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T E X A S  
State Affordable Housing Corporation

**April 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, April 19, 2018  
10:30 a.m.

# Agenda

**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  
April 19, 2018 at 10:30am

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

**Bob Jones**  
**Chair**

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

**PUBLIC COMMENT**

**EXECUTIVE VICE PRESIDENT'S REPORT**

**Janie Taylor**

Tab A: Homeownership Finance Report  
Tab B: Development Finance Report  
Tab C: Quarterly Fundraising Report  
Tab D: Monthly Financial Reports

**ACTION ITEMS IN OPEN MEETING:**

- Tab 1            **Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on February 15, 2018.**
- Tab 2            **Presentation, Discussion and Possible Approval of a Resolution regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Walnut Creek Apartments.**
- Tab 3            **Presentation, Discussion and Possible Approval of Loan Agreement relating to a \$1,000,000 Revolving Loan to be made by the Corporation to CDC of Brownsville to be used by CDC of Brownsville to make Single Family Loans pursuant to its MiCasita Loan Program.**
- Tab 4            **Presentation, Discussion and Possible Approval of the 2018 Texas Foundations Fund Guidelines.**
- Tab 5            **Presentation, Discussion, and Possible Approval of Texas Community Capital (TCC)'s Proposed Changes to Bylaws Related to Increase of the Number of TSAHC-Appointed Board Members and Related Changes to Board Composition.**
- Tab 6            **Presentation, Discussion and Possible Approval of the Appointment of Member(s) to the Board Members of Texas Community Capital, LLC.**
- Tab 7            **Presentation, Discussion and Possible Approval of the Corporation's Program Guidelines for the Housing and Economic Assistance to Rebuild Texas (HEART) Program, a Special Disaster Recovery Grant Program to be administered in Partnership with Enterprise Community Partners.**
- Tab 8            **Presentation, Discussion and Possible Approval of a Resolution to Restate, Ratify, and Affirm the Officers of the Corporation, and to Designate and Restate the Signature and Approval Authority of Officers of the Corporation.**
- Tab 9            **Closed Executive Session – Discuss real estate matters related to the purchase, exchange, lease, or value of real property located at 112 Stanford Drive, Leander Texas (Real Estate Matters – Section 551.072 Texas Government Code).**
- Tab 10           **Closed Executive Session – Discuss legal issues related to mortgage transaction matters with Mortgage Financial Services Company. (Private Consultation with Legal Counsel – Section 551.071 Texas Government Code).**

**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

**ACTION ITEMS IN OPEN MEETING:**

Action in Open Meeting on Items Discussed in Closed Executive Session

**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.*

*Section 46.035 of the Texas Penal Code prohibits handgun licensees from carrying their handguns at government meetings such as this one. This prohibition applies to both concealed carry and open carry by handgun licensees. Handgun licensees are required by law to refrain from carrying their handguns at this meeting.*

*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.*

# Executive Vice President's Report

Tab A



**Homeownership Programs with Down Payment Assistance  
January 1, 2018 to March 31, 2018**

Month	Closed	# of Loans	% Total
January-18	\$ 80,392,736	485	32.3%
February-18	\$ 83,685,507	498	33.6%
March-18	\$ 84,714,816	505	34.1%
<b>Totals</b>	<b>\$248,793,059</b>	<b>1488</b>	<b>100%</b>
Lender	Closed	# of Loans	% Total
Fairway Independent Mortgage Corporation	\$19,761,685	127	7.9%
Everett Financial, dba Supreme Lending	\$17,801,839	110	7.2%
Guild Mortgage Corporation	\$16,273,809	105	6.5%
PrimeLending	\$14,633,528	97	5.9%
Cornerstone Home Lending, Inc.	\$11,991,181	70	4.8%
Mortgage Financial Services, LLC	\$10,300,533	57	4.1%
Academy Mortgage Corporation	\$9,259,876	51	3.7%
Nations Reliable Lending, LLC	\$9,233,616	53	3.7%
AmCap Mortgage Limited	\$8,671,494	57	3.5%
DHI Mortgage Company, Ltd.	\$8,068,582	39	3.2%
Georgetown Mortgage, LLC	\$8,024,636	43	3.2%
NTFN, Inc.	\$7,415,189	43	3.0%
loanDepot.com LLC	\$6,454,445	33	2.6%
First Choice Loan Services, Inc.	\$5,366,834	29	2.2%
Highlands Residential Mortgage	\$5,302,684	30	2.1%
Hometrust Mortgage Company	\$4,177,825	28	1.7%
Mid America Mortgage, Inc.	\$3,768,411	22	1.5%
HomeBridge Financial Services	\$3,742,165	23	1.5%
Gardner Financial Services, Ltd.	\$3,474,390	20	1.4%
Ark-La-Tex Financial (Benchmark Mtg.)	\$3,248,801	18	1.3%
Movement Mortgage, LLC	\$3,004,355	21	1.2%
SWBC Mortgage Corporation	\$2,910,558	19	1.2%
CMG Mortgage, Inc. dba CMG Financial	\$2,508,931	13	1.0%
FBC Mortgage LLC	\$2,411,991	14	1.0%
Cardinal Financial Company	\$2,372,269	14	1.0%
Security National Mortgage Company	\$2,368,192	13	1.0%
Envoy Mortgage	\$2,294,345	14	0.9%
Certainty Home Loans, LLC	\$2,192,116	14	0.9%
Right Start Mortgage, Inc.	\$2,028,846	14	0.8%
Pulte Mortgage LLC	\$1,986,812	9	0.8%
New American Funding (Broker Solutions)	\$1,817,355	13	0.7%
SFMC, LP (Service First Mortgage)	\$1,762,826	11	0.7%
American Financial Network, Inc.	\$1,739,193	10	0.7%
Eagle Home Mortgage, LLC	\$1,674,498	8	0.7%
Network Funding, LP	\$1,613,204	10	0.6%
Primary Residential Mortgage, Inc.	\$1,611,011	9	0.6%
Guaranteed Rate	\$1,593,959	10	0.6%
Interlinc Mortgage Services, LLC	\$1,562,270	9	0.6%
Wallick and Volk, Inc.	\$1,526,196	11	0.6%
International City Mortgage, Inc.	\$1,511,416	8	0.6%
Cendera Funding, Inc.	\$1,508,341	8	0.6%
Independent Bank	\$1,493,908	9	0.6%
Sente Mortgage Inc.	\$1,481,504	8	0.6%
First Community Mortgage	\$1,427,188	13	0.6%
Crosscountry Mortgage, Inc.	\$1,246,486	7	0.5%
Stearns Lending, LLC	\$1,239,351	5	0.5%
Amerifirst Financial, Inc.	\$1,175,193	8	0.5%
Mortgage Solutions of Colorado, LLC	\$1,082,305	6	0.4%
American Mortgage & Equity Consultants	\$1,037,626	6	0.4%
Pilgrim Mortgage, LLC	\$1,033,324	6	0.4%
Summit Funding, Inc.	\$1,021,187	5	0.4%
Synergy One Lending, Inc.	\$1,016,945	7	0.4%
Churchill Mortgage Corporation	\$965,310	4	0.4%
Citywide Home Loans, a Utah Corporation	\$880,711	5	0.4%
LoanStar Home Loans	\$856,320	4	0.3%
Gold Star Mortgage Financial Group	\$794,880	5	0.3%
Gateway Mortgage Group, LLC	\$719,440	4	0.3%
CLM Mortgage, LLC	\$704,895	3	0.3%
Pacific Union Financial, LLC	\$666,409	3	0.3%

At a Glance	
Average Annual Income	\$57,171
Average Purchase Price	\$171,171
Average Loan Amount	\$167,200
Average Household Size	2
Average Interest Rate	5.474%
Program	
<b>Home Sweet Texas</b>	<b>81.52%</b>
<b>Homes for Texas Heroes</b>	<b>18.48%</b>
Allied Health Faculty	0.00%
Corrections Officer	1.28%
County Jailer	0.27%
EMS Personnel	0.20%
Fire Fighter	1.34%
Peace Officer	2.15%
Professional Nurse Faculty	0.67%
Public Security Officer	0.13%
School Counselor	0.27%
School Librarian	0.00%
School Nurse	0.00%
Teacher	10.42%
Teacher Aide	0.07%
Veteran	1.68%
New/Existing Home	
Existing	84.34%
New	15.66%
Type of Loan	
Conventional - Purchase	28.97%
FHA - Purchase	68.41%
USDA-RHS Purchase	0.40%
VA - Purchase	2.22%
Ethnicity	
American Indian/Alaskan Native	0.34%
Asian/Pacific Islander	1.55%
Black	14.65%
Hispanic	34.34%
Not Defined	5.11%
Other	0.40%
White	43.62%
Top 20 Originating Counties*	
Harris	250
Dallas	169
Tarrant	169
Bexar	125
Denton	51
Travis	45
Collin	43
Hidalgo	42
Williamson	36
Fort Bend	32
El Paso	32
Kaufman	27
Montgomery	26
Galveston	25
Ellis	22
Nueces	22
Bell	21
Brazoria	20
Cameron	19
Webb	18

\*Top 20 of all counties statewide. All remaining counties served 79 households combined.



**Homeownership Programs with Down Payment Assistance  
January 1, 2018 to March 31, 2018**

The Home Lending Group, LLC	\$645,983	3	0.3%
Victorian Finance LLC	\$584,686	4	0.2%
Open Mortgage LLC	\$568,623	4	0.2%
Guaranteed Rate Affinity, LLC	\$562,127	4	0.2%
On Q Financial, Inc.	\$533,358	3	0.2%
Patriot Mortgage Company	\$518,197	3	0.2%
Willow Bend Mortgage Company, LLC	\$486,648	3	0.2%
Happy State Bank	\$480,973	4	0.2%
Wells Fargo Bank, N.A.	\$480,400	3	0.2%
Castle and Cooke Mortgage	\$467,377	3	0.2%
Michigan Mutual, Inc.	\$454,930	2	0.2%
LHM Financial Corp., dba CNN Mortgage	\$448,768	3	0.2%
Loan Simple, Inc.	\$423,373	3	0.2%
University Lending Group, LLC	\$411,488	4	0.2%
Affiliated Bank	\$405,919	3	0.2%
Legacy Mortgage, LLC	\$371,156	4	0.1%
Republic State Mortgage Co.	\$367,117	2	0.1%
America's Choice Home Loans, LP	\$311,258	2	0.1%
Texas Bank Mortgage Company	\$291,675	3	0.1%
Bank of England	\$265,050	1	0.1%
Origin Bank	\$226,324	1	0.1%
LegacyTexas Bank	\$224,867	1	0.1%
First Service CU dba eCU Mortgage	\$182,631	1	0.1%
Nations Lending Corporation	\$166,920	1	0.1%
Peoples Home Equity, Inc.	\$156,021	1	0.1%
1st Preference Mortgage Corporation	\$153,939	1	0.1%
BancorpSouth Bank	\$153,174	1	0.1%
Resmac, Inc.	\$147,283	1	0.1%
Aim Bank	\$140,409	1	0.1%
Rocky Mountain Mortgage Company	\$129,200	1	0.1%
Southwest Bank	\$122,996	1	0.0%
Inter National Bank	\$97,000	1	0.0%
<b>Grand Total</b>	<b>\$248,793,059</b>	<b>1488</b>	<b>100%</b>



**Mortgage Credit Certificate Program**  
**January 1, 2018 to March 31, 2018**

Month	Closed	# of Loans	% Total
January-18	\$12,525,059	74	36%
February-18	\$12,645,107	76	36%
March-18	\$9,498,252	58	27%
<b>Totals</b>	<b>\$34,668,418</b>	<b>208</b>	<b>100%</b>

Lender	Closed	# of Loans	% Total
Everett Financial, dba Supreme Lending	\$3,538,610	20	9.6%
PrimeLending	\$2,655,034	14	6.7%
First Choice Loan Services, Inc.	\$2,175,491	12	5.8%
Nations Reliable Lending, LLC	\$2,165,733	14	6.7%
Guild Mortgage Corporation	\$2,150,639	13	6.3%
Fairway Independent Mortgage Corporation	\$1,606,140	10	4.8%
AmCap Mortgage Limited	\$1,446,467	9	4.3%
Hometrust Mortgage Company	\$1,217,741	9	4.3%
DHI Mortgage Company, Ltd.	\$1,206,411	6	2.9%
Cornerstone Home Lending, Inc.	\$1,144,896	7	3.4%
Highlands Residential Mortgage	\$960,637	5	2.4%
loanDepot.com LLC	\$840,672	4	1.9%
Academy Mortgage Corporation	\$831,309	5	2.4%
Georgetown Mortgage, LLC	\$760,675	4	1.9%
Movement Mortgage, LLC	\$738,278	5	2.4%
Victorian Finance LLC	\$728,041	5	2.4%
SWBC Mortgage Corporation	\$669,409	4	1.9%
Envoy Mortgage	\$635,092	4	1.9%
Colonial Savings, F.A.	\$591,500	3	1.4%
American Mortgage & Equity Consultants	\$572,448	3	1.4%
Cardinal Financial Company	\$544,473	3	1.4%
Mortgage Financial Services, LLC	\$537,340	3	1.4%
Wallick and Volk, Inc.	\$536,028	4	1.9%
Pulte Mortgage LLC	\$475,845	2	1.0%
Interlinc Mortgage Services, LLC	\$423,279	3	1.4%
Pilgrim Mortgage, LLC	\$402,474	2	1.0%
International City Mortgage, Inc.	\$399,902	2	1.0%
Primary Residential Mortgage, Inc.	\$362,130	3	1.4%
Texas Bank Mortgage Company	\$331,015	3	1.4%
Open Mortgage LLC	\$319,014	2	1.0%
Independent Bank	\$310,218	2	1.0%
New American Funding (Broker Solutions)	\$292,193	2	1.0%
Amerifirst Financial, Inc.	\$270,750	1	0.5%
Sente Mortgage Inc.	\$259,403	2	1.0%
Eagle Home Mortgage, LLC	\$251,678	1	0.5%
Pacific Union Financial, LLC	\$218,847	1	0.5%
Right Start Mortgage, Inc.	\$218,468	2	1.0%
CMG Mortgage, Inc. dba CMG Financial	\$190,486	1	0.5%
The Home Lending Group, LLC	\$185,478	1	0.5%
Network Funding, LP	\$156,750	1	0.5%
Castle and Cooke Mortgage	\$155,138	1	0.5%
NTFN, Inc.	\$134,518	1	0.5%
Happy State Bank	\$127,595	1	0.5%
Synergy One Lending, Inc.	\$127,546	1	0.5%
Legacy Mortgage, LLC	\$126,100	1	0.5%
Affiliated Bank	\$124,699	1	0.5%
Bank of England	\$124,208	1	0.5%
Guaranteed Rate	\$119,698	1	0.5%
Gardner Financial Services, Ltd.	\$119,500	1	0.5%
Gold Star Mortgage Financial Group	\$108,890	1	0.5%
Certainty Home Loans, LLC	\$79,532	1	0.5%
<b>Total Committed</b>	<b>\$34,668,418</b>	<b>208</b>	<b>100%</b>

At a Glance	
Total Amount Originated	\$34,668,418
Average Annual Income	\$52,086
Average Purchase Price	\$171,483
Average Loan Amount	\$166,675
Average Household Size	2
Average Interest Rate	5.322%
Program	%
<b>Home Sweet Texas</b>	<b>80.29%</b>
<b>Homes for Texas Heroes</b>	<b>19.71%</b>
Allied Health Faculty	0.00%
Corrections Officer	3.85%
County Jailer	0.00%
EMS Personnel	0.00%
Fire Fighter	0.00%
Peace Officer	1.44%
Professional Nurse Faculty	0.00%
Public Security Officer	0.00%
School Counselor	0.48%
School Librarian	0.00%
School Nurse	0.00%
Teacher	12.50%
Teacher Aide	0.00%
Veteran	1.44%
New/Existing Home	
Existing	82.69%
New	17.31%
Type of Loan	
Conventional - Purchase	30.77%
FHA - Purchase	67.31%
USDA-RHS Purchase	0.48%
VA - Purchase	1.44%
Ethnicity	
American Indian/Alaskan Native	0.00%
Asian/Pac Isle	3.71%
Black	20.17%
Hispanic	35.12%
Not Defined	6.15%
Other	1.83%
White	33.03%
Top 20 Originating Counties*	# of Loans
Harris	55
Bexar	20
Dallas	19
Tarrant	18
Fort Bend	10
Travis	9
Williamson	8
Denton	8
Hidalgo	6
Kaufman	5
El Paso	4
Nueces	4
Galveston	4
Bell	3
Hunt	3
Montgomery	3
Collin	3
Ellis	3
Hays	3
Brazoria	3

\*Top 20 of all counties statewide. All remaining counties served 14 households combined.

Tab B

## Texas State Affordable Housing Corporation

# Development Finance Programs Report

April 2018

### **Affordable Communities of Texas Program (ACT)**

This month, program staff visited an ACT property which is under contract to a buyer in Clarksville, Texas. In addition to that ACT property, there are ten NSP homes under contract to buyers, including the last home that is a rehab. All subsequent NSP homes will be new construction.

There are currently 21 homes under construction, the vast majority being NSP properties.

TSAHC is working on a non-NSP ACT rehab in Dallas in partnership with The Housing Channel, a nonprofit serving the DFW area. The entity that facilitated the donation of that property to TSAHC, the National Community Stabilization Trust, has approached TSAHC staff about featuring the home on a news segment on National Public Radio. Staff is doing due diligence to see if this would be a good opportunity for publicity.

Here is a summary of this month's portfolio numbers:

Program	Portfolio as of March 1, 2018	Acquired	Sold	Current Portfolio	Current Portfolio Value
ACT Land Bank	55	0	0	55	\$690,209.00
ACT Land Trust	1	0	0	1	\$650,000.00
Texas NSP	204	0	3	201	\$2,813,731.82
Veteran's Initiative	1	0	0	1	\$33,210.00
Totals	261	0	3	258	\$4,187,150.82

### **Texas Housing Impact Fund**

In December 2017, TSAHC's Board approved a loan to Accessible Housing Austin! (AHA!) in the amount of \$695,000 for the AHA! at Briarcliff Apartment project. In February 2018 the Texas Department of Housing and Community Affairs (TDHCA) approved a \$1.5 million deferred forgivable loan to AHA! for the same project. AHA! hopes to close on the TDHCA and TSAHC loans in mid-July, with construction completion in Q2 of 2019.

Our legal counsel has requested that a resolution be presented to the Board this month for the MiCasita loan, previously reviewed and awarded by TSAHC in December of 2016. Although no changes to the terms and conditions of the loan have been made, the loan documents have been updated so counsel believes there is a need to reaffirm the Board's previous award at this time.

Program staff will be presenting a training session at the Rural Rental Housing Academy in San Antonio on April 12<sup>th</sup>. The presentation will focus on the Texas Housing Impact Fund and Texas Foundations Fund programs and their use for rural housing projects.

### **Multifamily Bond Program**

Multifamily bond developers are beginning to work on potential deals for 2018. The deadline for 9% housing tax credit applications was March 2<sup>nd</sup> so bonds are now the focus for many projects that didn't make the cut. The developer of the Beckley Townhomes project, Dominionium, which was induced by

## Development Finance Programs Report

April 2018

TSAHC in December 2017 has begun moving forward with an application the Texas Bond Review Board for a reservation of bond volume cap. Three other potential projects have been discussed with staff and one application was received on March 9<sup>th</sup>, for the Walnut Creek Apartments, a rehabilitation project located in Austin. Staff will be presenting that project for approval of the inducement resolution at this meeting.

