Official Board Packet

Texas State Affordable Housing Corporation

Board Meeting
To be held at the offices of
Texas State Affordable Housing Corporation
1005 Congress Avenue – Suite B-10 Conference Room
Austin Texas 78701

Friday, April 14, 2006
10:30 a.m.

BOARD MEETING
TEXAS STATE AFFORDABLE HOUSING CORPORATION
To be held at the offices of
Texas State Affordable Housing Corporation
1005 Congress Avenue – Suite B-10 Conference Room
Austin, Texas 78701
April 14, 2006 at 10:30 am

AGENDA

CALL TO ORDER, ROLL CALL Jerry Romero
CERTIFICATION OF QUORUM Chair

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

PUBLIC COMMENT

REPORTS

- President's Report — David Long
- Executive Vice President's Report — Katherine Closmann
- Single Family Lending Report — Paige McGilloway
- Multifamily Lending Report — Cari Garcia
- Asset Oversight & Compliance Report — Emily Lah
- Financial Report — Melinda Smith
  - Presentation of Financial Statements and Budget Report

ACTION ITEMS IN OPEN MEETING

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on March 10, 2006.

Tab 2 Presentation, Discussion and Possible Approval of a Resolution Regarding the Submission of a 2006 Application for Allocation of Private Activity Bonds, Notice of Intention to Issue Bonds and State Bond Application to the Texas Bond Review Board for Single Family Mortgage Revenue Bonds (Fire Fighter and Law Enforcement or Security Officer Home Loan Program).

Tab 3 Consideration and Possible Approval of the Scoring of the Responses to the Request for Proposals for the Reconstruction, Rehabilitation, or Replacement New Construction of Multifamily Housing in the Gulf Opportunity Zone Designated Counties of Texas using the Corporation's Tax-Exempt Bonds under its 2006 Private Activity Bond Program.

Tab 4 Consideration and Possible Approval of a Resolution Approving Proceedings to Authorize the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds, Series 2006 (Gulf Opportunity Zone Multifamily Housing), including the Publication of Notices for a Public Hearing and the Conduct of Such Public Hearing, and Matters Incident Thereto.

Tab 5 Presentation, Discussion and Possible Approval of an Award from Wells Fargo Community Development Corporation.

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 Smith, ADA Responsible Employee, at 512-477-3555, x 400 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.

President’s Report

Discussion

Executive Vice President’s Report

Discussion

Texas State Affordable Housing Corporation's
Homes for Heroes Home Loan Program Series 2005B
As of October 25, 2005 through April 5, 2006

Month	# of Loans	% of Total Loans	Total Originated	% of Total Origination
Sep-05	2	1%	$ 204,150	1%
Oct-05	12	8%	$ 1,087,797	7%
Nov-05	27	18%	$ 2,428,952	17%
Dec-05	18	12%	$ 1,766,940	12%
Jan-06	17	11%	$ 1,614,432	11%
Feb-06	30	20%	$ 3,110,764	21%
Mar-06	39	26%	$ 3,940,635	27%
Apr-06	5	3%	$ 453,093	3%
Totals	***150***	***100%***	***$ 14,606,763***	***100%***

Lender	Originated	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	Total	Total %
Countrywide Funding Corp.	$ 3,110,798		5	5	6	2	4	13	3	38	25%
McAfee Mortgage	$ 2,255,632	1	4	6	3	1	6	3	1	25	17%
Wells Fargo Home Mortgage	$ 1,449,631		1	1	1	5	3	5		16	11%
CTX Mortgage Corp	$ 1,122,855	1		2	3		1	4		11	7%
Residential Home Lending	$ 1,089,767		1	3		1	4		1	10	7%
Market Street Mortgage	$ 939,407			1		3	2	2		8	5%
Cornerstone Mortgage	$ 485,214				1	1		2		4	3%
Ft. Worth Mortgage	$ 439,150					1	2	1		4	3%
American Home Mortgage	$ 418,784			1	2	1				4	3%
Home Loan Corp.	$ 370,070			1			1	2		4	3%
Wachovia Mortgage Corp.	$ 360,721			1			1	1		3	2%
Universal American Mortgage	$ 323,194			1	1		1			3	2%
SFMC - Service 1st Mortgage	$ 300,214			2				1		3	2%
Texas Capital	$ 235,225					1		1		2	1%
Prime Leading, Incorporated	$ 199,200						1			1	1%
Milestone Mtg	$ 195,941				1			1		2	1%
Jefferson Mortgage Services	$ 170,570						1			1	1%
DHI Mortgage Company	$ 168,156							1		1	1%
Valley Mortgage Corp.	$ 154,190		1				1			2	1%
Ryland Mortgage	$ 151,844			1						1	1%
First Horizon Home Loan Corp.	$ 139,900						1			1	1%
NTFM Inc./ Premier Nat'l	$ 133,941			1						1	1%
1st Natl Bk dba 1st Community	$ 130,949						1	1		2	1%
New Century Mortgage	$ 98,201			1						1	1%
Chase	$ 84,333					1				1	1%
WR Starkey Mortgage, LLC	$ 78,876							1		1	1%
Total Committed	***$ 14,606,763***	***2***	***12***	***27***	***18***	***17***	***30***	***39***	***5***	***150***	***100%***

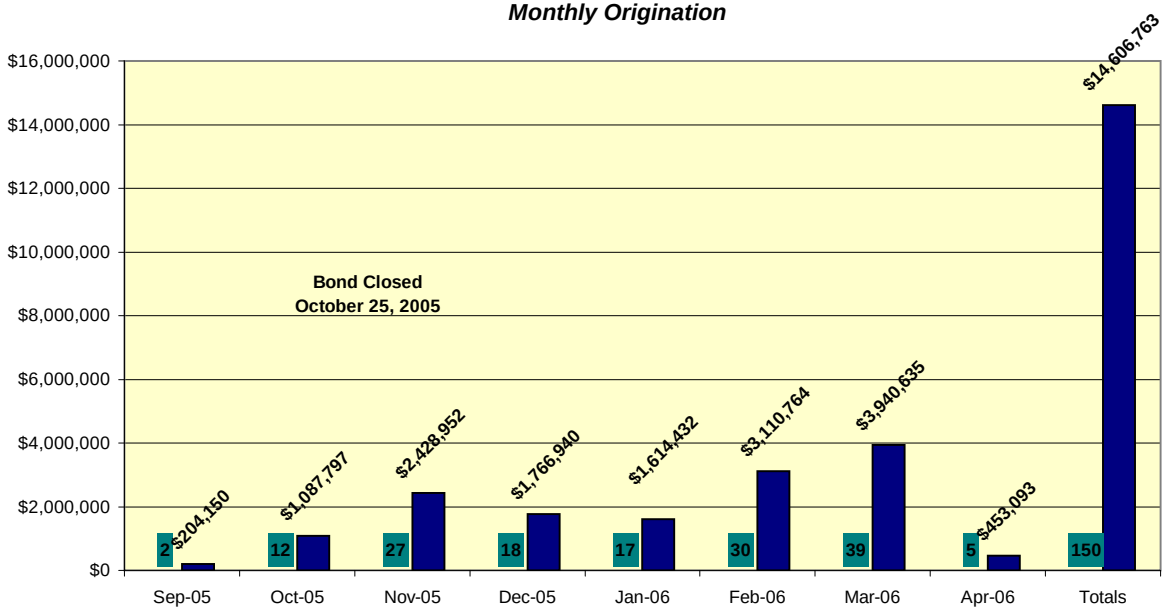
Total Allocation ***$ 20,000,000***
Remaining to Commit ***$ 5,393,237***

Texas State Affordable Housing Corporation's
Homes for Heroes Home Loan Program Series 2005B
As of October 25, 2005 through April 5, 2006

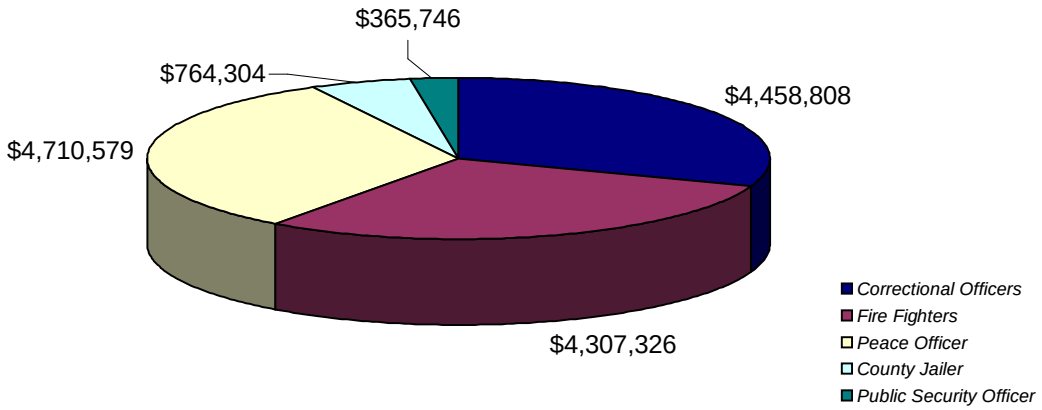
At a Glance	
Total Amount Originated	$14,606,763
Average Monthly Income	$3,787
Average Purchase Price	$98,886
Average Loan Amount	$97,378
Average Household Size	2
New/Existing	
Existing	73%
New	27%
Professional Breakdown	
Correctional Officers	39%
Fire Fighters	26%
Peace Officer	28%
County Jailer	5%
Public Security Officer	2%
Type of Loan	
FHA	73%
FNMA	20%
VA	6%
USDA-RD	1%
Ethnicity	
Not specified	62%
American Indian/Native Alaskan	1%
Hispanic	8%
African American	5%
White, Non-Hispanic	25%

Top Origination Locations	*# of Loans*
BEAUMONT	6
HOUSTON	6
AMARILLO	5
BEEVILLE	5
SAN ANTONIO	5
BURLESON	4
FORT WORTH	4
PLAINVIEW	4
BRIDGE CITY	3
COPPERAS COVE	3
EL PASO	3
ORANGE	3
WICHITA FALLS	3

Monthly Origination



Occupational Origination Amounts



Texas State Affordable Housing Corporation's
Professional Educators Home Loan Program Series 2005A
As of July 27, 2005 through April 5, 2006

Month	# of Loans	% of Total Loans	Total Originated	% of Total Origination
Jun-05	7	4%	$ 828,787	4%
Jul-05	18	9%	$ 1,845,164	8%
Aug-05	20	10%	$ 2,333,425	10%
Sep-05	24	12%	$ 2,699,371	12%
Oct-05	21	11%	$ 2,538,030	11%
Nov-05	22	11%	$ 2,782,471	13%
Dec-05	33	17%	$ 3,718,762	17%
Jan-06	18	9%	$ 2,072,504	9%
Feb-06	8	4%	$ 850,211	4%
Mar-06	21	11%	$ 2,426,640	11%
Apr-06	1	1%	$ 139,044	1%
Totals	***193***	***100%***	***$ 22,234,409***	***100%***

