1%           Service First Mortgage Company         \$1,473,057         15         1%           Vistant Lending, LC         \$294,650         7         0%           Capstar Lending, LC         \$994,650         7         0%           Veststar Mortgage Corporation         \$994,650         7         0%           Candra Funding, Inc.         \$796,979         7         0%           Cendera Funding, Inc.         \$796,979         7         0%           Swestar Mortgage Services, LLC         \$796,979         7         0%           Swestar Mortgage Services, LLC         \$580,322         6         0%           Swestar Mortgage Corporation         \$651,055         6         0%           Sinvay Indepadert Mortgage Corpo         \$543,274         4         0%           Colonial Savings, FA         \$501,151         4         0%           Colonial Savings, FA         \$310,474         2         0%           New American Mortgage of Texas, Inc.         \$310,474         2         0%           Neison Mortgage of Texas, Inc.         \$310,474         2         0%		\$3,477,210	26	1%	Coryell	1
Putte Montgage LLC         \$2,353,620         19         1%           Borrice First Nottgage         \$2,112,052         18         1%           Hometrust Mortgage Corporation         \$994,650         7         0%           Castra FL refunding, LC         \$951,240         7         0%           Centera Funding, LC         \$951,240         7         0%           Centera Funding, Inc.         \$779,6979         7         0%           InterLinc Mortgage Services, LLC         \$734,503         6         0%           Georgetown Mortgage, LLC         \$680,325         0%         Bastrop           Straway Mortgage Corporation         \$861,055         6         0%         Caldwell           Envoy Mortgage Corp.         \$543,274         4         0%         Rackall           Finitway Independent Mortgage Corp.         \$543,274         4         0%         Radall           Contail Savings, FA         \$501,175         4         0%         Radall         Walter           Hancock Mortgage Titres, LLC         \$419,575         4         0%         Maler           Hission Mortgage OTexas, Inc.         \$270,951         2         0%         Melinan           Meitoriast Mortgage, LLC         \$270,503			25	1%		
Service First Mortgage         \$2,112,052         18         1%           Hometrust Mortgage Corporation         \$994,650         7         0%           Capstar Lending, LLC         \$\$94,650         7         0%           Veststar Mortgage Corporation         \$\$94,650         7         0%           Capstar Lending, LLC         \$\$951,240         7         0%           Veststar Mortgage Corporation         \$\$10,635         7         0%           Cendera Funding, Inc.         \$796,979         7         0%           Georgetown Mortgage, LLC         \$796,979         7         0%           Georgetown Mortgage Corporation         \$\$61,055         6         0%           SWBC Mortgage Corporation         \$\$651,055         6         0%           Colonial Savings, FA         \$\$501,151         4         0%           Caltwell         Caltwell         Encore Mortgage Corporation           Tist National Bark Texas         \$432,2404         4         0%           Caldwell         Strawa Independert Mortgage Corp         \$330,474         2         0%           New American Mortgage         \$330,474         2         0%         Maetrick           New American Mortgage         \$270,5951         0% <td></td> <td></td> <td></td> <td>1%</td> <td></td> <td></td>				1%		
Hometrust Mortgage Company         \$1.473,057         15         1%           TXL Mortgage Comporation         \$994,850         7         0%           Capstar Lending, LLC         \$994,850         7         0%           Cendera Funding, Inc.         \$796,979         7         0%           Cendera Funding, Inc.         \$796,979         7         0%           Sorgetown Mortgage, LLC         \$796,979         7         0%           SWEC Mortgage Corporation         \$661,065         6         0%           SWEC Mortgage Corporation         \$661,065         6         0%           SWEC Mortgage Corporation         \$661,065         6         0%           Caldway Mortgage Corporation         \$661,055         6         0%           Calateway Mortgage Corp, LLC         \$630,215         5         0%         Caldwell           Fairway Independent Mortgage Corp         \$543,274         4         0%         Randall           Colonal Savings, FA         \$901,151         4         0%         Mareria           Hancock Mortgage Partners, LLC         \$419,575         4         0%         Mareria           Mission Mortgage Orge, LLC         \$270,958         3         0%         Medina						1
TXL Mortgage Corporation       \$994,650       7       0%         Candera Funding, LC       \$951,240       7       0%         Weststar Mortgage Corporation       \$810,635       7       0%         Weststar Mortgage Corporation       \$810,635       7       0%         Bastrop       6       0%       Bastrop         Cendera Funding, Inc.       \$796,979       7       0%         Georgetown Mortgage Corporation       \$651,055       6       0%       Caldwell         Envoy Mortgage Corporation       \$650,978       5       0%       Caldwell         Envoy Mortgage Grop, LLC       \$630,215       5       0%       Rackwall         Colonial Savings, FA       \$501,151       4       0%       Randall         First National Bark Texas       \$422,404       4       0%       Material         Hancock Mortgage Partners, LLC       \$419,575       4       0%       Material         First National Bark Texas       \$422,404       4       0%       Material         Mission Mortgage Of Texas, Inc.       \$210,474       2       0%       Material         Statiset & Cooke Mortgage, LLC       \$270,506       3       0%       Meedina         Filighands Residentia				1%		1
Capstar Lending, LLC         \$\$51,240         7         0%           Weststar Mortgage Corporation         \$\$10,633         7         0%           Cendera Funding, Inc.         \$796,979         7         0%           Cendera Funding, Inc.         \$796,979         7         0%           Georgetown Mortgage, LLC         \$690,332         5         0%           SWBC Mortgage Corporation         \$661,055         6         0%           SWBC Mortgage Corporation         \$650,978         5         0%           Swinz Mortgage Corporation         \$632,215         0%         Rackwall           Gateway Mortgage Corput, LLC         \$630,215         0%         Rackwall           Colonial Savings, FA         \$501,151         4         0%           Colonial Savingge Partners, LLC         \$419,575         4         0%           Weinson Mortgage of Texas, Inc.         \$310,474         2         0%           Nerw American Mortgage of Texas, Inc.         \$270,508         3         0%           Netionsar Mortgage, LLC         \$270,508         3         0%           Netionsar Mortgage, LLC         \$270,508         3         0%           Netionsar Mortgage, LLC         \$113,897         1         0%						
Weststar Mortgage Corporation         \$\$10,635         7         0%         Bastrop           Cendera Funding, Inc.         \$796,979         7         0%         Wise         InterLine Mortgage Services, LLC         \$734,503         6         0%         Lubbock         InterLine Mortgage Corporation         \$851,055         6         0%         Caldwell         InterLine Mortgage Corporation         \$8561,055         6         0%         Caldwell         InterLine Mortgage Corporation         \$8563,055         6         0%         Caldwell         InterLine Mortgage Corp.         \$543,274         4         0%         Rockwall         Caldwell         Caldwell         Seconder Mortgage Corp.         \$543,274         4         0%         Rockwall         Caldwell         Seconder Mortgage Corp.         Seconder Mortgage Corp.         \$543,274         4         0%         Rockwall         Caldwell         Seconder Mortgage Corp.         Seconder Mortgage Corp. </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>;</td>						;
Candera Funding, Inc.         \$796,979         7         0%           Georgetown Mortgage Services, LLC         \$734,503         6         0%           Georgetown Mortgage Services, LLC         \$734,503         6         0%           SwBC Mortgage Corporation         \$651,055         6         0%         Caldwell           Envoy Mortgage Limited         \$650,978         5         0%         Caldwell           Sateway Mortgage Corp         \$543,274         4         0%         Randall           Colonial Savings, FA         \$501,151         4         0%         Randall           Caldrad Rek Texas         \$432,2404         4         0%         Randall           Vew American Mortgage Partners, LLC         \$419,575         4         0%         Waller           Hancock Mortgage Ortexas, Inc.         \$310,474         2         0%         Medina           VFM, Inc.         \$270,5951         2         0%         Medina           VFM, Inc.         \$270,5951         2         0%         Bee           Valionsar Mortgage Ortexas, Inc.         \$113,2827         1         0%         Bee           VFM, Inc.         \$133,262         1         0%         Bee         Joness						
InterLine Mortgage Services, LLC         \$734,503         6         0%           Georgetown Mortgage, LLC         \$8690,332         5         0%           SWBC Mortgage Corporation         \$661,065         6         0%           Gateway Mortgage Corporation         \$661,065         6         0%           Convolt Mortgage Corporation         \$661,065         6         0%           Caldwey Mortgage Corporation         \$663,0215         5         0%           Calateway Mortgage Corpo         \$543,274         4         0%           Colonial Savings, FA         \$501,161         4         0%           First National Bark Texas         \$432,404         4         0%           Hancock Mortgage Partners, LLC         \$419,575         4         0%           Mission Mortgage Oreas, Inc.         \$310,474         2         0%           Mission Mortgage, LLC         \$270,951         2         0%           Mission Mortgage, LLC         \$270,958         3         0%           Highlands Residential Mortgage, Stage, 413,553         2         0%         Bee           Notionstar Mortgage, LLC         \$113,897         0%         Jones         Burnet           Ist Preference Mortgage Corp.         \$77,720						
Georgetown Mortgage, LLC         \$690,332         5         0%           SWBC Mortgage Corporation         \$\$651,055         6         0%           Envoy Mortgage Corporation         \$\$651,055         6         0%           Sateway Mortgage Corporation         \$\$650,978         5         0%           Sateway Mortgage Corporation         \$\$630,215         5         0%           Sateway Mortgage Corp         \$\$43,274         4         0%           Colonial Savings, FA         \$\$501,151         4         0%           Colonial Savings, FA         \$\$419,575         4         0%           Hancock Mortgage Partners, LLC         \$\$419,575         4         0%           Wew American Mortgage         \$\$350,463         3         0%           ViFW, Inc.         \$\$270,506         3         0%           Statista Mortgage, LLC         \$\$270,506         3         0%           Verstinistar Mortgage, Corp.         \$\$149,533         2         0%           Statista Mortgage, Network, Inc.         \$118,897         1         0%           Real Estate Mortgage, Corp.         \$99,901         1         0%           Prime West Mortgage, Corp.         \$99,901         1         0%						
SWBC Mortgage Corporation         \$\$61,055         6         0%           Envoy Mortgage Corporation         \$\$650,978         5         0%           Gateway Mortgage Group, LLC         \$\$630,215         5         0%           Gateway Mortgage Group, LLC         \$\$630,215         5         0%           Colonial Saving, FA         \$\$501,151         4         0%           Colonial Saving Partners, LLC         \$\$432,404         4         0%           Hancock Mortgage Partners, LLC         \$\$419,575         4         0%           Wew American Mortgage         \$\$350,463         3         0%           Wew American Mortgage         \$\$270,951         2         0%           Mission Mortgage, LLC         \$\$270,951         2         0%           Calite & Cooke Mortgage, LLC         \$\$270,951         2         0%           Mission Mortgage, Corp.         \$\$143,352         0%         Medina           Highlands Residential Mortgage         \$\$143,553         0%         Bee           Prime West Mortgage, Corp.         \$\$77,720         1         0%         Burnet           Total Committed         \$215,355,360         11779         100%         Jim Wells				0%		
Envoy Mortgage Limited         \$\$60,978         5         0%         Rockwall           Gateway Mortgage Group, LLC         \$\$63,2215         5         0%         Chambers         E           Fairway Independert Mortgage Corp         \$\$43,274         4         0%         Randall         E           Colonial Savings, FA         \$\$501,151         4         0%         Kendall         E           First National Bank Texas         \$\$422,404         4         0%         Waller         E           Hancock Mortgage Partners, LLC         \$\$419,575         4         0%         Maverick         New American Mortgage         S\$559,463         3         0%         Maverick         New American Mortgage         S\$259,463         3         0%         Maverick         Nebb         E         S         S         Maverick         Nebb         S						
Gateway Mortgage Group, LLC         \$\$630,215         5         0%         Chambers           Fairway Independent Mortgage Corp         \$\$543,274         4         0%         Randall         Colonial Savings, FA         \$\$601,151         4         0%         Randall         Colonial Savings, FA         \$\$611,151         4         0%         Randall         Colonial Savings, FA         \$\$611,151         4         0%         Waller         Hancock Mortgage Partners, LLC         \$\$419,575         4         0%         Waller         Maverick         Waller         Maverick         Maverick         Maverick         Castre & \$\$270,951         2         0%         O%         Melina         Webb         Maverick         Maverick         Statige & \$\$149,573         2         0%         Molan         Statige & \$\$149,573         2         0%         Nolan         Statige & \$\$149,533         2         0%         Nolan         Statige & \$\$149,533         2         0%         Statige & \$\$149,573         2         0%         Statige & \$\$149,573         2         0%         Statige & \$\$149,573         2	Envoy Mortgage Limited					
Fairway Independent Mortgage Corp         \$\$43,274         4         0%         Randall           Colonial Savings, FA         \$501,151         4         0%         Kendall         First National Bark Texas         \$432,404         4         0%         Wailer         Wailer           Hancock Mortgage Partners, LLC         \$413,575         4         0%         Marcinal Bark Texas         Wailer         Wailer           New American Mortgage         \$359,463         3         0%         Webb         Marcinal Bark Texas         Marcinal Bark Texas         6432,404         0%         Marcinal Bark Texas         Marcinal Bark Texas         6432,404         0%         Marcinal Bark Texas         5432,404         0%         Marcinal Bark Texas         5432,533         0						
Colonial Savings, FA         \$501,151         4         0%         Kendall           First National Bark Texas         \$432,404         0%         Waller         Waller           Hancock Mortgage Partners, LLC         \$419,575         4         0%         Waller           Wew American Mortgage         \$359,475         4         0%         Marerick         Marerick           Wew American Mortgage         \$359,475         4         0%         Marerick         Marerick           Mission Mortgage         \$310,474         2         0%         Medina         Medina           NFM, Inc.         \$270,5951         2         0%         Orange         Castle & Cooke Mortgage, LLC         \$270,5951         0%         Nolan           Highlands Residential Mortgage         \$149,533         2         0%         Bee         Nolan           Highlands Residential Mortgage         \$113,262         1         0%         Jones         Jones           Real Estate Mortgage Cop.         \$118,897         1         0%         Burnet         Eurnet           Is Preference Mortgage Cop.         \$77,720         1         0%         Hopkins         Lamar           Total Committed         \$215,335,360         1779         100% </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
First National Bank Texas         \$432,404         4         0%           Hancock Mortgage Partners, LLC         \$419,575         4         0%           New American Mortgage         \$359,463         3         0%           Mission Mortgage of Texas, Inc.         \$310,474         2         0%           Vew American Mortgage of Texas, Inc.         \$270,951         2         0%         Medina           Castle & Cooke Mortgage, LLC         \$270,951         2         0%         Nolan           Highlands Residential Mortgage         \$149,533         2         0%         Nolan           Highlands Residential Mortgage, LLC         \$133,262         1         0%         Bee           Valionstar Mortgage, LLC         \$133,262         1         0%         Colorado           Prine West Mortgage Corp.         \$17,720         1         0%         Burnet           Ist Preference Mortgage Corp.         \$215,355,360         1779         100%         Lamar           Int Wells         Jim Wells         Mells         Mells         Mells	Fairway Independent Mortgage Corp	\$543.274				
Hancock Mortgage Partners, LLC         \$419,575         4         0%         Maverick         Maverick           New American Mortgage         \$350,463         3         0%         Webb         Web         Web         Webb <td< td=""><td>Fairway Independent Mortgage Corp</td><td></td><td>4</td><td></td><td></td><td></td></td<>	Fairway Independent Mortgage Corp		4			
Vew American Mortgage         \$359,463         3         0%         Webb           Viission Mortgage of Texas, Inc.         \$310,474         2         0%         Medina         Webb           Viission Mortgage of Texas, Inc.         \$270,951         2         0%         Medina         Webb           Castle & Cooke Mortgage, LLC         \$270,951         2         0%         Nolan         Medina           Inplands Residential Mortgage         \$149,533         2         0%         Nolan         Bee           Nationstar Mortgage, LLC         \$133,262         1         0%         Jones         Jones           Real Estate Mortgage Portuge Corp.         \$18,897         1         0%         Burnet         Burnet           Ist Preference Mortgage Corp.         \$77,720         1         0%         Hopkins         Lamar           Total Committed         \$215,355,360         1779         100%         Lamar         Jim Wells	Fairway Independent Mortgage Corp Colonial Savings, FA	\$501,151			Waller	
Vission Mortgage of Texas, Inc.         \$310,474         2         0%         Medina           VFM, Inc.         \$270,951         2         0%         Orange           Castle & Cooke Mortgage, LLC         \$270,951         2         0%         Nolan           Highlands Residential Mortgage         \$149,533         2         0%         Bee           Valionstar Mortgage, LLC         \$133,262         1         0%         Jones           Prime West Mortgage, Network, Inc.         \$118,897         1         0%         Colorado           Prime West Mortgage Corp.         \$99,901         1         0%         Burnet           1st Preference Mortgage Corp.         \$77,720         1         0%         Hopkins           Total Committed         \$215,335,360         1779         100%         Jim Wells	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas	\$501,151 \$432,404	4	0%		
VFM, Inc.         \$270,951         2         0%         Orange           Castle & Cooke Mortgage, LLC         \$270,508         3         0%         Nolan         Highands, Residential Mortgage         \$149,533         2         0%         Bee         Molan         Highands, Residential Mortgage, LLC         \$133,262         1         0%         Bee         Molan         Highands, Residential Mortgage, LLC         \$133,262         1         0%         Jones         Ber         Molan         Highands, Residential Mortgage, Name         Jones         Statistical Mortgage, Name         Jones         Statistical Mortgage, Name         Jones         Jones         Jones         Statistical Mortgage, Statis, Statis, Statistical Mortgage, Statis, Statistical Mortgage, S	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC	\$501,151 \$432,404 \$419,575	4 4	0% 0%	Maverick	
Castle & Cooke Mortgage, LLC         \$270,508         3         0%         Nolan           fighlands Residential Mortgage         \$149,533         2         0%         Bee         Mationstar Mortgage, LLC         Bee         Mationstar Mortgage, LLC         Bee         Mationstar Mortgage, LLC         S133,262         1         0%         Colorado         Site State Mortgage, LLC         S133,262         1         0%         Colorado         Site State Mortgage, LLC         S133,262         1         0%         Colorado         Site State Mortgage, LLC         S133,262         1         0%         Colorado         Site Mortgage, LLC         S133,262         1         0%         Colorado         Site Mortgage, Corp.         \$99,901         0%         Burnet         Surret         Surr	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC Vew American Mortgage	\$501,151 \$432,404 \$419,575 \$359,463	4 4 3	0% 0% 0%	Maverick Webb	
Highlands Residential Mortgage         \$149,533         2         0%         Bee           Vationstar Mortgage, LLC         \$133,262         0%         Jones         Seal Estate Mortgage Network, Inc.         \$118,897         0%         Colorado           Prime West Mortgage Corp.         \$99,901         0%         Burnet         State Mortgage Corp.         State Mortgage Corp.         \$77,720         0%         Hopkins           Total Committed         \$215,355,360         1779         100%         Lamar         Jim Wells	Fairway Independent Mortgage Corp Colonial Savings, FA Trist National Bank Texas Hancock Mortgage Partners, LLC Vew American Mortgage Mission Mortgage of Texas, Inc.	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474	4 4 3 2	0% 0% 0% 0%	Maverick Webb Medina	
Valionstar Mortgage, LLC         \$133,262         1         0%         Jones           Real Estate Mortgage Network, Inc.         \$118,897         1         0%         Colorado         Crime West Mortgage Corp.         \$99,901         0%         Burnet         Image Network         Image N	Tairway Independent Mortgage Corp Zotonial Savings, FA Jancock Mortgage Partners, LLC New American Mortgage Wession Mortgage of Texas, Inc.	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951	4 4 3 2 2	0% 0% 0% 0%	Maverick Webb Medina Orange	
Real Estate Mortgage Network, Inc.         \$118,897         1         0%         Colorado           Prime West Mortgage Corp.         \$99,901         1         0%         Burnet           1st Preference Mortgage Corp.         \$77,720         1         0%         Hopkins           Total Committed         \$215,335,360         1779         100%         Lamar	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Wission Mortgage of Texas, Inc. VFM, Inc. Sastle & Cooke Mortgage, LLC	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951 \$270,508	4 4 3 2 2 2 3	0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan	
Prime West Mortgage Corp.         \$99,901         1         0%         Burnet           Ist Preference Mortgage Corp.         \$77,720         1         0%         Hopkins           Total Committed         \$215,355,360         1779         100%         Lamar           Jim Wells         Jim Wells         Jim Wells         Jim Wells	airway Independent Mortgage Corp Colonial Savings, FA Tirst National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. VFM, Inc. Castle & Cooke Mortgage, LLC Lighlands Residential Mortgage	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951 \$270,501 \$270,503 \$149,533	4 4 3 2 2 2 3 2	0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee	
Ist Preference Mortgage Corp.         \$77,720         1         0%         Hopkins           Total Committed         \$215,355,360         1779         100%         Lamar           Jim Wells         Jim Wells         Jim Wells         Jim Wells         Jim Wells	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Weission Mortgage of Texas, Inc. FM, Inc. Castle & Cooke Mortgage, LLC Highlands Residential Mortgage Autionstar Mortgage, LLC	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951 \$270,508 \$149,533 \$133,262	4 4 3 2 2 3 2 3 2 1	0% 0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee Jones	
Total Committed         \$215,355,360         1779         100%         Lamar           Jim Wells         Jim Wells </td <td>Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. NFM, Inc. Casite &amp; Cooke Mortgage, LLC Highlands Residential Mortgage Nationstar Mortgage, LLC Real Estate Mortgage, LLC</td> <td>\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951 \$270,508 \$149,533 \$133,262 \$118,887</td> <td>4 4 3 2 2 3 2 1 1</td> <td>0% 0% 0% 0% 0% 0% 0% 0%</td> <td>Maverick Webb Medina Orange Nolan Bee Jones Colorado</td> <td></td>	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. NFM, Inc. Casite & Cooke Mortgage, LLC Highlands Residential Mortgage Nationstar Mortgage, LLC Real Estate Mortgage, LLC	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951 \$270,508 \$149,533 \$133,262 \$118,887	4 4 3 2 2 3 2 1 1	0% 0% 0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee Jones Colorado	
Jim Wells	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. NFM, Inc. Castle & Cooke Mortgage, LLC Highlands Residential Mortgage Nationstar Mortgage, LLC Real Estate Mortgage, Network, Inc. Prime West Mortgage, Dep	\$501,151 \$432,404 \$419,575 \$359,463 \$310,474 \$270,951 \$270,508 \$149,533 \$133,262 \$118,897 \$99,901	4 4 3 2 2 3 2 1 1 1 1	0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee Jones Colorado Burnet	
	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. NFM, Inc. Castle & Cooke Mortgage, LLC Castle & Cooke Mortgage, LLC Highlands Residential Mortgage Nationstar Mortgage, LLC Real Estate Mortgage Network, Inc. Prime West Mortgage Corp.	\$501.151 \$432.404 \$419.575 \$359.463 \$310.474 \$270.508 \$149.533 \$133.262 \$118.897 \$99.901 \$77,720	4 4 3 2 2 3 2 1 1 1 1 1	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee Jones Colorado Burnet Hopkins	
	Fairway Independent Mortgage Corp Colonial Savings, FA First National Bank Texas Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. NFM, Inc. Castle & Cooke Mortgage, LLC Castle & Cooke Mortgage, LLC Highlands Residential Mortgage Nationstar Mortgage, LLC Real Estate Mortgage Network, Inc. Prime West Mortgage Corp.	\$501.151 \$432.404 \$419.575 \$359.463 \$310.474 \$270.508 \$149.533 \$133.262 \$118.897 \$99.901 \$77,720	4 4 3 2 2 3 2 1 1 1 1 1	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee Jones Colorado Burnet Hopkins Lamar	
Bouio	Gateway Muritgage Group, LLC Fairway Independent Muritgage Corp Colonial Savings, FA Hancock Mortgage Partners, LLC New American Mortgage Mission Mortgage of Texas, Inc. NFM, Inc. Casite & Cooke Mortgage, LLC Highlands Residential Mortgage Nationstar Mortgage, LLC Real Estate Mortgage, LLC Real Estate Mortgage Corp. Ta Preference Mortgage Corp.	\$501.151 \$432.404 \$419.575 \$359.463 \$310.474 \$270.508 \$149.533 \$133.262 \$118.897 \$99.901 \$77,720	4 4 3 2 2 3 2 1 1 1 1 1	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	Maverick Webb Medina Orange Nolan Bee Jones Colorado Burnet Hopkins Lamar Jim Wells Potter	