# Tab C

**Texas State Affordable Housing Corporation  
2018 Quarterly Fundraising Report  
April 10, 2018**

Home Buyer Programs/Financial & Housing Education			
Funder	Amount	Status	Notes
Federal Reserve Bank of Dallas	\$5,000	Awarded	In Kind Donation of Food and Meeting Space
Bank of America	\$3,200	Received	Received award in November 2017.
BBVA Compass	\$5,000	Received	Received award in July 2017.
Frost Bank	\$4,000,000	Received	A community development loan to be used to fund down payment assistance for home buyer programs.
Texas Financial Education Endowment	\$40,000	Declined	Submitted request in September 2017 and notified in October 2017.
JPMorgan Chase Foundation	\$10,000	Received	Received award in March 2018.
Insperty	\$5,000	Received	Received award in March 2018
Wells Fargo Housing Foundation	\$15,000	Declined	Submitted request January 2018 and notified in April 2018, but invited to apply in next funding cycle in June 2018
Wells Fargo Priority Markets	\$200,000	Pending	Submitted initial proposal in March 2018 to administer additional down payment assistance through home buyer programs in Austin and San Antonio.
Frost Bank	\$5,000	Received	Received award in March 2018
BBVA Compass	\$10,000	Pending	Submitted in April 2018.
Housing Connection Sponsorships	\$8,650	Received	Online campaign donations received in December 2017 and April 2018
<b>Total Received/Awarded</b>	<b>\$4,041,850</b>		
<b>Total Requests Pending</b>	<b>\$210,000</b>		

Texas Foundations Fund/Housing and Economic Assistance to Rebuild Texas (HEART) Program			
Funder	Amount	Status	Notes

<b>Rebuild Texas Fund</b>	\$500,000	Awarded	Request submitted in December 2017 and approved in March 2018. Funding will support the Housing and Economic Assistance to Rebuild Texas (HEART) Program, a joint grants program between TSAHC and Enterprise Community Partners. Total amount approved is \$1.1 million, with \$500,000 to be administered by TSAHC and \$600,000 to be administered by Enterprise. Half of TSAHC's award will be provided up front, and the other half is provided as a matching grant contingent upon raising additional funding
<b>Meadows Foundation</b>	\$100,000	Pending	Preliminary request submitted in April 2018 to support HEART Program

<b>Total Requests Awarded</b>	\$500,000
<b>Total Requests Pending</b>	\$100,000

<b>Texas Housing Impact Fund</b>			
<b>Funder</b>	<b>Amount</b>	<b>Status</b>	<b>Notes</b>
<b>Texas Capital Bank</b>	\$750,000	Received	Structured as a five year community development loan to be used for the Texas Housing Impact Fund. Have initiated discussion to increase investment amount in 2018.
<b>Texas Capital Bank</b>	\$7,500	Received	Grant to support Texas Housing Impact Fund. 3-year grant totaling \$22,500, with \$7,500 received in 2017, \$7,500 in 2018, and another \$7,500 to be received in 2019.
<b>Austin Community Foundation</b>	\$250,000	Pending	Requesting a five year PRI to support the Texas Housing Impact Fund to fund affordable single family and multifamily housing in East Austin and Del Valle areas.
<b>Meadows Foundation</b>	\$250,000	Withdrawn	Foundation staff indicated that HEART is a better fit for current priorities, so have withdrawn this application and submitted an application to support the HEART program instead.
<b>Brenham National Bank</b>	TBD	Discussion	Initial discussion in March 2018 to provide additional funding for a development in Bryan, Texas.
<b>BBVA Compass Bank</b>	\$1,000,000	Discussion	Have had initial conversation about potential EQ2 investment. Have provided requested documentation

<b>Total Received</b>	\$757,500
<b>Total Requests Under Discussion</b>	\$1,000,000

<b>Total Requests Pending</b>	\$500,000
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<b>Affordable Communities of Texas (ACT) Program</b>			
<b>Funder</b>	<b>Amount</b>	<b>Status</b>	<b>Notes</b>
<b>Lowe's</b>	\$2,000	Declined	Submitted request in March 2018 for a gift card to purchase appliances for an ACT property in Wichita Falls.

<b>Summary</b>	
<b>Total Received/Awarded</b>	\$5,299,350
<b>Total Pending</b>	\$810,000
<b>Total Under Discussion</b>	\$1,000,000

# Tab D

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**  
**STATEMENT OF NET ASSETS (unaudited)**

As of February 28, 2018

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**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 10,959,239
Restricted Assets Held by Bond Trustee:	
Cash and Cash Equivalents	1,388,981
Accrued Interest	59,776
Custodial Cash and Cash Equivalents	113,082
Investments, at Fair Market Value	1,594,420
Accounts Receivable & Accrued Revenue	56,829
Accrued Interest Receivable	123,054
Loans Receivable, Current Portion	66,551
Notes Receivable, Current Portion	195,946
Down Payment Assistance	2,025,795
Prepaid Expenses	61,341

**Total Current Assets:** 16,645,014

**Noncurrent Assets**

Loans Receivable, Net of uncollectible amounts of \$26,923	513,936
Notes Receivable	5,849,842
Investments, at Fair Market Value	6,775,748
Mortgage Servicing Rights, Net of Accumulated Amortization of \$2,477,084	250,977
Fixed Assets, Net of Accumulated Depreciation of \$753,454	1,283,681
Owned Real Estate, Federal & Other Programs Net of Amort \$450,667	9,704,486
Restricted Investments Held by Bond Trustee, at Fair Market Value	35,559,691

**Total Noncurrent Assets:** 59,938,361

**TOTAL ASSETS** \$ 76,583,375

*(continued)*

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**  
**STATEMENT OF NET ASSETS - Continued (unaudited)**

As of February 28, 2018

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**LIABILITIES**

**Current Liabilities**

Accounts Payable and Accrued Expenses	\$	401,857
Notes Payable, Current Portion		2,100,306
Custodial Reserve Funds		113,082
Other Current Liabilities		45,924
Payable from Restricted Assets Held by Bond Trustee:		
Bonds Payable, Current Portion		740,000
Accrued Interest on Bonds		557,537

**Total Current Liabilities:** 3,958,706

**Noncurrent Liabilities**

Notes Payable		2,463,183
Revenue Bonds Payable		33,282,581
Due to Federal Programs		2,230,464
Unearned Revenue		271,408

**Total Noncurrent Liabilities:** 38,247,636

**Total Liabilities:** 42,206,342

**DEFERRED INFLOWS OF RESOURCES**

Deferred Revenue		196,246
------------------	--	---------

**Total Deferred Inflows of Resources** 196,246

**NET POSITION**

Invested in Capital Assets		1,283,681
Restricted for:		
Debt Service		2,428,330
Other Purposes		22,993
Unrestricted		30,445,783

**Total Net Position:** \$ 34,180,787

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)**  
for the 6 months ending February 28, 2018

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**Operating Revenues**

Interest and Investment Income	\$	1,115,391
Net Increase (Decrease) in Fair Value of Investments		275,494
Single Family Income		5,013,222
Asset Oversight and Compliance Fees		113,406
Loan Servicing Fees		44,420
Multifamily Income		146,794
Land Bank Income		209,473
Public Support		
Federal & State Grants		6,730
Contributions		18,101
Other Operating Revenue		456,563
<b>Total Operating Revenues</b>	\$	<u>7,399,594</u>

**Operating Expenses**

Interest Expense on Bonds and Notes Payable	\$	681,399
Salaries, Wages and Payroll Related Costs		1,250,218
Professional Fees and Services		237,778
Amortization		117,314
Office and Equipment Rental and Maintenance		46,455
Travel and Meals		42,631
Depreciation		126,418
Program and Loan Administration		629,076
Grant Expenditures		6,765
Foundation Fund Grants		212,000
Other Operating Expenses		223,777
<b>Total Operating Expenses</b>	\$	<u>3,573,831</u>

**Net Income** 3,825,763

**Total Net Position, Beginning** 30,355,024

**Total Net Position, Ending** \$ 34,180,787



**Quarterly Investment Report  
Direct Lending**

**November 30, 2017 – February 28, 2018**



# A Month of Market Turmoil

PATERSON & ASSOCIATES

P&A

INVESTMENT PROFESSIONALS

The long anticipated return of volatility arrived this month unnerving investors who were used to a low-or-no drama scenario. Massive selling of low volatility positions forced selling to cover short positions.

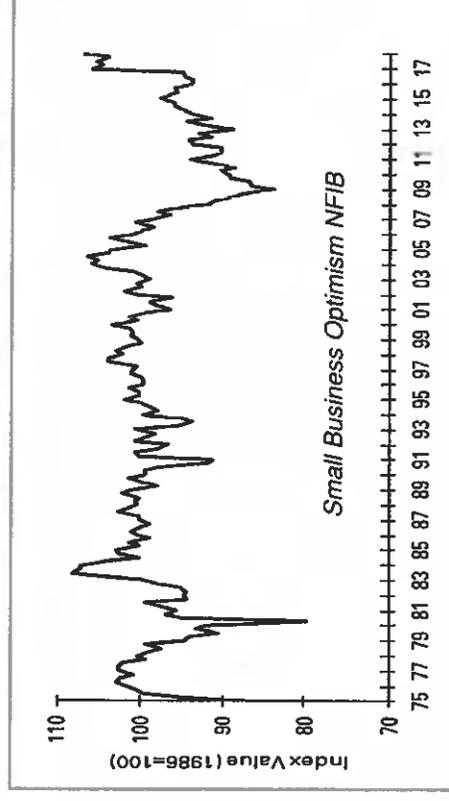
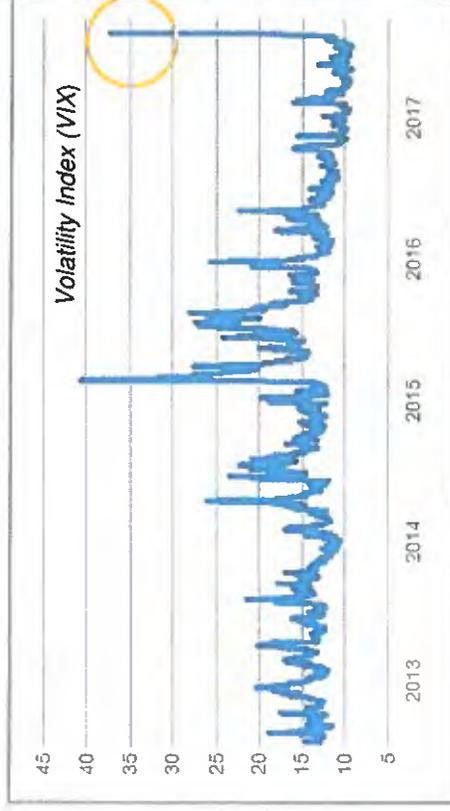
Technically, the market's leveraged volatility instruments were not large enough to provide portfolio insurance and were in fact hiding it. These leveraged instruments and ETFs accentuated volatility and destroyed the balance that markets crave. The result was tremendous volatility globally.

Fundamentally, the volatility was generated from the less accommodative rate environment that is returning markets to normalcy. The uncertainty on the speed of future rate hikes coupled to inflation along with rising global rates is generating turmoil. The ambiguity has even placed two powerhouse Wall Street firms into 180° positions on rates. But economic and earnings fundamentals are strong and the largest cause of the volatility remains simply the return to normal market conditions.

At the center of the market's indecision is inflation. CPI and PPI indicate higher inflation is coming. It rose for consumers and producers. Metal commodity prices are surging and the weaker dollar is pushing higher import prices. With the strong dollar in '16-'17 agricultural exports slowed but now the weaker USD helps exports and the demand from abroad is raising prices domestically. US factories are getting some pricing power back shown in robust business equipment orders, steady consumer spending and improving global economies. The trade deficit continues to grow however as exports fell and imports grew.

OPEC continues to hold to a higher price policy (at least until ARMACO sells its IPO) but it is balanced by building shale inventories which will test the artificial limits set by OPEC. In 2019 the US will overtake Russia as the world's largest oil producer with shale shaking up that market which will further change the profile.

Definitely small business is very optimistic on solid growth. The most recent reading was the highest since 1986 with 32% of respondents seeing expansion conditions and 41% expecting economic growth throughout 2018.

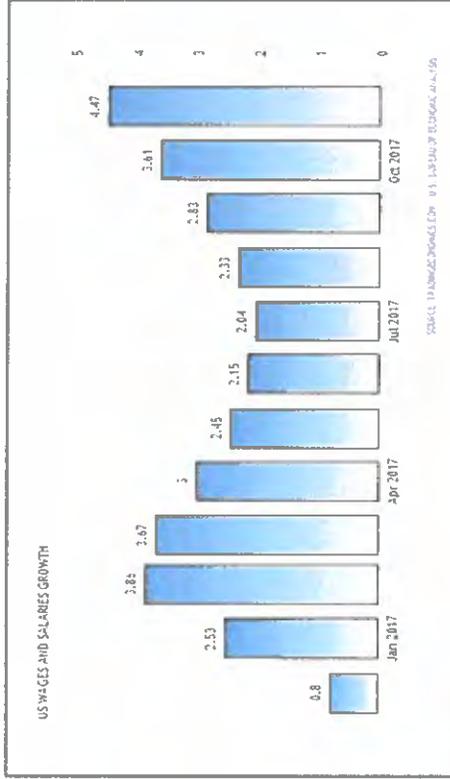


# Tailwinds for New Fed Chair

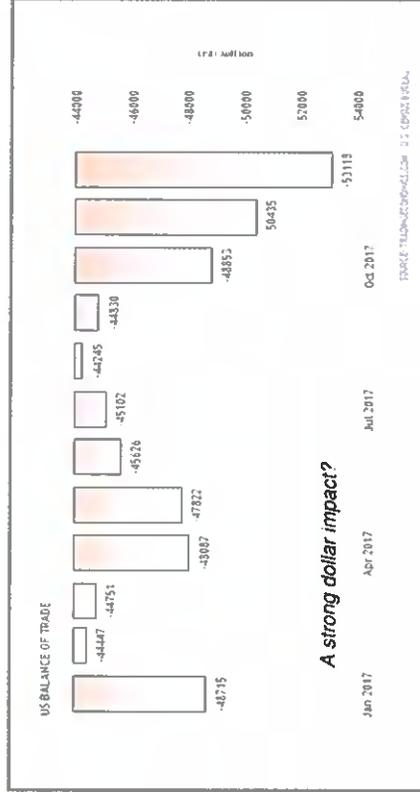
**Fed Chair Jerome Powell's** first semi-annual "Humphrey Hawkins" testimony (2/27) to Congress did not surprise since most already expected him to follow Yellen's course. The somewhat more hawkish Powell is expecting wage growth to continue "at a faster pace" and said transitory factors that have been weighing inflation down should not "repeat." The testimony signals a continued rise in the Fed Funds rate. As inflation drifts higher so will rates. Powell's view includes payroll growth and a steady overall improving economic outlook. Bond traders immediately reacted as if there will be four hikes – but may be better to wait on that judgment! The FOMC appears to recognize inflation but not run-away inflation and is continuing a **slow and steady** course.

Although wage growth has lagged, it is growing and the impact of tax cuts will be seen by consumers as additional wages. The Dallas Fed has postulated that **employment** will go below 4% and maybe as low as 3.6% by 2019. The Labor Dept. also sees wages growing by 2.73% in 2018. The consumer experiencing this wage growth is expected to raise spending in 2018 by 2.73% even after a slowdown in January. Growth in **construction** is lead by multifamily units even with the cold 1Q weather. And, if the infrastructure plan survives in any part, the changes will add to construction jobs. The plan optimistically sets \$1.5 trillion in spending with the US contributing \$200 billion over 10 years. Of course the key here will be who pays for the remainder!

Growth and inflation are definitely in play. Fed President Kaplan had a take on growth recently saying that after central bank accommodation has been rung from the system, growth may still be slow based on an aging demographic, a skill gap with lagging educational achievement, and the trajectory of US debt. Of course, the removal of the Fed liquidity will take several years and will have to move internationally. Meanwhile we should expect slow growth in rates.



SOURCE: FRB, BUREAU OF ECONOMIC ANALYSIS

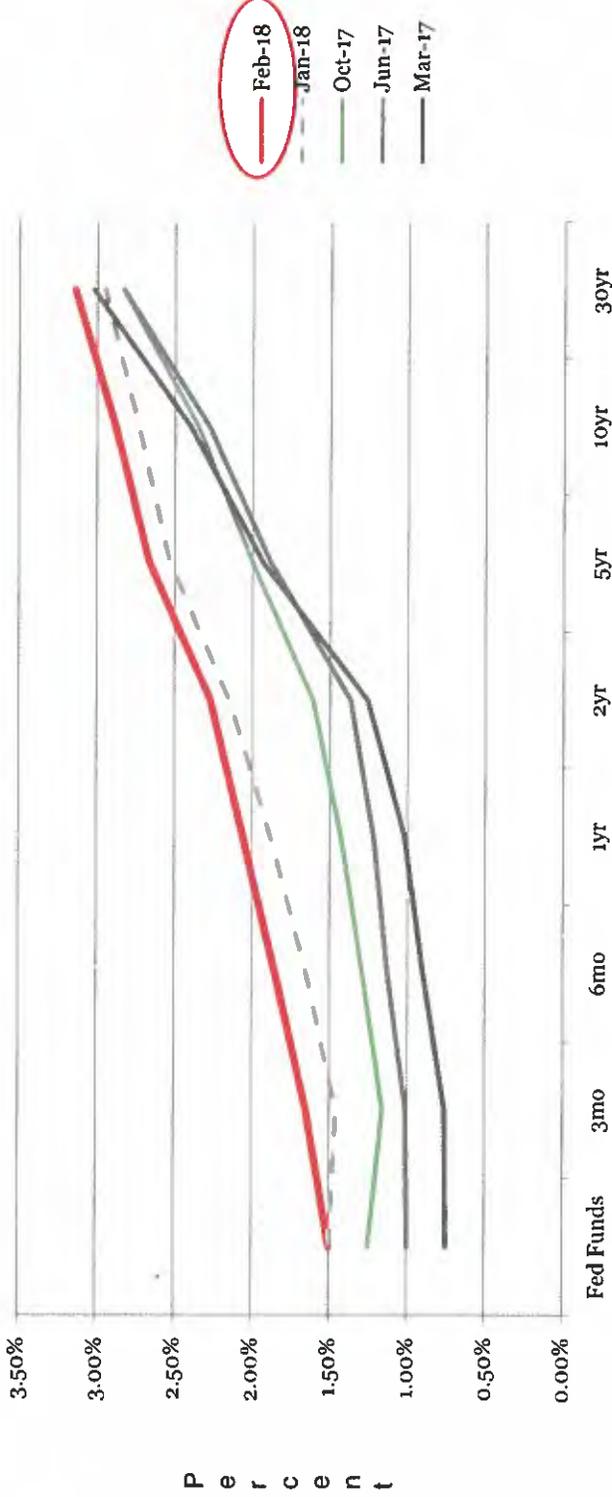


A strong dollar impact?

SOURCE: FRB, BUREAU OF ECONOMIC ANALYSIS

# Rates Struggle to Find Right Balance

- The concern for a flattening (less steep) curve has continued but the argument for it is weakening as the long end starts to move.
- The Federal Reserve minutes – as well as comments from Fed Presidents clearly indicate a belief that the economy continues to strengthen and that inflation is getting more probable. That will drive up yields once fully accepted by both the short and long end.
- The long end is not convinced that the Fed will be aggressive in raising rates so are betting on rates staying lower and inflation staying calm. After Powell's slightly more hawkish comments however there is more credence to faster moving rates.
- The ten-year, near its trend line high of 3.0-3.05% and the five-year near it's trend line of 2.74% are clearly indicating that a breakout could occur with a clearer picture on inflation. GDP growth will run a close second to the importance of inflation.
- The dollar strength plays a crucial role in Treasuries attractiveness internationally. A weaker or fluctuating dollar makes the Treasuries less attractive even if yields are higher than other sovereigns especially in the 30 year area. It will be a force in the 30 year's direction.



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

*Texas State Affordable Housing Corporation*  
*Direct Lending Program*

Quarterly Investment Report  
 November 30, 2017 – February 28, 2018  
**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).

<u>Portfolio as of November 30, 2017</u>		<u>Portfolio as of February 28, 2018</u>	
Beginning Book Value	\$ 115,517	Ending Book Value	\$ 116,042
Beginning Market Value	\$ 115,517	Ending Market Value	\$ 116,042
Unrealized Gain/Loss	\$ 0	Investment Income for the period	\$ 0
		Unrealized Gain/Loss	\$ 0
		<b>Change in Unrealized Gain/Loss</b>	<b>\$ 0</b>
WAM at Beginning Period Date <sup>1</sup>	1 day	WAM at Ending Period Date <sup>1</sup>	1 day
		Change in Market Value	\$ 525

Average Yield to Maturity for period **0.000%**  
 Average Yield 3 month Treasury bill for period **1.450%**  
 Average Yield 6 month Treasury bill for period **1.630%**

  
 Ms. Melinda Smith, CFO

Texas State Affordable Housing Corporation

  
 Mr. Nick Lawrence, Controller

Texas State Affordable Housing Corporation

  
 Mr. David Long, President

Texas State Affordable Housing Corporation

  
 Ms. Linda Patterson, President

Patterson & Associates, Registered Investment Advisor

<sup>1</sup> WAM, represents weighted average maturity.