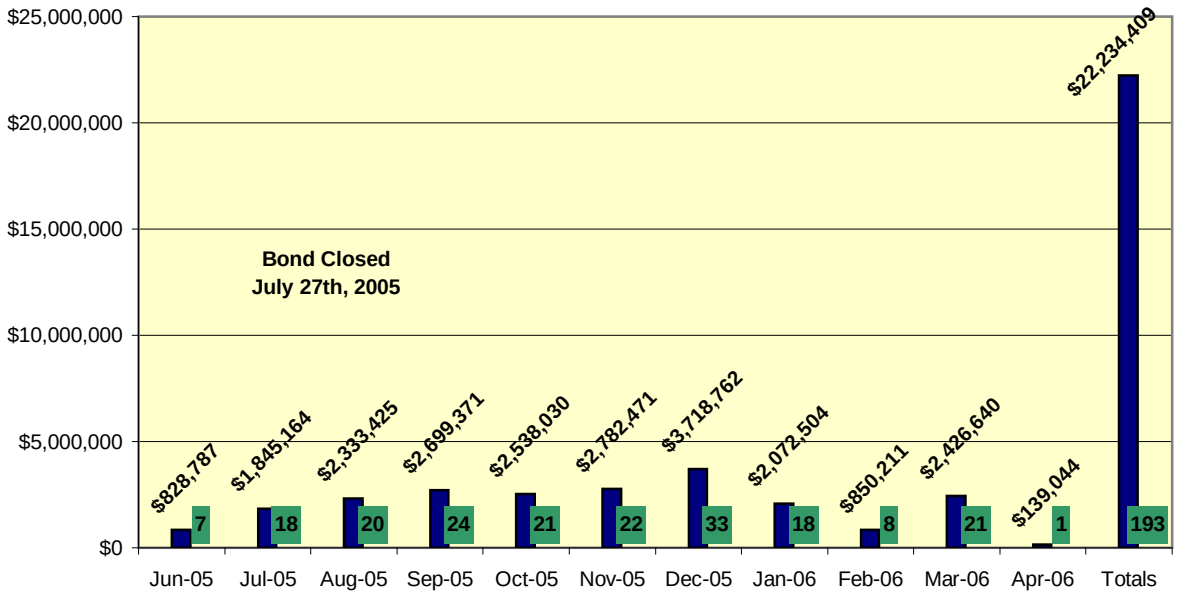
Lender	Originated	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	Total	Total %
Countrywide Funding Corp.	$ 3,089,259		1	4	4	2	2	9	4	1	3		30	16%
Wells Fargo Home Mortgage	$ 2,484,634		4	2	3	1	1	4	4	1	3		23	12%
Market Street Mortgage	$ 1,522,753	1		4			2	3	1	1			12	6%
Residential Home Lending	$ 1,368,206	1	1	1	1	1	2	1	2	1			11	6%
Rocky Mountain Mortgage	$ 1,138,010		3		1	2	1	1	1		1		10	5%
Home Loan Corp.	$ 981,475	1	1	1	2	1		2			1		9	5%
Wachovia Mortgage Corp.	$ 946,221		2		2		4						8	4%
CTX Mortgage Corp.	$ 834,308		1	1	1					1	2	1	7	4%
Prime Lending Inc	$ 804,706	1	1	2		1		2					7	4%
Texas Capital	$ 794,647		1			5							6	3%
First Horizon Home Loan	$ 661,314		1	1		1	1				1		5	3%
WR Starkey	$ 603,206				1	1	1	1		1			5	3%
Judith O. Smith Mortgage	$ 583,070	2			1	1							4	2%
McAfee Mortgage	$ 569,171					1	1	1	2				5	3%
Ryland Mortgage	$ 548,404			1	1		1				1		4	2%
DHI Mortgage	$ 501,705					1	1	2					4	2%
Cornerstone Mortgage	$ 479,997				1			2		1			4	2%
New Century Mortgage	$ 471,388					1					4		5	3%
Hammersmith Financial	$ 449,650			1	1						1		3	2%
SFMC - Service 1st Mortgage	$ 442,103			1			2						3	2%
Universal American Mortgage	$ 429,007	1			1		1				1		4	2%
Willow Bend Mortgage	$ 422,900							2			1		3	2%
Valley Mortgage Corp	$ 338,531		1		1				1		1		4	2%
Ft. Worth Mortgage	$ 297,867				2			1					3	2%
First Continental Mortgage	$ 269,139					1			1				2	1%
Milestone Mortgage	$ 216,776					1		1					2	1%
RBC	$ 212,192				1			1					2	1%
TexasBank	$ 135,500								1				1	1%
1st Nat'l Bk dba 1st Comm	$ 113,124			1									1	1%
Home Trust Co.	$ 113,106								1				1	1%
Pulaski Mortgage Company	$ 104,176									1			1	1%
Northstar Bank of Texas	$ 101,500		1										1	1%
NTFN Inc./ Premier Nat'l	$ 94,864						1						1	1%
Fairway Independent Mortgage	$ 76,500						1						1	1%
Chase Manhattan Mortgage	$ 35,000										1		1	1%
Total Committed	***$ 22,234,409***	***7***	***18***	***20***	***24***	***21***	***22***	***33***	***18***	***8***	***21***	***1***	***193***	***100%***

Total Allocation $ 24,175,000
Remaining to Commit $ 1,940,591

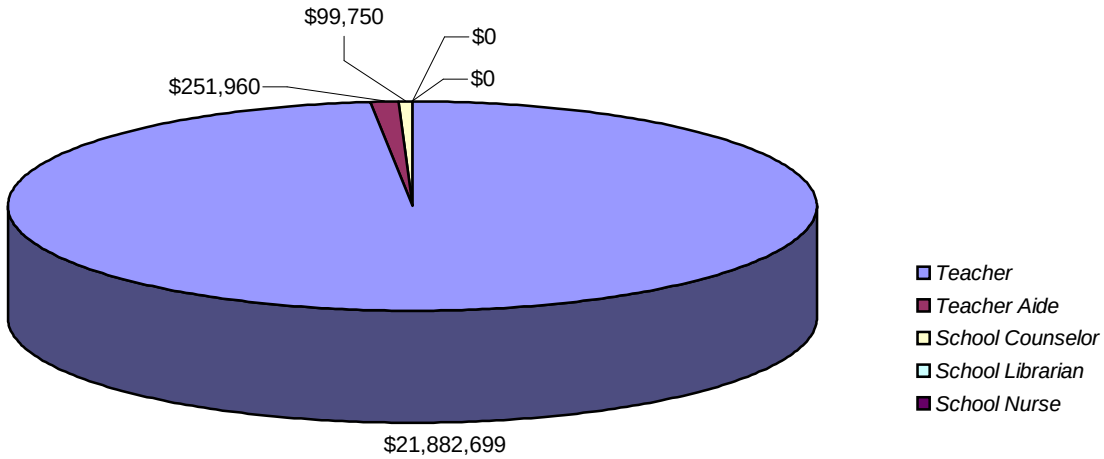
Texas State Affordable Housing Corporation's
Professional Educators Home Loan Program Series 2005A
As of July 27, 2005 through April 5, 2006

At a Glance	
Total Amount Originated	$22,234,409
Average Monthly Income	$4,581
Average Purchase Price	$119,327
Average Loan Amount	$115,204
Average Household Size	2
New/Existing	
Existing	64%
New	36%
Professional Breakdown	
Teacher	97.93%
Teacher Aide	4.55%
School Counselor	0.52%
School Librarian	0%
School Nurse	0%
Type of Loan	
FHA	69%
FNMA	31%
VA	0%
USDA-RD	0%
Ethnicity	
Not specified	77%
White, not of Hispanic origin	16%
Hispanic	3%
African American	3%
Asian, South Pacific	1%
Top Origination Locations	*# of Loans*
HOUSTON	22
SAN ANTONIO	10
AUSTIN	10
RICHMOND	9
FORT WORTH	9
EL PASO	7
ARLINGTON	7
MANSFIELD	5
DALLAS	5
SPRING	4
LANCASTER	4

Monthly Origination



Occupational Origination Amounts



Texas State Affordable Housing Corporation's
Professional Educators Home Loan Program Series 2006A
As of February 28, 2006 through April 5, 2006

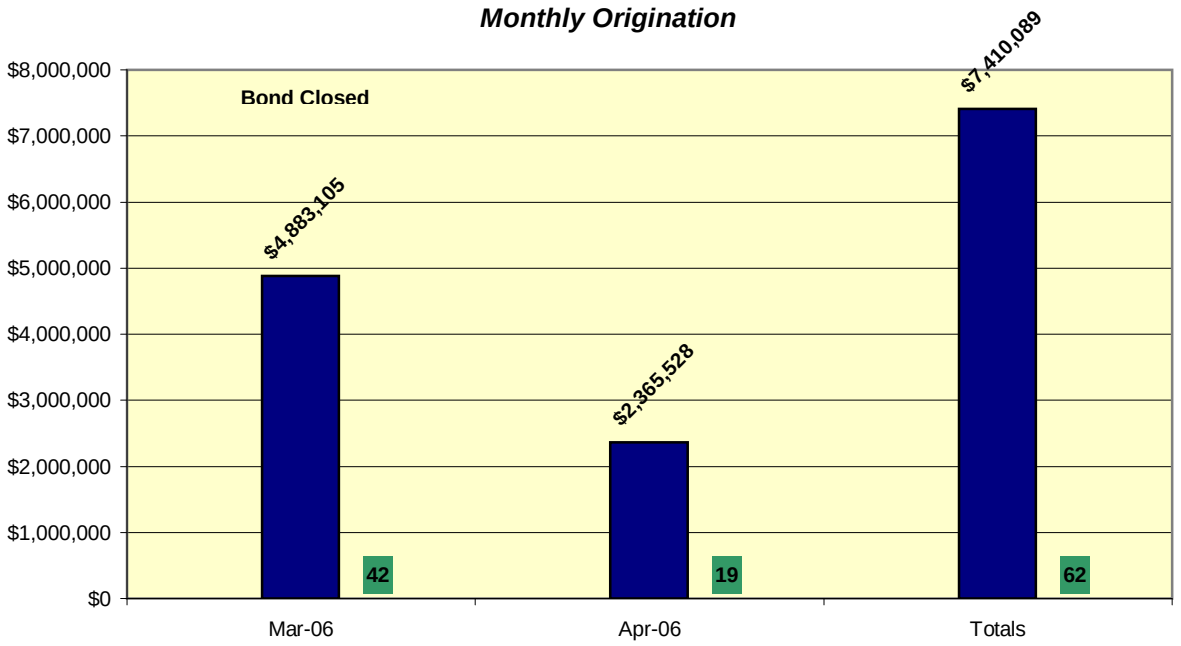
Month	# of Loans	% of Total Loans	Total Originated	% of Total Origination
Feb-06	1	2%	$ 161,456	2%
Mar-06	42	68%	$ 4,883,105	66%
Apr-06	19	31%	$ 2,365,528	32%
Totals	***62***	***100%***	***$ 7,410,089***	***100%***