At a Glance	\$215 255 260
Total Amount Originated Average Annual Income	\$215,355,360 \$44,328
Average Purchase Price	\$123,736
Average Loan Amount	\$121,054
Average Household Size	4 # of Loans
nterest Rates % 5.250%	# of Loans 308
5.125%	37
5.000%	168
4.990%	54
4.875%	23
4.750%	76
4.500% 4.250%	160 457
4.000%	222
3.750%	258
3.500%	16
lew/Existing	
New	44%
Existing	56%
Professional Breakdown 80% AMFI or below	55%
Professional Educator	31%
Texas Hero	14%
ype of Loan	11/0
FHA-Insured	99%
VA-Guaranteed	1%
USDA-RD	0%
Ethnicity	
White	43%
Hispanic	27%
Black or African American	21%
Other Asian or Pacific Islander	8% 1%
American Indian or Alaskan Native	0%
op Originating Counties	# of Loans
Harris	342
El Paso	266
Tarrant	202
Bexar	176
Travis	137
Dallas	136
Collin	49
Montgomery	48 43
Denton Williamson	43
Bell	35
Fort Bend	35
Brazoria	31
Guadalupe	27 25
Galveston Cameron	25
Ellis	20
Hidalgo	10
McLennan	10
Nueces	10
Coryell	10 9
Hays Jefferson	9
Comal	8
Kaufman	8
Johnson	7
Grayson	5
Bastrop	4
Wise	4
Lubbock Taylor	4
Caldwell	3
Rockwall	3
Chambers	3
Randall Kendall	2
Waller	2
Maverick	2
Webb	2
Medina	2
Orange	2
Nolan	1
Bee Jones	1
Colorado	1
Burnet	1
Hopkins	1
	1
Lamar	1
Lamar Jim Wells	
Lamar Jim Wells Potter	1
Lamar Jim Wells Potter Bowie	
Lamar Jim Wells Potter Bowie Parker	1
Lamar Jim Wells Potter Bowie Parker Midland Madison	1 1 1
Lamar Jim Wells Potter Bowie Parker Midland Madison Wichita	1 1 1 1 1 1 1
Lamar Jim Wells Potler Bowie Parker Midland Madison Wichita Palo Pinto	1 1 1 1 1 1 1 1
Lamar Jim Wells Potter Bowie Parker Midland Madison Wichita Palo Pinto Brazos	1 1 1 1 1 1 1 1
Lamar Jim Wells Potter Bowie Parker Midland Madison Wichita Palo Pinto Brazos Comanche	1 1 1 1 1 1 1 1 1 1
Lamar Jim Wells Potter Bowie Parker Midland Madison Wichita Palo Pinto Brazos Comanche Hale	1 1 1 1 1 1 1 1 1 1 1
Lamar Jim Wells Potter Bowie Parker Midland Madison Wichita Palo Pinto Brazos Comanche Hale Cooke	1 1 1 1 1 1 1 1 1 1
Lamar Jim Wells Potter Bowie Parker Midland Madison Wichita Palo Pinto Brazos Comanche Hale	1 1 1 1 1 1 1 1 1 1 1 1 1 1



As of October 28, 2011 through October 4, 2012

Month	Originated	# of Loans	% Total
Oct-11	\$242,528	2	0%
Nov-11	\$1,173,788	10	2%
Dec-11	\$3,961,591	32	7%
Jan-12	\$2,962,985	25	6%
Feb-12	\$4,339,004	34	8%
Mar-12	\$4,820,462	35	8%
Apr-12	\$5,869,049	48	11%
May-12	\$5,264,459	40	9%
Jun-12	\$7,075,303	54	13%
Jul-12	\$7,571,480	57	13%
Aug-12	\$5,873,624	47	11%
Sep-12	\$5,059,053	41	10%
Oct-12	\$508,046	4	1%
Totals	\$54,721,372	429	100%

Lender	Originated	# of Loans	% Total
Cornerstone Mortgage	\$11,787,274	97	23%
UAMC	\$6,920,041	50	12%
Ameripro Funding	\$6,518,850	50	12%
PrimeLending	\$3,229,995	23	5%
DHI Mortgage	\$3,145,635	23	5%
Bank of America	\$2,432,561	26	6%
imortgage	\$2,156,174	15	3%
Network Funding	\$1,936,498	16	4%
SFMC	\$1,851,561	13	3%
CMC Home Lending	\$1,362,399	9	2%
First Choice Lending Group, LP	\$1,216,471	9	2%
Flagstone Lending	\$1,034,633	9	2%
United Lending	\$971,076	7	2%
First Continental Mortgage	\$812,047	6	1%
Primary Residential Mortgage	\$728,290	6	1%
Houstonian Mortgage Group	\$727,106	7	2%
Security National Mortgage	\$688,602	5	1%
IHS Mortgage	\$674,288	6	1%
NTFN	\$611,743	5	1%
Ryland Mortgage	\$585,780	3	1%
Crosscountry Mortgage	\$551,327	5	1%
Patriot Bank Mortgage	\$457,574	4	1%
WR Starkey	\$434,445	3	1%
Town Square Financial	\$390,040	4	1%
Nationstar Mortgage	\$375,191	3	1%
Wells Fargo	\$357,642	3	1%
Baymont Financial	\$292,400	2	0%
Envoy Mortgage	\$283,000	3	1%
Guild Mortgage	\$255,130	2	0%
InterLinc Mortgage	\$168,367	1	0%
Town Square Mortgage & Investments	\$158,380	1	0%
C&T Mortgage	\$158,316	1	0%
Weststar Mortgage	\$145,350	1	0%
First Choice2	\$143,273	1	0%
Palm Lending	\$140,857	1	0%
Advisa Mortgage Services	\$130,022	1	0%
King Financial	\$129,600	1	0%
Elite Financing Group	\$126,704	1	0%
Mortgages USA	\$116,958	1	0%
Affiliated Bank	\$116,251	1	0%
Gateway Mortgage	\$108,186	1	0%
MetLife Home Loans	\$101,455	1	0%
Paramount Residential Mortgage Group, Inc.	\$101,000	1	0%
Willow Bend	\$88,880	1	0%
Total Committed	\$54,721,372	429	100%

t a Glance	
Total Amount Originated	\$54,721,372
Average Annual Income	\$36,081
Average Purchase Price	\$132,175
Average Loan Amount	\$127,556
Average Interest Rate	3.881
Average Household Size	2
lew/Existing	-
New	65%
Existing	35%
Professional Breakdown	0070
80% AMFI or below	92%
Professional Educator	6%
Texas Hero	2%
Type of Loan	
FHA	63%
USDA-Rural Housing Services	28%
Conventional	5%
VA	3%
thnicity	0,0
Hispanic	39%
Not Defined	22%
White	20%
Black	10%
Other	7%
	.,.
Asian of Pacific Islander	
Asian or Pacific Islander	2% 0%
American India or Alaskan Native	0%
American India or Alaskan Native Top Originating Counties	
American India or Alaskan Native Top Originating Counties Harris	0% <b># of Loans</b> 210
American India or Alaskan Native Top Originating Counties Harris Travis	0% <b># of Loans</b> 210 52
American India or Alaskan Native Top Originating Counties Harris Travis Bexar	0% <b># of Loans</b> 210 52 45
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson	0% <b># of Loans</b> 210 52 45 30
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays	0% # of Loans 210 52 45 30 24
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas	0% <b># of Loans</b> 210 52 45 30 24 14
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin	0% # of Loans 210 52 45 30 24 14 12
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria	0% # of Loans 210 52 45 30 24 14 12 12
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston	0% # of Loans 210 52 45 30 24 14 12 12 8
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe	0% # of Loans 210 52 45 30 24 14 12 12
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan	0% # of Loans 210 52 45 30 24 14 12 12 8 3 3 2
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall	0% # of Loans 210 52 45 30 24 14 12 12 8 3 3 2 2 2 2 2
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina	0% # of Loans 210 52 45 30 24 14 12 12 8 3 3 2 2 2 2 2 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca	0% # of Loans 210 52 45 30 24 14 12 12 8 3 3 2 2 2 2 2 2 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 2 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 2 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 2 2 2 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 2 2 2 2 1 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop Alamo Ranch	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop Alamo Ranch Nueces	0% # of Loans 210 52 45 30 24 14 12 8 3 2 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop Alamo Ranch Nueces Hayes	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop Alamo Ranch Nueces Hayes Denton	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop Alamo Ranch Nueces Hayes Denton Kendell	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
American India or Alaskan Native Top Originating Counties Harris Travis Bexar Williamson Hays Dallas Collin Brazoria Galveston Guadalupe McLennan Van Zandt Kendall Medina Lavaca Blanco Austin Fort Bend Bastrop Alamo Ranch Nueces Hayes Denton	0% # of Loans 210 52 45 30 24 14 12 12 8 3 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1