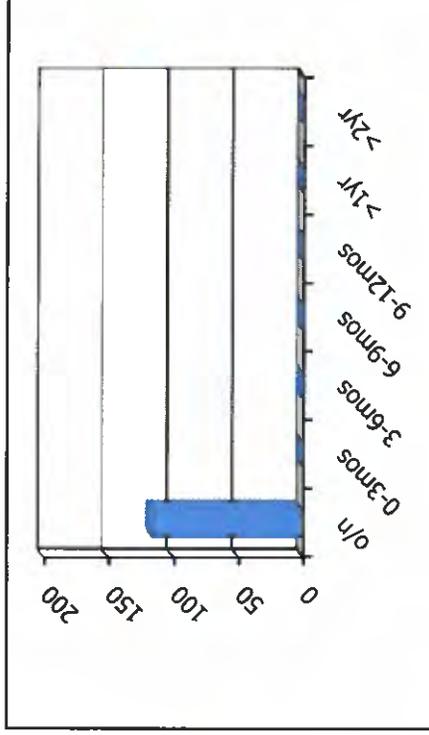
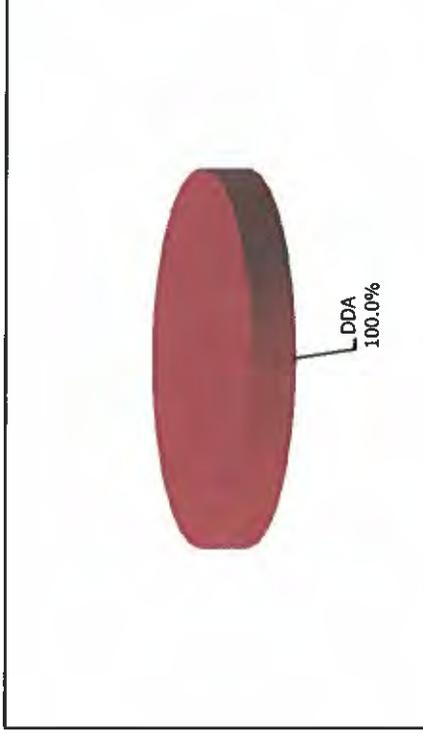
# Your Portfolio

As of February 28, 2018

PATERSON & ASSOCIATES



- 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 very short-term rates continue to move up with the Fed's move and short term alternatives are available especially for those with access to commercial paper. Rates beyond one year will best the pools.
- Banks remain *uninterested* in new deposits and everyone must review the ECR rates versus those available outside the banks.
- It is time to reduce cash balances and plan for the tax funds coming soon.





**TSAHC - Direct Lending Program  
Portfolio Management  
Portfolio Summary  
February 28, 2018**

Patterson & Associates  
901 S. MoPac  
Suite 195  
Austin, TX 78746

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Bank Accounts	116,041.75	116,041.75	116,041.75	100.00	1	1	0.000
<b>Investments</b>	<b>116,041.75</b>	<b>116,041.75</b>	<b>116,041.75</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.000</b>
<b>Total Earnings</b>	<b>February 28</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>				
Current Year	0.00		0.00				

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.

*Melinda Smith* 3/2018  
Melinda Smith, Chief Financial Officer

**TSAHC - Direct Lending Program**  
**Summary by Type**  
**February 28, 2018**  
**Grouped by Fund**

Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
<b>Fund: Neighborhood Stabilization Pro</b>						
Bank Accounts	1	2,960.17	2,960.17	2.55	0.000	1
<b>Subtotal</b>	<b>1</b>	<b>2,960.17</b>	<b>2,960.17</b>	<b>2.55</b>	<b>0.000</b>	<b>1</b>
<b>Fund: Rita Blanca Reserve</b>						
Bank Accounts	1	36,834.71	36,834.71	31.74	0.000	1
<b>Subtotal</b>	<b>1</b>	<b>36,834.71</b>	<b>36,834.71</b>	<b>31.74</b>	<b>0.000</b>	<b>1</b>
<b>Fund: Willows Operating</b>						
Bank Accounts	1	0.00	0.00	0.00	0.000	0
<b>Subtotal</b>	<b>1</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.000</b>	<b>0</b>
<b>Fund: Willows Replacement Reserve</b>						
Bank Accounts	1	76,246.87	76,246.87	65.71	0.000	1
<b>Subtotal</b>	<b>1</b>	<b>76,246.87</b>	<b>76,246.87</b>	<b>65.71</b>	<b>0.000</b>	<b>1</b>
<b>Total and Average</b>	<b>4</b>	<b>116,041.75</b>	<b>116,041.75</b>	<b>100.00</b>	<b>0.000</b>	<b>1</b>



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**TSAHC - Direct Lending Program**  
**Fund NSP - Neighborhood Stabilization Pro**  
 Investments by Fund  
 February 28, 2018

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM	YTM	Maturity Days To Date	Maturity
591359932	71	Frost Bank Checking	04/20/2010	2,960.17	2,960.17	2,960.17		360	365		1
		<b>Subtotal and Average</b>		<b>2,960.17</b>	<b>2,960.17</b>	<b>2,960.17</b>		<b>0.000</b>	<b>0.000</b>		<b>1</b>
		<b>Total Investments and Average</b>		<b>2,960.17</b>	<b>2,960.17</b>	<b>2,960.17</b>		<b>0.000</b>	<b>0.000</b>		<b>1</b>

**Fund RBRES - Rita Blanca Reserve**  
**Investments by Fund**  
**February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM		Maturity Days To Date Maturity
								360	365	
<b>Bank Accounts</b>										
591732447	150	Frost Bank Checking	01/28/2015	36,834.71	36,834.71	36,834.71				1
		<b>Subtotal and Average</b>		<b>36,834.71</b>	<b>36,834.71</b>	<b>36,834.71</b>		<b>0.000</b>	<b>0.000</b>	<b>1</b>
		<b>Total Investments and Average</b>		<b>36,834.71</b>	<b>36,834.71</b>	<b>36,834.71</b>		<b>0.000</b>	<b>0.000</b>	<b>1</b>

**Fund WOPER - Willows Operating  
Investments by Fund  
February 28, 2018**

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

**Fund WRR - Willows Replacement Reserve**  
**Investments by Fund**  
**February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Bank Accounts</b>										
591501224	108	Frost Bank Checking	11/17/2011	76,246.87	76,246.87	76,246.87				1
		<b>Subtotal and Average</b>		<b>76,246.87</b>	<b>76,246.87</b>	<b>76,246.87</b>		<b>0.000</b>	<b>0.000</b>	<b>1</b>
		<b>Total Investments and Average</b>		<b>76,246.87</b>	<b>76,246.87</b>	<b>76,246.87</b>		<b>0.000</b>	<b>0.000</b>	<b>1</b>



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**TSAHC - Direct Lending Program**  
**Interest Earnings**  
 Sorted by Fund - Fund  
 December 1, 2017 - February 28, 2018  
 Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: Neighborhood Stabilization Pro</b>												
591359932	71	NSP	RR5	2,960.17	9,270.05	4,377.37				0.00	0.00	0.00
			<b>Subtotal</b>	<b>2,960.17</b>	<b>9,270.05</b>	<b>4,377.37</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Fund: Rita Blanca Reserve</b>												
591732447	150	RBRES	RR5	36,834.71	33,999.80	35,606.25				0.00	0.00	0.00
			<b>Subtotal</b>	<b>36,834.71</b>	<b>33,999.80</b>	<b>35,606.25</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Fund: Willows Replacement Reserve</b>												
591501224	108	WRR	RR5	76,246.87	72,246.88	73,757.99				0.00	0.00	0.00
			<b>Subtotal</b>	<b>76,246.87</b>	<b>72,246.88</b>	<b>73,757.99</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
			<b>Total</b>	<b>116,041.75</b>	<b>115,516.73</b>	<b>113,741.60</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Portfolio TSDL  
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 Report Ver: 7 3 6.1



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 Suite 195  
 Austin, TX 78746

**TSAHC - Direct Lending Program**  
**Texas Compliance Change in Val Report**  
**Sorted by Fund**  
**December 1, 2017 - February 28, 2018**

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
<b>Fund: Bunker Hill Debt</b>									
76	FBC	BHDEBT	04/20/2010	0.00	0.00	0.00	0.00	0.00	0.00
591398016	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Bunker Hill Debt</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Bunker Hill Operatin</b>									
75	FBC	BHOPER	04/20/2010	0.00	0.00	0.00	0.00	0.00	0.00
591398261	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Bunker Hill Operatin</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Bunker Hill Replacem</b>									
77	FBC	BHRR	04/09/2010	0.00	0.00	0.00	0.00	0.00	0.00
591398288	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Bunker Hill Replacem</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Neighborhood Stabili</b>									
71	FBC	NSP	04/20/2010	0.00	9,270.05	107,668.90	113,978.78	-6,309.88	2,960.17
591359932	2,960.17	0.000	/ /	0.00	9,270.05	107,668.90	113,978.78	-6,309.88	2,960.17
<b>Sub Totals For: Fund: Neighborhood Stabili</b>									
				0.00	9,270.05	107,668.90	113,978.78	-6,309.88	2,960.17
				0.00	9,270.05	107,668.90	113,978.78	-6,309.88	2,960.17
<b>Fund: Rita Blanca Reserve</b>									
150	FBC	RBRES	01/28/2015	0.00	33,999.80	2,834.91	0.00	2,834.91	36,834.71
591732447	36,834.71	0.000	/ /	0.00	33,999.80	2,834.91	0.00	2,834.91	36,834.71

Portfolio TSDL  
 TC (PRF\_TC) 7.0  
 Report Ver: 7.3.6.1

**TSAHC - Direct Lending Program**  
**Texas Compliance Change in Val Report**  
**December 1, 2017 - February 28, 2018**

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
<b>Sub Totals For: Fund: Rita Blanca Reserve</b>									
				0.00	33,999.80	2,834.91	0.00	2,834.91	36,834.71
				0.00	33,999.80	2,834.91	0.00	2,834.91	36,834.71
<b>Fund: Sagebrush Apartments</b>									
79	FBC	SBDEBT	04/20/2010	0.00	0.00	0.00	0.00	0.00	0.00
591398253	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Sagebrush Apartments</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Sagebrush Apartments</b>									
78	FBC	SBOPER	04/20/2010	0.00	0.00	0.00	0.00	0.00	0.00
591398237	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Sagebrush Apartments</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Sagebrush Replacemen</b>									
80	FBC	SBRR	04/09/2010	0.00	0.00	0.00	0.00	0.00	0.00
591398245	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Sagebrush Replacemen</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Willows Operating</b>									
106	FBC	WOPER	11/17/2011	0.00	0.00	0.00	0.00	0.00	0.00
591501356	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Totals For: Fund: Willows Operating</b>									
				0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund: Willows Replacement</b>									
108	FBC	WRR	11/17/2011	0.00	72,246.88	3,999.99	0.00	3,999.99	76,246.87
591501224	76,246.87	0.000	/ /	0.00	72,246.88	3,999.99	0.00	3,999.99	76,246.87

**TSAHC - Direct Lending Program**  
**Texas Compliance Change in Val Report**  
**December 1, 2017 - February 28, 2018**

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value	Market Value				Book Value	Market Value
<b>Sub Totals For: Fund: Willows Replacement</b>											
				0.00	72,246.88	72,246.88	3,999.99	0.00	3,999.99	76,246.87	76,246.87
				0.00	72,246.88	72,246.88	3,999.99	0.00	3,999.99	76,246.87	76,246.87
<b>Report Grand Totals:</b>											
				0.00	115,516.73	115,516.73	114,503.80	113,978.78	525.02	116,041.75	116,041.75
				0.00	115,516.73	115,516.73	114,503.80	113,978.78	525.02	116,041.75	116,041.75

Portfolio TSDL

TC (PRF\_TC) 7.0  
Report Ver. 7.3.6.1

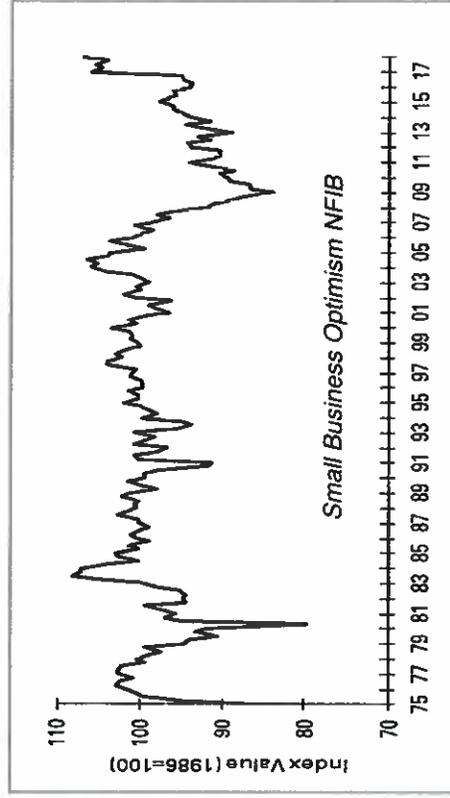
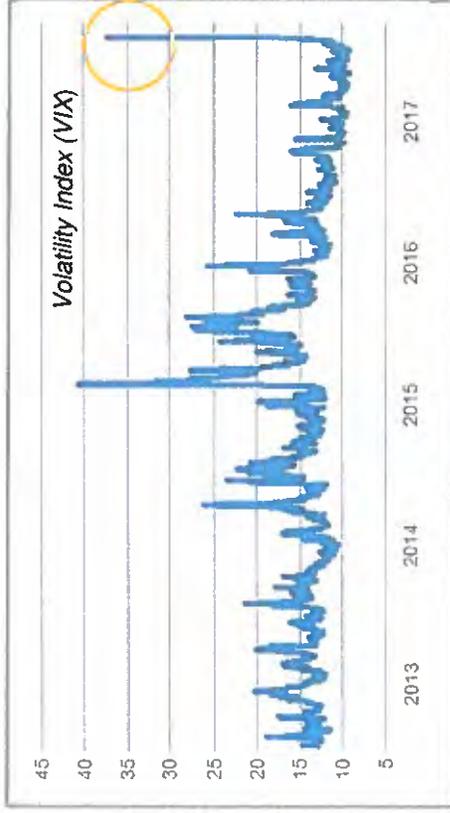


**Quarterly Investment Report**  
**November 30, 2017 – February 28, 2018**



# A Month of Market Turmoil

The long anticipated return of volatility arrived this month unnerving investors who were used to a low-or-no drama scenario. Massive selling of low volatility positions forced selling to cover short positions. Technically, the market's leveraged volatility instruments were not large enough to provide portfolio insurance and were in fact hiding it. These leveraged instruments and ETFs accentuated volatility and destroyed the balance that markets crave. The result was tremendous volatility globally. Fundamentally, the volatility was generated from the less accommodative rate environment that is returning markets to normalcy. The uncertainty on the speed of future rate hikes coupled to inflation along with rising global rates is generating turmoil. The ambiguity has even placed two powerhouse Wall Street firms into 180° positions on rates. But economic and earnings fundamentals are strong and the largest cause of the volatility remains simply **the return to normal market conditions.** At the center of the market's indecision is **inflation.** CPI and PPI indicate higher inflation is coming. It rose for consumers and producers. Metal commodity prices are surging and the weaker dollar is pushing higher import prices. With the strong dollar in '16-'17 agricultural exports slowed but now the weaker USD helps exports and the demand from abroad is raising prices domestically. US factories are getting some pricing power back shown in robust business equipment orders, steady consumer spending and improving global economies. The trade deficit continues to grow however as exports fell and imports grew. OPEC continues to hold to a higher price policy (at least until ARMACO sells its IPO) but it is balanced by building shale inventories which will test the artificial limits set by OPEC. In 2019 the US will overtake Russia as the world's largest oil producer with shale shaking up that market which will further change the profile. Definitely small business is **very optimistic** on solid growth. The most recent reading was the highest since 1986 with 32% of respondents seeing expansion conditions and 41% expecting economic growth throughout 2018.

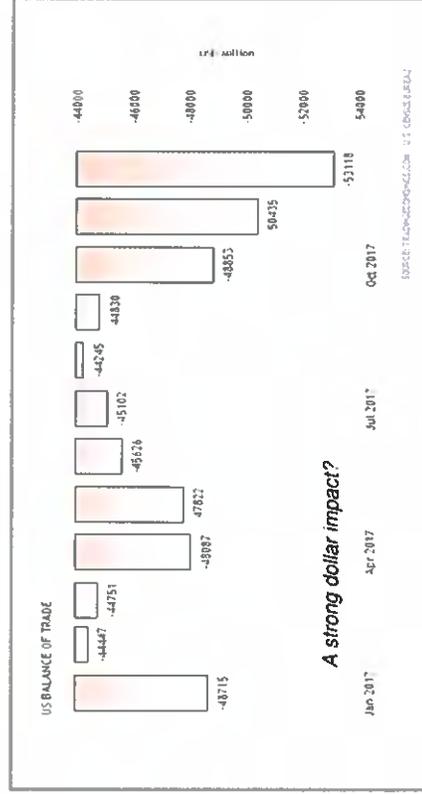
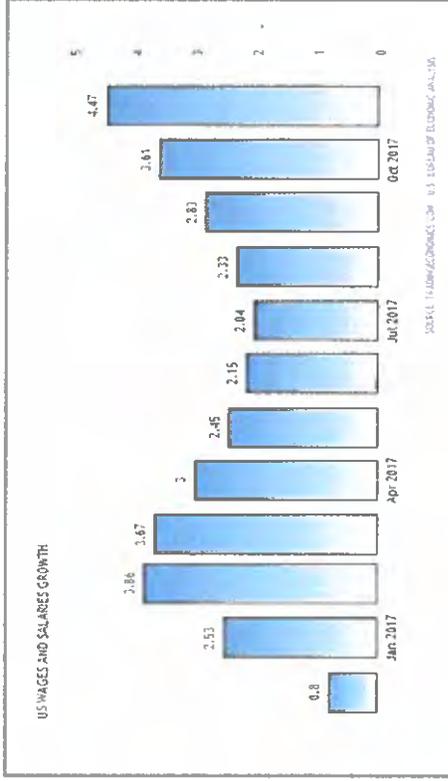


# Tailwinds for New Fed Chair

**Fed Chair Jerome Powell's** first semi-annual "Humphrey Hawkins" testimony (2/27) to Congress did not surprise since most already expected him to follow Yellen's course. The somewhat more hawkish Powell is expecting wage growth to continue "at a faster pace" and said transitory factors that have been weighing inflation down should not "repeat." The testimony signals a continued rise in the Fed Funds rate. As inflation drifts higher so will rates. Powell's view includes payroll growth and a steady overall improving economic outlook. Bond traders immediately reacted as if there will be four hikes – but may be better to wait on that judgment! The FOMC appears to recognize inflation but not run-away inflation and is continuing a **slow and steady** course.

Although wage growth has lagged, it is growing and the impact of tax cuts will be seen by consumers as additional wages. The Dallas Fed has postulated that **employment** will go below 4% and maybe as low as 3.6% by 2019. The Labor Dept. also sees wages growing by 2.73% in 2018. The consumer experiencing this wage growth is expected to raise spending in 2018 by 2.73% even after a slowdown in January. Growth in **construction** is lead by multifamily units even with the cold 1Q weather. And, if the infrastructure plan survives in any part, the changes will add to construction jobs. The plan optimistically sets \$1.5 trillion in spending with the US contributing \$200 billion over 10 years. Of course the key here will be who pays for the remainder!

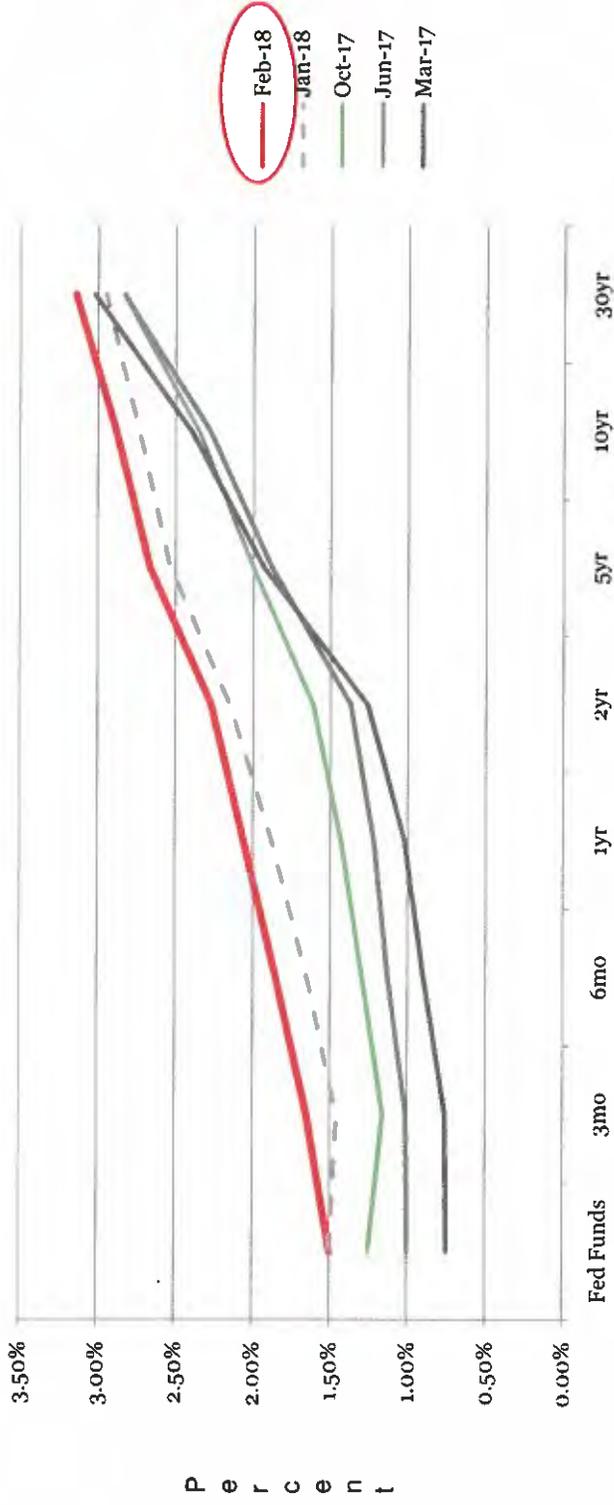
Growth and inflation are definitely in play. Fed President Kaplan had a take on growth recently saying that after central bank accommodation has been rung from the system, growth may still be slow based on an aging demographic, a skill gap with lagging educational achievement, and the trajectory of US debt. Of course, the removal of the Fed liquidity will take several years and will have to move internationally. Meanwhile we should expect slow growth in rates.