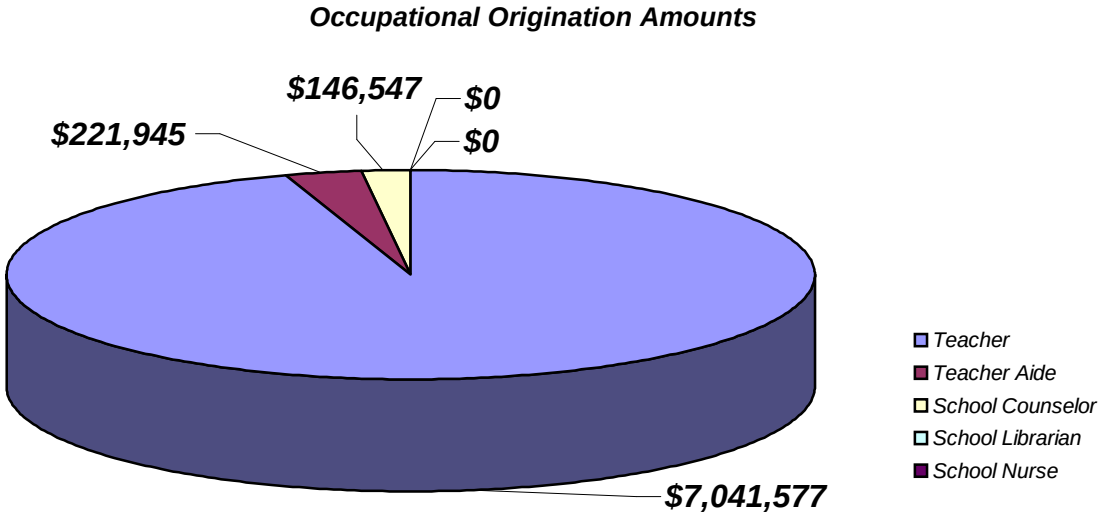
Lender	Originated	Feb-06	Mar-06	Apr-06	May-06	Total	Total %
Wells Fargo Bank NA	$1,145,175		7	3		10	16%
Market Street Mortgage Corp.	$1,094,881		7	2		9	15%
CTX Mortgage Corporation	$780,505		4	2		6	10%
Countrywide Funding Corp.	$625,325		5	1		6	10%
Universal American Mortgage Co	$485,744	1	1	2		4	6%
SFMC, LP fka Service First Mtg	$472,051		1	3		4	6%
Cornerstone Mortgage Company	$442,351		2	2		4	6%
Wachovia Mortgage Corporation	$435,124		1	2		3	5%
DHI Mortgage Company	$405,937		3			3	5%
Residential Home Lending	$369,455		2	1		3	5%
McAfee Mortgage & Investments	$216,786		1	1		2	3%
Texas Capital	$215,303		2			2	3%
Ryland	$171,541		1			1	2%
Ft. Worth Mortgage	$162,476		1			1	2%
WR Starkey Mortgage, LLC	$133,941		1			1	2%
Milestone Mortgage Corporation	$105,051		1			1	2%
Valley Mortgage Corporation	$99,216		1			1	2%
Home Loan Corporation	$49,227		1			1	2%
Total Committed	***$7,410,089***	***1***	***42***	***19***	***0***	***62***	***100%***

Total Allocation ***$23,809,000***
Remaining to Commit ***$16,398,911***

Texas State Affordable Housing Corporation's
Professional Educators Home Loan Program Series 2006A
As of February 28, 2006 through April 5, 2006

At a Glance	
Total Amount Originated	$7,410,089
Average Monthly Income	$3,983
Average Purchase Price	$122,532
Average Loan Amount	$119,518
Average Household Size	2
New/Existing	
Existing	45%
New	54%
Professional Breakdown	
Teacher	95%
Teacher Aide	3%
School Counselor	2%
School Librarian	0%
School Nurse	0%
Type of Loan	
FHA	81%
FNMA	19%
VA	0%
USDA-RD	0%
Ethnicity	
Not specified	71%
White, not of Hispanic origin	17%
Hispanic	8%
African American	5%
Asian, South Pacific	0%
Top Origination Locations	*# of Loans*
HOUSTON	11
SAN ANTONIO	9
AUSTIN	4
FORT WORTH	3
ROYSE CITY	2
KYLE	2
DALLAS	2
CYPRESS	2
ARLINGTON	2





Multifamily Lending Report

Discussion

Asset Oversight & Compliance Report

Discussion

TEXAS STATE AFFORDABLE HOUSING CORPORATION
COMPARISON OF BUDGETED TO ACTUAL OPERATING ACTIVITY
(For the Six Month Period Ending February 28, 2006)

	FY 2006		% of Annual
Revenues	Budget	Actual	Budget
Servicing Revenue, Net of Subservicer Fees	425,000	236,896	55.74%
Multifamily Revenue	650,000	176,955	27.22%
TDHCA Asset Oversight Revenue	509,000	267,863	52.63%
Investment Revenue	120,000	67,005	55.84%
University of Texas Single Family	-	2,000	-
Grant/Fundraising Income	-	-	0.00%
TOTAL REVENUES	1,704,000	750,719	44.06%
Expenditures			
Salaries & Payroll Related Expenditures	860,000	420,125	48.85%
Professional Services - Legal, Audit & IT	177,000	94,345	53.30%
Office & Equipment Lease	124,000	57,049	46.01%
Travel & Meals	72,000	37,254	51.74%
Interest on FHLB Notes	67,000	33,192	49.54%
Marketing & Sponsorships	23,000	(9,075)	-39.46%
Insurance	23,600	9,554	40.48%
Professional Dues & Training	12,000	9,286	77.38%
Communication	12,000	6,215	51.79%
Bank Fees & Charges	8,000	5,560	69.50%
Office Supplies	8,000	4,980	62.25%
Publications, Subscriptions, Office Maintenance	5,300	2,309	43.57%
Freight, Delivery & Postage	6,000	2,625	43.75%
Furniture, Equipment, & Software	20,000	13,201	66.01%
Printing	1,500	606	40.40%
Program and Loan Administration	4,000	414	10.35%
TOTAL EXPENDITURES	1,423,400	687,640	48.31%
NET INCOME	280,600	63,079	22.48%

Target Percentage = 50%

TEXAS STATE AFFORDABLE HOUSING CORPORATION
COMPARISON OF BUDGETED TO ACTUAL OPERATING ACTIVITY
(For the Six Month Period Ending February 28, 2006)

Monthly Investment Report

February 28, 2006

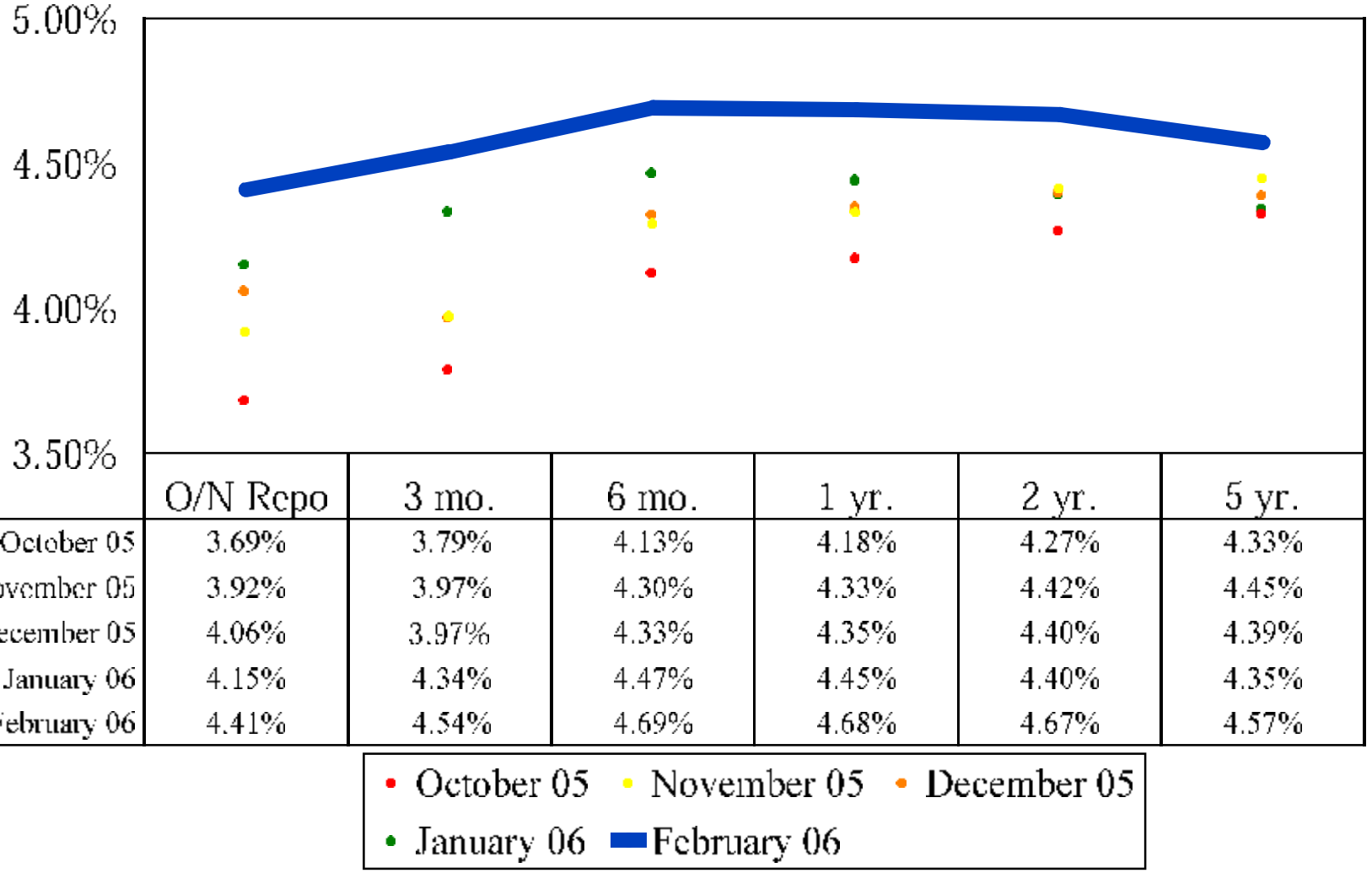
PATTERSON & ASSOCIATES

P&A

INVESTMENT PROFESSIONALS

Treasury Yield Curve Comparison

Average yields by month



	O/N Repo	3 mo.	6 mo.	1 yr.	2 yr.	5 yr.
October 05	3.69%	3.79%	4.13%	4.18%	4.27%	4.33%
November 05	3.92%	3.97%	4.30%	4.33%	4.42%	4.45%
December 05	4.06%	3.97%	4.33%	4.35%	4.40%	4.39%
January 06	4.15%	4.34%	4.47%	4.45%	4.40%	4.35%
February 06	4.41%	4.54%	4.69%	4.68%	4.67%	4.57%