Total Allocation Remaining to Commit \$71,428,571 \$16,707,199

# Tab B



### **Development Finance Programs Report**

October 11, 2012

#### **Summary of Activities**

The Corporation's multifamily bond programs are just one of the ways that we interact directly with developers of affordable housing. The programs help developers build and preserve affordable rental homes for low-income families. The Corporation has statutory authority to issue both 501c3 nonprofit bonds as well as tax exempt private activity bonds. While our 501c3 bond program has been inactive since 2002 due to a lack of interest from financial markets, the Corporation has issued near \$170 million in private activity bonds to create or preserve 4,380 units of affordable rental housing across the state since 2003.

While there are many local issuers of tax exempt bonds in Texas, the Corporation is one of only two statewide entities. One unique aspect of the Corporation's authority is our statutory requirement to set target housing needs on an annual basis. Historically the Corporation has targeted the following four target housing needs:

- Preservation and rehabilitation of existing affordable properties;
- Properties in smaller urban and rural areas;
- Properties serving seniors and special needs households; and
- Properties in areas impacted by recent natural disasters.

Map of The Board has continued this focus in



Map of TSAHC Bond Properties

order to ensure that the Corporation's bond issues impact housing needs that are not commonly met by local issuers. These targets also support many of the Corporation's strategic goals and ensure that we are fulfilling our mission to provide underserved populations with affordable housing.

Over the past nine months the Corporation has been working on two multifamily bond transactions, Dalcor Affordable Housing I and Gateway Northwest. The Dalcor project closed on September 21<sup>st</sup> and Gateway Northwest is waiting on HUD approval of its FHA mortgage insurance and anticipates closing in the first quarter of 2013.

Attached to this report is a complete list of the Corporation's active multifamily bond financed properties.

# Bond - Quarterly Report

# 501c3

Year	Property Name	Prop City	Prop County	Units	Bond Amount
2002	Remington Apartments	San Antonio	Bexar	158	\$ 6,905,007
2002	Summer Oaks Apartments	San Antonio	Bexar	256	\$ 11,187,859
2002	The Charleston Apartments	Cranbrook	Harris	312	\$ 13,635,203
2002	The Rafters Apartments	Corpus Christi	Nueces	250	\$ 10,925,644
2002	The Wharf Apartments	Corpus Christi	Nueces	250	\$ 10,925,644
2002	White Rock Apartments	San Antonio	Bexar	336	\$ 22,546,172
2002	Willowick Apartments	Corpus Christi	Nueces	250	\$ 10,925,644
2002	Worthing Oaks	San Antonio	Bexar	346	\$ 11,555,000
PAB					
Year	Property Name	Prop City	Prop County	Units	Bond Amount
2005	Marshall Meadows	San Antonio	Bexar	250	\$ 15,450,000
2007	Chapparal	Odessa	Ector	80	\$ 4,525,000
2007	Cove Village	Copperas Cove	Coryell	50	\$ 960,000
2007 2007	Cove Village El Nido	Copperas Cove El Paso	Coryell El Paso	50 104	\$ 960,000 \$ 4,900,000
	_				
2007	El Nido	El Paso	El Paso	104	\$ 4,900,000
2007 2007	El Nido Garden Apts.	El Paso Lubbock	El Paso Lubbock	104 62	\$ 4,900,000 \$ 1,555,000
2007 2007 2007	El Nido Garden Apts. High Plains	El Paso Lubbock Lubbock	El Paso Lubbock Lubbock	104 62 50	<ul><li>\$ 4,900,000</li><li>\$ 1,555,000</li><li>\$ 2,120,000</li></ul>
2007 2007 2007 2007	El Nido Garden Apts. High Plains Jose A Escajeda Apartments	El Paso Lubbock Lubbock El Paso	El Paso Lubbock Lubbock El Paso	104 62 50 88	<ul> <li>\$ 4,900,000</li> <li>\$ 1,555,000</li> <li>\$ 2,120,000</li> <li>\$ 3,900,000</li> </ul>
2007 2007 2007 2007 2007	El Nido Garden Apts. High Plains Jose A Escajeda Apartments Los Ebanos	El Paso Lubbock Lubbock El Paso Brownsville	El Paso Lubbock Lubbock El Paso Cameron	104 62 50 88 65	\$       4,900,000         \$       1,555,000         \$       2,120,000         \$       3,900,000         \$       2,090,000
2007 2007 2007 2007 2007 2007	El Nido Garden Apts. High Plains Jose A Escajeda Apartments Los Ebanos Peppertree Acres	El Paso Lubbock Lubbock El Paso Brownsville Fort Worth	El Paso Lubbock Lubbock El Paso Cameron Tarrant	104 62 50 88 65 148	<ul> <li>\$ 4,900,000</li> <li>\$ 1,555,000</li> <li>\$ 2,120,000</li> <li>\$ 3,900,000</li> <li>\$ 2,090,000</li> <li>\$ 4,250,000</li> </ul>
2007 2007 2007 2007 2007 2007 2007	El Nido Garden Apts. High Plains Jose A Escajeda Apartments Los Ebanos Peppertree Acres River Park Village East	El Paso Lubbock Lubbock El Paso Brownsville Fort Worth Lampasas	El Paso Lubbock Lubbock El Paso Cameron Tarrant Lampasas	104 62 50 88 65 148 50	<ul> <li>\$ 4,900,000</li> <li>\$ 1,555,000</li> <li>\$ 2,120,000</li> <li>\$ 3,900,000</li> <li>\$ 2,090,000</li> <li>\$ 4,250,000</li> <li>\$ 1,250,000</li> </ul>

2007	Win-Lin Village	Amarillo	Potter	50	\$ 1,250,000
2010	Briarcrest Apartments	Spring	Montgomery	322	\$ 11,445,257
2010	Clover Hill Apartments	Arlington	Tarrant	216	\$ 5,816,859
2010	Hillcrest Apartments	Grand Prairie	Tarrant	310	\$ 6,829,905
2010	Mill Creek Apartments	Spring	Harris	174	\$ 2,881,528
2010	One Westfield Lake Apartment	Spring	Harris	246	\$ 7,158,159
2010	Regal Park Apartments	San Antonio	Bexar	114	\$ 2,881,903
2010	Vista Landing Apartments	San Antonio	Bexar	296	\$ 10,611,389
2012	Pine Club	Beaumont	Jefferson	232	\$ 12,490,000
2012	Ridgewood	Huntsville	Walker	232	\$ 9,290,000
2012	Saddlewood Club	Bryan	Brazos	232	\$ 11,720,000
2012	Tealwood Place	Wichita Falls	Wichita	180	\$ 9,650,000
2012	Willow Green	Houston	Harris	336	\$ 16,840,000
2012	Woodglenn Park - Phase I&II	Dallas	Dallas	232	\$ 11,110,000

# Tab C

#### TEXAS STATE AFFORDABLE HOUSING CORPORATION

STATEMENT OF NET ASSETS (unaudited)

As of August 31, 2012

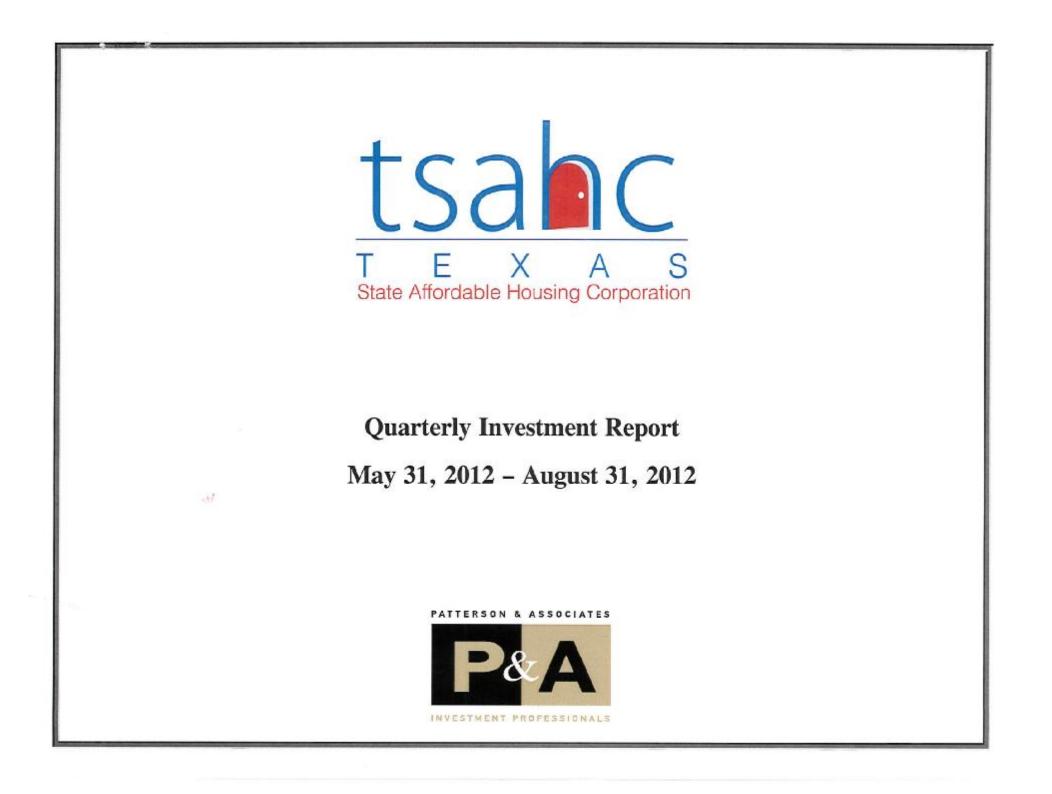
#### ASSETS **Current Assets** Cash and Cash Equivalents \$ 3.650.157 Building Maintenance Reserve 52,646 Computer Equipment and Furniture Reserve 3,167 Foundations Fund 300,000 Custodial Cash and Cash Equivalents, Current 122,515 Restricted Assets Held by Bond Trustee: Cash and Cash Equivalents 28,907,638 Short-term Investments, at Fair Market Value 188,077 Accrued Interest 380,963 Custodial Cash and Cash Equivalents 279.838 Investments, at Fair Market Value 2,006,459 Accounts Receivable & Accrued Revenue, Net of uncollectible amts. of \$874,372 326,922 Accrued Interest Receivable 29,838 Loans Receivable, Current Portion 95,000 Notes Receivable, Current Portion 63.500 Downpayment Assistance, Current Portion 1,000,000 Prepaid Expenses 26,336 **Total Current Assets:** 37,433,056 Noncurrent Assets Loans Receivable. Net of uncollectible amounts of \$91,726 815,990 Notes Receivable 3,291,462 Investments, at Fair market Value 1,057,938 Mortgage Servicing Rights, Net of Accumulated Amortization of \$2,130,137 597,924 Fixed Assets, Net of Accumulated Depreciation of \$296,598 1,605,300 Owned Real Estate, Federal Programs & Other Programs 5,179,435 Bond Issuance Costs, Net of Amortization of \$3,100,162 3,686,708 Downpayment Assistance 5,170,868 Restricted Investments Held by Bond Trustee, at Fair Market Value 249,564,736 270,970,361 **Total Noncurrent Assets:** TOTAL ASSETS 308,403,417 LIABILITIES & NET ASSETS **Current Liabilities** Accounts Payable and Accrued Expenses \$ 132.578 Notes Payable, Current Portion 45,889 Multifamily Custodial and Reserve Funds 279,838 Other Current Liabilities 52,188 Payable from Restricted Assets Held by Bond Trustee: Bonds Payable, Current Portion 2,107,579 Accrued Interest on Bonds 2,922,218 **Total Current Liabilities:** 5,540,290 Noncurrent Liabilities Notes Payable 4,568,542 **Revenue Bonds Payable** 256,811,743 Due to TDHCA, Federal Programs 4,335,201 Deferred Revenue 366,906 **Total Noncurrent Liabilities:** 266,082,392 **Total Liabilities:** 271,622,682 Net Assets Invested in Capital Assets, Net of Related Debt 863,158 28.447.052 Restricted Assets Unrestricted Net Assets 7,470,525 **Total Net Assets:** 36,780,735 TOTAL LIABILITIES & NET ASSETS 308,403,417

# TEXAS STATE AFFORDABLE HOUSING CORPORATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)

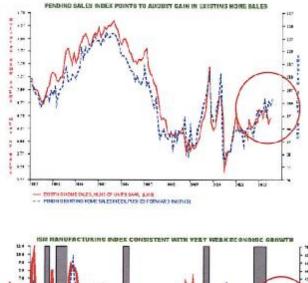
for the 12 months ending August 31, 2012

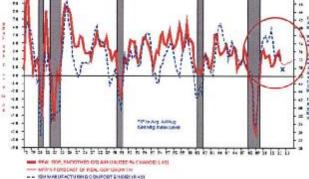
Operating Revenues		
Interest and Investment Income	\$	11,485,501
Single Family Income		2,432,344
Asset Oversight and Compliance Fees		230,926
Loan Servicing Fees, Net of subservicer fees of \$86,679		219,593
Multifamily Bond Fees		127,618
Public Support		
Federal and State Grants		1,576,155
Contributions		481,752
Other Operating Revenue		162,921
Total Operating Revenues	_	16,716,810
Operating Expenses		
Interest Expense on Bonds and Notes Payable		10,866,538
Down Payment Assistance Program		317,035
Salaries, Wages and Payroll Related Costs		1,497,528
Professional Fees and Services		278,080
Amortization		604,466
Office and Equipment Rental and Maintenance		39,412
Travel and Meals		62,962
Depreciation		62,167
Program and Loan Administration		317,977
Grant Expenditures		1,623,278
Other Operating Expenses		132,292
Total Operating Expenses	_	15,801,735
Net Income		915,075
Total Net Assets, Beginning	_	37,338,626
Total Net Assets, Ending	\$	36,780,735
Other Comprehensive (Expense) Income		
Net Unrealized Loss on Restricted Investments	\$	(1,472,966)



# More data. Same Gloomy View

- This month brought some good news indicating a very gradual US growth. But every indicator is mixed and continues to give a mixed view.
- Personal consumption took a bounce mostly on low inflation, which stays well below the Fed's inflation target.
- The Fed's Beige Book showed a gradual growth although sluggishness across the US and a loss of momentum lead by manufacturing.
- Manufacturers point to the weakness overseas and are not hiring.
- Real estate sales are increasing but so are agricultural prices from the drought.
- The weak data and slow manufacturing index hints that the optimistic GDP predictions may not be borne out in 3Q.





