The recent economic collapse has had tremendous effects on families and individuals throughout Texas. We saw the demand for our programs increase as families across the state faced the threat of foreclosure coupled by the continuing need for safe and decent affordable housing.

In 2009 we adapted and expanded many of our programs to continue to provide affordable housing opportunities amidst the instability in the housing market. While we were unable to issue mortgage revenue bonds for our home loan programs in 2009 due to instability in the bond market, we converted our unused bonding authority to Mortgage Credit Certificates, which allowed us to offer an alternate financial tool to our first time homebuyers. TSAHC also allocated $200,000 through a special Hurricane Relief Cycle of our Texas Foundations Fund to four nonprofit organizations who provided critical repairs to homes damaged by Hurricanes Ike and Dolly. Furthermore, in response to neighborhood instability caused by the statewide foreclosure crisis, TSAHC utilized $5 million in Neighborhood Stabilization Program federal funding to expand our Affordable Communities of Texas land banking program. TSAHC also provided Asset Oversight and Compliance reviews on the properties financed through our Multifamily Bond and Direct Lending programs to ensure that these properties remain affordable for their residents. Finally, TSAHC engaged in foreclosure prevention efforts by raising funds to support foreclosure counseling sessions and other key foreclosure prevention initiatives.

TSAHC received a total of $5.9 million in support of both our programs and statewide foreclosure prevention activities in 2009. In 2010 we continue to make raising a priority to expand the capacity of our programs and increase the services we provide to low income families throughout Texas.

I would like to thank our Board of Directors for their leadership as well as our skilled and dedicated staff for their efforts in 2009. Together we are making strides to fulfill our vision that every Texan has the opportunity to live in safe, decent and affordable housing.

David Long
President

Board of Directors
Robert Elliott Jones, Chair
Corpus Christi
Term expires: February 1, 2015
Joj Van Hovel, Vice Chair
Temple
Term expires: February 1, 2013
Jeran Akers
Plano
Term expires: February 1, 2011
William H. Dietz, Jr.
Waco
Term expires: February 1, 2013
Cynthia Leon
Mission
Term expires: February 1, 2015

Advisory Council
Jerry Romero, Chair
Wells Fargo
Russell A. Vandenburg
TVO North America
Edwina Carrington
Reznick Group

Staff
Ben Crawford, ACT Program Coordinator
David Danenfelzer, Manager of Development Finance
Cynthia Gonzales, Office Manager
Mindy Green, Asset Oversight and Compliance Specialist
Katie Howard, Development Coordinator
Betsy Lau, Accountant
Nick Lawrence, Controller
David Long, President
Paige McGilloway, Single Family Programs Manager
Laura Ross, Corporate Secretary
Sarah Beth Schildmier, Asset Oversight and Compliance Specialist
Joshua Schir, Asset Oversight and Compliance Manager
Melinda Smith, Chief Financial Officer
Janie Taylor, Manager of Marketing/Development and Government Relations

Physical Address
2200 East Martin Luther King Jr. Blvd.
Austin, Texas 78702

Mailing Address
P.O. Box 12637
Austin, Texas 78711-2637

Main: 512-477-3555
Toll Free: 888-638-3555
Fax: 512-477-3557

www.tsahc.org

Funders in 2009
Capital One
Citi Foundation
Fannie Mae
F.B. Heron Foundation
Freddie Mac
The Meadows Foundation
Neighborhood Stabilization Program
NeighborhoodWorks America
Wells Fargo Housing Foundation
TSAHC is a member of the Texas Foreclosure Prevention Task Force and serves as the fundraising arm for the organization, raising approximately $360.0 million in 2009 to support foreclosure prevention counseling sessions for delinquent borrowers, foreclosure counseling training for HUD approved housing counseling and other Task Force initiatives. TSAHC also administers the National Foreclosure Mitigation Counseling (NFMC) Program for the State of Texas. The NFMC Program is a federal program administered by NeighborWorks America that provides funding for foreclosure counseling services. In 2009, TSAHC raised and administered funds to local HUD approved housing counselors and other Task Force initiatives. TSAHC also administers the NFMC Program.