**A strong dollar impact?**

# Rates Struggle to Find Right Balance

- The concern for a flattening (less steep) curve has continued but the argument for it is weakening as the long end starts to move.
- The Federal Reserve minutes – as well as comments from Fed Presidents clearly indicate a belief that the economy continues to strengthen and that inflation is getting more probable. That will drive up yields once fully accepted by both the short and long end.
- The long end is not convinced that the Fed will be aggressive in raising rates so are betting on rates staying lower and inflation staying calm. After Powell's slightly more hawkish comments however there is more credence to faster moving rates.
- The ten-year, near its trend line high of 3.0-3.05% and the five-year near its trend line of 2.74% are clearly indicating that a breakout could occur with a clearer picture on inflation. GDP growth will run a close second to the importance of inflation.
- The dollar strength plays a crucial role in Treasuries attractiveness internationally. A weaker or fluctuating dollar makes the Treasuries less attractive even if yields are higher than other sovereigns especially in the 30 year area. It will be a force in the 30 year's direction.



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

Texas State Affordable Housing Corporation

Quarterly Investment Report  
 November 30, 2017 – February 28, 2018  
 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).

<u>Portfolio as of November 30, 2017</u>		<u>Portfolio as of February 28, 2018</u>	
Beginning Book Value	\$ 4,850,714	Ending Book Value	\$ 13,568,205
Beginning Market Value	\$ 4,837,974	Ending Market Value	\$ 13,551,355
Unrealized Gain/Loss	\$ (12,740)	Investment Income for the period	\$ 18,831
		Unrealized Gain/Loss	\$ (16,850)
		<b>Change in Unrealized Gain/Loss</b>	<b>\$ (4,110)</b>
WAM at Beginning Period Date <sup>1</sup>	198 days	WAM at Ending Period Date <sup>1</sup>	68 days
		Change in Market Value	\$ 8,713,381

Average Yield to Maturity for period **0.905%**  
 Average Yield 3 month Treasury bill for period **1.450%**  
 Average Yield 6 month Treasury bill for period **1.630%**

  
 Ms. Melinda Smith, CFO  
 Texas State Affordable Housing Corporation

  
 Mr. Nick Lawrence, Controller  
 Texas State Affordable Housing Corporation

  
 Mr. David Long, President  
 Texas State Affordable Housing Corporation

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

<sup>1</sup> WAM, represents weighted average maturity.

# Your Portfolio

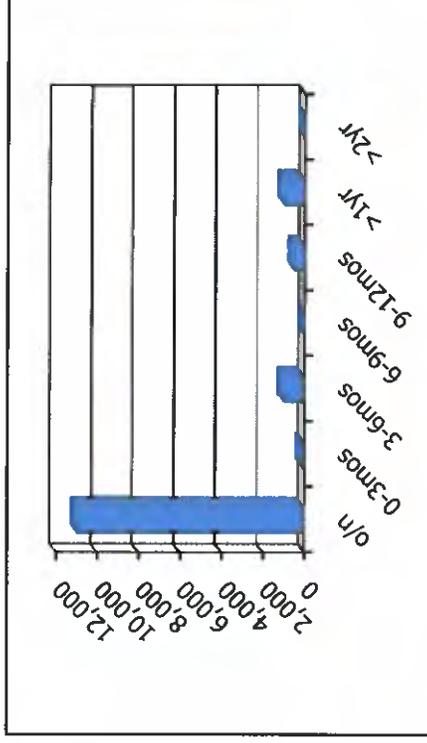
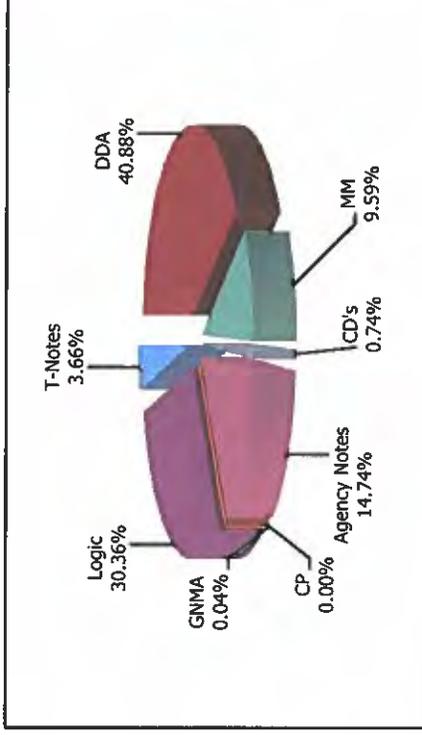
As of February 28, 2018

PATERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

- 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 very short-term rates continue to move up with the Fed's move and short term alternatives are available especially for those with access to commercial paper. Rates beyond one year will best the pools.
- Banks remain *uninterested* in new deposits and everyone must review the ECR rates versus those available outside the banks.
- It is time to reduce cash balances and plan for the tax funds coming soon.
- Your net yield of 0.90% compared to some basic benchmarks generated additional quarterly earnings of:
  - Q 3 mo. T-Bill      \$ (13,894.23)
  - Q 6 mo. T-Bill      \$ (18,427.92)
  - Q 1 yr T-Bill        \$ (23,213.49)





Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

## Texas State Affordable Housing Portfolio Management Portfolio Summary February 28, 2018

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Coupon Securities	2,000,000.00	1,983,148.00	2,000,000.00	14.74	913	358	1.180
Treasury Coupon Securities	500,000.00	496,250.00	496,928.97	3.66	359	336	1.927
Pass Through Securities (GNMA)	4,764.04	5,445.69	4,764.04	0.04	8,646	6,077	5.971
LOGIC	4,118,931.13	4,118,931.13	4,118,931.13	30.36	1	1	1.590
FHLB Dallas-Money Fund	1,248,619.16	1,248,619.16	1,248,619.16	9.20	1	1	1.187
MM Funds/NOW Accounts	52,228.46	52,228.46	52,228.46	0.38	1	1	0.450
CD's - Interest mo/qtrly/annually	100,302.92	100,302.92	100,302.92	0.74	365	64	0.400
Bank Accounts	5,546,429.99	5,546,429.99	5,546,429.99	40.88	1	1	0.000
<b>Investments</b>	<b>13,571,275.70</b>	<b>13,551,355.35</b>	<b>13,568,204.67</b>	<b>100.00%</b>	<b>154</b>	<b>68</b>	<b>0.843</b>

<b>Cash and Accrued Interest</b>	
Accrued Interest at Purchase	207.18
Subtotal	207.18
<b>Total Cash and Investments</b>	<b>13,571,275.70</b>
	<b>13,568,411.85</b>

<b>Total Earnings</b>	<b>February 28</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year		10,203.24	26,816.28

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.

  
 Melinda Smith, Chief Financial Officer



**Texas State Affordable Housing  
Summary by Type  
February 28, 2018  
Grouped by Fund**

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Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
<b>Fund: General Investments</b>						
MM Funds/NOW Accounts	2	52,228.46	52,228.46	0.38	0.450	1
Bank Accounts	1	5,541,747.49	5,541,747.49	40.84	0.000	1
FHLB Dallas-Money Fund	1	1,248,619.16	1,248,619.16	9.20	1.187	1
Federal Agency Coupon Securities	2	2,000,000.00	2,000,000.00	14.74	1.180	358
Pass Through Securities (GNMA)	1	4,764.04	4,764.04	0.04	5.971	6,077
LOGIC	1	4,118,931.13	4,118,931.13	30.36	1.590	1
CD's - Interest mo/qrly/annually	1	100,302.92	100,302.92	0.74	0.400	64
Treasury Coupon Securities	1	500,000.00	496,928.97	3.66	1.927	336
<b>Subtotal</b>	<b>10</b>	<b>13,566,593.20</b>	<b>13,563,522.17</b>	<b>99.96</b>	<b>0.843</b>	<b>68</b>
<b>Fund: Wells Fargo - CDC</b>						
Bank Account's	1	4,682.50	4,682.50	0.03	0.000	1
<b>Subtotal</b>	<b>1</b>	<b>4,682.50</b>	<b>4,682.50</b>	<b>0.03</b>	<b>0.000</b>	<b>1</b>
<b>Total and Average</b>	<b>11</b>	<b>13,571,275.70</b>	<b>13,568,204.67</b>	<b>100.00</b>	<b>0.843</b>	<b>68</b>



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**Texas State Affordable Housing  
 Fund GENERAL - General Investments  
 Investments by Fund  
 February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date	Maturity
<b>Federal Agency Coupon Securities</b>											
3134GACF9	208	FHLMC Call Note	08/23/2016	1,000,000.00	1,000,000.00	996,397.00	1.100	1.069	1.084	08/23/2018	175
3134GABN3	209	FHLMC Call Note	08/23/2016	1,000,000.00	1,000,000.00	986,751.00	1.300	1.256	1.274	08/23/2019	540
		<b>Subtotal and Average</b>		<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>1,983,148.00</b>		<b>1.163</b>	<b>1.180</b>		<b>357</b>
<b>Treasury Coupon Securities</b>											
912828SD3	220	T Note	02/06/2018	496,928.97	500,000.00	496,250.00	1.250	1.900	1.926	01/31/2019	336
		<b>Subtotal and Average</b>		<b>496,928.97</b>	<b>500,000.00</b>	<b>496,250.00</b>		<b>1.900</b>	<b>1.927</b>		<b>336</b>
<b>Pass Through Securities (GNMA)</b>											
36201LFC3	100	G2 586163 Mtge	02/17/2011	4,764.04	4,764.04	5,445.69	5.990	5.889	5.971	10/20/2034	6,077
		<b>Subtotal and Average</b>		<b>4,764.04</b>	<b>4,764.04</b>	<b>5,445.69</b>		<b>5.889</b>	<b>5.971</b>		<b>6,077</b>
<b>LOGIC</b>											
5010	213	Logic	11/16/2016	4,118,931.13	4,118,931.13	4,118,931.13	1.590	1.568	1.589		1
		<b>Subtotal and Average</b>		<b>4,118,931.13</b>	<b>4,118,931.13</b>	<b>4,118,931.13</b>		<b>1.568</b>	<b>1.590</b>		<b>1</b>
<b>FHLB Dallas-Money Fund</b>											
999999995	9002	FHLB Money Market Fund	09/01/2006	1,248,619.16	1,248,619.16	1,248,619.16	1.187	1.170	1.186		1
		<b>Subtotal and Average</b>		<b>1,248,619.16</b>	<b>1,248,619.16</b>	<b>1,248,619.16</b>		<b>1.171</b>	<b>1.187</b>		<b>1</b>
<b>MM Funds/NOW Accounts</b>											
5001506	83	Austin Capital Bank MM	10/20/2010	0.00	0.00	0.00	0.200	0.197	0.200		1
3051137	175	Crockett National Bank	09/21/2015	52,228.46	52,228.46	52,228.46	0.450	0.443	0.450		1
		<b>Subtotal and Average</b>		<b>52,228.46</b>	<b>52,228.46</b>	<b>52,228.46</b>		<b>0.444</b>	<b>0.450</b>		<b>1</b>
<b>CD's - Interest mo/qtrly/annually</b>											
4016000485	219	Texas Capital Bank CD	05/04/2017	100,302.92	100,302.92	100,302.92	0.400	0.394	0.400	05/04/2018	64
		<b>Subtotal and Average</b>		<b>100,302.92</b>	<b>100,302.92</b>	<b>100,302.92</b>		<b>0.395</b>	<b>0.400</b>		<b>64</b>
<b>Bank Accounts</b>											
591359967	69	Frost Bank Checking	03/05/2010	5,541,747.49	5,541,747.49	5,541,747.49					1

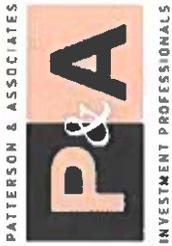
Portfolio TSAH  
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 FI (PRF\_FI) 7.1.1  
 Report Ver 7.3.6.1

**Fund GENERAL - General Investments**  
**Investments by Fund**  
**February 28, 2018**

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	5,541,747.49	5,541,747.49	5,541,747.49		0.000	0.000	1
			Total Investments and Average	13,563,522.17	13,566,593.20	13,546,672.85		0.832	0.843	68

**Fund WELLS - Wells Fargo - CDC  
Investments by Fund  
February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Bank Accounts</b>										
999999994	0014	Wells Fargo Non-Profit Chkg	09/01/2006	4,682.50	4,682.50	4,682.50				1
		Subtotal and Average		4,682.50	4,682.50	4,682.50		0.000	0.000	1
		Total Investments and Average		4,682.50	4,682.50	4,682.50		0.000	0.000	1



**Texas State Affordable Housing  
Cash Reconciliation Report  
For the Period December 1, 2017 - February 28, 2018  
Grouped by Fund**

Patterson & Associates  
901 S. MoPac  
Suite 195  
Austin, TX 78746

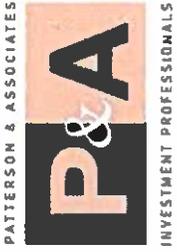
Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
<b>General Investments</b>											
12/20/2017	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	25.49	31.17	56.66
01/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	25.34	29.07	54.41
01/30/2018	217	GENERAL	Interest	1647	245,000.00	THCB 0.2M 1.00% Mat. 01/30/2018	01/30/2018	0.00	622.17	0.00	622.17
01/30/2018	217	GENERAL	Interest	1647	245,000.00	THCB 0.2M 1.00% Mat. 01/30/2018	01/30/2018	-622.17	0.00	0.00	-622.17
02/04/2018	219	GENERAL	Interest	4016000455	100,000.00	TCBCD 0.1M 0.40% Mat. 05/04/2018	05/04/2018	0.00	101.07	0.00	101.07
02/04/2018	219	GENERAL	Interest	4016000455	100,000.00	TCBCD 0.1M 0.40% Mat. 05/04/2018	05/04/2018	-101.07	0.00	0.00	-101.07
02/06/2018	220	GENERAL	Purchase	912828SD3	500,000.00	TNOTE 0.5M 1.25% Mat. 01/31/2019	01/31/2019	-496,718.75	-103.59	0.00	-496,822.34
02/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	25.19	282.53	307.72
02/23/2018	208	GENERAL	Interest	3134GACF9	1,000,000.00	FHLMCC 1.0M 1.10% Mat	08/23/2018	0.00	5,500.00	0.00	5,500.00
02/23/2018	209	GENERAL	Interest	3134GABN3	1,000,000.00	FHLMCC 1.0M 1.30% Mat	08/23/2019	0.00	6,500.00	0.00	6,500.00
					<b>Subtotal</b>			<b>-497,441.99</b>	<b>12,695.67</b>	<b>342.77</b>	<b>-484,403.55</b>
					<b>Total</b>			<b>-497,441.99</b>	<b>12,695.67</b>	<b>342.77</b>	<b>-484,403.55</b>



**Texas State Affordable Housing  
Purchases Report  
Sorted by Fund - Fund  
December 1, 2017 - February 28, 2018**

Patterson & Associates  
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Suite 195  
Austin, TX 78746

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
912828SD3	220	GENERAL	TRC	TNOTE	500,000.00	02/06/2018	07/31 - 01/31	496,718.75	103.59	1.250	01/31/2019	1.927	496,928.97
				<b>Subtotal</b>	<b>500,000.00</b>			<b>496,718.75</b>	<b>103.59</b>				<b>496,928.97</b>
				<b>Total Purchases</b>	<b>500,000.00</b>			<b>496,718.75</b>	<b>103.59</b>				<b>496,928.97</b>



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 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

**Texas State Affordable Housing  
 Maturity Report**  
 Sorted by Maturity Date  
 Amounts due during December 1, 2017 - February 28, 2018

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
1647	217	GENERAL	RR4	THCB	246,837.03	01/30/2018	01/30/2017	1.000	246,837.03	0.00	246,837.03	0.00
<b>Total Maturities</b>					<b>246,837.03</b>				<b>246,837.03</b>	<b>0.00</b>	<b>246,837.03</b>	<b>0.00</b>



**Texas State Affordable Housing  
Interest Earnings  
Sorted by Fund - Fund  
December 1, 2017 - February 28, 2018  
Yield on Average Book Value**

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CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Interest Earned	Adjusted Interest Earnings	
											Amortization/Accretion	Adjusted Interest Earnings
<b>Fund: General Investments</b>												
912828SD3	220	GENERAL	TRC	500,000.00	0.00	126,967.27	01/31/2019	1.250	1.940	397.10	210.22	607.32
5010	213	GENERAL	RRP	4,118,931.13	108,174.44	2,776,149.10		1.590	1.571	10,756.69	0.00	10,756.69
999999995	9002	GENERAL	RR2	1,248,619.16	297,155.23	273,544.77		1.187	1.230	829.68	0.00	829.68
591359967	69	GENERAL	RR5	5,541,747.49	2,036,385.61	2,477,233.89				0.00	0.00	0.00
4016000455	219	GENERAL	RR4	100,302.92	100,201.85	100,229.93	05/04/2018	0.400	0.400	98.89	0.00	98.89
3134GACF9	208	GENERAL	FAC	1,000,000.00	1,000,000.00	1,000,000.00	08/23/2018	1.100	1.115	2,750.00	0.00	2,750.00
3134GABN3	209	GENERAL	FAC	1,000,000.00	1,000,000.00	1,000,000.00	08/23/2019	1.300	1.318	3,250.00	0.00	3,250.00
3051137	175	GENERAL	RR3	52,228.46	52,170.55	52,190.91		0.450	0.450	57.91	0.00	57.91
3620ILFC3	100	GENERAL	GN1	4,764.04	5,106.81	5,041.05	10/20/2034	5.990	0.066	74.31	0.00	74.31
1647	217	GENERAL	RR4	0.00	246,837.03	164,558.02	01/30/2018	1.000	1.000	405.76	0.00	405.76
		<b>Subtotal</b>		<b>13,566,593.20</b>	<b>4,846,031.52</b>	<b>7,975,914.94</b>			<b>0.957</b>	<b>18,620.34</b>	<b>210.22</b>	<b>18,830.56</b>
<b>Fund: Wells Fargo - CDC</b>												
999999994	0014	WELLS	RR5	4,682.50	4,682.50	4,682.50				0.00	0.00	0.00
		<b>Subtotal</b>		<b>4,682.50</b>	<b>4,682.50</b>	<b>4,682.50</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>Total</b>		<b>13,571,275.70</b>	<b>4,850,714.02</b>	<b>7,980,597.44</b>			<b>0.957</b>	<b>18,620.34</b>	<b>210.22</b>	<b>18,830.56</b>

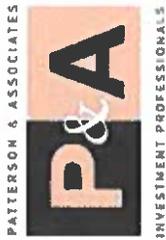
Portfolio TSAH  
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IE (PRF\_IE) 7.2.0  
Report Ver 7.3.6.1



**Texas State Affordable Housing  
Amortization Schedule  
December 1, 2017 - February 28, 2018  
Sorted By Fund - Fund**

Patterson & Associates  
901 S. MoPac  
Suite 195  
Austin, TX 78746

Investment #	Fund	Maturity Date	Beginning Par Value	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 12/01/2017	Amount Amortized This Period	Ant Amortized Through 02/28/2018	Amount Unamortized Through 02/28/2018
<b>General Investments</b>											
208	GENERAL	08/23/2018	1,000,000.00		1,000,300.00	300.00	1,000,000.00	-300.00	0.00	-300.00	0.00
	FHLMC Call Note	11/23/2016	1,100				0.00	0.00			
209	GENERAL	08/23/2019	1,000,000.00	1,300	1,000,750.00	750.00	1,000,000.00	-750.00	0.00	-750.00	0.00
	FHLMC Call Note	02/23/2017	1,300				0.00	0.00			
220	GENERAL	01/31/2019	500,000.00	1,250	496,718.75	-3,281.25	496,928.97	0.00	210.22	210.22	-3,071.03
	T Note							-3,281.25			
			<b>Subtotal</b>		<b>2,497,768.75</b>	<b>-2,231.25</b>	<b>2,496,928.97</b>	<b>-1,050.00</b>	<b>210.22</b>	<b>-839.78</b>	<b>-3,071.03</b>
			<b>Total</b>		<b>2,497,768.75</b>	<b>-2,231.25</b>	<b>2,496,928.97</b>	<b>-1,050.00</b>	<b>210.22</b>	<b>-839.78</b>	<b>-3,071.03</b>