# The Results of Policy Fog

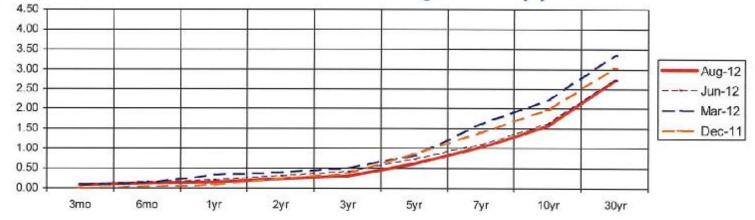
- Europe is in recession largely from austerity measures. The German engine is slowing with weak retail sales and higher unemployment.
- The ECB pronouncements keep markets supported, but as yet, there is much talk and no action.
- ECB has hinted at support for sovereign debt (Spain and Italy) but withdrew the same support for Ireland on bonds they used for their own banks.
- Technical and operational details on planned – and possible – support may be forthcoming in September.
- Spain needs the ECB to buy its bonds.
- Now Germany, China, the US and the EU are not showing a willingness to support EU banks. It's politics as well as economics.
- Policy fog banks exist in the US and Europe increasing concerns.



- China has reiterated its support for Europe but China can not lower rates because of its own inflation and employment problems. China wants "comprehensive measures" to aide Europe.
- The US's looming fiscal cliff, if not faced, may push the US ahead in slowing economies and could bring a global recession at worst.
- The markets yearn for some good news which explains the optimism going into Bernanke's speech at Jackson Hole.

# With the Fed timing will be the key.

- The market was wildly optimistic going into Bernanke's speech at Jackson Hole this month but little or no insight was forthcoming so the debate continues. The market wants a third QE (Quantitative Easing) program of the Fed buying bonds to keep rates low (prices high). The next FOMC meeting is mid-September.
- The Fed is clear that US growth is anemic and that it will provide additional accommodations "as needed." Bernanke contends the QE 1&2 were helpful but there is little discussion of the cost with continuing expansion of the Fed's portfolio. The sub-par US growth keeps the debate going. Notes from the prior FOMC meeting show significant concern from some members on long-term effects.
- The Fed appears to be waiting for Congress to take action. Certainly they do not want to be seen as entering the 2012 political fray but it may be necessary.



# Fed action continues to lower longer maturity yields.

End of Month Rates - Full Yield Curve - Fed Funds to 30yr

### Texas State Affordable Housing Corporation

#### Quarterly Investment Report May 31, 2012 – August 31, 2012 Portfolio Summary Management Report

This quarterly report is in compliance with the investment policy and strategy as established by the Corporation and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Portfolio as of May 31, 2012			Portfolio as of Au	gust 31, 2012		
Beginning Book Value	\$	7,091,164	Ending Book Valu	e	\$	7,479,353
Beginning Market Value	\$	7,093,203	Ending Market Va	lue	\$	7,479,372
			Investment Income	e for the period	\$	4,831
			Capitalized Gains/	Losses for the per	iod\$	0
Unrealized Gain/Loss	\$	2,039	Unrealized Gain/L	055	\$	19
			Change in Unreal	lized Gain/Loss	\$	(2,020)
WAM at Beginning Period Date		100 days	WAM at Ending Period Date			135 days
			Change in Market	Value	\$	386,169
Avera	ige Y	ield to Maturity for	r period	0.294%		
Aver	ige Y	ield 3 month Treas	ury bill for period	0.100%		
Avera	ige Y	ield 6 month Treas	ury bill for period	0.140%		

Authorized by:

Ms. Melinda Smith, CFO Texas State Affordable Housing Corporation

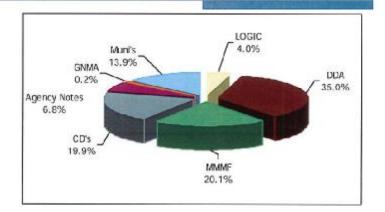
Ms. Linda Patterson, President Patterson & Associates, Registered Investment Advisor

1 WAM, represents weighted average maturity.

# **Your Portfolio**

# As of August 31, 2012

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The extremely low short-term rates make diversification difficult and they are reasonably expected to continue now at least through 2012.
- Banks remain uninterested in accepting new deposits and CD rates are unusually low. Money market accounts are also now decreasing.
- Municipal bonds are adding value in many portfolios adding a safe alternative.
- CP in pools has added yield but also risk with the pools loading up on the financial sector for yield.
- Your net yield of 0.29% compared to some basic benchmarks generated additional quarterly earnings of:
  - Q 3 mo. T-Bill \$ 3,536,.44
  - Q 6 mo. T-Bill \$ 2,790.67
  - Q 1 yr T-Bill \$ 1,858.46

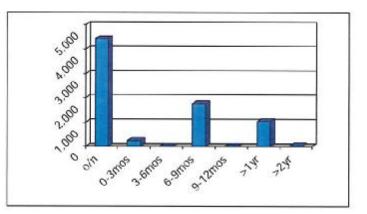


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State Affordable Housing Corporation

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#### PATTERSON & ASSOCIATES



Texas State Affordable Housing Portfolio Management Portfolio Summary August 31, 2012 Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.	
CD's - Interest at Maturity	1,490,000.00	1,490,000.00	1,490,000.00	19.92	365	176	0.692	
Federal Agency Coupon Securities	500,000.00	509,361.50	509,352.75	6.81	364	205	0.243	
Municipal Obligations	1,000,000.00	1,035,720.00	1,037,838,71	13.88	504	487	1.200	
Pass Through Securities (GNMA)	16,709.30	18,838,13	16,709.30	0.22	8,646	8,084	5,971	
LOGIC	301,752.84	301,752.84	301,752.84	4.03	1	1	0.193	
FHLB Dallas-Money Fund	491,892,12	491,892,12	491,892.12	6.58	1	1	0.016	
MM Funds/NOW Accounts	1,013,518.13	1,013,518.13	1,013,518.13	13.55	1	1	0.336	
Bank Accounts	2,618,289.35	2,518,289.35	2,618,285.35	35.01	1	1	C.009	
Investments	7,432,161.74	7,479,372.07	7,479,353.20	100.00%	187	135	0.392	
Cash and Accrued Interest								
Accrued Interest at Purchase		5,024.98	5,024.98					
Subtotal		5,024.98	5,024.98					
Total Cash and Investments	7,432,161.74	7,484,397.05	7,484,378.18		187	135	0.392	
Total Earnings	August 31 Month Ending	Fiscal Year To D	ate F	iscal Year Endi	ng			
Current Year	1,975.30	21,379	45	21,3	379.45			

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of the Texas State Affordable Housing Corporation of the position and activity within the Corporation's portfolio of investments. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

10/3/2012 Smeith Melinda Smith, Chief Financial Office)

Reporting period 08/01/2012-08/31/2012 Data Updated: SET\_TSAH: 09/17/2012 14:18 Run Date: 08/17/2012 - 14:18

Portfolio TSAH AP PM (PRF\_PVI) 7.3.0 Report Ver, 7.3.3b

#### PATTERSON & ASSOCIATES



INVESTMENT PROPERSIÓ RALS

#### Texas State Affordable Housing Summary by Type August 31, 2012 Grouped by Fund

Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

Security Type		mber of stments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Bunker Hill Debt							
Bank Accounts	~~~	4	22,825.52	22,825.52	0.31	0.050	1
	Subtotal	1	22,825.52	22,825.52	0.31	0.050	1
Fund: Bunker Hill Operating							
Bank Accounts		1	22,815,23	22,815.23	0,31	0.050	1
	Subtotal	1	22,815.23	22,815.23	0.31	0.050	1
Fund: Bunker Hill Replacement Res							
Bank Accounts		1	82,367.78	82,367.78	1.10	D.100	1
	Subtotal	1	\$2,367.78	82,367.78	1.10	0.100	1
Fund: General Investments							
Bank Accounts		1	2,212,145.80	2,212,146.80	29.58	0,000	1
Federal Agency Coupon Securities		1	500,000.00	509,352.75	6.81	0.243	205
FHLB Dallas-Money Fund		- 1	491,892.12	491,892.12	6.58	0.016	1
Pasa Through Securities (GNMA)		1	15.709.30	16,709.30	0.22	5,971	8.084
CD's -Interest at Maturity		3	1,490.000 CO	1,490,000.00	19.92	0,692	176
Municipal Obligations		đ	1,000.000.00	1,037,633,71	13.88	1.200	487
LOGIC		1	300,744.79	300,744.79	4.02	0.193	1
MM Funds/NOW Accounts		3	1,013,513,13	1,013,518.13	13,55	0.356	3
	Subtotal	12	7,025,011.14	7,072,202.60	94.56	0.411	143
Fund: NFMC Account							
Bank Accounts		1	58,355.08	56,355.06	0.75	0.000	1
	Subtotal	1	56,355.06	56,355.06	0.75	0.000	1
Fund: Neighborhood Stabilation Prog.							
Bank Accounts		1	11,319.02	11,819.02	D.16	0.000	1
	Subtotal	1	11,819.02	11,819.02	0.16	0.000	1

Portfolio TSAH AP ST (PRF\_ST) 7.2.0 Report Ver. 7.3.3b

#### Texas State Affordable Housing Summary by Type August 31, 2012 Grouped by Fund

Security Type		nber of tments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Sagebrush Apartments - Debt							
Bank Accounts		1	39,143.98	39,143.98	0.52	0,100	1
	Subtotal	1	39,143.98	39,143.98	0.52	0.100	1
Fund: Sagebrush Apartments - Oper.							
Bank Accounts		1	23,172.33	23.172.33	0.31	0.050	1
	Subtotal	1	23,172.33	23,172.33	0.31	0.050	1
Fund: Sagebrush Replacement Res							
Bank Accounts	13	1	70,845.78	70,845.78	0.95	0.100	1
	Subtotal	1	70,845.78	70,845.78	0.95	0.100	1
Fund: Texas Foreclosure Prevention							
Bank Accounts		1	53,232.61	53,232.61	0.71	0.000	1
LOGIĆ	<u> 21</u>	1	1,008.05	1,008.05	0.01	0.193	1
	Subtotal	2	54,240.66	54,240.66	0.72	0.004	1
Fund: TX Home Education							
Bank Accounts		1	100.12	100.12	0.00	0.000	1
	Subtotal	1	100.12	100.12	0.00	0.000	1
Fund: Wells Fargo - CDC							
Bank Accounts		1	4,797.50	4,797.50	0.05	0.000	1
	Subtotal	1	4,797.50	4,797.50	0.06	0.000	1
Fund: Willows Insurance Reserve							
Bank Accounts	_	1	0.00	0.00	D.00	0.000	C
	Subtotal	1	0.00	00.0	0.00	0.000	0
Fund: Willows Operating							
Bank Accounts		1	0.00	0.00	0.00	0,000	c
	Subtotal	1	0.00	0.00	0.00	0.000	C
Fund: Willows Replacement Reserve							
Bank Accounts		1	18,666.62	18,666,62	0.25	0.000	1

Portfolio TSAH AP ST (PRF\_ST) 7.2,0 Report Ver. 7.3,2b

#### Texas State Affordable Housing Summary by Type August 31, 2012 Grouped by Fund

Security Type		mber of stments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
	Subtotal	1	13,666.62	18,666.62	0.25	0.000	1
	Total and Average	27	7,432,161.74	7,479,353.20	100.00	0.392	135

Portfolic TSAH AP ST (PRF\_3T) 7.2.0 Report Ver. 7.3.5b

#### PATTERSON & ASSOCIATES



Texas State Affordable Housing Fund BHDEBT - Bunker Hill Debt Investments by Fund August 31, 2012 Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	ҮТМ 365	Days To Maturity
Bank Accounts										
591398016	76	Frost Bank Checking	04/20/2010	22,825.52	22,825.52	22,825.52	C.050	0.049	0.050	1
			Subtotal and Average	22,825,52	22,825.52	22,825.52		0.049	0.050	1
		To	tal Investments and Average	22,825.52	22,825.52	22,825.52		0.049	0.050	1

Portfolio TSAH AP FL(PRF\_FL) 7.1.1 Report Ver. 7.3.3b

## Fund BHOPER - Bunker Hill Operating Investments by Fund August 31, 2012

CUSIP	Investment#	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Days To Maturity
Bank Accounts										
591398261	75	Frost Bank Checking	04/20/2010	22,815.23	22,815.23	22.815.23	0.050	0.049	0.050	1
			Subtotal and Average	22,815.23	22,815.23	22,815.23		0.049	0.050	1
		Tot	al Investments and Average	22,815.23	22,815.23	22,815.23		0.049	0.050	1

Portfolio TSAH AP FI (PRF\_FI) 7.1.1 Report Ver. 7.3.3b

Run Date: 09/17/2012 - 14:07

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# Fund BHRR - Bunker Hill Replacement Res Investments by Fund August 31, 2012

CUSIP	investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Days To Maturity
Bank Accounts										
591398288	77	Frost Bank Checking	04/09/2010	82,367.78	82,367.78	82,367.78	0.100	0.098	0.100	1
			Subtotal and Average	82,367.78	82,367.78	82,367.78		0.099	0.100	1
		Tot	al Investments and Average	82,367.78	82,367.78	82,367.78		0.099	0.100	1

Portfolio TSAH AP FL (PRF\_FL) 7.1.1 Report Ver. 7.3.3b

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# Fund GENERAL - General Investments Investments by Fund August 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
CD's - Interest a	t Maturity										
8410000025	115	Hillcrest Bank CD	03/26/2012	245.000.00	245,000.00	245,000.00	0.500	0.493	0.500	03/26/2013	206
1500589845	113	IBC Bank CD	03/14/2012	1,000,000.00	1,000,000.00	1,000,000,00	0.750	0.739	0.750	03/14/2013	194
10685A	103	Texas Security Bank CD	11/15/2011	245,000.00	245,000.00	245,000.00	0.648	0.639	0.648	11/15/2012	2 75
			Subtotal and Average	1,490,000.00	1,490,000.00	1,490,000.00		0.683	0.692		176
Federal Agency	Coupon Securities	5									
31331YYS3	114	FFCB Note	03/26/2012	509,352.75	500,000.00	509,361.50	3.550	0.239	0.243	03/25/2013	205
			Subtotal and Average	509.352.75	500,000.00	509,361.50		0.240	0.243		205
Municipal Oblig	ations										
4521518U0	116	Illinois State Taxable	08/15/2012	1,037,838.71	1,000,000.00	1,035,720.00	4.071	1.183	1.200	01/01/2014	487
			Subtotal and Average	1,037,838.71	1,000,000.00	1,035,720.00		1.184	1.200		487
Pass Through S	ecurities (GNMA)										
36201LFC3	100	Cov't National Mtg. Assn	02/17/2011	16,709.30	16,709.30	18,838.13	5.990	5.889	5.971	10/20/2034	9,084
			Subtotal and Average	16,709.30	16,709.30	18,838.13	8 15	6.889	5.971	à d	8,084
LOGIC											
999999996	9005	Logic-	09/01/2006	300,744,79	300,744,79	300,744.79	0.193	0.190	0.192		1
		1.13	Subtotal and Average	300,744.79	300,744.79	300,744.79		0.190	0.193	A	1
FHLB Dallas-Mo	ney Fund										
999999995	9002	FHLB Money Market Fund	09/01/2006	491,892.12	491,892.12	491,892.12	0.016	0.015	C.015		1
			Subtotal and Average	491,892.12	491,892.12	491,892.12		0.016	0.016		1
MM Funds/NOW	/ Accounts										
20115959	52	Hillcrest Bank MM	07/31/2009	764,914.04	764,914.04	764,914.04	0,250	0,246	0.250		1
5001506	83	Libertad Bank MM	10/20/2010	248,604.09	248,604.09	248,604.09	0,600	0,591	0,600		1
4011012038	61	Texas Capital NOW Account	10/13/2009	0.00	0.00	0.00	0.250	0.246	0.250		1
			Subtotal and Average	1,013,518.13	1,013,518.13	1,013,518.13		0.331	0.336		1
Bank Accounts											
591359967	69	Frost Bank Checking	03/05/2010	2,212,146,80	2,212,146,80	2,212,145.80					1