Patterson & Associates

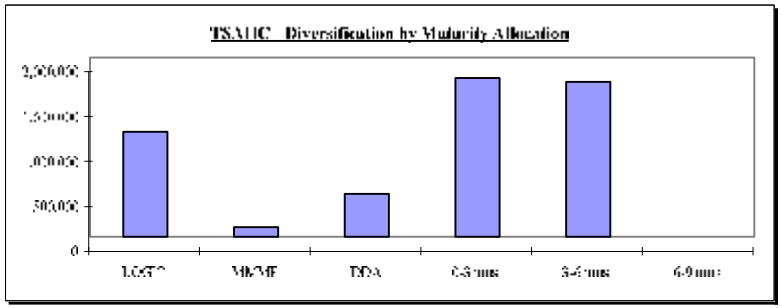
Texas State Affordable Housing Corporation

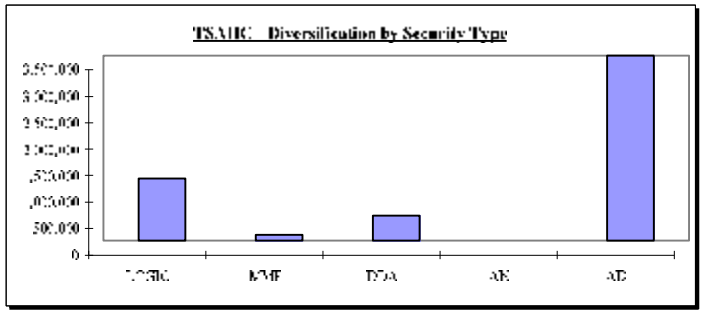
INVENTORY HOLDINGS REPORT

2/28/06

Settle Date	CUSIP	Sec Type	Par	Coupon	Maturity	Purchase Price	Purch Yield	Purchase Price pd	Original Purch Disc	Daily Accrl	Current Book	Market Price	Market Value	Unrealized Gain/Loss	Original DTM	Current DTM	Amortization
Operating:																	
02/28/06	TxDA - Operating	DDA	[illegible]	2.11%	03/01/06	100.000	2.11%	[illegible]	0.00	0.00	[illegible]	100.0000	145,877.53	0.00	1	1	0.00
02/28/06	TxDA - Pay Clear	DDA	15,200	1.668%	03/01/06	100.000	1.668%	15,200	0.00	0.00	15,200.00	100.0000	15,200.00	0.00	1	1	0.00
02/28/06	TxDA - Disbursement	DDA	551	1.988%	03/01/06	100.000	1.988%	551	0.00	0.00	550.88	100.0000	550.88	0.00	1	1	0.00
02/28/06	TxDA - T&I	DDA	5,456	1.988%	03/01/06	100.000	1.988%	5,456	0.00	0.00	5,455.95	100.0000	5,455.95	0.00	1	1	0.00
02/28/06	TxDA - Texas Home Educ.	DDA	4,500	0.006%	03/01/06	100.000	0.006%	4,500	0.00	0.00	4,500.00	100.000	4,500.00	0.00	1	1	0.00
02/28/06	TxDA - Bunker Hill Senior	DDA	28,133	1.668%	03/01/06	100.000	1.668%	28,133	0.00	0.00	28,133.13	100.0000	28,133.13	0.00	1	1	0.00
02/28/06	TxDA - Bunker Hill Oper	DDA	22,098	0.906%	03/01/06	100.000	0.906%	22,098	0.00	0.00	22,098.57	100.0000	22,098.57	0.00	1	1	0.00
02/28/06	TxDA - Bunker Hill Debt	DDA	22,100	0.906%	03/01/06	100.000	0.906%	22,100	0.00	0.00	22,100.54	100.000	22,100.54	0.00	1	1	0.00
02/28/06	TxDA - Sagebrush Apart	DDA	52,760	1.668%	03/01/06	100.000	1.668%	52,760	0.00	0.00	52,759.89	100.0000	52,759.89	0.00	1	1	0.00
02/28/06	TxDA - Sagebrush Apart Oper	DDA	22,444	0.906%	03/01/06	100.000	0.906%	22,444	0.00	0.00	22,444.29	100.0000	22,444.29	0.00	1	1	0.00
02/28/06	TxDA - Sagebrush Apart. Debt	DDA	57,875	0.906%	03/01/06	100.000	0.906%	57,875	0.00	0.00	57,874.91	100.0000	57,874.91	0.00	1	1	0.00
Subtotal Operating:			535,004				1.589%	535,003.81			535,003.81		535,003.91	0.101			0.101
Investments:																	
02/28/06	LOGIC	DOI -	[illegible]	4.183%	03/01/06	100.000	4.183%	[illegible]	0.00	0.00	[illegible]	100.0000	1,172,778.25	0.00	1	1	0.00
02/28/06	FFLT	MMMF	108,753	4.361%	03/01/06	100.000	4.361%	108,753	0.00	0.00	108,752.89	100.000	108,753.89	0.00	1	1	0.00
02/28/06	Bank of America	CDSNX	142,569	4.086%	03/01/06	100.000	4.086%	142,569	0.00	0.00	142,569.52	100.0000	142,569.52	0.00	1	1	0.00
Subtotal Investments:			1,424,098				4.435%	1,424,097.66			1,424,097.66		1,424,097.66	0.101			0.101
Marketable Securities:																	
03/15/06	313397 [illegible]	FNCDN	510,000	0.006%	03/15/06	98.384	3.978%	500,228	9,771.88	53.63	508,219.32	99.928	509,123.37	(1,095.95)	180	14	3,020.20
03/30/06	313397UV1	FNCDN	500,000	0.006%	03/30/06	98.316	4.127%	491,089	9,911.08	55.12	498,478.84	99.654	499,269.44	(1,209.39)	178	28	8,180.60
11/14/06	313387WT2	FNCDN	515,000	0.006%	05/09/06	97.838	4.538%	503,134	10,865.94	61.57	510,691.05	99.111	510,423.65	(267.37)	176	70	6,290.71
11/30/06	313588X28	FNTN	255,000	0.006%	05/25/06	97.880	4.539%	249,594	5,405.82	30.85	252,874.31	98.899	252,190.28	(683.03)	155	85	2,280.14
12/29/06	313589YR8	FNTN	515,000	0.006%	06/29/06	97.763	4.673%	503,178	11,822.41	65.68	507,360.83	98.437	506,948.85	(412.00)	181	120	5,885.24
01/17/08	313397L91	FNCDN	730,000	0.006%	07/11/06	97.836	4.627%	714,122	15,877.92	99.54	717,538.14	98.264	717,524.36	(613.78)	135	133	5,802.66
02/22/08	313588Q92	FNTN	510,000	0.006%	08/23/06	97.520	4.826%	497,863	12,136.72	65.70	498,261.32	97.666	498,096.33	(165.00)	182	156	100.18
Subtotal Marketable Securities:			3,535,000				4.457%	3,459,570.51			3,494,345.46		3,492,375.27	(1,970.09)			34,774.84
Grand Total			5,294,101				4.270%	5,218,671.98			5,253,446.93		5,251,476.74	(1,970.09)		63	34,774.84

99.96% NAV



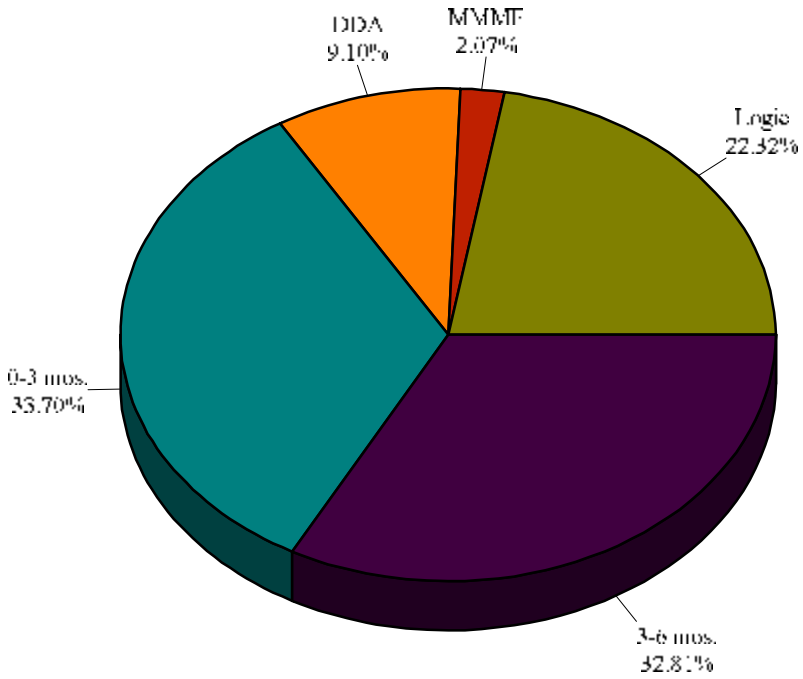


Prepared by Patterson & Associates

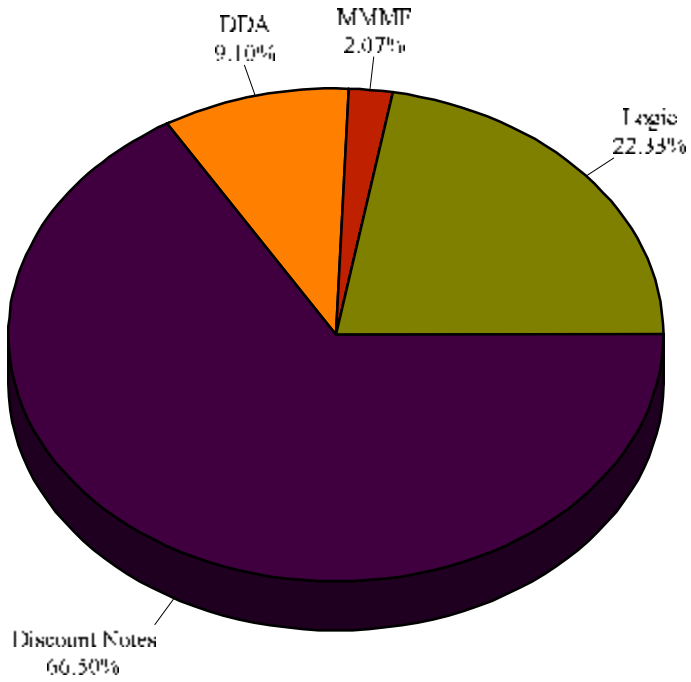
Texas State Affordable Housing

Portfolio Holdings

Diversification by Maturity Allocation



Diversification by Security Type



Information as of February 28, 2006

HOLDINGS - MONTHLY ACCOUNTING REPORT

Portfolio: Texas State Affordable Housing Corporation
Securities Held as of: 2/28/06