**Texas State Affordable Housing  
Projected Cashflow Report  
Sorted by Monthly  
For the Period March 1, 2018 - September 30, 2018**

Patterson & Associates  
901 S. MoPac  
Suite 195  
Austin, TX 78746

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
<b>May 2018</b>										
05/23/2018	208	GENERAL	3134GACF9	Call	FHLMC Call Note	1,000,000.00	1,000,300.00	1,000,000.00	0.00	1,000,000.00
05/23/2018	209	GENERAL	3134GABN3	Call	FHLMC Call Note	1,000,000.00	1,000,750.00	1,000,000.00	0.00	1,000,000.00
					<b>Total for May 2018</b>	<b>2,000,000.00</b>	<b>2,001,050.00</b>	<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>
<b>July 2018</b>										
07/31/2018	220	GENERAL	912828SD3	Interest	T Note	0.00	0.00	0.00	3,125.00	3,125.00
					<b>Total for July 2018</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,125.00</b>	<b>3,125.00</b>
<b>August 2018</b>										
08/23/2018	208	GENERAL	3134GACF9	Maturity	FHLMC Call Note	1,000,000.00	1,000,300.00	1,000,000.00	5,500.00	1,005,500.00
08/23/2018	209	GENERAL	3134GABN3	Interest	FHLMC Call Note	0.00	0.00	0.00	6,500.00	6,500.00
					<b>Total for August 2018</b>	<b>1,000,000.00</b>	<b>1,000,300.00</b>	<b>1,000,000.00</b>	<b>12,000.00</b>	<b>1,012,000.00</b>
					<b>GRAND TOTALS:</b>	<b>3,000,000.00</b>	<b>3,001,350.00</b>	<b>3,000,000.00</b>	<b>15,125.00</b>	<b>3,015,125.00</b>



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Suite 195  
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**Texas State Affordable Housing  
Texas Compliance Change in Val Report  
Sorted by Fund  
December 1, 2017 - February 28, 2018**

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
<b>Fund: General Investments</b>									
100	G2S861	GENERAL	02/17/2011	74.31	5,106.81	0.00	342.77	-342.77	4,764.04
36201LFC3	4,764.04	5.971	10/20/2034	76.02	5,932.02	0.00	342.77	-486.33	5,445.69
175	CNB	GENERAL	09/21/2015	57.91	52,170.55	57.91	0.00	57.91	52,228.46
3051137	52,228.46	0.450	/ /	57.91	52,170.55	57.91	0.00	57.91	52,228.46
208	FHLMCC	GENERAL	08/23/2016	2,750.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134GACF9	1,000,000.00	1.084	08/23/2018	5,500.00	996,204.00	0.00	0.00	193.00	996,397.00
209	FHLMCC	GENERAL	08/23/2016	3,250.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134GABN3	1,000,000.00	1.274	08/23/2019	6,500.00	990,231.00	0.00	0.00	-3,480.00	986,751.00
213	LOGIC	GENERAL	11/16/2016	10,756.69	108,174.44	10,010,756.69	6,000,000.00	4,010,756.69	4,118,931.13
5010	4,118,931.13	1.589	/ /	10,756.69	108,174.44	10,010,756.69	6,000,000.00	4,010,756.69	4,118,931.13
217	THCB	GENERAL	01/30/2017	405.76	246,837.03	622.17	247,459.20	-246,837.03	0.00
1647	0.00	1.000	01/30/2018	622.17	246,837.03	622.17	247,459.20	-246,837.03	0.00
219	TCBCD	GENERAL	05/04/2017	98.89	100,201.85	101.07	0.00	101.07	100,302.92
4016000455	100,302.92	0.400	05/04/2018	101.07	100,201.85	101.07	0.00	101.07	100,302.92
220	TNOTE	GENERAL	02/06/2018	397.10	0.00	496,718.75	0.00	496,928.97	496,928.97
912828SD3	500,000.00	1.926	01/31/2019	0.00	0.00	496,718.75	0.00	496,250.00	496,250.00
69	FBC	GENERAL	03/05/2010	0.00	2,036,385.61	28,547,266.25	25,041,904.37	3,505,361.88	5,541,747.49
591359967	5,541,747.49	0.000	/ /	0.00	2,036,385.61	28,547,266.25	25,041,904.37	3,505,361.88	5,541,747.49
83	ACBMM	GENERAL	10/20/2010	0.00	0.00	0.00	0.00	0.00	0.00
5001506	0.00	0.200	/ /	0.00	0.00	0.00	0.00	0.00	0.00
9002	FHLMMM	GENERAL	09/01/2006	829.68	297,155.23	4,496,721.31	3,545,257.38	951,463.93	1,248,619.16
999999995	1,248,619.16	1.186	/ /	829.68	297,155.23	4,496,721.31	3,545,257.38	951,463.93	1,248,619.16

Portfolio TSAH  
TC (PRF\_TC) 7.0  
Report Ver: 7.3.6.1

Texas State Affordable Housing  
 Texas Compliance Change in Val Report  
 December 1, 2017 - February 28, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
<b>Sub Totals For: Fund: General Investments</b>									
				18,620.34	4,846,031.52	43,552,244.15	34,834,963.72	8,717,490.65	13,563,522.17
				24,443.54	4,833,291.73	43,552,244.15	34,834,963.72	8,713,381.12	13,546,672.85
<b>Fund: Wells Fargo - CDC</b>									
0014	WELLS	WELLS	09/01/2006	0.00	4,682.50	0.00	0.00	0.00	4,682.50
999999994	4,682.50	0.000	/ /	0.00	4,682.50	0.00	0.00	0.00	4,682.50
<b>Sub Totals For: Fund: Wells Fargo - CDC</b>									
				0.00	4,682.50	0.00	0.00	0.00	4,682.50
				0.00	4,682.50	0.00	0.00	0.00	4,682.50
<b>Report Grand Totals:</b>									
				18,620.34	4,850,714.02	43,552,244.15	34,834,963.72	8,717,490.65	13,568,204.67
				24,443.54	4,837,974.23	43,552,244.15	34,834,963.72	8,713,381.12	13,551,355.35



**Quarterly Investment Report  
Surplus Funds**

**November 30, 2017 – February 28, 2018**



# A Month of Market Turmoil

ATTENSON & ASSOCIATES

**P&A**

INVESTMENT PROFESSIONALS

The long anticipated return of volatility arrived this month unnerving investors who were used to a low-or-no drama scenario. Massive selling of low volatility positions forced selling to cover short positions.

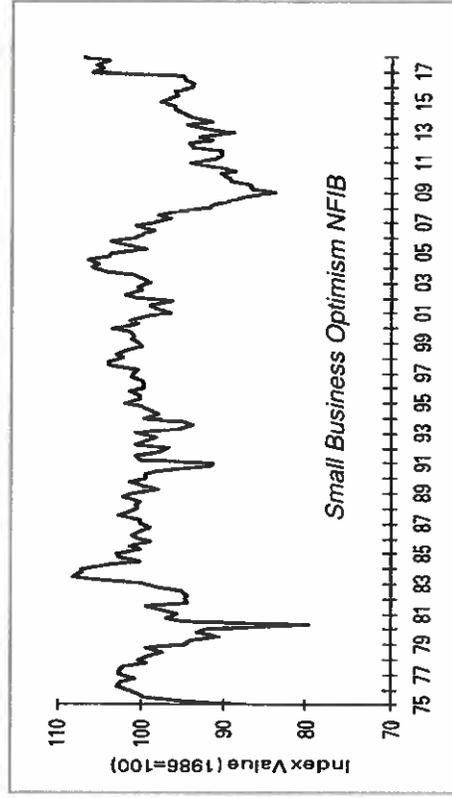
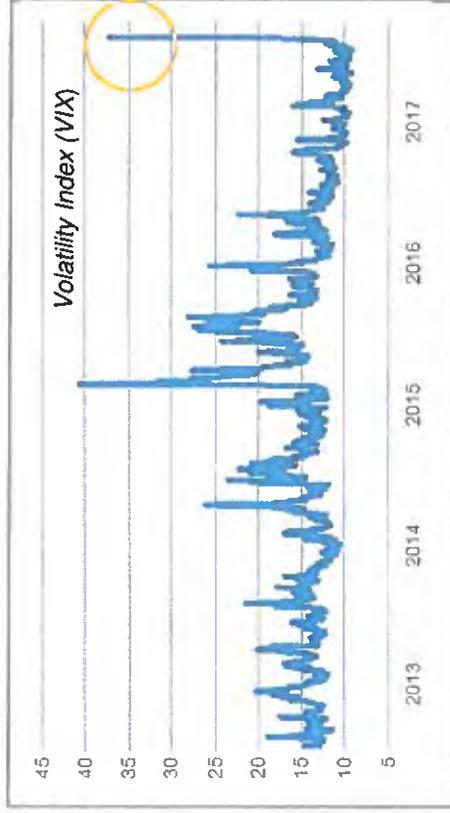
Technically, the market's leveraged volatility instruments were not large enough to provide portfolio insurance and were in fact hiding it. These leveraged instruments and ETFs accentuated volatility and destroyed the balance that markets crave. The result was tremendous volatility globally.

Fundamentally, the volatility was generated from the less accommodative rate environment that is returning markets to normalcy. The uncertainty on the speed of future rate hikes coupled to inflation along with rising global rates is generating turmoil. The ambiguity has even placed two powerhouse Wall Street firms into 180° positions on rates. But economic and earnings fundamentals are strong and the largest cause of the volatility remains simply the **return to normal** market conditions.

At the center of the market's indecision is **inflation**. CPI and PPI indicate higher inflation is coming. It rose for consumers and producers. Metal commodity prices are surging and the weaker dollar is pushing higher import prices. With the strong dollar in '16-'17 agricultural exports slowed but now the weaker USD helps exports and the demand from abroad is raising prices domestically. US factories are getting some pricing power back shown in robust business equipment orders, steady consumer spending and improving global economies. The trade deficit continues to grow however as exports fell and imports grew.

OPEC continues to hold to a higher price policy (at least until ARMACO sells its IPO) but it is balanced by building shale inventories which will test the artificial limits set by OPEC. In 2019 the US will overtake Russia as the world's largest oil producer with shale shaking up that market which will further change the profile.

Definitely small business is **very optimistic** on solid growth. The most recent reading was the highest since 1986 with 32% of respondents seeing expansion conditions and 41% expecting economic growth throughout 2018.

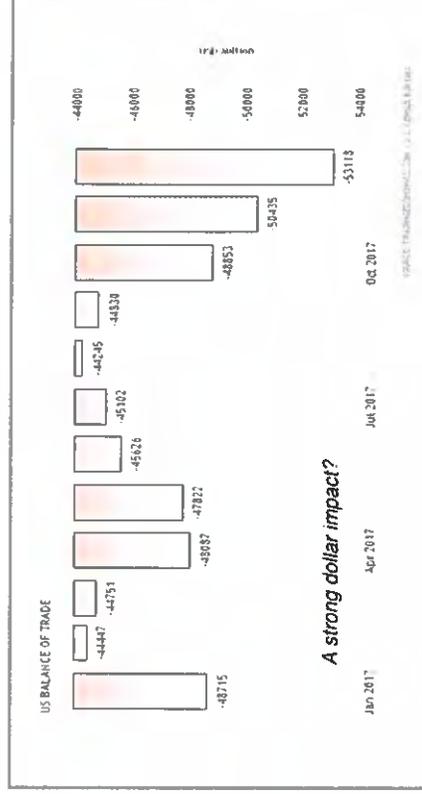
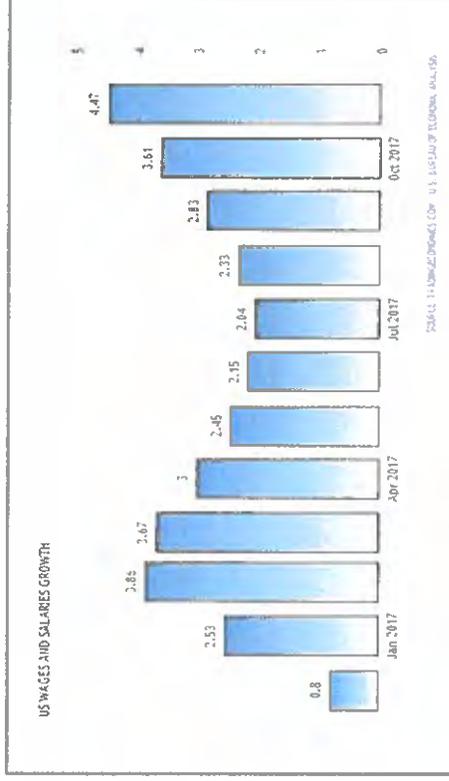


# Tailwinds for New Fed Chair

**Fed Chair Jerome Powell's** first semi-annual "Humphrey Hawkins" testimony (2/27) to Congress did not surprise since most already expected him to follow Yellen's course. The somewhat more hawkish Powell is expecting wage growth to continue "at a faster pace" and said transitory factors that have been weighing inflation down should not "repeat." The testimony signals a continued rise in the Fed Funds rate. As inflation drifts higher so will rates. Powell's view includes payroll growth and a steady overall improving economic outlook. Bond traders immediately reacted as if there will be four hikes – but may be better to wait on that judgment! The FOMC appears to recognize inflation but not run-away inflation and is continuing a **slow and steady** course.

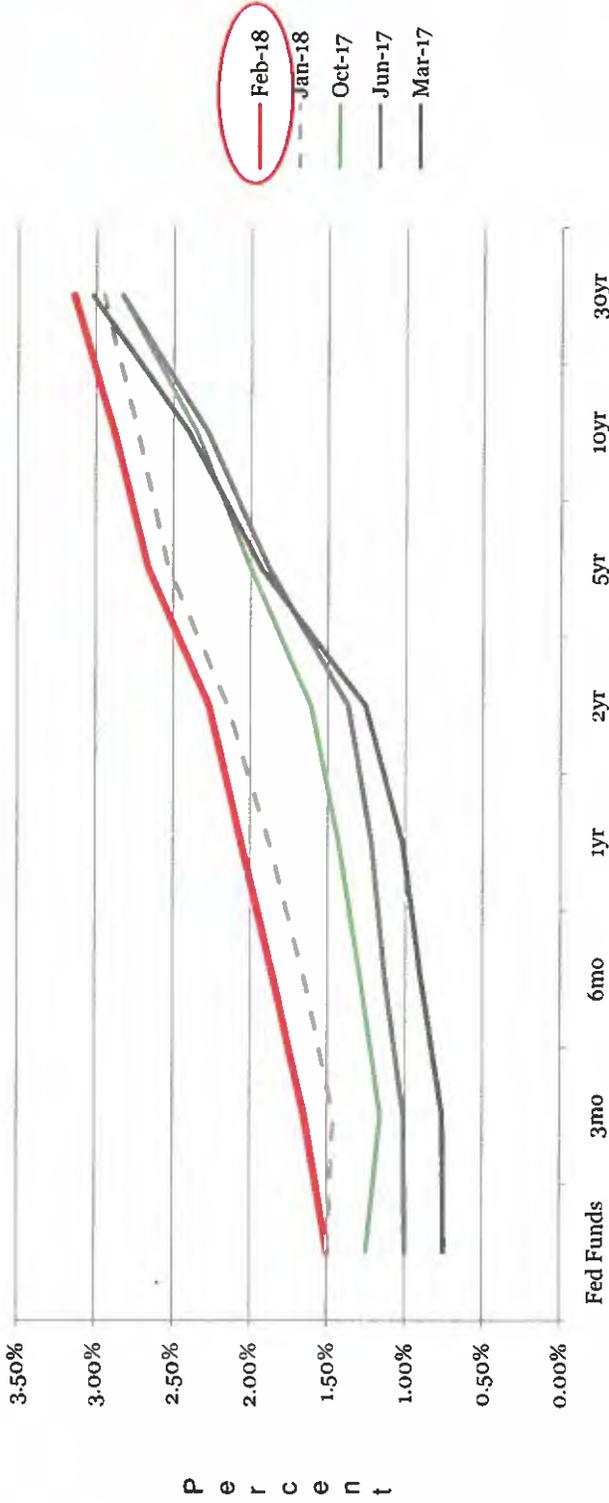
Although wage growth has lagged, it is growing and the impact of tax cuts will be seen by consumers as additional wages. The Dallas Fed has postulated that **employment** will go below 4% and maybe as low as 3.6% by 2019. The Labor Dept. also sees wages growing by 2.73% in 2018. The consumer experiencing this wage growth is expected to raise spending in 2018 by 2.73% even after a slowdown in January. Growth in **construction** is lead by multifamily units even with the cold 1Q weather. And, if the infrastructure plan survives in any part, the changes will add to construction jobs. The plan optimistically sets \$1.5 trillion in spending with the US contributing \$200 billion over 10 years. Of course the key here will be who pays for the remainder!

Growth and inflation are definitely in play. Fed President Kaplan had a take on growth recently saying that after central bank accommodation has been rung from the system, growth may still be slow based on an aging demographic, a skill gap with lagging educational achievement, and the trajectory of US debt. Of course, the removal of the Fed liquidity will take several years and will have to move internationally. Meanwhile we should expect slow growth in rates.



# Rates Struggle to Find Right Balance

- The concern for a flattening (less steep) curve has continued but the argument for it is weakening as the long end starts to move.
- The Federal Reserve minutes – as well as comments from Fed Presidents clearly indicate a belief that the economy continues to strengthen and that inflation is getting more probable. That will drive up yields once fully accepted by both the short and long end.
- The long end is not convinced that the Fed will be aggressive in raising rates so are betting on rates staying lower and inflation staying calm. After Powell's slightly more hawkish comments however there is more credence to faster moving rates.
- The ten-year, near its trend line high of 3.0-3.05% and the five-year near it's trend line of 2.74% are clearly indicating that a breakout could occur with a clearer picture on inflation. GDP growth will run a close second to the importance of inflation.
- The dollar strength plays a crucial role in Treasuries attractiveness internationally. A weaker or fluctuating dollar makes the Treasuries less attractive even if yields are higher than other sovereigns especially in the 30 year area. It will be a force in the 30 year's direction.



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

*Texas State Affordable Housing Corporation  
Surplus Funds*

Quarterly Investment Report  
November 30, 2017 – February 28, 2018  
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).

<u>Portfolio as of November 30, 2017</u>	<u>Portfolio as of February 28, 2018</u>
Beginning Book Value	\$ 5,565,176
Beginning Market Value	\$ 6,087,626
Unrealized Gain/Loss	\$ 522,450
WAM at Beginning Period Date <sup>1</sup>	7,239 days
Ending Book Value	\$ 5,158,907
Ending Market Value	\$ 5,590,433
Investment Income for the period	\$ 75,043
Unrealized Gain/Loss	\$ 431,526
<b>Change in Unrealized Gain/Loss</b>	<b>\$ (90,924)</b>
WAM at Ending Period Date <sup>1</sup>	7,150 days
Change in Market Value	\$ (497,193)

Average Yield to Maturity for period      **5.747%**  
Average Yield 10 Year Treasury bill for period      **2.610%**

  
Melinda Smith, CFO

Texas State Affordable Housing Corporation

  
Mr. David Long, President

Texas State Affordable Housing Corporation



Nick Lawrence, Controller  
Texas State Affordable Housing Corporation



Linda Patterson, President  
Patterson & Associates, Registered Investment Advisor

<sup>1</sup> WAM, represents weighted average maturity.

# Your Portfolio

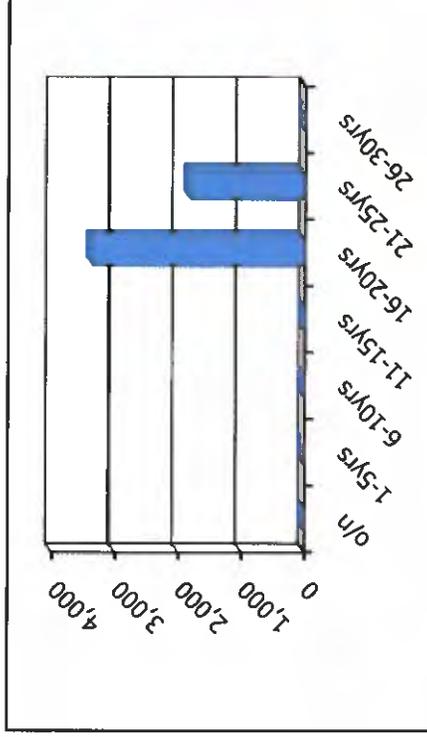
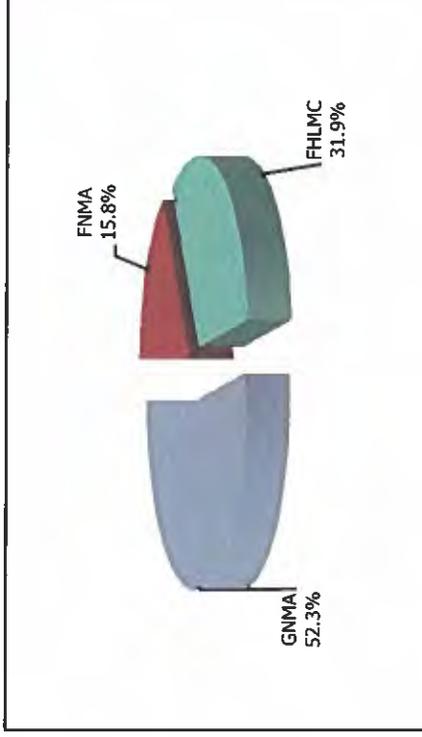
As of February 28, 2018

PATERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

- 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 very short-term rates continue to move up with the Fed's move and short term alternatives are available especially for those with access to commercial paper. Rates beyond one year will best the pools.
- Banks remain *uninterested* in new deposits and everyone must review the ECR rates versus those available outside the banks.
- It is time to reduce cash balances and plan for the tax funds coming soon.
- The non-cash portion of your portfolio is yielding 5.748%.





Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

**Texas State Affordable Housing - Surplus Funds**  
**Portfolio Management**  
**Portfolio Summary**  
**February 28, 2018**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Pass Through Securities (GNMA)	2,698,131.55	2,946,032.38	2,698,131.55	52.30	7,546	7,243	5.824
Pass Through Securities (FNMA)	812,657.93	837,141.80	812,657.93	15.75	7,538	6,742	5.493
Pass Through Securities (FHLMC)	1,648,117.79	1,807,258.74	1,648,117.79	31.95	7,573	7,201	5.750
<b>Investments</b>	<b>5,158,907.27</b>	<b>5,590,432.92</b>	<b>5,158,907.27</b>	<b>100.00%</b>	<b>7,554</b>	<b>7,150</b>	<b>5.748</b>

**Total Earnings** February 28 Month Ending 24,942.51 Fiscal Year To Date 147,418.21  
 Current Year

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.

*Melinda Smith* 3/2018  
 Melinda Smith, Chief Financial Officer



**Texas St Aff Housing - Surplus**  
**Summary by Type**  
**February 28, 2018**  
**Grouped by Fund**

Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
<b>Fund: General Investments</b>						
Pass Through Securities (FHLMC)	28	1,648,117.79	1,648,117.79	31.95	5.750	7,201
Pass Through Securities (FNMA)	17	812,657.93	812,657.93	15.75	5.493	6,742
Pass Through Securities (GNMA)	46	2,698,131.55	2,698,131.55	52.30	5.824	7,243
<b>Subtotal</b>	<b>91</b>	<b>5,158,907.27</b>	<b>5,158,907.27</b>	<b>100.00</b>	<b>5.748</b>	<b>7,150</b>
<b>Total and Average</b>	<b>91</b>	<b>5,158,907.27</b>	<b>5,158,907.27</b>	<b>100.00</b>	<b>5.748</b>	<b>7,150</b>

**Texas St Aff Housing - Surplus  
 Fund GENERAL - General Investments  
 Investments by Fund  
 February 28, 2018**

Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Pass Through Securities (GNMA)</b>										
36296GK59	220	G2 690716 Mlge	04/27/2017	44,258.49	44,258.49	47,653.90	5.650	5.521	5.598	06/20/2038 7,416
36296GL74	246	G2 690750 Mlge	09/28/2017	26,487.54	26,487.54	29,084.87	6.000	5.862	5.943	05/20/2038 7,385
36202XEM5	193	G2 612240 Mlge	09/28/2016	64,352.67	64,352.67	69,680.62	5.750	5.614	5.692	11/20/2036 6,839
36295WR82	234	G2 682811 Mlge	09/28/2017	109,547.23	109,547.23	121,383.21	6.100	5.959	6.042	12/20/2037 7,234
36295X5K7	237	G2 684050 Mlge	09/28/2017	0.00	0.00	0.00	6.100	5.959	6.042	01/20/2038 7,265
36295YLC5	239	G2 684423 Mlge	09/28/2017	87,096.24	87,096.24	96,505.61	6.100	5.959	6.042	12/20/2037 7,234
36201XSZ2	172	G2 606366 Mlge	08/27/2015	0.00	0.00	0.00	5.490	5.362	5.437	03/20/2036 6,594
36201XTW8	173	G2 606365 Mlge	08/27/2015	110,348.10	110,348.10	117,768.25	5.490	5.363	5.437	05/20/2036 6,655
36202TUK0	178	G2 609086 Mlge	06/28/2016	82,372.46	82,372.46	87,910.99	5.490	5.359	5.434	11/20/2036 6,839
36202XDG9	174	G2 612203 Mlge	08/27/2015	0.00	0.00	0.00	5.490	5.363	5.438	08/20/2036 6,747
36290YB64	179	G2 621161 Mlge	06/28/2016	0.00	0.00	0.00	5.490	5.359	5.434	11/20/2036 6,839
36290YDR6	188	G2 621212 Mlge	06/28/2016	30,999.88	30,999.88	33,565.04	5.750	5.616	5.694	04/20/2037 6,990
36290YB23	187	G2 621157 Mlge	06/28/2016	48,739.42	48,739.42	52,774.77	5.750	5.615	5.693	12/20/2036 6,869
36290YCF3	184	G2 621170 Mlge	06/28/2016	128,645.19	128,645.19	139,117.20	5.750	5.615	5.693	01/20/2037 6,900
36296BYN6	242	G2 686617 Mlge	09/28/2017	58,068.87	58,068.87	63,762.85	6.000	5.861	5.943	03/20/2038 7,324
36296N4B9	248	G2 696618 Mlge	09/28/2017	91,338.82	91,338.82	100,295.23	6.000	5.863	5.944	08/20/2038 7,477
36295KCH4	194	G2 672472 Mlge	09/28/2016	100,268.54	100,268.54	108,571.74	5.750	5.617	5.695	12/20/2037 7,234
36295KDR1	195	G2 672512 Mlge	09/28/2016	0.00	0.00	0.00	5.750	5.617	5.695	11/20/2037 7,204
36295MNM7	213	G2 674596 Mlge	04/27/2017	31,490.61	31,490.61	33,906.21	5.650	5.519	5.596	09/20/2037 7,143
36295MS34	204	G2 674738 Mlge	01/30/2017	60,828.63	60,828.63	65,863.77	5.750	5.610	5.688	08/20/2037 7,112
36295OT26	214	G2 677469 Mlge	04/27/2017	69,865.62	69,865.62	75,224.52	5.650	5.519	5.596	10/20/2037 7,173
36295UGS4	229	G2 680709 Mlge	09/28/2017	78,581.17	78,581.17	86,284.57	6.000	5.861	5.942	12/20/2037 7,234
36295ULD1	230	G2 680824 Mlge	09/28/2017	0.00	0.00	0.00	6.000	5.860	5.942	12/20/2037 7,234
36295USM4	231	G2 681024 Mlge	09/28/2017	112,772.79	112,772.79	124,957.05	6.100	5.959	6.041	11/20/2037 7,204
36295WNR4	232	G2 682700 Mlge	09/28/2017	44,400.55	44,400.55	48,754.00	6.000	5.861	5.942	01/20/2038 7,265
36295WR74	233	G2 682810 Mlge	09/28/2017	33,032.42	33,032.42	36,271.28	6.000	5.861	5.942	01/20/2038 7,265
36295X3E3	215	G2 683997 Mlge	04/27/2017	32,772.40	32,772.40	35,286.64	5.650	5.520	5.597	01/20/2038 7,265
36295X3F0	235	G2 683997 Mlge	09/28/2017	98,444.79	98,444.79	109,081.79	6.100	5.959	6.042	01/20/2038 7,265
36295X3J2	236	G2 684001 Mlge	09/28/2017	75,300.39	75,300.39	82,682.36	6.000	5.861	5.942	02/20/2038 7,296
36295YHV8	238	G2 684344 Mlge	09/28/2017	116,927.12	116,927.12	129,560.65	6.100	5.960	6.042	02/20/2038 7,296
36295YLM3	216	G2 684432 Mlge	04/27/2017	92,646.43	92,646.43	99,754.22	5.650	5.520	5.597	02/20/2038 7,296

**Fund GENERAL - General Investments**  
**Investments by Fund**  
**February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM	YTM	Maturity Days To	Date Maturity
								360	365		
<b>Pass Through Securities (GNMA)</b>											
36295YN25	240	G2 684509 Mlge	09/28/2017	0.00	0.00	0.00	6.000	5.861	5.942	02/20/2038	7,296
36296AUJ1	217	G2 685585 Mlge	04/27/2017	62,651.77	62,651.77	67,458.46	5.650	5.521	5.597	03/20/2038	7,324
36296BWF5	241	G2 686546 Mlge	09/28/2017	74,761.54	74,761.54	82,092.21	6.000	5.862	5.943	04/20/2038	7,355
36296BYJ5	218	G2 686613 Mlge	04/27/2017	52,909.48	52,909.48	56,968.41	5.650	5.521	5.597	04/20/2038	7,355
36296DFV2	219	G2 688314 Mlge	04/27/2017	45,256.45	45,256.45	48,506.39	5.650	5.521	5.598	05/20/2038	7,385
36296GK42	205	G2 690715 Mlge	01/30/2017	54,962.04	54,962.04	59,513.85	5.750	5.613	5.691	06/20/2038	7,416
36296K7L0	247	G2 693999 Mlge	09/28/2017	74,682.52	74,682.52	82,750.93	6.100	5.961	6.044	07/20/2038	7,446
36296N4X1	206	G2 696638 Mlge	01/30/2017	0.00	0.00	0.00	5.750	5.613	5.691	08/20/2038	7,477
36296PBA8	207	G2 696733 Mlge	01/30/2017	62,331.53	62,331.53	67,113.94	5.650	5.514	5.591	07/20/2038	7,446
36296RNP8	208	G2 698898 Mlge	01/30/2017	67,562.26	67,562.26	73,157.94	5.750	5.613	5.691	08/20/2038	7,477
36296TFG3	249	G2 700467 Mlge	09/28/2017	102,986.40	102,986.40	114,115.17	6.100	5.962	6.044	10/20/2038	7,538
36296TKE2	250	G2 700593 Mlge	09/28/2017	84,500.10	84,500.10	93,631.09	6.100	5.962	6.044	10/20/2038	7,538
36296DVK1	243	G2 688318 Mlge	09/28/2017	43,170.58	43,170.58	47,396.98	6.000	5.862	5.943	05/20/2038	7,385
36296DWW6	244	G2 688360 Mlge	09/28/2017	56,717.53	56,717.53	62,278.49	6.000	5.862	5.943	05/20/2038	7,385
36296DWX2	245	G2 688362 Mlge	09/28/2017	86,052.98	86,052.98	95,347.18	6.100	5.960	6.043	05/20/2038	7,385
<b>Subtotal and Average</b>				<b>2,698,131.55</b>	<b>2,698,131.55</b>	<b>2,946,032.38</b>		<b>5,745</b>	<b>5,824</b>		<b>7,242</b>
<b>Pass Through Securities (FNMA)</b>											
31410UYT3	183	FN 898122 Mlge	06/28/2016	69,671.87	69,671.87	71,643.54	5.750	5.601	5.679	09/01/2036	6,759
31409XNJ4	161	FN 881593 Mlge	08/27/2015	44,496.61	44,496.61	45,322.21	5.490	5.350	5.424	04/01/2036	6,606
31410MJP6	162	FN 891370 Mlge	08/27/2015	0.00	0.00	0.00	5.490	5.350	5.424	04/01/2036	6,606
31410MW89	163	FN 891771 Mlge	08/27/2015	126,350.08	126,350.08	131,389.16	5.490	5.350	5.425	05/01/2036	6,636
31410SAG2	164	FN 895607 Mlge	08/27/2015	57,270.49	57,270.49	58,921.61	5.490	5.350	5.425	05/01/2036	6,636
31410SWN3	165	FN 896253 Mlge	08/27/2015	0.00	0.00	0.00	5.490	5.351	5.425	06/01/2036	6,667
31410VWZ9	175	FN 898964 Mlge	06/28/2016	63,444.16	63,444.16	65,187.79	5.490	5.346	5.420	09/01/2036	6,759
31410VW22	185	FN 898965 Mlge	06/28/2016	85,470.44	85,470.44	88,253.65	5.750	5.602	5.680	11/01/2036	6,820
31410TNG4	166	FN 894899 Mlge	08/27/2015	0.00	0.00	0.00	5.490	5.351	5.425	06/01/2036	6,667
31410UY55	167	FN 898121 Mlge	08/27/2015	93,131.20	93,131.20	95,965.15	5.490	5.351	5.425	07/01/2036	6,697
31410VW71	168	FN 898970 Mlge	08/27/2015	43,072.58	43,072.58	43,872.28	5.490	5.351	5.425	07/01/2036	6,697
31411CMA6	169	FN 904053 Mlge	08/27/2015	54,142.11	54,142.11	55,563.00	5.490	5.351	5.425	08/01/2036	6,728
31411LYY1	170	FN 911627 Mlge	08/27/2015	74,422.87	74,422.87	76,464.76	5.490	5.349	5.423	11/01/2035	6,454
31412BRY0	176	FN 920403 Mlge	06/28/2016	0.00	0.00	0.00	5.490	5.347	5.421	12/01/2036	6,850

**Fund GENERAL - General Investments**  
**Investments by Fund**  
**February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Pass Through Securities (FNMA)</b>										
31413MMY0	177	FN 949575 Mlge	06/28/2016	0.00	0.00	0.00	5.490	5.348	5.422	03/01/2037 6,940
31413RLV6	171	FN 953140 Mlge	08/27/2015	0.00	0.00	0.00	5.490	5.354	5.428	09/01/2037 7,124
31414JA60	186	FN 967229 Mlge	06/28/2016	101,185.52	101,185.52	104,558.65	5.650	5.507	5.583	11/01/2037 7,185
<b>Subtotal and Average</b>				<b>812,657.93</b>	<b>812,657.93</b>	<b>837,141.80</b>		<b>5.418</b>	<b>5.493</b>	<b>6,741</b>
<b>Pass Through Securities (FHLMC)</b>										
3128KYSL4	197	FG A67723 Mlge	01/30/2017	78,646.92	78,646.92	85,877.88	5.650	5.524	5.601	05/01/2037 7,001
31335YKU9	160	FG U30307 Mlge	08/27/2015	37,403.80	37,403.80	40,526.08	5.490	5.376	5.451	12/01/2036 6,850
31286DCD1	190	FG T30068 Mlge	09/28/2016	78,962.33	78,962.33	86,570.46	5.750	5.628	5.707	03/01/2037 6,940
31286DB59	189	FG T30060 Mlge	09/28/2016	35,067.54	35,067.54	38,444.25	5.750	5.628	5.706	02/01/2037 6,912
31286DLC3	196	FG T30323 Mlge	01/30/2017	14,505.60	14,505.60	15,809.46	5.650	5.525	5.602	10/01/2037 7,154
31286DKY6	209	FG T30311 Mlge	04/27/2017	59,118.93	59,118.93	64,540.57	5.650	5.532	5.609	10/01/2037 7,154
31321XK52	211	FG U32116 Mlge	04/27/2017	54,344.65	54,344.65	59,304.72	5.650	5.534	5.611	06/01/2038 7,397
31321XML5	227	FG U32163 Mlge	09/28/2017	67,837.04	67,837.04	75,246.08	6.000	5.876	5.957	05/01/2038 7,366
31335YNO5	180	FG U30399 Mlge	06/28/2016	62,870.16	62,870.16	68,420.78	5.750	5.630	5.708	06/01/2037 7,032
31335YPK6	192	FG U30426 Mlge	09/28/2016	88,261.69	88,261.69	96,067.40	5.750	5.629	5.707	07/01/2037 7,062
31335YUJ7	182	FG U30600 Mlge	06/28/2016	108,192.82	108,192.82	118,078.11	5.650	5.532	5.609	11/01/2037 7,185
31335YZ41	228	FG U30763 Mlge	09/28/2017	78,955.01	78,955.01	87,822.70	6.100	5.973	6.056	12/01/2037 7,215
31335YNA0	181	FG U30385 Mlge	06/28/2016	65,085.46	65,085.46	70,839.00	5.750	5.629	5.707	04/01/2037 6,971
31321WAL0	222	FG U30911 Mlge	09/28/2017	48,830.62	48,830.62	54,320.27	6.100	5.973	6.056	01/01/2038 7,246
31321W5E2	221	FG U31745 Mlge	09/28/2017	69,925.91	69,925.91	77,571.28	6.000	5.875	5.957	03/01/2038 7,305
31321XAV6	198	FG U31820 Mlge	01/30/2017	64,200.62	64,200.62	69,884.55	5.750	5.625	5.703	04/01/2038 7,336
31321XAX2	224	FG U31820 Mlge	01/30/2017	64,213.20	64,213.20	71,229.96	6.000	5.875	5.957	04/01/2038 7,336
31321XE59	200	FG U31956 Mlge	01/30/2017	58,765.75	58,765.75	64,138.92	5.650	5.526	5.603	04/01/2038 7,336
31321XJH8	226	FG U32064 Mlge	09/28/2017	80,019.47	80,019.47	88,797.28	6.000	5.876	5.957	05/01/2038 7,366
31321XMM3	202	FG U32164 Mlge	01/30/2017	30,938.47	30,938.47	33,756.93	5.650	5.527	5.604	07/01/2038 7,427
31335YLE4	191	FG U30325 Mlge	09/28/2016	62,309.26	62,309.26	67,815.05	5.750	5.628	5.707	03/01/2037 6,940
31335YVH6	203	FG U30616 Mlge	01/30/2017	0.00	0.00	0.00	5.650	5.525	5.602	10/01/2037 7,154
31335YWR3	212	FG U30656 Mlge	04/27/2017	0.00	0.00	0.00	5.650	5.533	5.609	11/01/2037 7,185
31321XBK9	199	FG U31842 Mlge	01/30/2017	72,996.44	72,996.44	79,673.88	5.650	5.526	5.603	03/01/2038 7,305
31321XDG6	225	FG U31903 Mlge	09/28/2017	93,102.98	93,102.98	103,293.52	6.000	5.876	5.957	05/01/2038 7,366
31321XE67	201	FG U31957 Mlge	01/30/2017	69,003.70	69,003.70	75,113.04	5.750	5.625	5.703	04/01/2038 7,336

**Fund GENERAL - General Investments**  
**Investments by Fund**  
**February 28, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
<b>Pass Through Securities (FHLMC)</b>										
31321XE75	210	FG U31958 Mlge	04/27/2017	104,559.42	104,559.42	114,116.57	5.650	5.533	5.610	02/01/2038 7,277
31321WCX2	223	FG U30986 Mlge	09/28/2017	0.00	0.00	0.00	6.000	5.874	5.956	12/01/2037 7,215
		<b>Subtotal and Average</b>		<b>1,648,117.79</b>	<b>1,648,117.79</b>	<b>1,807,258.74</b>		<b>5.671</b>	<b>5.750</b>	<b>7,200</b>
		<b>Total Investments and Average</b>		<b>5,158,907.27</b>	<b>5,158,907.27</b>	<b>5,590,432.92</b>		<b>5.670</b>	<b>5.748</b>	<b>7,150</b>

**Texas St Aff Housing - Surplus  
 Cash Reconciliation Report  
 For the Period December 1, 2017 - February 28, 2018  
 Grouped by Fund**

Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
<b>General Investments</b>											
12/15/2017	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat	12/01/2036	0.00	173.22	152.38	325.60
12/15/2017	180	GENERAL	Interest	31335YNO5	150,342.45	FGU303 0.2M 5.75% Mat	06/01/2037	0.00	303.55	158.83	462.38
12/15/2017	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat	04/01/2037	0.00	313.96	145.16	459.12
12/15/2017	182	GENERAL	Interest	31335YUZ7	112,790.45	FGU306 0.1M 5.65% Mat	11/01/2037	0.00	512.96	236.69	749.65
12/15/2017	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat	02/01/2037	0.00	169.37	92.59	261.96
12/15/2017	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat	03/01/2037	0.00	380.98	181.16	562.14
12/15/2017	192	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat	03/01/2037	0.00	301.20	199.85	501.05
12/15/2017	196	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat	07/01/2037	0.00	429.35	618.14	1,047.49
12/15/2017	197	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat	10/01/2037	0.00	79.55	277.40	356.95
12/15/2017	198	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat	05/01/2037	0.00	372.83	178.71	551.54
12/15/2017	199	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat	04/01/2038	0.00	309.98	162.90	472.88
12/15/2017	200	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat	03/01/2038	0.00	345.87	153.56	499.43
12/15/2017	201	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat	04/01/2038	0.00	278.49	126.99	405.48
12/15/2017	202	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat	04/01/2038	0.00	332.67	140.68	473.35
12/15/2017	209	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat	07/01/2038	0.00	147.46	128.33	275.79
12/15/2017	210	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat	10/01/2037	0.00	284.38	365.33	649.71
12/15/2017	211	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat	02/01/2038	0.00	495.45	222.12	717.57
12/15/2017	212	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat	06/01/2038	0.00	257.44	111.34	368.78
12/15/2017	221	GENERAL	Interest	31335YWR3	61,401.40	FGU656 0.1M 5.65% Mat	11/01/2037	0.00	284.70	136.07	420.77
12/15/2017	222	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat	03/01/2038	0.00	352.46	188.00	540.46
12/15/2017	223	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat	01/01/2038	0.00	249.76	100.19	349.95
12/15/2017	224	GENERAL	Interest	31321WXC2	71,641.42	FGU986 0.1M 6.00% Mat	12/01/2037	0.00	356.77	71,354.87	71,711.64
12/15/2017	225	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat	04/01/2038	0.00	323.08	133.87	456.95
12/15/2017	226	GENERAL	Interest	31321XDG6	94,093.78	FGU903 0.1M 6.00% Mat	05/01/2038	0.00	468.50	198.16	666.66
12/15/2017	227	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat	05/01/2038	0.00	402.55	162.73	565.28
12/15/2017	228	GENERAL	Interest	31321XMLS	68,688.43	FGU163 0.1M 6.00% Mat	05/01/2038	0.00	341.76	170.04	511.80
12/20/2017	172	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat	12/01/2037	0.00	403.86	163.04	566.90
12/20/2017	173	GENERAL	Interest	36201XSZ2	35,009.10	G26063 0.0M 5.49% Mat	03/20/2036	0.00	150.11	32,811.42	32,961.53
12/20/2017	178	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat	05/20/2036	0.00	509.18	307.70	816.88
12/20/2017	184	GENERAL	Interest	36290YCF3	86,182.90	G26090 0.1M 5.49% Mat	11/20/2036	0.00	379.58	197.70	577.28
12/20/2017	187	GENERAL	Interest	36290YB23	134,471.73	G26215 0.1M 5.75% Mat	01/20/2037	0.00	620.80	302.77	923.57
12/20/2017	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat	12/20/2036	0.00	235.18	113.09	348.27
12/20/2017	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat	11/20/2036	0.00	310.53	96.23	246.80
12/20/2017	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat	12/20/2037	0.00	483.54	213.58	460.96
12/20/2017	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat	08/20/2037	0.00	296.84	165.44	697.12
12/20/2017	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat	06/20/2038	0.00	264.98	112.07	462.28
12/20/2017	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat	07/20/2038	0.00	295.27	125.91	377.05

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Texas St Aff Housing - Surplus  
Cash Reconciliation Report  
For the Period December 1, 2017 - February 28, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
<b>General Investments</b>											
12/20/2017	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mal	08/20/2038	0.00	325.94	152.55	478.49
12/20/2017	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mal	09/20/2037	0.00	149.27	70.64	219.91
12/20/2017	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mal	10/20/2037	0.00	331.23	160.49	491.72
12/20/2017	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mal	01/20/2038	0.00	155.28	69.11	224.39
12/20/2017	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mal	02/20/2038	0.00	438.96	193.98	632.94
12/20/2017	217	GENERAL	Interest	36296AUJ1	63,937.64	G26855 0.1M 5.65% Mal	03/20/2038	0.00	296.83	130.23	427.06
12/20/2017	218	GENERAL	Interest	36296BYJ5	54,034.41	G26866 0.1M 5.65% Mal	04/20/2038	0.00	250.73	113.93	364.66
12/20/2017	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mal	05/20/2038	0.00	214.83	122.79	337.62
12/20/2017	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mal	06/20/2038	0.00	209.78	98.06	307.84
12/20/2017	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mal	12/20/2037	0.00	396.70	251.76	648.46
12/20/2017	230	GENERAL	Interest	36295ULD1	74,484.54	G26808 0.1M 6.00% Mal	12/20/2037	0.00	370.92	74,183.02	74,553.94
12/20/2017	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mal	11/20/2037	0.00	576.87	235.37	812.24
12/20/2017	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mal	01/20/2038	0.00	223.37	90.94	314.31
12/20/2017	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mal	01/20/2038	0.00	166.17	67.05	233.22
12/20/2017	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mal	12/20/2037	0.00	560.25	220.40	780.65
12/20/2017	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mal	01/20/2038	0.00	504.07	202.05	706.12
12/20/2017	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mal	02/20/2038	0.00	379.02	167.12	546.14
12/20/2017	237	GENERAL	Interest	36295X5K7	90,524.78	G24050 0.1M 6.10% Mal	01/20/2038	0.00	458.36	90,169.50	90,627.86
12/20/2017	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mal	02/20/2038	0.00	597.96	233.49	831.45
12/20/2017	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mal	12/20/2037	0.00	445.55	183.26	628.81
12/20/2017	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mal	04/20/2038	0.00	376.06	149.56	525.62
12/20/2017	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mal	03/20/2038	0.00	292.09	115.65	407.74
12/20/2017	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mal	05/20/2038	0.00	218.15	152.48	370.63
12/20/2017	244	GENERAL	Interest	36296DWW6	57,813.23	G28360 0.1M 6.00% Mal	05/20/2038	0.00	285.94	124.78	410.72
12/20/2017	245	GENERAL	Interest	36296DWX2	87,071.42	G28362 0.1M 6.10% Mal	05/20/2038	0.00	440.56	203.68	644.24
12/20/2017	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mal	05/20/2038	0.00	133.22	52.07	185.29
12/20/2017	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mal	07/20/2038	0.00	382.03	156.30	538.33
12/20/2017	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mal	08/20/2038	0.00	459.41	180.20	639.61
12/20/2017	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mal	10/20/2038	0.00	526.47	192.63	719.10
12/20/2017	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mal	10/20/2038	0.00	431.98	158.76	590.74
12/25/2017	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mal	04/01/2036	0.00	211.23	1,448.90	1,660.13
12/25/2017	163	GENERAL	Interest	31410MWB9	135,291.51	FN8917 0.1M 5.49% Mal	05/01/2036	0.00	582.42	316.89	899.31
12/25/2017	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mal	05/01/2036	0.00	264.19	157.94	422.13
12/25/2017	167	GENERAL	Interest	31410UJY5	99,858.21	FN8981 0.1M 5.49% Mal	07/01/2036	0.00	429.36	238.42	667.78
12/25/2017	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mal	07/01/2036	0.00	198.51	105.62	304.13
12/25/2017	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mal	08/01/2036	0.00	252.88	375.59	628.47
12/25/2017	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mal	11/01/2035	0.00	343.17	194.54	537.71
12/25/2017	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mal	09/01/2036	0.00	292.46	160.03	452.49
12/25/2017	176	GENERAL	Interest	31412BRY0	33,632.86	FN9204 0.0M 5.49% Mal	12/01/2036	0.00	148.07	32,364.48	32,512.55
12/25/2017	183	GENERAL	Interest	31410UVT3	80,282.28	FN8122 0.1M 5.75% Mal	09/01/2036	0.00	343.36	525.61	868.97
12/25/2017	185	GENERAL	Interest	31410VWZ2	90,451.78	FN8965 0.1M 5.75% Mal	11/01/2036	0.00	413.29	258.84	672.13
12/25/2017	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mal	11/01/2037	0.00	481.43	386.24	867.67

Texas St Aff Housing - Surplus  
Cash Reconciliation Report  
For the Period December 1, 2017 - February 28, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
<b>General Investments</b>											
01/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	172.53	153.14	325.67
01/15/2018	180	GENERAL	Interest	31335YNO5	150,342.45	FGU303 0.2M 5.75% Mat.	06/01/2037	0.00	302.79	159.65	462.44
01/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	313.26	145.91	459.17
01/15/2018	182	GENERAL	Interest	31335YU27	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	511.84	237.90	749.74
01/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	168.93	93.04	261.97
01/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	380.11	182.12	562.23
01/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	300.24	149.94	450.18
01/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	426.39	275.35	701.74
01/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	78.24	963.16	1,041.40
01/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	371.99	179.65	551.64
01/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	309.20	163.75	472.95
01/15/2018	199	GENERAL	Interest	31321XKB9	74,952.57	FGU842 0.1M 5.65% Mat.	03/01/2038	0.00	345.15	154.34	499.49
01/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	277.89	127.63	405.52
01/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	332.00	141.41	473.41
01/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	146.85	128.02	274.87
01/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	282.66	542.77	825.43
01/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	494.41	223.26	717.67
01/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat.	06/01/2038	0.00	256.91	110.22	367.13
01/15/2018	212	GENERAL	Interest	31335YWR3	61,401.40	FGU656 0.1M 5.65% Mat.	11/01/2037	0.00	284.06	136.76	420.82
01/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	351.52	189.02	540.54
01/15/2018	222	GENERAL	Interest	31321WALD	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	249.25	100.74	349.99
01/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	322.42	134.59	457.01
01/15/2018	225	GENERAL	Interest	31321XDG6	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	467.51	199.22	666.73
01/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat.	05/01/2038	0.00	401.74	163.61	565.35
01/15/2018	227	GENERAL	Interest	31321XML5	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	340.91	171.82	512.73
01/15/2018	228	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	403.03	164.28	567.31
01/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	507.77	309.32	817.09
01/20/2018	178	GENERAL	Interest	36202TUK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	378.68	198.68	577.36
01/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat.	01/20/2037	0.00	619.35	304.34	923.69
01/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	234.64	113.68	348.32
01/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat.	04/20/2037	0.00	150.11	228.87	378.98
01/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat.	11/20/2036	0.00	309.81	151.21	461.02
01/20/2018	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	482.52	214.70	697.22
01/20/2018	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	296.05	785.31	1,081.36
01/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	264.44	112.65	377.09
01/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat.	06/20/2038	0.00	294.67	126.55	421.22
01/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	325.21	153.34	478.55
01/20/2018	213	GENERAL	Interest	36295MMW7	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	148.94	71.00	219.94
01/20/2018	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	330.47	161.31	491.78
01/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	154.96	69.47	224.43
01/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	438.05	194.97	633.02
01/20/2018	217	GENERAL	Interest	36296AUJ1	63,937.64	G26855 0.1M 5.65% Mat.	03/20/2038	0.00	296.22	130.89	427.11

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Texas St Aff Housing - Surplus  
Cash Reconciliation Report

For the Period December 1, 2017 - February 28, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
01/20/2018	218	GENERAL	Interest	36296BYJ5	54,034.41	G26866 0.1M 5.65% Mat	04/20/2038	0.00	250.20	114.51	364.71
01/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat	05/20/2038	0.00	214.25	123.42	337.67
01/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat	06/20/2038	0.00	209.31	98.56	307.87
01/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat	12/20/2037	0.00	395.44	253.10	648.54
01/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat	11/20/2037	0.00	575.67	236.67	812.34
01/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat	01/20/2038	0.00	222.92	91.43	314.35
01/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat	01/20/2038	0.00	165.84	67.41	233.25
01/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat	12/20/2037	0.00	559.13	221.82	780.95
01/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat	01/20/2038	0.00	503.04	203.13	706.17
01/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat	02/20/2038	0.00	378.19	168.03	546.22
01/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat	02/20/2038	0.00	596.77	234.77	831.54
01/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat	12/20/2037	0.00	444.62	184.27	628.89
01/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat	04/20/2038	0.00	375.32	116.28	407.79
01/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat	03/20/2038	0.00	291.51	150.37	525.69
01/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat	05/20/2038	0.00	217.39	153.30	370.69
01/20/2018	244	GENERAL	Interest	36296DWW6	57,813.23	G28360 0.1M 6.00% Mat	05/20/2038	0.00	285.32	126.82	412.14
01/20/2018	245	GENERAL	Interest	36296DWWX2	87,071.42	G28362 0.1M 6.10% Mat	05/20/2038	0.00	439.52	204.80	644.32
01/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat	05/20/2038	0.00	132.96	52.35	185.31
01/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G24939 0.1M 6.10% Mat	07/20/2038	0.00	381.24	157.16	538.40
01/20/2018	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mat	08/20/2038	0.00	458.51	181.17	639.68
01/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat	10/20/2038	0.00	525.49	193.69	719.18
01/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat	10/20/2038	0.00	431.17	159.63	590.80
01/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat	04/01/2036	0.00	204.60	112.16	316.76
01/25/2018	163	GENERAL	Interest	31410MW89	135,291.51	FN8917 0.1M 5.49% Mat	05/01/2036	0.00	580.97	318.48	899.45
01/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat	05/01/2036	0.00	263.47	158.73	422.20
01/25/2018	167	GENERAL	Interest	31410UY55	99,858.21	FN8981 0.1M 5.49% Mat	07/01/2036	0.00	428.27	239.60	667.87
01/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat	07/01/2036	0.00	198.03	106.14	304.17
01/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat	08/01/2036	0.00	251.16	377.46	628.62
01/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat	08/01/2036	0.00	342.28	195.51	537.79
01/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat	09/01/2036	0.00	291.73	160.83	452.56
01/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat	09/01/2036	0.00	340.85	828.36	1,169.21
01/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat	11/01/2036	0.00	412.05	260.19	672.24
01/25/2018	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mat	11/01/2037	0.00	479.61	288.22	767.83
02/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat	12/01/2036	0.00	171.83	153.90	325.73
02/15/2018	180	GENERAL	Interest	31335YNO5	150,342.45	FGU303 0.2M 5.75% Mat	06/01/2037	0.00	302.02	160.49	462.51
02/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat	04/01/2037	0.00	312.57	145.59	458.16
02/15/2018	182	GENERAL	Interest	31335YUZ7	112,790.45	FGU306 0.1M 5.65% Mat	11/01/2037	0.00	510.72	279.03	789.75
02/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat	02/01/2037	0.00	168.48	93.54	262.02
02/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat	03/01/2037	0.00	379.24	183.06	562.30
02/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat	03/01/2037	0.00	299.53	200.59	500.12
02/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat	07/01/2037	0.00	425.07	449.09	874.16
02/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat	10/01/2037	0.00	73.71	1,148.92	1,222.63

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Texas Staff Housing - Surplus  
Cash Reconciliation Report  
For the Period December 1, 2017 - February 28, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
02/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat	05/01/2037	0.00	371.15	180.55	551.70
02/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat	04/01/2038	0.00	308.42	164.60	473.02
02/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat	03/01/2038	0.00	344.42	155.13	499.55
02/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat	04/01/2038	0.00	277.29	128.29	405.58
02/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat	04/01/2038	0.00	331.32	141.11	472.43
02/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat	07/01/2038	0.00	146.25	123.68	269.93
02/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat	10/01/2037	0.00	280.10	371.77	651.87
02/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat	02/01/2038	0.00	493.36	224.40	717.76
02/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat	06/01/2038	0.00	256.40	111.11	367.51
02/15/2018	212	GENERAL	Interest	31335WYR3	61,401.40	FGU656 0.1M 5.65% Mat	11/01/2037	0.00	283.42	60,195.36	60,478.78
02/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat	03/01/2038	0.00	350.58	190.04	540.62
02/15/2018	222	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat	01/01/2038	0.00	248.74	101.30	350.04
02/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat	04/01/2038	0.00	321.74	135.32	457.06
02/15/2018	225	GENERAL	Interest	31321XDG6	94,093.78	FGU903 0.1M 6.00% Mat	05/01/2038	0.00	466.52	200.31	666.83
02/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat	05/01/2038	0.00	400.92	164.50	565.42
02/15/2018	227	GENERAL	Interest	31321XMLS	68,688.43	FGU163 0.1M 6.00% Mat	05/01/2038	0.00	340.05	172.19	512.24
02/15/2018	228	GENERAL	Interest	31335VZ41	79,771.92	FGU307 0.1M 6.10% Mat	12/01/2037	0.00	402.19	165.17	567.36
02/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat	05/20/2036	0.00	506.36	330.68	837.04
02/20/2018	174	GENERAL	Interest	36202TUK0	86,182.90	G26090 0.1M 5.49% Mat	11/20/2036	0.00	377.77	199.68	577.45
02/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat	01/20/2037	0.00	617.89	305.93	923.82
02/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat	12/20/2036	0.00	234.09	114.27	348.36
02/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat	04/20/2037	0.00	149.01	97.92	246.93
02/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat	11/20/2036	0.00	309.08	152.00	461.08
02/20/2018	194	GENERAL	Interest	36295MS34	103,789.18	G26724 0.1M 5.75% Mat	12/20/2037	0.00	481.49	215.81	697.30
02/20/2018	204	GENERAL	Interest	36295KCH4	67,040.43	G26747 0.1M 5.75% Mat	08/20/2037	0.00	292.29	170.40	462.69
02/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat	06/20/2038	0.00	263.90	113.24	377.14
02/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat	07/20/2038	0.00	294.08	127.20	421.28
02/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat	08/20/2038	0.00	324.47	154.14	478.61
02/20/2018	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mat	09/20/2037	0.00	148.60	71.36	219.96
02/20/2018	214	GENERAL	Interest	36295DT26	71,450.31	G26774 0.1M 5.65% Mat	10/20/2037	0.00	329.71	162.14	491.85
02/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat	01/20/2038	0.00	154.63	69.82	224.45
02/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat	02/20/2038	0.00	437.13	195.97	633.10
02/20/2018	217	GENERAL	Interest	36296AUJ1	63,937.64	G26855 0.1M 5.65% Mat	03/20/2038	0.00	295.60	131.57	427.17
02/20/2018	218	GENERAL	Interest	36296BYJ5	54,034.41	G26866 0.1M 5.65% Mat	04/20/2038	0.00	249.66	115.10	364.76
02/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat	05/20/2038	0.00	213.67	124.05	337.72
02/20/2018	220	GENERAL	Interest	36296CK59	45,695.59	G20716 0.0M 5.65% Mat	06/20/2038	0.00	208.85	99.07	307.92
02/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat	12/20/2037	0.00	394.18	254.45	648.63
02/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat	11/20/2037	0.00	574.47	237.98	812.45
02/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat	01/20/2038	0.00	222.46	91.93	314.39
02/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat	01/20/2038	0.00	165.50	67.78	233.28
02/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat	12/20/2037	0.00	558.00	222.84	780.84
02/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat	01/20/2038	0.00	502.01	310.47	812.48

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Texas St Aff Housing - Surplus  
Cash Reconciliation Report  
For the Period December 1, 2017 - February 28, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
<b>General Investments</b>											
02/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat	02/20/2038	0.00	377.35	168.94	546.29
02/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat	02/20/2038	0.00	595.58	236.06	831.64
02/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat	12/20/2037	0.00	443.68	185.28	628.96
02/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat	04/20/2038	0.00	374.56	151.18	525.74
02/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat	03/20/2038	0.00	290.93	116.91	407.84
02/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat	05/20/2038	0.00	216.62	154.13	370.75
02/20/2018	244	GENERAL	Interest	36296DWW6	57,813.23	G28360 0.1M 6.00% Mat	05/20/2038	0.00	284.68	219.38	504.06
02/20/2018	245	GENERAL	Interest	36296DWW2	87,071.42	G28362 0.1M 6.10% Mat	05/20/2038	0.00	438.48	205.93	644.41
02/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat	05/20/2038	0.00	132.70	52.63	185.33
02/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat	07/20/2038	0.00	380.44	158.03	538.47
02/20/2018	248	GENERAL	Interest	36296N489	92,241.52	G26618 0.1M 6.00% Mat	08/20/2038	0.00	457.60	182.15	639.75
02/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat	10/20/2038	0.00	524.50	194.75	719.25
02/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat	10/20/2038	0.00	430.36	160.51	590.87
02/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat	04/01/2036	0.00	204.09	112.72	316.81
02/25/2018	163	GENERAL	Interest	31410MMW89	135,291.51	FN8917 0.1M 5.49% Mat	05/01/2036	0.00	579.52	320.06	899.58
02/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat	05/01/2036	0.00	262.74	159.51	422.25
02/25/2018	167	GENERAL	Interest	31410UJY55	99,858.21	FN8981 0.1M 5.49% Mat	07/01/2036	0.00	427.18	240.80	667.98
02/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat	07/01/2036	0.00	197.55	106.67	304.22
02/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat	08/01/2036	0.00	249.44	379.35	628.79
02/25/2018	170	GENERAL	Interest	31411LXY1	79,911.93	FN9116 0.1M 5.49% Mat	11/01/2035	0.00	341.38	196.49	537.87
02/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat	09/01/2036	0.00	291.00	161.63	452.63
02/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat	09/01/2036	0.00	336.88	632.67	969.55
02/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat	11/01/2036	0.00	410.80	261.55	672.35
02/25/2018	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mat	11/01/2037	0.00	478.25	390.21	868.46
				<b>Subtotal</b>			<b>Subtotal</b>	<b>0.00</b>	<b>77,594.90</b>	<b>406,268.76</b>	<b>483,863.66</b>
				<b>Total</b>			<b>Total</b>	<b>0.00</b>	<b>77,594.90</b>	<b>406,268.76</b>	<b>483,863.66</b>