Portfolio TSAH AP FI (PRF\_FI) 7.1.1 Report Ver. 7.3.3b

Run Date: 09/17/2012 - 14:07

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# Fund GENERAL - General Investments Investments by Fund August 31, 2012

CUSIP	Investment #	issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
	Subtotal and Average	2,212,146.80	2,212,146.80	2,212,146.80		0.000	0.000	1		
			Total Investments and Average	7,072,202.60	7,025,011.14	7,072,221.47		0.405	0.411	143

Portfolio TSAH AP FL(PRF\_FL)7.1.1 Report Ver. 7.3.3b

Run Date: 09/17/2012 - 14:07

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## Fund NFMC - NFMC Account Investments by Fund August 31, 2012

CUSIP	Investment#	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Days To Maturity
Bank Accounts										
591359924	68	Frost Bank Checking	03/16/2010	56,355.06	56,355.06	56,355.06				1
			Subtotal and Average	66,365.06	56,355.06	56,355.06		0.000	0.000	1
		То	tal Investments and Average	56,355.06	56,355.06	56,355.06		0.000	0.000	1

Portfolio TSAH AP FI (PRF\_FI) 7.1.1 Report Ver. 7.3.3b

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# Fund NSP - Neighborhood Stabilation Prog. Investments by Fund August 31, 2012

CUSIP	investment#	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Days To Maturity
Bank Accounts										
591356932	71	Frost Bank Checking	04/20/2010	11,819.02	11,819.02	11,819.02				1
			Subtotal and Average	11,819.02	11,819.02	11,819.02		0.000	0.000	1
		То	tal Investments and Average	11,819.02	11,819.02	11,819.02		0.000	0.000	1

Portfolio TSAH AP FI (FRF\_FI) 7.1.1 Report Ver. 7.3.3b

## Fund SBDEBT - Sagebrush Apartments - Debt Investments by Fund August 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Days To Maturity
Bank Accounts			ne litt transmustikken i tra							
591398253	79	Frost Bank Checking	04/20/2010	39,143,98	39,143.98	39.143.98	0.100	0.098	0.100	1
			Subtotal and Average	39,143.98	39,143.98	39,143.98		0.099	0.100	1
		To	tal Investments and Average	39,143.98	39,143.98	39.143.98		0.099	0.100	1

Portfolio TSAH AP FL(PRF\_FL) 7.1.1 Report Ver. 7.3.3b

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# Fund SBOPER - Sagebrush Apartments - Oper. Investments by Fund August 31, 2012

CUSIP	Investment#	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	ҮТМ 365	Days To Maturity
Bank Accounts										
591398237	78	Frost Bank Checking	04/20/2010	23,172.33	23,172.33	23,172.33	0.050	0.049	0.050	1
			Subtotal and Average	23,172.33	23,172.33	23,172.33		0.049	0.050	 1
		Te	otal Investments and Average	23,172.33	23,172.33	23,172.33		0.049	0.050	1

Portfolio TSAH AP FL(PRF\_FI) 7.1.1 Report Ver. 7.3.3b

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## Fund SBRR - Sagebrush Replacement Res Investments by Fund August 31, 2012

CUSIP	Investment#	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Days To Maturity
Bank Accounts										
591398245	80	Frost Bank Checking	04/09/2010	70,846.78	70,845.78	70,846.78	C.100	0.096	0.100	1
			Subtotal and Average	70,846.78	70,846.78	70,846.78		0.099	0.100	1
		То	tal Investments and Average	70,846.78	70,846.78	70,846.78		0.099	0.100	1

Portfolio TSAH AP FI (FRF\_FI) 7.1.1 Report Ver. 7.3.3b

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# Fund TXFORE - Texas Foreclosure Prevention Investments by Fund August 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	ҮТМ 365	Maturity Days To Date Maturity
LOGIC										
996999998	54	Logic	09/01/2009	1,008.05	1,008.05	1,008.05	0.193	0.190	0.192	
			Subtotal and Average	1,008.05	1,008.05	1,008.05		0.190	0.193	
Bank Accounts										
591350940	73	Frost Bank Chocking	04/14/2010	53,232.61	53,232.61	53,232.61				
			Subtotal and Average	53,232.61	53,232.61	53,232.61		0.000	0.000	1
		То	tal Investments and Average	54,240.66	54,240.66	54,240.66	1	0.004	0.004	3

Portfolio TSAH AP FI (PRF\_F) 7.1.1 Report Ver. 7.3.3b

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### Fund TXHOME - TX Home Education Investments by Fund August 31, 2012

Purchase Date Maturity Days To Date Maturity Current YTM YTM Par Value Book Value Market Value Rate CUSIP Investment# Issuer 360 365 **Bank Accounts** 591398091 74 Frost Bank Checking 04/20/2010 100.12 100.12 100.12 1 Subtotal and Average 100.12 100.12 100.12 0.000 0.000 1 Total Investments and Average 100.12 100.12 100.12 0.000 0.000 1

> Portfolio TSAH AP FI (PRF\_FI) 7.1.1 Report Ver. 7.3.3b

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#### Fund WELLS - Wells Fargo - CDC Investments by Fund August 31, 2012

Purchase Date Maturity Days To Date Maturity Current YTM YTM Par Value Market Value Book Value CUSIP Investment # Issuer Rate 360 355 Bank Accounts 995995994 Wells Fargo Bank 0014 09/01/2006 4,797.50 4,797,50 4,797.50 1 Subtotal and Average 4,797.50 4,797.50 4,797.50 0.000 0.000 1 **Total Investments and Average** 4,797.50 4,797.50 4,797.50 0.000 0.000 1

> Portfolio TSAH AP FL (PRF\_FL) 7.1.1 Report Ver. 7.3.3b

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## Fund WINSUR - Willows Insurance Reserve Investments by Fund August 31, 2012

Purchase Date Maturity Days To Date Maturity Current YTM YTM Par Value Market Value Book Value CUSIP Investment# Issuer Rate 350 365 **Bank Accounts** 591500945 Frost Bank Checking 11/17/2011 0.00 107 0.00 0.00 1 Subtotal and Average 0.00 0.00 0.00 0.000 0.000 0 0.00 **Total Investments and Average** 0.00 0.00 0.000 0.000 0

> Portfolio TSAH AP FI (PRF\_FI) 7.1.1 Report Ver. 7.3.3b

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## Fund WOPER - Willows Operating Investments by Fund August 31, 2012

Purchase Date Maturity Days To Date Maturity Current YTM YTM Par Value Market Value CUSIP Investment# Issuer Book Value Rate 360 365 **Bank Accounts** 591501356 11/17/2011 106 Frost Bank Checking 0.00 0.00 0.00 1 Subtotal and Average 0.00 0.00 0.00 0.000 0 0.000 Total Investments and Average 0.00 0.00 0.00 0.000 0.000 0

> Portfolio TSAH AP FL (PRF\_FL) 7.1.1 Report Ver. 7.3.3b

Run Date: 09/17/2012 - 14:07

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## Fund WRR - Willows Replacement Reserve Investments by Fund August 31, 2012

Purchase Dale Maturity Days To Date Maturity Current YTM YTM Par Value Market Value Book Value CUSIP Investment # Issuer Rate 360 365 Bank Accounts 591501224 108 Frost Bank Checking 11/17/2011 18,656.62 18,666.62 18,666,62 1 Subtotal and Average 18,666.62 18,666.62 18,666.62 0.000 0.000 1 18,666.62 18,666,62 Total Investments and Average 18,666.62 0.000 0.000 1

> Portfolio TSAH AP FI (PRF\_FI) 7.1.1 Report Ver. 7.3.3b

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son & Associates 01 Congress Ave Suite 570 Austin, TX 78701	3		Texas State Affordable Housing Cash Reconciliation Report For the Period June 1, 2012 - August 31, 2012 Grouped by Fund								
Cash	Redemptions	Interest	Purchases	Maturity Date	Security Description	Par Value	Security ID	Trans. Type	Fund	Investment #	Trans. Date
										Investments	General
127.37	43.33	84.04	0.00	4 10/20/2034	GNMA 0.0M 5.99% Mat. 10/20/2034	22,957,26	36201LFC3	Interest	GENERAL	2 100	06/20/2013
119.89	36.07	83.82	0.00	4 10/20/2034	GNMA 0.0M 5.99% Mat. 10/20/2034	22,957.26	36201LFC3	Interest	GENERAL	2 100	07/20/2013
-1,044,075.67	0.00	-4,975.67	-1,039,100.00	01/01/2014	ISTT 1.0M 4.07% Mat. 01/01/2014	1,000,000.00	4521518U0	Purchase	GENERAL	2 116	08/15/201:
131.17	47.53	83.64	0.00	54 10/20/2034	GNMA 0.0M 5.99% Mat. 10/20/2034	22,957.26	36201LFC3	Interest	GENERAL	2 100	08/20/2013
-1,043,697.24	126.93	-4,724.17	-1,039,100.00	Subtotal							
-1,043,697.24	126.93	-4,724.17	-1,039,100.00	Total							

Portfolio TSAH AP AC (PRF\_AC) 7.2.0 Report Ver. 7.3.3b

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			Texas State Affordable Housing Purchases Report Sorted by Fund - Fund June 1, 2012 - August 31, 2012						з	son & Associates 01 Congress Ave Suite 570 Austin, TX 78701 -	
CUSIP	Investment#	Fund	Sec. Type Issuer	Original Par Value	Purchase Date Payment Periods	Principal Purchased	Accrued Interest at Purchase F	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Investm	nents										
4521518U0	116	GENERAL	MC1 ISTT	1,000,000.00	08/15/2012 01/01 = 07/01	1,039,100.00	4,975,67	4.071	01/01/2014	1.200	1,037,838.71
			Subtotal	1,000,000.00	and table and on puriod CD (200750)	1,039,100.00	4,975.67				1,037,838.71
			Total Purchases	1,000,000.00		1,039,100.00	4,975.67				1,037,838.71

Portfolio TSAH AP PJ (PRF\_PU) 7.1.1 Report Ver. 7.3.3b



HEVELTMENT PROPERSIONALS

## Texas State Affordable Housing Interest Earnings Sorted by Fund - Fund June 1, 2012 - August 31, 2012 Yield on Average Book Value

Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

										A	djusted Interest E	arnings						
CUSIP	Investment #	Investment #	Investment #	Investment #	Investment #	Investment #	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average N Book Value	Naturity Date	CurrentAr Rate	nnualized Yield	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Bunker	Hill Debt																	
591398016	76	BHDEBT	RR5	22,825.52	22,822.64	22,823.63		0.050	0.050	2.88	0.00	2.86						
			Subtotal	22,825.52	22,822.64	22,823.63			0.050	2.88	0.00	2.88						
Fund: Bunker	Hill Operating																	
591398261	75	BHOPER	RR5	22,815.23	22,812.36	22,813.34		0.050	0,050	2.87	0.00	2,87						
			Subtotal	22,815.23	22,812.36	22,813.34			0.050	2.87	0.00	2.87						
Fund: Bunker	Hill Replacement	Res																
591398288	77	BHRR	RR6	82,357.78	75,197,55	80,535.04		0.100	0.099	20,17	0.00	20.17						
			Subtotal	82,357.78	75,197.55	80,535.04			0.099	20.17	0.00	20.1						
Fund: General	Investments																	
999999995	9002	GENERAL	RR2	491,892.12	523,259,43	502,480.91		0.016	0.028	35.09	0.00	35.0						
959999996	9005	GENERAL	RRP	300,744,79	300,572,74	300,537,61		0.193	0.227	172.05	0,00	172.0						
20115959	52	GENERAL	RR3	764,914.04	764,432.24	764,597.92		0.250	0.250	481.80	0.00	481.8						
5001506	83	GENERAL	RR3	248,604.09	248,228.50	248,357.72		0.600	0.500	375.59	0.00	375.5						
36201LFC3	100	GENERAL	GN1	16,709.30	16,836.23	16,778.79 10/2	20/2034	5.990	0.064	250.87	0.00	250.87						
10685A	103	GENERAL	BCD	245,000,00	245,000.00	245,000.00 11/1	15/2012	0.648	0.648	400,16	0.00	400.10						
1500589845	113	GENERAL	BCD	1,000,000.00	1,000,000.00	1,000,000.00 03/1	14/2013	0.750	0.750	1,890.41	0.00	1,690.41						
31331YYS3	114	GENERAL	FAC	500,000.00	513,478.96	511,363.53 03/2	25/2013	3.550	0.242	4,437.50	-4,126.21	311,25						
8410000025	115	GENERAL	BCD	245,000.00	245,000.00	245,000,00 03/2	26/2013	0.500	0.500	308.77	0.00	308.77						
4521518U0	116	GENERAL	MC1	1,000,000.00	0.00	191,877.37 01/0	01/2014	4,071	1.133	1,809.33	-1,261.29	548.04						
			Subtotal	4,812,864.34	3,856,803.10	4,026,093.84			0.470	10,161.57	-5,387.50	4,774.07						
Fund: Sagebru	sh Apartments - I	Debt																
591398253	79	SBDEBT	RR5	39,143.90	39,134.14	39,137.53		0,100	0.100	9.84	0.00	9.84						
			Subtotal	39,143.98	39,134.14	39,137.53			0.100	9.84	0.00	9.84						