Id	Bond	Coupon	Maturity Date	Purchase Date	Par Value	Days to Maturity	Accretion/ Amortization for Month	Accretion/ Amortization To Date	Accrued Interest for Month	Accrued Interest on Bond	Book Value
POOL	LOGIC	4.485%	03/01/06	02/28/06	1,172,775	1	0.00	0.00	1,020.80	0.00	1,172,775.25
MMMF	FHLB	4.361%	03/01/06	02/28/06	108,753	1	0.00	0.00	368.77	0.00	108,752.89
MMMF	Bank of America	4.086%	03/01/06	02/28/06	142,570	1	0.00	0.00	446.86	0.00	142,569.52
DDA	BOA - Operating.	2.113%	03/01/06	02/28/06	145,878	1	0.00	0.00	300.67	0.00	145,877.53
DDA	BOA - Pay Clear	1.668%	03/01/06	02/28/06	15,200	1	0.00	0.00	19.64	0.00	15,200.00
DDA	BOA - Disbursement	1.798%	03/01/06	02/28/06	551	1	0.00	0.00	0.76	0.00	550.88
DDA	BOA - T&I	1.798%	03/01/06	02/28/06	3,456	1	0.00	0.00	4.77	0.00	3,455.95
DDA	BOA - Tx Home Educ.	0.000%	03/01/06	02/28/06	4,500	1	0.00	0.00	0.00	0.00	4,500.08
DDA	BOA - Bunker Hill Senior	1.600%	03/01/06	02/28/06	28,133	1	0.00	0.00	33.86	0.00	28,133.19
DDA	BOA - Bunker Hill Oper.	0.900%	03/01/06	02/28/06	22,099	1	0.00	0.00	15.25	0.00	22,098.57
DDA	BOA - Bunker Hill Debt	0.900%	03/01/06	02/28/06	22,109	1	0.00	0.00	15.25	0.00	22,108.54
DDA	BOA - Sagebrush Apart.	1.600%	03/01/06	02/28/06	32,760	1	0.00	0.00	39.36	0.00	32,759.98
DDA	BOA - Sagebrush Apart. Oper.	0.900%	03/01/06	02/28/06	22,444	1	0.00	0.00	15.49	0.00	22,444.28
DDA	BOA - Sagebrush Apart. Debt	0.900%	03/01/06	02/28/06	37,875	1	0.00	0.00	26.13	0.00	37,874.81
FMCDN	313397UF6	0.000%	03/14/06	09/13/05	510,000	14	1,503.37	9,020.20	0.00	0.00	509,248.32
FMCDN	313397UV1	0.000%	03/28/06	09/30/05	500,000	28	1,551.67	8,367.92	0.00	0.00	498,448.33
FMCDN	313397WP2	0.000%	05/09/06	11/14/05	515,000	70	1,722.39	6,520.47	0.00	0.00	510,694.03
FNDN	313589XR8	0.000%	05/24/06	11/30/05	255,000	85	864.93	2,780.14	0.00	0.00	252,374.31
FNDN	313589YR8	0.000%	06/28/06	12/29/05	515,000	120	1,782.47	3,883.24	0.00	0.00	507,360.83
FMCDN	313397ZE4	0.000%	07/11/06	01/17/06	730,000	133	2,535.13	3,802.69	0.00	0.00	717,958.14
FNDN	313589C92	0.000	08/23/06	02/22/06	510,000	176	400.18	400.18	0.00	0.00	498,261.39
Matured & Called Securities											
FNDN	313589TX9	0.000%	02/22/06	08/31/05			1,181.89	9,401.39	0.00	0.00	0.00
Grand Total:			05/02/06		5,294,101	63	11,542.03	44,176.23	2,307.61	0.00	5,253,446.83

Total Income Earned for February 2006 **13,849.64**

Total Income for the Month = Interest for the Month + (-) Net Accretion for the Month
($ 2,307.61 + $ 11,542.03 = $ 13,849.64)

MONTHLY TRANSACTION REPORT

Portfolio: Texas State Affordable Housing Corporation
02/28/06

PURCHASES:

ID Number	Settle Date	CUSIP	Sec Type	Pur	Coupon	Maturity	Purchase Price	Purch Yield	Purchase Principal	Purch Accr Int	Total Settlement	Broker	Safekept
9589	02/22/06	313589C92	FNDN	510,000	0.000%	08/23/06	97.620	4.890%	497,861.21	0.00	497,861.21	Merrill Lynch	Bank of America

SALES:

Trade Date	Settle Date	CUSIP	Sec Type	Pur	Coupon	Maturity	Sale Price	Yield Sold	Sale Principal	Sale Accr Int	Total Settlement	Broker	Book Value

No Transactions

MATURITIES AND COUPONS:

ID Number	Payment Date	CUSIP	Security Type	Pur	Coupon	Maturity	Type of Payment	Coupon Amount	Total Payment
9445	02/22/06	313589TK9	FNDN	500,000	0.000%	02/22/06	*Maturity*	0	500,000

NOTES:

Total Realized Gains:	0.00
Total Realized Gains:	0.00

BOARD MEETING
TEXAS STATE AFFORDABLE HOUSING CORPORATION
Held at the Offices of
Texas State Affordable Housing Corporation
1005 Congress Avenue – Suite B-10 Conference Room
Austin Texas 78701
March 10, 2006 at 10:30 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 Jerry Romero, Chair, at 10:30 a.m., on March 10, 2006, at the offices of Texas State Affordable Housing Corporation, 1005 Congress Avenue – Suite B-10 Conference Room, Austin, TX 78701. Roll Call certified that a quorum was present.

Members Present

Jerry Romero, Chair
Thomas Leeper, Vice Chair
Jesse A. Coffey, Member
Charles G. Rencher, Member
Jo Van Hovel, Member

Staff Present

David Long, President
Katherine Closmann, Executive Vice President
Melinda Smith, Chief Financial Officer
Paige McGilloway, Single Family Programs Manager
Cari Garcia, Multifamily Finance Manager
Emily Lah, Asset Oversight & Compliance Manager
Gracie Jackson, Asset Oversight & Compliance Specialist
Laura Smith, Corporate Secretary

Public Comment

No public comment was given.

Special Guests

Rodric Fitzgerald, American Opportunity for Housing
Kathryn Garner, Andrews Kurth LLP
Mary Koelling, Fist Southwest Company
Gary Machak, RBC Dain Rauscher
Kenneth Rogezinski, Greystone & Co.
Steve Schottman, Texas Department of Housing and Community Affairs (TDHCA)
Kent Smith, Jackson Walker LLP
Matthew Starr, American Opportunity for Housing

Reports

President's Report

Mr. Long began by informing the Board that he, Ms. Closmann and Mr. Romero had attended the National Counsel of State Housing Agencies (NCSHA) Conference in Washington DC, and while there they had met with several legislators. Mr. Long informed the Board that he and Ms. Closmann would be meeting the Bond Review Board on March 14th to discuss the Corporation's programs.

Mr. Long turned the Board's attention to the $500,000 loan from TDHCA that was discussed at the previous meeting. Mr. Long stated that TDHCA's Board of Directors had elected not to allow the Corporation to put the money owed towards the multifamily RFP for the hurricane impacted areas, and instead requested the loan be repaid to TDHCA. Mr. Long informed the Board that the loan had been repaid. Mr. Long stated that the RFP had not been withdrawn as a result, but was changed so as not to include that money. Mr. Long stated that the Corporation had received a letter of support from Representative Menendez for the proposed program, and Mr. Long wished to thank him for his support.

Mr. Long informed the Board that the Corporation had been approved by Wells Fargo for their Equity Investment Program, and had been awarded $1,050,000. Mr. Long explained that it was a very low interest rate loan, and that the details regarding the loan were still being solidified.

Mr. Long noted that Tabs 4 and 5 were being withdrawn, so as to allow more time to review the documents related thereto.

Mr. Long stated that the interview process had been completed regarding the RFPs issued by the Corporation for Professional Services, and recommendations for those positions would be presented under Tab 6.

Executive Vice President's Report

Ms. Closmann began by turning the Board's attention to the Notice of Default included in the board packet for Ashton Place and Woodstock Apartments. Ms. Closmann then referred the Board to the Notices of Default for American Housing Foundation (AHF) and American Opportunity for Housing (AOH).

Ms. Closmann noted that the foreclosure on the HIC portfolio (Arborstone, Baybrook, and Crescent Oaks) which was supposed to occur on March 7th did not occur, but it was still expected to go through.

Multifamily Lending Report

Ms. Closmann stated that Ms. Garcia was not able to be at the Board Meeting, so she would be presenting the Multifamily Lending Report. Ms. Closmann reported that the RFP had been issued with regard to the Hurricane affected areas of the state, and it included an offer of a $500,000 cash flow loan. Ms. Closmann stated that while Ms. Garcia was marketing the RFP to developers, notice of the RFP had also been published on the Corporation's website and in the Texas Register. Ms. Closmann stated that press releases were issued to the Texas Association of

Affordable Housing Providers (TAAHP) and to the Rural Rental Housing Association, to the Corporation's developer list, as well as to Texas Association of Local Housing Finance Agencies (TALHFA) and to the United States Department of Agriculture (USDA). Ms. Closmann stated that city managers in cities throughout the GO Zone had been contacted about the RFP. Ms. Closmann further stated that the RFPs would also be sent to those who had applied for but had not received 9% tax credits from TDHCA. Ms. Closmann stated that responses to the RFP were due back April 7, 2006.

Mr. Rencher inquired about the HIC foreclosure and Ms. Closmann explained further the reason for the delay of foreclosure. Discussion followed. Ms. Closmann confirmed that the foreclosure would still happen, despite the delay.

Mr. Romero inquired whether the notices of default were required to be sent to the Corporation, because of the Corporation's role as original issuer of the bonds, and Ms. Closmann explained that any material event would be disclosed to the Corporation because of our inclusion on the Continuing Disclosure Agreement. Ms. Closmann confirmed that the foreclosure would not have a financial impact on the Corporation.

Single Family Lending Report

Ms. McGilloway turned the Board's attention to the single family reports found in the board packet. In response to Ms. Van Hovel's request at the previous Board Meeting, Ms. McGilloway reported on the number of loans issued in Bell County under the 2005 programs.

Ms. McGilloway then turned the Board's attention to the 2005 Professional Educators program, stating that it was almost completely originated.

Ms. McGilloway reported that the bond closing for the 2006A Professional Educators Home Loan Program had successfully occurred on February 28, 2006. Ms. McGilloway stated that 1.1 million had already been originated in the new program.

Ms. McGilloway informed the Board that Lender Trainings had begun regarding the new program. Ms. McGilloway stated that she had attended the training in San Antonio the previous day. Ms. McGilloway informed the Board of what lender trainings were coming up and let them know that Citimortgage was also conducting web cast trainings for those unable to attend the trainings that were scheduled.

Ms. McGilloway brought to the Board's attention that Mr. Machak with RBC Dain Rauscher had brought pricing books for the 2006A program for the Board's benefit.

Ms. McGilloway then turned the Board's attention to the Nursing Faculty Home Loan Program. Ms. McGilloway stated that staff continued to work with bond counsel and Citimortgage to establish the program and reminded the Board that they had approved up to 3 million for the Corporation to launch the program. Ms. McGilloway informed the Board that she had attended a special legislative policy discussion put on by the Texas Nursing Association where she had spoken about the Program. Ms. McGilloway stated that she had also attended a lunch the following day where she was able to speak with deans and directors of nursing programs across the state about the program.