Direct Lending Programs

TSAHC operates two lending programs that provide financing to developers for the construction or redevelopment of housing that serves the needs of low-, very low- and extremely low-income Texans who do not have comparable housing opportunities in rural or underserved communities. All homes or apartments built using TSAHC’s lending must be affordable to households earning 80% of the area median income and must be constructed to meet TSAHC’s housing construction standards. TSAHC funds our lending program by leveraging cash reserves with program investments from partners like Wells Fargo, the federal Home Loan Bank of Dallas, and the Community Development Trust.

Foreclosure Prevention

The Mortgage Credit Certificate (MCC) Program was created in 2008 and provides MCC’s to first-time homebuyers. An MCC is a federal income tax credit designed to assist potential homeowners of lower to moderate income to better afford homeownership. Under the program, the homebuyer is eligible to claim a portion of the annual interest paid on the mortgage as a special tax credit, not to exceed $2,000, each year for the life of the home loan. This potentially saves the borrower thousands of dollars over the life of their home loan. The MCC Program is eligible to any borrower who qualifies under our Professional Educators, Homes for Texas Heroes, and Home Sweet Texas Loan Programs.

Affordable Communities of Texas Program

The Affordable Communities of Texas (“ACT”) program stabilizes communities hardest hit by foreclosures by working with locally based nonprofit and government agencies to acquire and rehabilitate foreclosed homes, vacant land and tax foreclosed properties. The ACT program was awarded more than $5 million in Neighborhood Stabilization Program funds in November 2009 from the State of Texas, and $125,000 in additional funding commitments in 2009. Here is a list of other program highlights from 2009.

Multifamily Bonds

TSAHC’s Multifamily Bond programs support our mission by leveraging private investment in affordable rental housing with the issuance of tax-exempt private activity bonds (“PAB”) or 901(c)(3) bonds. TSAHC receives 10 percent of the State’s multifamily PAB allocation each year and utilizes an annual resource for proposal process to identify targeted housing needs and accept applications for new projects.

The housing bond market was impacted significantly by the national financial crisis. As a result, TSAHC did not issue any multifamily bonds in 2009.

Asset Oversight and Compliance Department

Asset Oversight and Compliance of multifamily properties is required by many tax-exempt bond issuers, including TSAHC. Monitoring the financial and physical health of a property ensures not only the repayment of the bond, but more importantly that the property provides safe and decent housing. Compliance monitoring ensures that IRS requirements, including providing the required number of affordable units being adhered to by the bond issuer. Annual on-site inspections and receipt of site reports of reviews of units ensure that federal regulations related to the tax-exempt status of the bonds are followed. TSAHC’s Asset Oversight and Compliance Department also monitors monthly and quarterly compliance and resident service reporting through its online reporting system.

Homeownership

TSAHC administers the Professional Educators, Homes for Texas Heroes, and Home Sweet Texas Loan Programs. The first two programs were established by the Legislature, and are allocated a portion of the State’s annual Ceiling on Private Activity Bond Cap for the purpose of making single family mortgage loans to Texas Professional Educators and Fire Fighters, EMS Personnel, Law Enforcement Officers, Correction Officers, and other State employees who are first time home buyers. In 2009, TSAHC created the Home Sweet Texas Loan Program which offers mortgage loans to first-time homebuyers of or below 80 percent of the area median family income (AMFI). There are no professional requirement programs for this program. All three programs offer 30-year fixed rate mortgage loans as well as down payment assistance in the form of a grant. Since the inception of the programs, over 2800 individuals and families have become homeowners by utilizing these programs.

Development Finance

TSAHC’s financial statements for the fiscal year ending August 31, 2009 were audited by Mikeska, Hein & Einhorn, LUP, Certified Public Accountants. The audit was conducted in accordance with generally accepted and government auditing standards. The Independent Auditors issued an unqualified report and there were no reportable conditions, audit findings or management letter comments.