Portfolio TSAH AP IE (PRF\_IE) 7.2.0 Report Ver. 7.3.3b

#### Texas State Affordable Housing Interest Earnings June 1, 2012 - August 31, 2012

									A	djusted Interest E	amings								
Investment #	Investment #	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	CurrentAr Rate	nnualized Yield	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
sh Apartments -	Oper.																		
78	SBOPER	RR5	23,172.33	23,169,42	23,170.42		0.050	0.050	2.91	0.00	2.91								
		Subtotal	23,172.33	23,169.42	23,170.42			0.050	2.91	0.00	2.91								
sh Replacement	Res																		
80	SBRR	RR5	70,846,78	61,079.69	68,354.42		0.100	0.099	17.09	0.00	17.09								
		Subtotal	70,846.78	61,079.69	68,354.42		209	0.099	17.09	0.00	17.09								
oreclosure Preve	ntion																		
54	TXFORE	RRP	1,008.05	1,007.37	1,007,60		0.193	0.268	0.68	0.00	C.68								
		Subtotal	1,008.05	1,007.37	1,007.60			0.263	0.68	0.00	0.68								
		Total	5,075,044.01	4,102,031.27	4.283,935.83			0.447	10,218.01	-5,387.50	4,830.51								
	ish Apartments - 78 ish Replacement 80	ISh Apartments - Oper. 78 SBOPER ISh Replacement Res 80 SBRR oreclosure Prevention	Investment # Fund Type Ish Apartments - Oper. 78 SBOPER RR5 Subtotal Ish Replacement Res 80 SBRR RR5 Subtotal oreclosure Prevention 54 TXFORE RRP Subtotal	Investment # Fund Type Par Value Ush Apartments - Oper. 78 SBOPER RR6 23,172.33 Subtotal 23,172.33 Ish Replacement Res 80 SBRR RR6 70,846.78 Subtotal 70,846.78 oreclosure Prevention 54 TXFORE RRP 1,008.05 Subtotal 1,008.05	Investment #         Fund         Type         Par Value         Book Value           ish Apartments - Oper.	Investment #         Fund         Type         Par Value         Book Value         Book Value           ish Apartments - Oper.         78         SBOPER         RR6         23,172.33         23,169.42         23,170.42           78         SBOPER         RR6         23,172.33         23,169.42         23,170.42           ish Replacement Res         80         SBRR         RR6         70,846.78         61,079.69         68,354.42           80         SBRR         RR6         70,846.78         61,079.69         68,354.42           oreclosure Prevention         54         TXFORE         RRP         1,008.05         1,007.37         1,007.60           Subtotal         1,008.05         1,007.37         1,007.60         1,007.60	Investment #         Fund         Type         Par Value         Book Value         Book Value         Date           ish Apartments - Oper.         78         SBOPER         RR5         23,172.33         23,169.42         23,170.42           78         SBOPER         RR5         23,172.33         23,169.42         23,170.42           ish Replacement Res         80         SBRR         RR5         61,079.69         68,354.42           80         SBRR         RR5         70,846.78         61,079.69         68,354.42           oreclosure Prevention         54         TXFORE         RRP         1,008.05         1,007.37         1,007.60           Subtotal         1,008.05         1,007.37         1,007.60         4000000000000000000000000000000000000	Investment #         Fund         Type         Par Value         Book Value         Book Value         Date         Rate           ish Apartments - Oper.         78         SBOPER         RR5         23,172.33         23,169.42         23,170.42         0.050           subtotal         23,172.33         23,169.42         23,170.42         0.050         0.050           ish Replacement Res         80         SBRR         RR5         70,846.78         61,079.69         68,354.42         0.100           subtotal         70,846.78         61,079.69         68,354.42         0.100         0.100           subtotal         70,846.78         61,079.69         68,354.42         0.100         0.100           subtotal         70,846.78         61,079.69         68,354.42         0.100	Investment #         Fund         Type         Par Value         Book Value         Book Value         Date         Rate         Yield           ish Apartments - Oper.         78         SBOPER         RR5         23,172.33         23,169.42         23,170.42         0.050         0.050           ish Apartments - Oper.         Subtotal         23,172.33         23,169.42         23,170.42         0.050         0.050           ish Replacement Res         Subtotal         23,172.33         23,169.42         23,170.42         0.000         0.099           ish Replacement Res         Subtotal         70,846.78         61,079.69         68,354.42         0.100         0.099           oreclosure Prevention         Subtotal         70,846.78         61,079.69         68,354.42         0.100         0.099           54         TXFORE         RRP         1,008.05         1,007.37         1,007.60         0.193         0.268	Investment#         Fund         Security Type         Ending Par Value         Beginning Book Value         Average Book Value         Maturity Date         Current Annualized Rate         Interest Yield         Interest Earned           rish Apartments - Oper.         78         SBOPER         RR5         23,172.33         23,169.42         23,170.42         0.050         0.050         2.91           sish Apartments - Oper.         Subtotal         23,172.33         23,169.42         23,170.42         0.050         0.050         2.91           sish Replacement Res         Subtotal         23,172.33         23,169.42         23,170.42         0.000         0.099         17.09           subtotal         23,070.46.78         61,079.69         68,354.42         0.100         0.099         17.09           oreclosure Prevention         54         TXFORE         RRP         1,008.05         1,007.37         1.007.60         0.193         0.268         0.68           Subtotal         1,008.05         1,007.37         1,007.60         0.193         0.268         0.68	Investment#         Fund         Type         Par Value         Book Value         Book Value         Date         Rate         Yield         Earned         Accrretion           rish Apartments - Oper.         78         SBOPER         RR6         23,172.33         23,169.42         23,170.42         0.050         0.050         2.91         0.000           subtotal         23,172.33         23,169.42         23,170.42         0.050         0.050         2.91         0.000           subtotal         23,172.33         23,169.42         23,170.42         0.050         0.050         2.91         0.000           subtotal         23,172.33         23,169.42         23,170.42         0.050         2.91         0.000           subtotal         70,846.78         61,079.69         68,354.42         0.100         0.099         17.09         0.000           subtotal         70,846.78         61,079.69         68,354.42         0.100         0.099         17.09         0.000           oreclosure Prevention         54         TXFORE         RRP         1,008.05         1,007.37         1,007.60         0.193         0.268         0.68         0.00           subtotal         1,008.05         1,007.37 <td< td=""></td<>								

Portfolio TSAH AP IE (PRF\_IE) 7.2.0 Report Ver, 7.3.3b

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INVESTMENT PROPERSIONALS

## Texas State Affordable Housing Amortization Schedule June 1, 2012 - June 30, 2012 Sorted By Fund - Fund

Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

Investment #		Maturity Date Be	ginning Par Value	Purchase	Original Premium	Ending	Amounts Amortized And Unamortized	Amount Amortized	Amt Amortized	Amount Unamortized
Issuer Fund		Amort. Date	Current Rate	Principal	or Discount	Book Value		This Period		Through 06/30/2012
General Inves	stments									
114 FFCB Note	GENERAL	03/25/2013	500,000.00 3,550	516,459,00	16,459.0D	512,103.55	-2,980.04 13,478.96	-1,375,41	4,355.45	12,103,55
			Subtotal	516,459.00	16,459.00	512,103.55	-2,980.04 13,478.96	-1,375.41	-4,355.45	12,103.55
			Total	516,459.00	16,459.00	512,103.55	-2,980.04 13,478.96	-1,375.41	-4,355.45	12,103.55

Portfolio TSAH AP AS (PRF\_ASW) 7.2.1 Report Ver. 7.3.3b



INVESTMENT PROPERTICALS.

## Texas State Affordable Housing Projected Cashflow Report Sorted by Fund For the Period September 1, 2012 - March 31, 2013

Patterson & Associates 301 Congress Ave Suite 570 Austin, TX 78701

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
General	Investments		[			2 · · · · · · · · · · · · · · · · · · ·				
09/25/2012	114	GENERAL	31331YYS3	Interest	FFCB Note	0.00	0.00	0.00	8,875,00	8,875.00
11/15/2012	103	GENERAL	10685A	Maturity	Texas Security Bank CD	245,000.00	245,000.00	245,000.00	1,591.95	246,591.95
01/01/2013	116	GENERAL	4521518U0	Interest	Illinois State Taxable	0.00	0.00	0.00	20,355.00	20,355.00
03/14/2013	113	GENERAL	1500589845	Maturity	IBC Bank CD	1,000,000.00	1,000,000,00	1.000,000,00	7,500.00	1,007,500.00
03/25/2013	114	GENERAL	31331YYS3	Maturity	FFCB Note	500,000,00	516,459.00	500,000.00	8,875.00	508,875,00
03/26/2013	115	GENERAL	8410000025	Maturity	Hillcrest Bank CD	245,000.00	245,000.00	245,000.00	1,225.00	246,225.00
					Total for General Investments	1,990,000.00	2,006,459.00	1,990,000.00	48,421.95	2,038,421.95
					GRAND TOTALS:	1,990,000.00	2,006,459.00	1,990,000.00	48,421.95	2,038,421.95

Portfolio TSAH AP PC (PRF\_PC) 7.2.0 Report Ver, 7.3.3b

## BOARD MEETING TEXAS STATE AFFORDABLE HOUSING CORPORATION Held at the offices of Texas State Affordable Housing Corporation 2200 E. Martin Luther King Jr. Blvd. Austin, TX 78702 September 13, 2012 at 10:00 am

## **Summary of Minutes**

Call to Order, Roll Call Certification of Quorum

The Board Meeting of the Texas State Affordable Housing Corporation (the "Corporation") was called to order by Bill Dietz, Acting Chair, at 10:13 am, on September 13, 2012 at the offices of Texas State Affordable Housing Corporation, 2200 E. Martin Luther King Jr. Blvd, Austin, TX 78702. Roll Call certified that a quorum was present.

## **Members Present**

Bill Dietz, Acting Chair Jo Van Hovel, Vice Chair Jerry Romero, Member Gerry Evenwel, Member

## **Members Absent**

Bob Jones, Chair

## **Staff Present**

Betsy Aldrich, Senior Accountant Tim Almquist, Single Family Compliance Manager Liz Bayless, Executive Vice President David Danenfelzer, Manager of Development Finance Cynthia Gonzales, Office Manager and Assistant Corporate Secretary Katie Howard, Senior Development Coordinator Nick Lawrence, Controller Charlie Leal, Government Relations Specialist David Long, President Paige Omohundro, Homeownership Finance Manager Laura Ross, Corporate Secretary Melinda Smith, Chief Financial Officer Janie Taylor, Manager of Development and Strategic Communications

## **Special Guests**

Don Mikeska, Mikeska Monahan & Peckham, PC Chris Spelbring, Raymond James Morgan Keegan Pam Stein, Greenberg Traurig

## **Public Comment**

No public comment was given at the beginning of the meeting.

## **Audit Committee Report**

Ms. Smith reported to the Board that the Audit Committee had met that morning and reviewed the minutes from the last board meeting and the proposed fiscal year 2013 operating budget. The Audit Committee voted to approve both and recommended the budget to the full board for approval. She also reported that Mr. Don Mikeska, the Corporation's Auditor had made a short presentation to the Committee about the responsibilities of the auditor and management during the upcoming financial audit.

## **President's Report**

Mr. Long introduced the guests in attendance at the meeting including Mr. Mikeska; Ms. Stein, the Corporation's general Counsel; and Mr. Spelbring, with Raymond James Morgan Keegan.

Mr. Long stated that there would be staff presentations made later in the meeting. He then informed the board of conferences and meetings that staff had recently attended, as well as those that staff would be attending over the coming month.

## **Staff Presentations**

Mr. Danenfelzer gave a presentation on the Affordable Communities of Texas (ACT) program. He stated that the program, a land bank and land trust initiative established in 2008, had grown rapidly with the assistance of federal Neighborhood Stabilization Program (NSP) funding. Mr. Danenfelzer reported that to date more than 400 properties had gone through the program by way of donations, acquisitions using NSP dollars, and direct donations from banks and financial institutions. He then gave a brief update on the land trust property in Plano that the board approved the purchase of in March 2012. He recalled that the property was a planned conversion of an older public housing authority property. Mr. Danenfelzer reported that plans were now in place for its development and the local partner on the project had submitted those plans for permitting and review to the City of Plano. It was staff's hope to have a groundbreaking in early November.

On the topic of donated properties, Mr. Danenfelzer explained that through our relationship with National Community Stabilization Trust, the Corporation had developed strong relationships with the financial institutions and mortgage companies from whom we purchased foreclosed properties. A number of these banks had an inventory of low value properties that either had title issues or were of such low value the banks didn't feel it was worth trying to market their sale. The banks could benefit far more from the tax deductions received for donating the properties to us, so as a result the Corporation has accepted the donation of a number of properties in areas of the state where we have local partners. Mr. Danenfelzer explained that in some cases the properties were redeveloped and sold to low income families, while in other cases the properties were not ideal for affordable housing. In these instances, the Corporation sold the properties and earnings from their sale were put back into the ACT program to be used to purchase properties that could be made into affordable housing.

Ms. Van Hovel inquired if it was costly to accept these properties and if insurance was carried on all of them. Mr. Danenfelzer explained that because we were 100 percent tax exempt, the properties were also. H also explained that the Corporation carried insurance for each of the properties through a blanket liability policy. He added that the Corporation didn't accept properties that wouldn't sell quickly or properties in areas where there wasn't a local partner. Ms. Van Hovel asked if we were limiting the number of donated properties we took on and Mr. Danenfelzer said that the number of properties the Corporation acquired depended upon the funding available. He reported that some properties under the program had already been sold and proceeds from those sales had gone back into the program. This allowed the Corporation to buy more properties that could be developed into affordable housing. He explained that properties with existing structures or homes were not usually purchased unless a local partner was willing to buy those properties from us. He informed the Board of a property in the Galveston area that contained a duplex in need of a great deal of repair. He noted that the local partner purchasing the property specifically served female veterans and their families. This property would be the first home in that area the local partner owned. After funds were put into fixing up the property, the local partner would rent it to low income female veterans.

Mr. Almquist gave a presentation about the newly formed single family compliance department. He began by giving the board a brief history of the single family housing industry. When single family bond programs were developed, the housing agencies issuing the programs relied on the private sector to administer them on their behalf. In the beginning three national banks performed these services: CitiBank, Bank of America and US Banc Mortgage. They would perform loan review, loan purchase, securitization and servicing for the loans. After 2007 when the housing market crashed, regulations and accounting rules were implemented that made this business model incompatible for the banks. Because of that, only one banking institution still provides this service to those issuing single family bond programs.

Mr. Almquist turned back to the Corporation's single family loan reservation and compliance system. He explained that instead of continuing to rely on a third party to accept loan reservations for our programs, in November the Corporation would implement a new compliance software system for lenders to register loans being made under our programs. The new software system was purchased by the Corporation after a competitive RFP process. Mr. Almquist laid out the benefits of bringing the compliance and reservation system in house. He noted that it gave the Corporation more control over the programs. It could also be done more cheaply; the cost to the lender would be lower. After recouping the initial investment made in purchasing the software it would create a revenue stream for the Corporation. Mr. Almquist estimated that it would take 850 loans to pay off the initial investment and it was estimated that this would happen in six to seven months. He spoke briefly about the software that was purchased, noting that it was streamlined and all electronic with no need for paper files.

Mr. Evenwel asked about competition between single family programs and Mr. Almquist talked about options available to homebuyers statewide. Through great customer service and by showing the lenders that our program and system was easier to navigate, he felt lenders would want to commit to our programs.

Ms. Taylor gave a presentation on marketing. She provided the board with information on all marketing and communications activities that staff participated in. She talked about traditional marketing that included print advertising mostly centered on our homebuyer programs. She explained that ads were placed in magazines that focused on the groups that qualified for our

programs. She noted that these ads usually generated a noticeable response from borrowers when they appeared.

Ms. Taylor then spoke about web advertising. She informed the Board that staff had recently started using Google Ads to direct web traffic to our website and also to the Texas Financial Toolbox website. She spoke briefly about the Texas Financial Toolbox, a site launched earlier in the summer that helped consumers find homebuyer programs, foreclosure prevention counselors, homebuyer and financial education opportunities. Ms. Taylor also informed the board that staff was currently in the process of redesigning our corporate website and hoped to have it completed by early next year.

Ms. Van Hovel asked if the ads had been effective with realtors and Ms. Taylor confirmed that they had seen a noticeable increase in demand for the programs. Ms. Taylor then turned to conferences, noting that at some conferences staff set up a booth where they handed out information about the programs. She reported that people stopping by the booth were asked to leave a business card which staff would use to add their information to our email mailing list. Through email, staff sent out information and announcements on a regular basis. Ms. Taylor noted that our contact list was about 7,000 and those included were segregated into different groups i.e.: lenders, non-profit developers, legislators. Depending upon the information being sent out, staff determined which groups to send the information. Ms. Taylor added that press releases in both English and Spanish were also issued several times a year using PR News Wire. Turning to social media, Ms. Taylor stated that all emails and press releases issued were also posted on the Corporation's Twitter and Facebook accounts.