Mr. Rencher inquired about the details of the lender training in Houston and discussion followed regarding that meeting. Mr. Rencher asked who was invited to attend the lender training. Ms. Koelling with First Southwest introduced herself to the Board. She stated that an email had been sent out to the corporate contacts for all the lending institutions as well as every branch loan officer contact on file for the Homes for Heroes and Professional Educators programs. Mr. Rencher asked if anyone could attend and Ms. Koelling confirmed that this was the case. Discussion followed.

Mr. Long thanked everyone for their participation in the bond closing. Mr. Long stated that the rate for the program was 5.99%. Mr. Long continued to discuss the details of the closing.

Mr. Romero inquired about the GO Zone and Ms. McGilloway stated that before an announcement about the GO Zone had been sent out, there had been approximately 16-18 people on the waiting list. Ms. McGilloway stated that when the 22 affected counties became targeted areas, the loans originated as of December 21 that fell in those areas could participate using targeted area funds and as a result, the loans for those on the waiting list were completely funded. Discussion followed.

Asset Oversight & Compliance Report

Ms. Lah began by introducing Ms. Jackson to the Board as the new Asset Oversight and Compliance Specialist, stating that she was happy to have her and that she brought with her many years of experience from on-site management and compliance. Ms. Jackson introduced herself to the Board and gave a brief description of her background.

Ms. Lah then refreshed the Board's memory as to the RFP issued by TDHCA for Asset Oversight services. Ms. Lah stated that the Corporation had responded to the RFP and a proposal for a contract with the Corporation would go before the TDHCA Board at their March Board Meeting.

Financial Report

Ms. Smith began by reporting that as of January 31, the Corporation had a net profit of $88,762. Ms. Smith stated that most line items were on budget, except for the occasional item due to a specific event such as the payment of the audit which was done all at one time. Ms. Smith pointed out that the Multifamily revenue line item was under budget at this time and went on to explain the reasons for this. Mr. Romero inquired as to where the IT services and computer equipment could be found in the budget. Ms. Smith indicated that they could be found under professional services and furniture, equipment and software line items respectively. Mr. Long explained that the marketing line item was negative because it represented the marketing fee charged of the lenders by the Corporation for participation in the bond programs.

Mr. Romero inquired about outstanding fees that had not yet been paid to the Corporation, specifically in the area of asset oversight and compliance fees. Ms. Smith stated that aside from fees recovered from AHF as a requirement of their restructuring, the Corporation had not recovered any past due fees. Ms. Van Hovel inquired about the bad debt and Ms. Smith stated that the line item for multifamily fees was so low because there was a delinquency in getting those fees paid. Mr. Rencher inquired whether the HIC foreclosure would affect the Corporation financially, and Ms. Smith stated that it would and Ms. Closmann further explained how the outstanding fees for HIC would be recovered. Discussion followed on the recovery of asset

oversight fees for HIC, as well as the financial state of the other 501(c)(3) portfolios. Ms. Closmann stated her hope that the restructuring of AHF would allow for more funds to come into the properties, and therefore trickle down to the Corporation. Discussion followed.

Mr. Rencher requested that staff give the Board a worst case scenario as to what would happen if all properties currently in default were foreclosed upon. Ms. Smith informed the Board that when the budget had been prepared, the revenue was budgeted net of anything staff thought would not be recovered, so the budgeted number seen in the budgeted to actual expenditures report was already reduced. Ms. Smith further stated that the Corporation was also under budget in part because of the time of year when the properties were billed. Discussion followed.

Mr. Long agreed to provide Ms. Van Hovel with a more detailed budget that would reflect the bad debt line item. Ms. Van Hovel inquired as to the plan to collect the bad debt and Ms. Closmann explained what exactly was being done to collect the fees.

Mr. Coffey inquired as to the reason why the properties were unable to pay and Ms. Closmann briefly explained what factored in to this. Discussion followed.

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on February 10, 2006.

Ms. Van Hovel made a motion to approve the minutes of the Board Meeting held on February 10, 2006. Mr. Coffey seconded the motion. Motion passed unanimously.

Tab 2 Presentation, Discussion, and Possible Approval of a Resolution Approving Amendments to the Trust Indenture Executed in Connection with the Corporation's Multifamily Housing Revenue Bonds (American Opportunity for Housing Portfolio) Series 2002; and Other Matters Related Thereto.

Ms. Closmann began by introducing Mr. Rogezinski with Greystone, Mr. Starr with American Opportunity for Housing and Mr. Fitzgerald with American Opportunity for Housing. Ms. Closmann pointed out to the Board that there was a memo included in the board packet that described the restructuring. Ms. Closmann also pointed out that the Resolution, Amendments and Distribution Agreement were also included in the board packet. Ms. Closmann turned the Board's attention to the blackline of the Distribution Agreement that was handed out to the Board, and noted that this would be the version that she was asking the Board to approve.

Ms. Closmann gave a description of the financial state of AOH and explained how this restructuring would benefit them. Ms. Closmann explained how the outstanding fees owed to the Corporation would be paid and when they would be paid.

Mr. Rogezinski with Greystone introduced himself to the Board. Mr. Rogezinski further explained how the restructuring would improve the financial status and performance of the portfolio. Mr. Rogezinski explained that in addition to improvement of financial status, there would now be an extra layer of oversight for the properties provided by Greystone's asset management group.

Mr. Romero inquired as to how many units and properties there were in the AOH portfolio. Mr. Rogezinski stated that it was roughly 1400 units total for 5 properties. Mr. Rogezinski also

stated that while occupancy for the 3 properties outside the DFW area was in the 90s, occupancy for the 2 inside the DFW area was in the low to mid 80s.

Mr. Fitzgerald introduced himself to the Board. Mr. Fitzgerald gave a brief history of how the AOH portfolio came to be in the financial situation it was in today. Mr. Fitzgerald stated that he anticipated that once the monies from the restructuring were distributed the services would come on board within the next quarter.

Mr. Rencher inquired as to how Greystone had been brought into the picture. Mr. Fitzgerald stated that AOH had worked with MBIA, the insurer of the senior bonds, on similar transactions in the past, and MBIA had approached AOH to do the same thing with this portfolio. Mr. Fitzgerald also stated that AOH had done business with Greystone in the past as well, and though the 3 had never worked together before, they were confident they could bring about a successful transaction.

Ms. Van Hovel inquired about the note regarding who was allowed into the units of the properties and Mr. Fitzgerald stated that they had stringent screening requirements for those who could live in the properties. Mr. Rogezinski followed by stating that the properties were better served by sticking to the resident selection criteria. Mr. Fitzgerald noted that AOH followed fair housing marketing guidelines. Discussion followed.

Mr. Coffey inquired as to how many units there were per property and Mr. Fitzgerald stated that the average was about 250, but that one had 386. Discussion followed.

Ms. Van Hovel made a motion to approve a resolution approving amendments to the Trust Indenture executed in connection with the Corporation's Multifamily Housing Revenue Bonds (American Opportunity for Housing Portfolio) Series 2002; and other matters related thereto. Mr. Romero seconded the motion. Motion passed.

Tab 3 Presentation, Discussion and Possible Approval of a Resolution Ratifying and Confirming Amendments to the Origination, Sale and Servicing Agreements Relating to the 2005 Professional Educators Program and the 2005 Homes for Heroes Program.

Ms. McGilloway explained that the resolution asked for authorization to amend the Origination, Sales and Servicing Agreements for the 2005A and 2005B single family bond series to include the 22 affected counties designated under the GO Zone Act as targeted areas.

Mr. Rencher made a motion to approve the resolution ratifying and confirming amendments to the Origination, Sale and Servicing Agreements to the 2005 Professional Educators Program and the 2005 Homes for Heroes Program. Mr. Leeper seconded the motion. Motion passed unanimously.

Tab 4 Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation Investment Policy.

Withdrawn.

Tab 5 Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's Investment Broker Listing.

Withdrawn.

Tab 6 Presentation, Discussion, and Possible Approval relating to the Designation of General Counsel/Lender Counsel/Issuer Counsel, Single Family/Multifamily Bond Counsel and Financial Advisor for the Corporation.

Mr. Long began by refreshing the Board's memory that it was decided at the previous meeting that recommendations for the RFP selections would be brought before the Board for final confirmation and approval. Mr. Long explained that the Corporation had issued RFPs for the professional services of General Counsel/Lender Counsel/Issuer Counsel, Single Family/Multifamily Bond Counsel and Financial Advisor. Mr. Long informed the Board that six responses were received for general counsel, four were received for bond counsel and two were received for financial advisor. Mr. Long explained that all but one firm had been interviewed, and that firm wasn't interviewed because they didn't meet the minimum specifications under the RFP.

Mr. Long gave the Board a brief overview of what the interviews entailed. Mr. Leeper inquired and Mr. Long confirmed that this process would be conducted every 3 years. Mr. Long explained how things had been done in the past and why the process was now being changed. Discussion followed.

Mr. Long stated that staff was recommending First Southwest Company for Financial Advisor, Fulbright & Jaworski LLP for Single Family/Multifamily Bond Counsel and Greenberg Traurig, LLP for General Counsel/Lender Counsel/Issuer Counsel.

Mr. Rencher inquired whether a point system was used in the evaluation of each firm. Mr. Long stated a point system was not used, but that notes were taken and a form was filled out during each interview. Mr. Long further discussed the interview process. Mr. Long explained that the recommended firms had all had previous experience working with the Corporation through various roles. Discussion followed regarding the evaluation process.

Mr. Coffey made a motion to approve the recommendations made by staff relating to the designation of General Counsel/Lender Counsel/Issuer Counsel, Single Family/Multifamily Bond Counsel and Financial Advisor for the Corporation. Ms. Van Hovel seconded the motion. Mr. Romero, Mr. Leeper, Mr. Coffey and Ms. Van Hovel voted to approve the motion. Mr. Rencher opposed the motion. Motion passed.

A brief recess was then called at 11:50 am.

Closed Meeting

The Board Meeting resumed and Board Chair, Mr. Jerry Romero, called the Board into Executive Session at 11:59 am.

Mr. Romero resumed the Board Meeting at 12:06 pm

Open Meeting

After discussion it was determined that the next Board meeting would take place on Friday, April 14, 2006 at 10:30am.

Mr. Smith with Jackson Walker LLP introduced himself to the Board. Mr. Smith confirmed for the Board that with making Greenberg Traurig, LLP the new General Counsel/Lender Counsel/Issuer Counsel, it would end the working relationship with Jackson Walker LLP. Mr. Romero thanked Mr. Smith for his service.

Adjournment

Mr. Rencher made a motion to adjourn the meeting. Mr. Leeper seconded the motion. Motion passed unanimously.

The Texas State Affordable Housing Corporation Board Meeting was officially adjourned at 12:10 pm.

Respectfully submitted by_____
Laura Smith, Corporate Secretary

RESOLUTION NO. 06-____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION Regarding the Submission of a 2006 Application for Allocation of Private Activity Bonds, Notice of Intention to Issue Bonds and State Bond Application to the Texas Bond Review Board for Single Family Mortgage Revenue Bonds (Fire Fighter and Law Enforcement or Security Officer Home Loan Program)

WHEREAS, the Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") desires to submit an Application for Allocation of Private Activity Bonds to the Texas Bond Review Board for the calendar year 2006 in connection with its proposed Single Family Mortgage Revenue Bonds (Fire Fighter and Law Enforcement or Security Officer Home Loan Program) (the "Bonds");

WHEREAS, the Board desires to make all other appropriate filings and requests to the Texas Bond Review Board to enable the Corporation to issue the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Texas State Affordable Housing Corporation:

1. That the President of the Corporation or any officer of the Corporation is hereby authorized and directed to execute and deliver a 2006 Application for Allocation of Private Activity Bonds to the Texas Bond Review Board in connection with requesting an allocation for the Bonds, together with any documents, certificates or instruments related thereto.

2. That the President of the Corporation or any other officer of the Corporation is hereby authorized and directed to file with the Texas Bond Review Board a Notice of Intent to Issue Bonds and a State Bond Application in connection with the Bonds and such officers are further authorized and directed to request that the application be approved by the Executive Director of the Texas Bond Review Board in accordance with Section 181.9(e) of the Rules of the Texas Bond Review Board.

3. That the President of the Corporation is hereby authorized and directed to take any and all other actions necessary or incidental to securing the private activity bond allocation and the approval of the Bonds from the Texas Bond Review Board.

PASSED, APPROVED AND EFFECTIVE this 14th day of April, 2006.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

* *

RBC Capital Markets

MEMBER NYSE/SIPC. PRODUCTS AND SERVICES OFFERED BY RBC DAIN RAUSCHER INC.

Texas State Affordable Housing Corporation

Single Family Mortgage Revenue Bonds

(Fire Fighter and Law Enforcement or Security Officer Home Loan Program)

Series 2006B

Schedule of Events as of March 17, 2006

MARCH						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
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APRIL						
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MAY						
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JUNE						
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Date	Action	Responsibility
Tuesday, March 28, 2006	Kick-off Conference Call; 11 am CST	ALL
Thursday, March 30, 2006	Distribute drafts of Schedule of Events and Distribution List to the working group	Senior Underwriter
Friday, March 31, 2006	Distribute drafts of Preliminary Term Sheet to the working group	Senior Underwriter
Monday, April 3, 2006	Receive comments on the Distribution List and Schedule	ALL
Tuesday, April 4, 2006	Receive comments from the working group on the Preliminary Term Sheet	Senior Underwriter
Friday, April 7, 2006	Publish TEFRA Notice	Issuer and Bond Counsel
Friday, April 7, 2006	Working Group call to discuss status (10:00 am CST)	ALL
Monday, April 10, 2006	Distribute draft of primary bond documents	Bond Counsel, Underwriter's Counsel
Friday, April 14, 2006	Meeting of the Corporation	ALL
Wednesday, April 19, 2006	Conf Call to discuss documents and program terms (11 am CST-Dallas) -- Comments due on bond documents.	ALL
Tuesday, April 25, 2006	Distribute revised bond documents to the working group	Bond Counsel, Underwriter's Counsel
Wednesday, April 26, 2006	TEFRA Hearing; 12 Noon	Financial Advisor, Bond Counsel, Issuer
Wednesday, April 26, 2006	Distribute first draft of GIC bid documents	GIC Broker
Wednesday, April 26, 2006	Final Notice of Intent with the BRB	Financial Advisor, Bond Counsel, Issuer
Friday, April 28, 2006	Distribute OSSA to Lenders for signatures	Financial Advisor, Bond Counsel, Issuer
Tuesday, May 2, 2006	BRB Application Deadline, if applicable	Financial Advisor, Bond Counsel, Issuer
Tuesday, May 9, 2006	BRB Board Planning Session, if needed	Financial Advisor, Bond Counsel, Issuer
Friday, May 12, 2006	Meeting of the Corporation (10:30 pm) to pass approving resolution. Approve form of Documents	ALL
Friday, May 12, 2006	Distribute revised draft of GIC bid documents	GIC Broker
Monday, May 15, 2006	Submit Waiver Letter to the Bond Review Board	Financial Advisor, Bond Counsel, Issuer
Tuesday, May 16, 2006	Submit package to the Rating Agency (Documents and Cashflows)	Senior Underwriter & Bond Counsel
Thursday, May 18, 2006	BRB Board Meeting (No Meeting scheduled for April)	Financial Advisor, Bond Counsel, Issuer
Thursday, May 25, 2006	Receive Waiver Letter from the Bond Review Board	Financial Advisor, Bond Counsel, Issuer

RBC Capital Markets

MEMBER NYSE/SIPC. PRODUCTS AND SERVICES OFFERED BY RBC DAIN RAUSCHER INC.

Texas State Affordable Housing Corporation

Single Family Mortgage Revenue Bonds

(Fire Fighter and Law Enforcement or Security Officer Home Loan Program)

Series 2006B

Schedule of Events as of March 17, 2006

MARCH						
S	M	T	W	TH	F	S
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MAY						
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JUNE						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Date	Action	Responsibility
Friday, May 26, 2006	Submit preliminary Transcript to the AG	Bond Counsel
Tuesday, May 30, 2006	Release the Preliminary Official Statement for Printing	ALL
Sunday June 4, 2006	Preliminary marketing/pricing information distributed to potential bond purchasers and investment agreement providers	Underwriters & GIC Broker
Thursday, June 8, 2006	Meeting of the Corporation	ALL
Monday, June 12, 2006	Pricing Call -- 10 am CST	Financial Advisor, Underwriters, & Issuer
Tuesday, June 13, 2006	Price the Bonds and Investment Agreement. Execute the BPA	Financial Advisor, Underwriters, & Issuer
Wednesday, June 14, 2006	Provide summary pricing results to the Working Group for the Bonds	Senior Underwriter
Thursday, June 15, 2006	Provide final cash flows to the bond counsel and the verifier	Senior Underwriter
Friday, June 16, 2006	Revised documents distributed to the working group; closing documents distributed to the WG	Bond Counsel
Friday, June 16, 2006	Submit Final Transcript to the AG	Bond Counsel
Monday, June 19, 2006	Distribute Final Official Statement for review to the WG	Underwriter's Counsel
Tuesday, June 20, 2006	Receive lender participation packages -- including signature pages	Financial Advisor, Bond Counsel, Issuer
Thursday, June 22, 2006	Submit Final signed Bond to the AG	Bond Counsel
Friday, June 23, 2006	Release the Final Official Statement for Printing	ALL
Saturday, June 24, 2006	Receive final cash flow verification.	Senior Underwriter
Monday, June 26, 2006	Receive written rating from Rating Agency	Senior Underwriter
Monday, June 26, 2006	Pre-Closing in Dallas	ALL
Tuesday, June 27, 2006	Closing in Dallas	ALL

Tab 3

Consideration and Possible Approval of the Scoring of the Responses to the Request for Proposals for the Reconstruction, Rehabilitation, or Replacement New Construction of Multifamily Housing in the Gulf Opportunity Zone Designated Counties of Texas using the Corporation's Tax-Exempt Bonds under its 2006 Private Activity Bond Program.

Discussion

Tab 4

Consideration and Possible Approval of a Resolution Approving Proceedings to Authorize the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds, Series 2006 (Gulf Opportunity Zone Multifamily Housing), including the Publication of Notices for a Public Hearing and the Conduct of Such Public Hearing, and Matters Incident Thereto.

Discussion

RESOLUTION NO. 06-____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION Regarding Approval of a Loan Agreement from Wells Fargo Community Development Corporation to the Texas State Affordable Housing Corporation for use in Various Programs of the Corporation and Concerning Other Matters Incident and Related thereto.

WHEREAS, the Texas State Affordable Housing Corporation (the "Issuer") 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 Issuer is authorized to establish programs to provide interim construction loans, multifamily gap financing and down payment assistance on single family loans (collectively, the "Programs"); and

WHEREAS, in order to assist in carrying out the Programs, the Issuer and Wells Fargo Community Development Organization ("Wells Fargo") propose to enter into a Loan Agreement, dated as of April 1, 2006, (the "Agreement"), pursuant to which Wells Fargo agrees to loan the Issuer $1,050,000 pursuant to the terms of the Agreement.

WHEREAS, there have been presented to the Issuer and its advisor the proposed form of the Agreement attached hereto as Exhibit A and which comprises a part of this Resolution:

WHEREAS, the Issuer finds the form and substance of the Agreement to be satisfactory and proper and finds the recitals with regard to the Issuer contained therein to be true, correct and complete and hereby determines to proceed with the execution of such document and the taking of such other actions as may be necessary and appropriate in connection therewith; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Texas State Affordable Housing Corporation:

Section 1. Approval, Execution and Delivery of the Agreement. That the Agreement in substantially the form and substance of the Agreement presented to the Board of Directors at the meeting at which this Resolution was considered and attached hereto as Exhibit A, with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon the advice of counsel to the Issuer), as evidenced by the execution of the Agreement by said Chairperson, Vice Chairperson, President or Executive Vice President, is hereby approved and that the proper officers of the Issuer are each hereby authorized and directed to execute and attest the Agreement and to deliver the Agreement to Wells Fargo.

Section 2. Execution and Delivery of Other Documents. That the officers of the Issuer are each hereby authorized to consent to, accept, execute and attest such other agreements, assignments, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may

be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, and the Agreement.

Section 3. Power to Revise Form of Agreement. That, notwithstanding any other provision of this Resolution, the Chairperson, Vice Chairperson, President, or Executive Vice President of the Issuer are each hereby authorized to make or approve such revisions in the form of the Agreement as, in the opinion of counsel, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Agreement and the Programs.

Section 4. Ratification of Certain Prior Actions. That all prior actions taken by or on behalf of the Issuer in connection with the Agreement, are hereby authorized, ratified, confirmed and approved.

Section 5. Purposes of Resolution. That the Board of Directors of the Issuer has expressly determined and hereby confirms that the execution of the Agreement and the implementation of the Programs accomplish a valid public purpose of the Issuer.

Section 6. Conflicting Prior Actions. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Issuer in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 7. Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND EFFECTIVE this 14th day of April, 2006.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

* *

EXHIBIT A

FORM OF AGREEMENT

LOAN AGREEMENT

This Loan Agreement (the "Agreement") is entered into as of April 7, 2006 by and between Texas State Affordable Housing Corporation, a Texas non-profit corporation ("Borrower") and Wells Fargo Community Development Corporation, a Nevada corporation ("Wells Fargo").

RECITALS

WHEREAS, Borrower is a non-profit corporation whose purpose includes the operation and management of an Interim Construction Loan Program, Multifamily Gap Financing Program, and Down Payment Assistance Loan Program (as each such term is defined in the Wells Fargo CDC Investment Referral Form dated April 2005 submitted by Borrower to Wells Fargo) (collectively, the "Programs").

WHEREAS, Borrower is not able to issue stock to raise capital to fund the Programs.

WHEREAS, Wells Fargo wishes to make investments which promote the public welfare in Borrower's targeted neighborhoods and is willing to assist Borrower in the funding of the Programs.

WHEREAS, in order to invest in Borrower, Wells Fargo is prepared to make a loan on the terms and conditions specified in this Agreement, which shall be considered an equity equivalent investment in Borrower pursuant to the Community Reinvestment Act.