Ms. Taylor also highlighted the production of the Corporation's Annual Report, as well as brochures and flyers for all of the programs. She stated that in the past the flyers and brochures had been produced internally, however staff had recently hired a graphic artist to create ad and brochure templates that staff could use going forward. She then stated that direct mailings were also a way staff marketed the Corporation and our programs.

Ms. Taylor spoke about marketing through speaking opportunities, noting that Mr. Danenfelzer and Ms. Omohundro frequently spoke at conferences and classes about the Corporation's programs. The Corporation also sponsored conferences and handed out promotional items when we had booths.

Mr. Romero asked if Google Ads was the only search engine ads we were doing at this time and Ms. Taylor stated that it was. She explained that staff had looked into advertising on Bank Rate also, but because the people using that site might be located outside of Texas and/or not qualify for the programs, staff decided to advertise solely on Google at this time. She explained that our Google ads only appeared for ip addresses located in Texas and through key word searches for down payment assistance or homebuyer assistance. Mr. Romero suggested doing web based ads on Yahoo and Ms. Taylor said she would look into it, noting that Yahoo was the 4<sup>th</sup> most frequent way people found our website.

Ms. Bayless gave a presentation on the Texas Foundations Fund. She noted that it was created in 2008 by the Board of Directors as a segregated fund of the Corporation. At that time, an initial deposit of \$500,000 from the Corporation's unrestricted funds was approved by the Board and set aside in a separate bank account. \$250,000 in grants was made the first year and the remainder was invested in accordance with the Corporation's Investment Policy. Ms. Bayless explained that every year since 2008, the Board had designated an additional \$250,000 to be

used for Foundation Fund grants. The Corporation also accepted charitable donations for the Foundations Fund. In 2011 and 2012, the Herron Foundation had contributed \$50,000 each year. Ms. Bayless stated that these funds had been added to the Corporation's own contribution for a total of \$300,000.

Ms. Bayless explained that the purpose of the Foundations Fund was to provide grants that would be used to address the housing needs of very low income Texans. Grants could be used specifically for rehabilitation or critical repair of single-family homes to remedy unsafe living conditions or to make accessibility modifications to accommodate an individual with a disability. They could also be used to provide onsite supportive housing services for people at risk of homelessness. Ms. Bayless stated that grant recipients were chosen through a competitive application process. Staff published guidelines and evaluated and scored the applications initially, and then the Advisory Council, which was also created by the Board in 2008, would provide guidance for the operation of the Texas Foundations Fund and make the final decisions on which applications to recommend to the Board for awards. She noted that it was the Board that made the final decision on who received grants under the program.

Ms. Bayless stated that to date the Corporation had awarded 19 grants over 4 funding cycles for a total of \$950,000. She noted that these grants served close to 3,000 very low income Texans. Turning to the current cycle of funding, Ms. Bayless recalled that the board approved the Guidelines at the July Board Meeting. The Guidelines and Application were published on July 20<sup>th</sup> with applications due back September 14<sup>th</sup>. After staff scored the applications, they planned to meet with the Advisory Council in late October and it was staff's expectation that the Advisory Council would bring recommendations to the Board at the November Board Meeting. Ms. Bayless noted that the Council membership was Ms. Edwina Carrington who served as Chair, Mr. Steven Carriker, Mr. Russell Vandenberg and Ms. Bayless as ex-officio, the Secretary. She added that later in the meeting staff would ask the Board to consider the appointment of Mr. Don Bethel to the Advisory Council. Ms. Bayless concluded by stating that it gave staff great joy to participate in the Texas Foundations Fund process.

Mr. Dietz and the board thanked staff for their presentations.

# Tab 1Presentation, Discussion and Possible Approval of Minutes of the Board<br/>Meeting held on August 16, 2012.

Mr. Romero made a motion to approve the minutes of the August Board Meeting held on August 16, 2012. Ms. Van Hovel seconded the motion. Mr. Dietz called for public comment and none was given. A vote was taken and the motion passed unanimously.

## Tab 2Presentation, Discussion and Possible Approval of the Fiscal Year 2013<br/>Operating Budget.

Ms. Smith reported to the Board that the Audit Committee had voted to recommend the budget to the full Board for approval. Ms. Smith informed them that the salary line item had increased in this year's budget to account for the addition of 2 full time employees and 1 part time employee. She also pointed out that the single family program expenditures had decreased because the New Issue Bond Program (NIBP) was ending and staff did not anticipated closing a new bond transaction this year.

Mr. Romero asked about the reduction in the principle and interest in the single family programs revenue. Ms. Smith explained that this was because some notes had paid off in 2012.

Mr. Dietz noted that the Audit Committee had recommended to the Board the approval of the fiscal year 2013 operating budget. Ms. Van Hovel referenced discussion about the travel expenses during the Audit Committee and Mr. Long explained that the Committee and staff had discussed ways to streamline the travel process. He noted that staff would continue to work internally on developing the process.

Mr. Evenwel requested that any significant fluctuation in budgeted line items be brought to the board's attention. Ms. Smith agreed to provide the board with a budget-to-actual report at the board meetings going forward.

Referring back to the Audit Committee recommendation, Mr. Dietz noted that this tab item didn't need a motion or second. He called for public comment and none was given. A vote was taken and the motion to approve the Fiscal Year 2013 Operating Budget was approved unanimously.

# Tab 3Presentation and Discussion of the Annual Financial and OMB Circular A-<br/>133 Audits for the Fiscal Year Ended August 31, 2012.

Ms. Smith stated that the Corporation's auditor Mr. Mikeska had met with the Audit Committee that morning and had provided them with certain communications as required under auditing procedures. Mr. Mikeska introduced himself to the board and reported that the responsibilities of both the management and the auditor during the audit process were discussed at the Audit Committee Meeting. He briefly spoke about the audit reports that would make up the annual financial statements. Mr. Mikeska noted his expectation to begin field work on the audit in mid-October and would report to the board in October or November about his progress. He noted that while the Board had delegated certain responsibilities regarding the audit to the Audit Committee, all board members could ask questions and talk to him regarding the audit.

# Tab 4Presentation, Discussion and Possible Appointment of a Member to the<br/>Advisory Council Created by the Board of Directors of the Corporation.

Ms. Bayless explained that staff was asking the Board's approval of the appointment of Mr. Donald R. Bethel to the Advisory Council, filling the last remaining open position. She stated that the resolution presented today would also restate and reaffirm the current members of the Advisory Council.

Ms. Bayless informed the board of Mr. Bethel's past and current experience, including board memberships and positions held. These included his current role as partner of the Bethel Nicks Realty Company in Lamesa, TX and President of the Bethel Group, an affordable housing consulting firm. His experience also included serving on TDHCA's Board of Directors from 1995 to 2001, and serving as Chairman from 1998 to 2000. Other past board memberships included Texas Affiliation of Affordable Housing Providers, National Council of State Housing Agencies (NCSHA) and the Dawson County Central Appraisal District. Mr. Bethel was past Chairman of the Lamesa area Chamber of Commerce and served as both a City Councilman and Mayor of Lamesa. He also served as President of the Lamesa Economic Development Corporation. In addition, he held memberships in the Texas Association of Business, National Association of Realtors, Texas Association of Realtors and the Texas Affiliation of Affordable

Housing Providers. Ms. Bayless concluded that Mr. Bethel had a broad knowledge of affordable housing and record of public service, and staff was pleased with his interest in serving on the Advisory Council of the Texas Foundations Fund. She asked for the Board's appointment of Mr. Bethel as the fifth and final member.

Mr. Romero made a motion to approve Mr. Don Bethel as the newest member of the Texas Foundations Fund Advisory Council. Ms. Van Hovel seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and motion passed unanimously.

Following the vote, Mr. Evenwel asked about Advisory Council terms, and Ms. Bayless stated that the members served two year terms and were eligible for reappointment. She noted that both Mr. Bethel and Mr. Carriker were new members, Ms. Carrington was in her second year and Mr. Vandenburg had served for a number of years.

## **Open Meeting**

The next board meeting was tentatively scheduled for Thursday, October 11, 2012 at 10:00 am. Ms. Van Hovel thanked Mr. Dietz for serving as Chair of the meeting.

## Adjournment

Mr. Dietz adjourned the meeting at 11:09 am.

Respectfully submitted by\_\_\_\_\_ Laura Ross, Corporate Secretary

### MINUTES AND CERTIFICATION

THE STATE OF TEXAS	§
	§
TEXAS STATE AFFORDABLE	§
HOUSING CORPORATION	§

I, the undersigned officer of the Texas State Affordable Housing Corporation, do hereby certify as follows:

1. The Board of Directors of said corporation convened on the 11<sup>th</sup> day of October, 2012, at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted members of said Board, to wit:

#### **BOARD OF DIRECTORS**

<u>Name</u>

Office

- Robert Elliott Jones Jo Van Hovel Gerry Evenwel William H. Dietz Jerry Romero
- Chairperson Vice Chairperson Director Director Director

and all of said persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: a written resolution (the "Resolution") bearing the following caption was introduced:

## **RESOLUTION NO. 12-\_\_\_**

## **TEXAS STATE AFFORDABLE HOUSING CORPORATION**

RESOLUTION Regarding the Submission of One or More Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for Qualified Mortgage Bonds and Containing Other Matters Incident and Related Thereto

was duly introduced for the consideration of said Board. It was duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion was adopted by the following vote:

\_\_\_\_AYES \_\_\_\_NOES \_\_\_\_ABSTENTIONS

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's

minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose.

SIGNED this October 11, 2012.

Secretary, Texas State Affordable Housing Corporation

## RESOLUTION NO. 12-\_\_\_\_

#### **TEXAS STATE AFFORDABLE HOUSING CORPORATION**

RESOLUTION Regarding the Submission of One or More Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for Qualified Mortgage Bonds and Containing Other Matters Incident and Related Thereto

WHEREAS, the Texas State Affordable Housing Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq. Vernon's Annotated Texas Civil Statutes, as amended and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the "Act"), the Corporation is authorized to establish a program to provide eligible mortgagors with low-interest home mortgage loans;

WHEREAS, the Board of Directors of the Corporation desires to submit one or more Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board for the calendar year 2012 in connection with qualified mortgage bonds to be converted to mortgage credit certificates;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS STATE AFFORDABLE HOUSING CORPORATION:

Section 1. That the President of the Corporation or any officer of the Corporation is hereby authorized and directed to execute and deliver one or more 2012 Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board in connection with qualified mortgage bonds to be converted to mortgage credit certificates in an amount not to exceed \$100,000,000.

Section 2. That any officer of the Corporation is authorized and directed to execute and deliver any certificates and documents relating to the application or applications to the Texas Bond Review Board and to take any and all other actions necessary, appropriate or incidental to securing a reservation or reservations for private activity bond allocation from the Texas Bond Review Board.

Section 3. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Corporation in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 4. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND EFFECTIVE this October 11, 2012.

## TEXAS STATE AFFORDABLE HOUSING CORPORATION



## **INVESTMENT POLICY**

## TEXAS STATE AFFORDABLE HOUSING CORPORATION

## **INVESTMENT POLICY**

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1

#### TEXAS STATE AFFORDABLE HOUSING CORPORATION

#### **INVESTMENT POLICY**

#### I. POLICY

It is the policy of Texas State Affordable Housing Corporation (the "Corporation") to invest public funds in a manner which will fulfill, by priority, the following objectives:

- A. Safety of principal;
- B. Sufficient liquidity to meet the Corporation's cash flow needs;
- C. Diversification to reduce market and credit risk;
- **D.** A market rate of return for the risk assumed; and
- E. Compliance with all applicable state statutes governing the investment of public funds, including (i) the Corporation's enabling legislation, Texas Government Code, Section 2306, Subchapter Y, and (ii) the Public Funds Investment Act (the "Act"), Texas Government Code, Section 2256.

#### II. SCOPE

This Investment Policy ("Policy") applies to all financial assets of the Corporation, except for any promissory notes payable to the Corporation.

#### **III. PRUDENCE**

- A. Prudent Person Standard Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety and liquidity of their capital as well as the probable income to be derived.
- **B.** The standard of prudence to be used by the Investment Officer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officers (hereinafter defined) acting in accordance with the Policy and written procedures and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **IV. OBJECTIVES**

The investment portfolio shall be designed with the objective of obtaining reasonable yield throughout budgetary and economic cycles commensurate with the Corporation's investment risk constraints and cash flow needs. A maximum dollar-weighted average maturity (WAM) will be one year which is based on the historic cash flows. The benchmarks for risk in the portfolio shall be the six-month and one-year U.S. Treasury Bills mirroring that WAM. The following are the primary objectives of investment activities in order of priority:

#### A. Safety of Principal

Preservation and safety of principal is the foremost objective of the investment program. Investments of the Corporation shall be undertaken in a manner that seeks to ensure the preservation of capital. The principal will be protected by limiting credit risk through purchase of high credit quality securities and limiting interest rate risk through a structured portfolio which addresses projected cash flow requirements.

#### B. Liquidity

Liquidity risk is the risk that funds will not be available to pay liabilities or the inability to sell a security for needed cash. To protect liquidity needs the Corporation will prepare a cash flow analysis to direct investments and limit its maximum final stated maturity to three years. The Corporation's investment portfolio shall contain a liquidity buffer to meet all unanticipated cash flow needs. In addition, securities with active secondary or resale markets will be used to meet unanticipated liabilities.

#### C. Diversification

The Corporation shall diversify its portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of investments. Investment shall always be selected that provide for stability of income and reasonable liquidity.

#### D. Yield

The Corporation's investment portfolio shall be designed with the objective of attaining a reasonable market yield throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow needs of the Corporation. Return on investment is of less importance than the safety and liquidity of the investments. Reasonable yield shall be obtained through competitive bidding on all transactions and comparative analysis of all market alternatives available within the parameters of this Policy.

#### V. INVESTMENT STRATEGY

- A. The Corporation may commingle its operating funds for maximum investment efficiency and economy of scale. Interest will be distributed as applicable among the funds. The authorized securities, investments or pools utilized for this portfolio will be of the highest credit quality and marketability supporting the Corporation's objectives of safety, liquidity, diversification, and yield.
- **B.** Securities, when not matched to a specific liability, will be short-term and of a liquid nature to provide adequate cash flow for the Corporation. The portfolio shall be diversified to protect against credit and market risk in any one sector. Diversification requirements can be fully met through use of an authorized pool. The weighted average maturity on the pooled investment group will be no greater than one year. Because the funds are pooled for investment purposes, the portfolio will address the varying needs of all funds in the pooled fund.

#### VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY

#### A. Board of Directors

1. The Board of Directors of the Corporation (the "Board") shall establish the Corporation's Investment Policy, strategies and objectives, review and adopt the Policy and Strategies in accordance with State law annually, obtain such expert advice and assistance with respect to its actions as is necessary to exercise its responsibilities prudently, and monitor the actions of staff and advisors to ensure compliance with this Policy. It is the Board's intention that this Policy be carried out by those persons who are qualified and competent in their areas of expertise.

The Board shall also review and adopt the list of eligible broker/dealers annually and shall receive and review the quarterly investment report. The Board shall designate the Investment Officer(s) by resolution, which shall remain effective until rescinded by the Board or the termination of the Investment Officer's employment by the Corporation. The Board shall also provide for the training required for Investment Officers.

- 2. The delegation of authority as provided below in no way diminishes the Board's ultimate responsibility as the funds' fiduciary.
- 3. Each member of the Board shall attend at least one training session relating to the person's responsibilities under the Act within six months after taking office or assuming duties. Training under this section may be provided by the Texas Higher Education Coordinating Board and include investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, compliance with the Act and compliance with this Policy.