WHEREAS, in order to invest in Borrower, Wells Fargo is prepared to make an equity equivalent investment in Borrower, structured as a loan on the terms and conditions specified in this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

1. The Loan Terms. Wells Fargo agrees to lend to Borrower, in a single advance, the principal sum of One Million Fifty Thousand and 00/100 Dollars ($1,050,000.00) (the "Loan"), subject to the following provisions:

a. Borrower agrees to repay the Loan together with interest at an initial fixed interest rate equal to two percent (2%) on the principal sum outstanding for the first ten (10) years following the date of disbursement (the "Disbursement Date") of the Loan and thereafter a fixed interest rate equal to the greater of (i) two percent (2%) or (ii) the Treasury Rate (as defined below) minus 3.5% determined as of the tenth (10th) anniversary of the date of Disbursement Date (the "Reset Date"), until the Loan is fully paid.

b. So long as the Loan remains unpaid, interest when accruing on the principal sum outstanding shall be calculated on a 360-day year consisting

of twelve 30-day months. Interest shall be payable quarterly, in arrears, on the 15th day of the month after the end of each calendar quarter following the Disbursement Date. All payments shall be made by Borrower without notice, demand or offset and, when received, will be credited, first to accrued but unpaid interest, and then to the outstanding principal balance.

c. The outstanding principal balance of the Loan and accrued but unpaid interest shall be all due and payable ten (10) years from the Disbursement Date ("Maturity Date"). Notwithstanding the foregoing, upon Borrower's request, the outstanding principal balance of the Loan may be paid not later than two (2) years after the date the Loan is otherwise due and payable hereunder, so long as Borrower continues to comply with all other provisions of this Agreement, including Section 6 below. Borrower may pre-pay the Loan, in whole or in part, at any time without penalty.

d. This Loan and all payments of principal and interest hereunder shall be subordinated to all other creditors of Borrower, except the Loan shall be on par with any other subordinated loan that is made on the same or similar terms.

2. Purpose and Use of Proceeds. Borrower must use the proceeds of the Loan only to fund one or more Programs in accordance with its community development objectives with maximum limitations for each Program as follows: $500,000 maximum for the Interim Construction Loan Program, $500,000 maximum for the Multifamily Gap Financing Program, $1,050,000 maximum for the Down Payment Assistance Program. Borrower shall deploy at least 75% of the Loan within eighteen (18) months after the Disbursement Date. **If Borrower does not deploy at least 75% of the Loan principal for qualified Programs within eighteen (18) months after the Disbursement Date, Borrower shall repay to Wells Fargo all unspent principal of the Loan,(which repayment shall be treated as a principal prepayment of the Loan).**

So long as any part of the Loan remains outstanding, Borrower must furnish Wells Fargo with an annual report of its community development activity, in such detail as Wells Fargo may from time to time reasonably request.

3. Conditions. Wells Fargo's obligation to make the Loan shall be subject to the following conditions:

a. Contemporaneously with its execution and delivery of this Agreement, Borrower must deliver to Wells Fargo (i) a certified copy of its Articles of Incorporation; (ii) a true and correct copy of a letter from the Internal Revenue Service confirming that Borrower is in good standing as an IRC §501(c)(3) tax-exempt organization; and (iii) a duly completed and signed IRS Form W-9 or other request for taxpayer information reasonably satisfactory to Wells Fargo.

b. Borrower represents and warrants that the Loan and the execution and delivery of this Agreement have been duly authorized by its board of directors and, prior to the funding of the Loan, must deliver to Wells Fargo a certified copy of an appropriate corporate resolution or other evidence of this authorization reasonably satisfactory to Wells Fargo.

c. This subsection applies only if Borrower is a certified community development financial institution. Contemporaneously with its execution and delivery of this Agreement, Borrower must deliver evidence reasonably satisfactory to Wells Fargo that it is a certified community development financial institution in accordance with the provisions of 12 C.F.R. Sections 1805.200 and 701. Borrower represents and warrants that so long as any part of the Loan remains outstanding it will maintain its status as a certified community development financial institution.

d. Prior to the Disbursement Date, Borrower agrees to open a demand deposit or other account at any Wells Fargo community bank store into which Wells Fargo will fund the proceeds of the Loan.

4. Acceleration of Maturity. Notwithstanding any other provision of this Agreement, Wells Fargo may accelerate the maturity of the Loan if Borrower ceases its normal business operations. If Wells Fargo elects to accelerate the maturity of the Loan, Wells Fargo shall give notice to Borrower of its election to accelerate whereupon the entire outstanding principal balance and accrued but unpaid interest shall become immediately due and payable. For the purposes of this Agreement, Borrower ceases its normal business operations if it (i) changes its lines of business, (ii) uses the proceeds of the Loan for a purpose other than that specified in Section 2 of this Agreement, (iii) files or is the subject of a bankruptcy petition or similar action, or (iv) is liquidated or dissolved or makes an assignment for the benefit of creditors.

5. Financial Reporting. In addition to the annual reports on its community development activity required in Section 2 of this Agreement, Borrower shall undertake the following obligations in connection with this Agreement:

a. Permit Wells Fargo and any reasonable number of its officers or employees, or any outside representatives designated by Wells Fargo and reasonably satisfactory to Borrower, and to visit and inspect, at the expense of Wells Fargo, any of the properties owned by Borrower, including their books and records, and to discuss their affairs, finances and accounts with Borrower's officers, except with respect to trade secrets and similar confidential information, to such reasonable extent and at such reasonable times and intervals as Wells Fargo may reasonably request without disruption of Borrower's operations.

b. Deliver to Wells Fargo (i) unaudited financial statements, which may be prepared by Borrower, for any calendar quarter, including a balance sheet and income statement, not later than thirty (30) days after Wells Fargo's

request; and (ii) complete audited financial statements for any fiscal year, including a balance sheet, income statement and statement of changes in cash flows, prepared in accordance with generally accepted accounting principles and setting forth in each case in comparative form the figures for the previous fiscal year, not later than one hundred twenty (120) days after Wells Fargo's request made at any time after the end of the requested fiscal year.

c. Notify Wells Fargo as soon as reasonably practicable of any litigation, proceeding or other action brought by or against Borrower if such litigation, proceeding or action, or the cost of prosecution or defense thereof, would have a material adverse effect on the financial condition of Borrower.

d. Certify to Wells Fargo, as soon as practicable after the end of each fiscal year and in any event within one hundred twenty (120) days thereafter, that Borrower is in strict compliance with each and every promise, condition and obligation required to be performed by Borrower under this Agreement. The certification must be signed by the President or Executive Vice President, and Chief Financial Officer of Borrower.

6. Additional Performance Obligations. In addition to obligations required in Sections 2 and 5 above, so long as the Loan remains unpaid, Borrower shall undertake the following obligations in connection with this Agreement:

a. Borrower agrees to maintain its President, Chief Financial Officer, and senior management staff with skills necessary to properly and effectively manage its operations in a sound business manner. Borrower shall immediately notify Wells Fargo of any resignation, termination or other material change of Borrower's President, chief financial officer or senior management staff.

b. Borrower shall maintain its IRC §501(c)(3) tax-exempt status. Borrower shall immediately notify Wells Fargo if its tax-exempt status has been revoked or suspended or is threatened to be revoked or suspended.

c. Borrower must keep open the Wells Fargo community bank store demand deposit or other account required under Section 3 above; provided that Borrower shall have the right, prior to application of such amounts to fund the Programs, to transfer moneys in such account, except for any minimum balance required to maintain such account, to a different account of Borrower and invest such moneys in investments that are permitted under laws applicable to Borrower. Borrower agrees to immediately notify Wells Fargo if it closes the Wells Fargo community bank store demand deposit or other account.

7. General. The relationship of Wells Fargo and Borrower is that of debtor and creditor and does not constitute a partnership, joint venture, or any other type of business organization. Neither party shall have any authority to act on behalf of or obligate the other party. Wells Fargo assumes no liability whatsoever for any decision, action or omission taken by Borrower at any time prior to, during or after the term of the Loan described in this Agreement.

8. Default. Any of the following shall constitute an "Event of Default" hereunder and entitle Wells Fargo to exercise its remedies under Section 4 above:

a. If Borrower (i) fails to make any payment of principal or interest required to be paid under this Agreement within ten (10) days following notice from Wells Fargo that payment is past due or (ii) fails to perform any other obligation required to be performed under this Agreement within thirty (30) days following notice from Wells Fargo that the date of performance is past due; or

b. If Borrower (i) fails to make a payment in respect of any indebtedness when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) or (ii) fails to perform or observe any other condition or covenant relating to such indebtedness, if the effect of such failure is to cause, or permit the holder or holders of such indebtedness to cause such indebtedness to be declared due and payable prior to its stated maturity, shall, at Wells Fargo's option, constitute a default under this Agreement. For purposes of this Section 8.b "indebtedness" means any and all indebtedness owed by Borrower for borrowed money from Wells Fargo or Wells Fargo Bank, N.A. or any of its affiliate banks, whether such indebtedness is pre-existing to, contemporaneous with, or subsequent to this Loan.

9. Governing Law. The rights and obligations of Wells Fargo and Borrower under this Agreement shall be construed under and governed by the laws of the State of California.

10. Notices. All notices required or permitted to be given hereunder shall be in writing and sent via United States Postal Service, postage prepaid by certified or registered mail, return receipt requested, or by personal delivery, or by any nationally recognized overnight courier, to the appropriate address indicated below for Borrower and Wells Fargo, or at such other place or places as either party may designate from time to time in a written notice given to the other. Notices sent via the United States Postal Service shall be deemed sufficiently served on the receiving party three (3) days after the date of mailing thereof, or upon receipt if made by personal delivery or overnight courier:

If to Wells Fargo: Wells Fargo Community Development Corporation
Attn: President
401 B Street, Suite 304A
San Diego, California 921 01

If to Borrower: Texas State Affordable Housing Corporation
Attn: David Long
1005 Congress Ave., Suite 500
Austin, Texas 78701
Taxpayer ID- 74-2746185

11. Treasury Rate. For purposes of this Agreement, "Treasury Rate" means the yield to maturity at the asked price of the applicable obligation of the United States Treasury, with the applicable obligation determined by Wells Fargo to be the Treasury obligation that will mature ten (10) years from the Reset Date (or the next day thereafter for which an asked price is readily quoted in the public securities market), with the understanding that such rate serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Wells Fargo may designate.

12. Attorney's Fees. In any litigation, proceeding or action between the parties involving their respective rights and duties of the parties hereunder, the prevailing party shall be entitled to its reasonable attorney's fees.

13. Condition Precedent. This Agreement will become effective and constitute the binding obligations of Wells Fargo and Borrower only if a fully executed original counterpart of this Agreement is delivered personally by Borrower or by any nationally recognized overnight courier to Wells Fargo in accordance with paragraph 10 above on or before May 6, 2006 (the "Outside Date"). If a fully executed original counterpart is not delivered to Wells Fargo by the Outside Date, this Agreement is null and void and of no further legal effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date specified above.

Wells Fargo Community Development Corporation

By_____

Its_____

By_____

Its_____

Texas State Affordable Housing Corporation

By_____

Its_____