#### **B.** Investment Officer(s)

- The authority to manage the Corporation's investment program is granted to the Chief Executive Officer (CEO) or the President when the CEO and the President is not the same individual. The Board designates the investment officer by resolution along with the responsibility for the operation of the investment program to the Chief Financial Officer as the designated "Investment Officer".
- 2. The Investment Officer shall be responsible for all transactions undertaken and shall establish internal controls to regulate the activities of subordinate officials. Procedures should include reference to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures may include explicit temporary delegation of authority to persons responsible for investment transactions.
- 3. The Investment Officer shall establish written procedures for the operation of the investment program consistent with this Policy.
- 4. The Investment Officer shall attend ten (10) hours of training within twelve (12) months of assuming the position and in each succeeding two-year period and may receive the training from any independent source approved by the Board. Training is to include investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.
- The Investment Officer may temporarily delegate investment responsibilities to subordinate staff. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions.
- 6. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officer.

### VII. ETHICS AND CONFLICT OF INTEREST

- **A.** If an Investment Officer of the Corporation has a personal or business relationship with a business organization offering to engage in an investment transaction with the Corporation (as described in Section 2256.005(i) of the Act), the Investment Officer shall file a statement disclosing that personal business interest with the Board and the Texas Ethics Commission.
- **B.** An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing that relationship with the Board and the Texas Ethics Commission.

#### VIII. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

- **A.** The Corporation shall maintain a list with a minimum of three qualified broker/dealers authorized to engage in investment transactions with the Corporation. This list of qualified broker/dealers shall be reviewed, revised and adopted at least annually by the Board.
- **B.** Broker/dealers shall, at a minimum, provide information as required by the Investment Officer and provide evidence of Securities and Exchange Commission (SEC) registration and Financial Industry Regulatory Agency (FINRA) membership. Information on the broker/dealers shall be maintained by the Investment Officer or Investment Adviser.
- **C.** Financial institutions used for time and demand deposits do not need the prior approval of the Board. The nature of competition for rates in financial institutions within Texas prohibit foreknowledge of applicable financial institutions. These institutions shall, however, fulfill all remaining requirements for authorization including policy certification and depository/collateral contracts, as applicable.
- **D.** Any firm (including banks, broker/dealers and pools) offering to engage in an investment transaction with the Corporation shall be provided a copy of this Policy for review and certification of that review. Material changes to the Policy will require re-certification by all counter-parties. A certification in the form attached as Attachment A hereto or in any other form acceptable to the Corporation (a "Certification") shall affirm that the firm:
  - 1. Has received and reviewed this Policy; and
  - 2. Acknowledged that the firm has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio or requires an interpretation of subjective investment standards.

E. The Investment Officer of the Corporation may not buy any securities from a person who has not delivered the signed Certification to the Corporation.

F. The brokerage subsidiary of the Corporation's depository banking services bank shall not be used for purchase of securities in order to perfect delivery versus payment (DVP) unless that DVP process can be clearly documented by the firm on all confirmations.

G. No less than every five years, the Corporation shall, through a competitive process chose a banking services institution to serve as its primary depository and a custodian for Corporation owned securities.

#### IX. AUTHORIZED INVESTMENTS

- **A.** Notwithstanding any grant or program limitations to the contrary, the following are authorized investments of the Corporation:
  - 1. **Obligations of the U.S. Government, its agencies and instrumentalities** including collateralized mortgage obligations (CMO). Debentures shall have a stated maturity not to exceed three (3) years. CMOs shall have a stated maturity not to exceed ten (10) years.
  - 2. **Depository Certificates of Deposit** issued by any state or national bank doing business in the State of Texas or a savings bank doing business in the State of Texas to include the CDARS program as defined by the Act and are:
    - a. Guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor;
    - b. Secured by obligations of the US Government, its agencies and instrumentalities as further defined in Section XIII of this Policy; and
    - c. Have a stated maturity not to exceed one year.
  - 3. Fully collateralized repurchase agreements and reverse repurchase agreements which:
    - a. Have a defined termination date and are executed under the terms of a written Master Repurchase Agreement;
    - b. Are secured by collateral defined in Section XIII of this Policy and held by an independent safekeeping agent approved by the Corporation;
    - c. Require that the securities being purchased be held in the Corporation's name by an independent custodian approved by the Corporation; and
    - d. Are executed with a primary government securities dealer, as defined by the Federal Reserve;

The term of any reverse security repurchase agreement may not exceed 90 days after the date of the reverse. Money received by the Corporation from the reverse security repurchase agreement may be used to acquire authorized investments, but the maturity date of the investment acquired must not be later than the expiration date of the reverse

#### 4. AAA-rated, SEC registered money market mutual funds.

a. A money market mutual fund is an authorized investment if the fund:

- i. Is registered with and regulated by the Securities and Exchange Commission;
- ii. Has a dollar-weighted average stated maturity of 90 days or fewer; and
- iii. Includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.
- b. The Corporation is not authorized to invest its funds or funds under its control in any money market mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.
- 5. Commercial Paper. Commercial paper is an authorized investment if it:
  - a. Has a stated maturity of ninety (90) days or fewer to its stated maturity; and
  - b. Is rated not less than A-1/P-1 or equivalent by at least two nationallyrecognized credit rating agencies,
- 6. Uncollateralized Guaranteed Investment Contracts. For funds that are pledged under a trust indenture for bonds issued by the Corporation, investment securities that are permitted under the terms of such trust indenture, including, but not limited to, uncollateralized investment agreements.
- 7. **Texas Local Government Investment Pools.** Permitted constant dollar investment pools, as defined by the Act, are authorized under this policy if the investment pool:
  - a. Is created to function as a money market mutual fund, marks its portfolio to market daily and strives to maintain a \$1 net asset value.
  - b. If it is rated not less than AAA or AAA-m or equivalent rating by at least one nationally recognized rating service.
- 8. **State and Municipal Obligations.** Obligations of any state and their subdivisions rated A or better by two nationally recognized rating agencies with a stated maturity not to exceed three years.
- 9. FDIC Insured Brokered Certificate of Deposit Securities. Brokered Certificate of Deposit Securities from banks in any US state, delivered versus payment to the Corporation's safekeeping depository, not to exceed one year to maturity. Before purchase the Investment Officer or Investment Adviser must verify the status of the bank on <u>www.2fdic.gov/idasp.main bankfind/asp</u> to assure that the bank is FDIC insured.

- **B.** No additional securities or investments are authorized for Corporation use until this Policy has been amended and the amended policy has been adopted by the Board.
- C. All investment transactions shall require competitive bidding.
- **D.** To minimize loss of principal, securities which are downgraded in credit or become unauthorized after purchase should be monitored on a daily basis and may be sold prior to maturity after a prudent analysis of market conditions.
- **E.** Security swaps may be utilized for improvement in the quality, yield, or target duration in the portfolio but only if analysis proves a positive horizon value for the swap.
- **E.F.** Any investment held prior to changes in this Policy that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. The Corporation is not required to liquidate investments that were authorized at the time of purchase (Act Section 2256.017). However, at maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

#### X. UNAUTHORIZED INVESTMENTS

The following are not authorized investments:

- **A.** Interest only obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO);
- **B.** Principal only obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO); and
- **C.** Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
- **D.** Inverse floating collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (Inverses).

Comment [ltp1]: Moved from loss of rating

## XI. DIVERSIFICATION

The Corporation will diversify its investments by security type and institution. With the exception of U.S. Treasury securities, no more than 50% of the Corporation's total investment portfolio will be invested in a single security type or single issuer.

General diversification parameters will include:

	Maximum Percentage
Type of Obligation	of Total Portfolio
U.S. Obligations	80%
Obligations of U.S. Agencies	80%
Certificates of Deposit (total)	60%
Certificates of Deposit (by institution)	15%
Repurchase Agreements	30%
Money Market Mutual Funds	25%
Commercial Paper (total)	30%
Commercial Paper (by issuer)	10%
Local Government Pool	75%
Banking Accounts	80%

#### XII. EFFECT OF LOSS OF REQUIRED RATING

An investment that requires a minimum rating under this Policy does not qualify as an authorized investment during the period the investment does not meet or exceed the minimum rating. The Corporation shall take prudent measures that are consistent with its Policy to evaluate possible liquidation of an investment that does not meet or exceed the minimum rating as market conditions dictate (Act Section 2256.021).

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or Investment Adviser shall notify the President of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

However, the Corporation is not required to liquidate investments that were authorized at the time of purchase (Act Section 2256.017).

#### XIII. COLLATERALIZATION

Collateralization will be required on all time and demand accounts above FDIC insurance levels and on repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization margin level will be 102%.

- **A.** For time and demand deposits the following securities are authorized as pledged collateral:
  - 1. Obligations of the United States or its agencies and instrumentalities including mortgage backed securities meeting the bank test;
  - 2. Direct obligations of the State of Texas or its agencies and instrumentalities;
  - 3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of Texas or the United Sates or their respective agencies and instrumentalities; and
  - 4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- **B.** For repurchase agreements, obligations of the U.S. Government, its agencies and instrumentalities including mortgage backed securities are authorized as collateral owned under the transaction:

Comment [Itp2]: Moved from internal control section

**Comment [Itp3]:** Moved to internal control because thisis not about loss of rating.

- **C.** Collateral for time and demand accounts shall always be held in safekeeping by an independent third party with whom the Corporation has a current custodial agreement executed under the terms of FIRREA (time and demand deposits). A clearly marked evidence of pledge or ownership must be supplied to the Corporation and retained. The Corporation shall grant the right of collateral substitution, subject to receiving prior approval from the Investment Officer.
- **D.** It shall be the contractual liability of the counter-party pledging or selling the securities to monitor and maintain the appropriate 102% margin daily.
- **E.** The custodian of the collateral shall provide an independent, detailed listing of the collateral on a monthly basis directly to the Corporation.
- **F.** Any pooled collateral program proposed to the Corporation shall be reviewed by the Investment Officer(s) for risk/reward but approval of the collateral pool will be by the Board.

#### XIV. SAFEKEEPING AND CUSTODY

All securities owned by the Corporation will be held by an independent third party custodian approved by the Corporation and under a current custody agreement.

All security transactions will be executed on a Delivery vs. Payment (DVP) basis. This ensures that securities are deposited prior to the release of funds. Securities will be held by an independent third-party custodian and evidenced by safekeeping receipts.

#### XV. INTERNAL CONTROLS

#### A. Internal Controls

The Investment Officer is responsible for establishing and maintaining internal controls to ensure that the assets of the Corporation are protected from loss, theft, or misuse. The internal controls shall address the following points:

- 1. Control of collusion,
- 2. Separation of transaction authority from accounting and record keeping.
- 3. Custodial safekeeping.
- 4. Clear delegation of authority to subordinate staff members.
- 5. Written confirmation of all transactions.

In developing controls, the concept of reasonable assurance recognizes that:

- 1. The cost of control should not exceed the benefits likely to be derived; and
- 2. The valuation of costs and benefits requires estimates and judgments by management.

#### **B.** Compliance Audit

At least once every two years, the Corporation shall arrange for a compliance audit of management controls on investments and adherence to this Policy and the Act.

- 1. The compliance audit shall be performed by the Corporation's internal auditor or by a private auditor.
- 2. The results of the audit performed under this section shall be presented to the Board.
- 3. The Corporation shall report the results of the audit performed under this section to the Office of the State Auditor not later than January 1 of each even-numbered year. The report shall be prepared in a manner as prescribed by the Office of the State Auditor.
- 4. The Corporation shall also report to the Office of the State Auditor other information the state auditor determines necessary to assess compliance with laws and policies applicable to the Corporation's investment.

#### C. Wire Transfers

All wire transfers will be transacted under a written agreement and, if possible, require two sign-offs. This agreement shall delineate controls, security provisions, and responsibilities of each party.

Comment [Itp4]: Moved from above in loss of rating.

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or Investment Adviser shall notify the President of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

#### **D.** Monitoring FDIC Insurance

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the Corporation based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the

Investment Officer or Investment Adviser shall immediately liquidate any brokered CD which places the Corporation above the FDIC insurance level.

#### XVI. REPORTING

#### A. Quarterly Reports

At least quarterly, the Investment Officer shall prepare and present to the Board an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This investment report will be prepared in a manner, which will allow the Board to ascertain whether investment activities during the reporting period have conformed to the Policy. The report must:

- 1. Describe in detail the investment position on the date of the report;
- 2. Be prepared jointly by all Investment Officers;
- 3. Be signed by each Investment Officer;
- 4. Be prepared in compliance with Generally Accepted Accounting Principles (GAAP) for each fund that states:
  - a. The stated maturity date and call or reset date of each security;
  - b. The book value and market value of each security at the beginning and end of the reporting period by type and market sector;
  - c. Additions and changes in market value during the period;
  - d. Fully accrued interest and total earnings for the reporting period;
  - e. State the fund or pooled group for which each individual investment was acquired; and
- State the compliance of the investment portfolio as it relates to the investment strategy expressed in this Policy and the Act.

#### **B.** Audit Report

An independent auditor shall formally review the investment reports prepared by the Investment Officer under this Policy at least annually and that auditor shall report the result of the review to the Board.

#### C. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this Policy and the cash flow analysis. The maximum dollar weighted average maturity of the portfolio is one year. In order to measure performance and the level of risk in the portfolio, the benchmarks of the six-month and one year Treasury Bills for the comparable period will be reported quarterly.

#### D. Market Value

The Investment Officer will obtain market prices used to calculate market value from independent, recognized published sources or from other qualified professionals.

#### E. Changes to Public Funds Investment Act

The Investment Officer shall present to the Board a report on changes to the Act no later than 180 days after the last regular session of the legislature.

#### XVII. INVESTMENT POLICY ADOPTION

The Investment Policy shall be reviewed and adopted by resolution of the Board at least annually. The Board must approve and adopt any amendments made thereto. The Board shall adopt by written resolution a statement that it has reviewed the investment policies and strategies and note any changes made.

## ATTACHMENT A

#### CERTIFICATION OF RECEIPT AND REVIEW OF TEXAS STATE AFFORDABLE HOUSING CORPORATION INVESTMENT POLICY

As a qualified representative of the Firm\_\_\_\_(name of "Firm").

I, and the broker covering the account, acknowledge that we have received and reviewed the Corporation's Investment Policy dated \_\_\_\_\_\_.

We acknowledge that the Firm has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Firm and the Corporation that are not authorized by the Corporation's Investment Policy, except to the extent that this authorization is dependent on an analysis of the Corporation's entire portfolio or requires an interpretation of subjective investment standards.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

Name:

Title:

## Texas State Affordable Housing Corporation Authorized Broker/Dealer List

## Fiscal Year 2013

The authorized broker/dealer list for Texas State Affordable Housing Corporation is shown below. Each of these firms, and the individual covering the account, has been or will be sent the Investment Policy. In accordance with the Public Funds Investment Act (TX Gov't Code 2256.005(k)) before any broker/dealer transacts business with the Corporation it will have had to certify in writing to a review of the Policy and have certified that procedures are in place to assure compliance with that Policy. Attachment A of the Policy is the certification form used for this purpose.

The Corporation's Policy establishes specific criteria for the brokers and requires that the list of broker/dealers be approved annually by the Board. Patterson & Associates maintains the brokerage compliance files for the Corporation.

When any material changes are made to the Investment Policy the new Policy is sent out for re-certification.

- 1. Barclay's Capital
- 2. Cantor Fitzgerald
- 3. G.X. Clark
- 4. Merrill Lynch
- 5. Mizuho Securities
- 6. Morgan Stanley
- 7. Wells Fargo
- 8. Stiefel Nicolaus
- 9. Vining Sparks