**Texas St Aff Housing - Surplus  
 Interest Earnings  
 Sorted by Fund - Fund  
 December 1, 2017 - February 28, 2018  
 Yield on Average Book Value**

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
31335YKU9	160	GENERAL	GN3	37,403.80	37,863.22	37,634.03	12/01/2036	5.490	0.062	515.48	0.00	515.48
31409XNJ4	161	GENERAL	GN2	44,496.61	46,170.39	45,059.24	04/01/2036	5.490	0.061	612.26	0.00	612.26
31410MW89	163	GENERAL	GN2	126,350.08	127,305.51	126,935.05	05/01/2036	5.490	0.062	1,738.54	0.00	1,738.54
31410SAG2	164	GENERAL	GN2	57,270.49	57,746.67	57,562.03	05/01/2036	5.490	0.062	788.22	0.00	788.22
31410UV55	167	GENERAL	GN2	93,131.20	93,850.02	93,571.30	07/01/2036	5.490	0.062	1,281.53	0.00	1,281.53
31410VW71	168	GENERAL	GN2	43,072.58	43,391.01	43,267.54	07/01/2036	5.490	0.062	592.64	0.00	592.64
31411CMA6	169	GENERAL	GN2	54,142.11	55,274.51	54,835.43	08/01/2036	5.490	0.061	748.30	0.00	748.30
31411LYY1	170	GENERAL	GN2	74,422.87	75,009.41	74,781.98	11/01/2035	5.490	0.062	1,024.14	0.00	1,024.14
36201XTW8	173	GENERAL	GN1	110,348.10	111,295.80	110,882.52	05/20/2036	5.490	0.062	1,518.97	0.00	1,518.97
31410VWZ9	175	GENERAL	GN2	63,444.16	63,926.65	63,739.57	09/01/2036	5.490	0.062	872.99	0.00	872.99
36202TUK0	178	GENERAL	GN1	82,372.46	82,968.52	82,704.29	11/20/2036	5.490	0.062	1,133.30	0.00	1,133.30
31335YNO5	180	GENERAL	GN3	62,870.16	63,349.13	63,110.22	06/01/2037	5.750	0.065	906.06	0.00	906.06
31335YNA0	181	GENERAL	GN3	65,085.46	65,522.12	65,303.94	04/01/2037	5.750	0.065	937.70	0.00	937.70
31335YUJ7	182	GENERAL	GN3	108,192.82	108,946.44	108,584.21	11/01/2037	5.650	0.064	1,531.97	0.00	1,531.97
31410UYT3	183	GENERAL	GN2	69,671.87	71,658.51	70,922.80	09/01/2036	5.750	0.064	1,011.57	0.00	1,011.57
36290YCF3	184	GENERAL	GN1	128,645.19	129,558.23	129,153.52	01/20/2037	5.750	0.065	1,853.66	0.00	1,853.66
31410VW22	185	GENERAL	GN2	85,470.44	86,251.02	85,948.39	11/01/2036	5.750	0.065	1,232.40	0.00	1,232.40
31414JA60	186	GENERAL	GN2	101,185.52	102,250.19	101,837.52	11/01/2037	5.650	0.063	1,434.29	0.00	1,434.29
36290YB23	187	GENERAL	GN1	48,739.42	49,080.46	48,929.29	12/20/2036	5.750	0.065	702.27	0.00	702.27
36290YDR6	188	GENERAL	GN1	30,999.88	31,422.90	31,235.47	04/20/2037	5.750	0.065	447.66	0.00	447.66
31286DB59	189	GENERAL	GN3	35,067.54	35,346.71	35,207.45	02/01/2037	5.750	0.065	505.44	0.00	505.44
31286DCD1	190	GENERAL	GN3	78,962.33	79,508.67	79,236.15	03/01/2037	5.750	0.065	1,137.71	0.00	1,137.71
31335YLE4	191	GENERAL	GN3	62,309.26	62,859.64	62,584.70	03/01/2037	5.750	0.065	898.34	0.00	898.34
31335YPK6	192	GENERAL	GN3	88,261.69	89,604.27	88,874.75	07/01/2037	5.750	0.065	1,274.38	0.00	1,274.38
36202XEM5	193	GENERAL	GN1	64,352.67	64,806.31	64,605.23	11/20/2036	5.750	0.065	927.25	0.00	927.25
36295KCH4	194	GENERAL	GN1	100,268.54	100,912.63	100,627.14	12/20/2037	5.750	0.065	1,444.46	0.00	1,444.46
31286DLC3	196	GENERAL	GN3	14,505.60	16,895.08	16,000.53	10/01/2037	5.650	0.062	220.25	0.00	220.25
3128KYSL4	197	GENERAL	GN3	78,646.92	79,185.83	78,917.01	05/01/2037	5.650	0.064	1,113.44	0.00	1,113.44
31321XAX2	224	GENERAL	GN3	64,213.20	64,616.98	64,415.59	04/01/2038	6.000	0.068	965.23	0.00	965.23
31321XAV6	198	GENERAL	GN3	64,200.62	64,691.87	64,446.83	04/01/2038	5.750	0.065	925.25	0.00	925.25

Texas St Aff Housing - Surplus  
Interest Earnings  
December 1, 2017 - February 28, 2018

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: General Investments</b>												
31321XBK9	199	GENERAL	GN3	72,996.44	73,459.47	73,228.50	03/01/2038	5.650	0.064	1,033.26	0.00	1,033.26
31321XE59	200	GENERAL	GN3	58,765.75	59,148.66	58,957.65	04/01/2038	5.650	0.064	831.87	0.00	831.87
31321XE67	201	GENERAL	GN3	69,003.70	69,426.90	69,215.45	04/01/2038	5.750	0.065	993.96	0.00	993.96
31321XMM3	202	GENERAL	GN3	30,938.47	31,318.50	31,126.88	07/01/2038	5.650	0.064	438.77	0.00	438.77
36295MS34	204	GENERAL	GN1	60,828.63	61,949.78	61,453.20	08/20/2037	5.750	0.065	879.81	0.00	879.81
36296GK42	205	GENERAL	GN1	54,962.04	55,300.00	55,150.20	06/20/2038	5.750	0.065	791.70	0.00	791.70
36296PBA8	207	GENERAL	GN1	62,331.53	62,711.19	62,542.90	07/20/2038	5.650	0.064	882.23	0.00	882.23
36296RNP8	208	GENERAL	GN1	67,562.26	68,022.29	67,818.38	08/20/2038	5.750	0.065	973.42	0.00	973.42
31286DKY6	209	GENERAL	GN3	59,118.93	60,398.80	59,761.08	10/01/2037	5.650	0.063	841.11	0.00	841.11
31321XE75	210	GENERAL	GN3	104,559.42	105,229.20	104,895.10	02/01/2038	5.650	0.064	1,480.07	0.00	1,480.07
31321XK52	211	GENERAL	GN3	54,344.65	54,677.32	54,510.91	06/01/2038	5.650	0.064	769.18	0.00	769.18
36295MNM7	213	GENERAL	GN1	31,490.61	31,703.61	31,609.19	09/20/2037	5.650	0.064	445.81	0.00	445.81
36295OT26	214	GENERAL	GN1	69,865.62	70,349.56	70,135.04	10/20/2037	5.650	0.064	989.13	0.00	989.13
36295X3E3	215	GENERAL	GN1	32,772.40	32,980.80	32,888.42	01/20/2038	5.650	0.064	463.89	0.00	463.89
36295X3F0	235	GENERAL	GN1	98,444.79	99,160.44	98,879.72	01/20/2038	6.100	0.069	1,505.48	0.00	1,505.48
36295YLM3	216	GENERAL	GN1	92,646.43	93,231.35	92,972.07	02/20/2038	5.650	0.064	1,311.39	0.00	1,311.39
36296AUJ1	217	GENERAL	GN1	62,651.77	63,044.46	62,870.39	03/20/2038	5.650	0.064	886.81	0.00	886.81
36296BYJ5	218	GENERAL	GN1	52,909.48	53,253.02	53,100.74	04/20/2038	5.650	0.064	748.98	0.00	748.98
36296VDF2	219	GENERAL	GN1	45,256.45	45,626.71	45,462.58	05/20/2038	5.650	0.064	641.00	0.00	641.00
36296GK59	220	GENERAL	GN1	44,258.49	44,554.18	44,423.11	06/20/2038	5.650	0.064	626.54	0.00	626.54
31321W5E2	221	GENERAL	GN3	69,925.91	70,492.97	70,210.14	03/01/2038	6.000	0.068	1,051.73	0.00	1,051.73
31321WALO	222	GENERAL	GN3	48,830.62	49,132.85	48,982.12	01/01/2038	6.100	0.069	746.21	0.00	746.21
31321XDG6	225	GENERAL	GN3	93,102.98	93,700.67	93,402.57	05/01/2038	6.000	0.068	1,399.54	0.00	1,399.54
31321XJH8	226	GENERAL	GN3	80,019.47	80,510.31	80,265.50	05/01/2038	6.000	0.068	1,202.76	0.00	1,202.76
31321XML5	227	GENERAL	GN3	67,837.04	68,351.09	68,094.81	05/01/2038	6.000	0.068	1,020.15	0.00	1,020.15
31335YZ41	228	GENERAL	GN3	78,955.01	79,447.50	79,201.99	12/01/2037	6.100	0.069	1,206.57	0.00	1,206.57
36295UGS4	229	GENERAL	GN1	78,581.17	79,340.48	79,003.94	12/20/2037	6.000	0.067	1,182.53	0.00	1,182.53
36295SUSM4	231	GENERAL	GN1	112,772.79	113,482.81	113,168.14	11/20/2037	6.100	0.069	1,723.40	0.00	1,723.40
36295WNR4	232	GENERAL	GN1	44,400.55	44,674.85	44,553.28	01/20/2038	6.000	0.067	667.38	0.00	667.38
36295WR74	233	GENERAL	GN1	33,032.42	33,234.66	33,145.03	01/20/2038	6.000	0.068	496.50	0.00	496.50
36295WR82	234	GENERAL	GN1	109,547.23	110,212.29	109,917.55	12/20/2037	6.100	0.069	1,674.00	0.00	1,674.00
36295X3J2	236	GENERAL	GN1	75,300.39	75,804.48	75,581.07	02/20/2038	6.000	0.067	1,132.04	0.00	1,132.04
36295YHV8	238	GENERAL	GN1	116,927.12	117,631.44	117,319.29	02/20/2038	6.100	0.069	1,786.73	0.00	1,786.73
36295YLC5	239	GENERAL	GN1	87,096.24	87,649.05	87,404.05	12/20/2037	6.100	0.069	1,331.04	0.00	1,331.04
36296BWF5	241	GENERAL	GN1	74,761.54	75,212.65	75,012.71	04/20/2038	6.000	0.068	1,123.69	0.00	1,123.69
36296BYN6	242	GENERAL	GN1	58,068.87	58,417.71	58,263.10	03/20/2038	6.000	0.068	872.78	0.00	872.78
36296DVK1	243	GENERAL	GN1	43,170.58	43,630.49	43,426.65	05/20/2038	6.000	0.067	649.86	0.00	649.86

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Texas St Aff Housing - Surplus  
Interest Earnings  
December 1, 2017 - February 28, 2018

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: General Investments</b>												
36296DWW6	244	GENERAL	GNI	56,717.53	57,188.51	57,011.77	05/20/2038	6.000	0.067	853.59	0.00	853.59
36296DWX2	245	GENERAL	GNI	86,052.98	86,667.39	86,395.09	05/20/2038	6.100	0.069	1,315.44	0.00	1,315.44
36296GL74	246	GENERAL	GNI	26,487.54	26,644.59	26,574.98	05/20/2038	6.000	0.068	398.10	0.00	398.10
36296K7L0	247	GENERAL	GNI	74,682.52	75,154.01	74,945.05	07/20/2038	6.100	0.069	1,141.32	0.00	1,141.32
36296N4B9	248	GENERAL	GNI	91,338.82	91,882.34	91,641.45	08/20/2038	6.000	0.068	1,372.80	0.00	1,372.80
36296TFG3	249	GENERAL	GNI	102,986.40	103,567.47	103,309.95	10/20/2038	6.100	0.069	1,573.50	0.00	1,573.50
36296TKE2	250	GENERAL	GNI	84,500.10	84,979.00	84,766.76	10/20/2038	6.100	0.069	1,291.07	0.00	1,291.07
<b>Subtotal</b>				<b>5,158,907.27</b>	<b>5,203,824.55</b>	<b>5,183,512.23</b>			<b>0.065</b>	<b>75,042.84</b>	<b>0.00</b>	<b>75,042.84</b>
<b>Total</b>				<b>5,158,907.27</b>	<b>5,203,824.55</b>	<b>5,183,512.23</b>			<b>0.065</b>	<b>75,042.84</b>	<b>0.00</b>	<b>75,042.84</b>



Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

**Texas St Aff Housing - Surplus**  
**Texas Compliance Change in Val Report**  
**Sorted by Fund**  
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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
<b>Fund: General Investments</b>									
160	FGMTGE	GENERAL	08/27/2015	515.48	37,863.22	0.00	459.42	-459.42	37,403.80
31335YK09	37,403.80	5.451	12/01/2036	517.58	41,472.50	0.00	459.42	-946.42	40,526.08
161	FN8815	GENERAL	08/27/2015	612.26	46,170.39	0.00	1,673.78	-1,673.78	44,496.61
31409XNJ4	44,496.61	5.424	04/01/2036	619.92	46,985.27	0.00	1,673.78	-1,663.06	45,322.21
162	FN8913	GENERAL	08/27/2015	0.00	0.00	0.00	0.00	0.00	0.00
31410MJP6	0.00	0.000	04/01/2036	0.00	0.00	0.00	0.00	0.00	0.00
163	FN8917	GENERAL	08/27/2015	1,738.54	127,305.51	0.00	955.43	-955.43	126,350.08
31410MW89	126,350.08	5.425	05/01/2036	1,742.91	133,467.20	0.00	955.43	-2,078.04	131,389.16
164	FN8956	GENERAL	08/27/2015	788.22	57,746.67	0.00	476.18	-476.18	57,270.49
31410SAG2	57,270.49	5.425	05/01/2036	790.40	59,734.41	0.00	476.18	-812.80	58,921.61
165	FN8962	GENERAL	08/27/2015	0.00	0.00	0.00	0.00	0.00	0.00
31410SWN3	0.00	0.000	06/01/2036	0.00	0.00	0.00	0.00	0.00	0.00
166	FN8968	GENERAL	08/27/2015	0.00	0.00	0.00	0.00	0.00	0.00
31410TNO4	0.00	0.000	06/01/2036	0.00	0.00	0.00	0.00	0.00	0.00
167	FN8981	GENERAL	08/27/2015	1,281.53	93,850.02	0.00	718.82	-718.82	93,131.20
31410UYS5	93,131.20	5.425	07/01/2036	1,284.81	97,284.30	0.00	718.82	-1,319.15	95,965.15
168	FN8989	GENERAL	08/27/2015	592.64	43,391.01	0.00	318.43	-318.43	43,072.58
31410VW71	43,072.58	5.425	07/01/2036	594.09	44,348.61	0.00	318.43	-476.33	43,872.28
169	FN9040	GENERAL	08/27/2015	748.30	55,274.51	0.00	1,132.40	-1,132.40	54,142.11
31411CMA6	54,142.11	5.425	08/01/2036	753.48	57,016.77	0.00	1,132.40	-1,453.77	55,563.00
170	FN9116	GENERAL	08/27/2015	1,024.14	75,009.41	0.00	586.54	-586.54	74,422.87
31411LYY1	74,422.87	5.423	11/01/2035	1,026.83	77,751.12	0.00	586.54	-1,286.36	76,464.76

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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Ending Book Value	Ending Market Value	
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value
171	FN9531	GENERAL	08/27/2015	0.00	0.00	0.00	0.00	0.00
31413RLV6	0.00	0.000	09/01/2037	0.00	0.00	0.00	0.00	0.00
172	G26063	GENERAL	08/27/2015	0.00	32,811.42	32,811.42	32,811.42	-32,811.42
36201XSZ2	0.00	0.000	03/20/2036	150.11	35,501.73	35,501.73	32,811.42	-35,501.73
173	G26066	GENERAL	08/27/2015	1,518.97	111,295.80	111,295.80	947.70	-947.70
36201XTW8	110,348.10	5.437	05/20/2036	1,523.31	120,812.19	120,812.19	947.70	-3,043.94
174	G26122	GENERAL	08/27/2015	0.00	0.00	0.00	0.00	0.00
36202XDG9	0.00	0.000	08/20/2036	0.00	0.00	0.00	0.00	0.00
175	FN8964	GENERAL	06/28/2016	872.99	63,926.65	63,926.65	482.49	-482.49
31410VWZ9	63,444.16	5.420	09/01/2036	875.19	66,033.42	66,033.42	482.49	-845.63
176	FN9204	GENERAL	06/28/2016	0.00	32,364.48	32,364.48	32,364.48	-32,364.48
31412BRY0	0.00	0.000	12/01/2036	148.07	32,605.07	32,605.07	32,364.48	-32,605.07
177	FN9495	GENERAL	06/28/2016	0.00	0.00	0.00	0.00	0.00
31413MMY0	0.00	0.000	03/01/2037	0.00	0.00	0.00	0.00	0.00
178	G26090	GENERAL	06/28/2016	1,133.30	82,968.52	82,968.52	596.06	-596.06
36202TUK0	82,372.46	5.434	11/20/2036	1,136.03	90,063.29	90,063.29	596.06	-2,152.30
179	G26211	GENERAL	06/28/2016	0.00	0.00	0.00	0.00	0.00
36290YB64	0.00	0.000	11/20/2036	0.00	0.00	0.00	0.00	0.00
180	FGU303	GENERAL	06/28/2016	906.06	63,349.13	63,349.13	478.97	-478.97
31335YNO5	62,870.16	5.708	06/01/2037	908.36	69,630.60	69,630.60	478.97	-1,209.82
181	FGU308	GENERAL	06/28/2016	937.70	65,522.12	65,522.12	436.66	-436.66
31335YNA0	65,085.46	5.707	04/01/2037	939.79	72,028.48	72,028.48	436.66	-1,189.48
182	FGU306	GENERAL	06/28/2016	1,531.97	108,946.44	108,946.44	753.62	-753.62
31335YUZ7	108,192.82	5.609	11/01/2037	1,535.52	120,128.93	120,128.93	753.62	-2,050.82
183	FN8122	GENERAL	06/28/2016	1,011.57	71,658.51	71,658.51	1,986.64	-1,986.64
31410UYT3	69,671.87	5.679	09/01/2036	1,021.09	74,072.05	74,072.05	1,986.64	-2,428.51

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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
184	G26217	GENERAL	06/28/2016	1,853.66	129,558.23	0.00	913.04	-913.04	128,645.19
36290YCF3	128,645.19	5.693	01/20/2037	1,858.04	141,951.47	0.00	913.04	-2,834.27	139,117.20
185	FN8965	GENERAL	06/28/2016	1,232.40	86,251.02	0.00	780.58	-780.58	85,470.44
31410VW22	85,470.44	5.680	11/01/2036	1,236.14	89,588.54	0.00	780.58	-1,334.89	88,253.65
186	FN9672	GENERAL	06/28/2016	1,434.29	102,250.19	0.00	1,064.67	-1,064.67	101,185.52
31414JA60	101,185.52	5.583	11/01/2037	1,439.29	106,327.79	0.00	1,064.67	-1,769.14	104,558.65
187	G26215	GENERAL	06/28/2016	702.27	49,080.46	0.00	341.04	-341.04	48,739.42
36290YB23	48,739.42	5.693	12/20/2036	703.91	53,843.75	0.00	341.04	-1,068.98	52,774.77
188	G26212	GENERAL	06/28/2016	447.66	31,422.90	0.00	423.02	-423.02	30,999.88
36290YDR6	30,999.88	5.694	04/20/2037	449.69	34,470.68	0.00	423.02	-905.64	33,565.04
189	FGT300	GENERAL	09/28/2016	505.44	35,346.71	0.00	279.17	-279.17	35,067.54
31286DBS9	35,067.54	5.706	02/01/2037	506.78	39,134.59	0.00	279.17	-690.34	38,444.25
190	FGT068	GENERAL	09/28/2016	1,137.71	79,508.67	0.00	546.34	-546.34	78,962.33
31286DCD1	78,962.33	5.707	03/01/2037	1,140.33	88,035.04	0.00	546.34	-1,464.58	86,570.46
191	FGU325	GENERAL	09/28/2016	898.34	62,859.64	0.00	550.38	-550.38	62,309.26
31335YLE4	62,309.26	5.707	03/01/2037	900.97	69,099.46	0.00	550.38	-1,284.41	67,815.05
192	FGU304	GENERAL	09/28/2016	1,274.38	89,604.27	0.00	1,342.58	-1,342.58	88,261.69
31335YPK6	88,261.69	5.707	07/01/2037	1,280.81	98,512.04	0.00	1,342.58	-2,444.64	96,067.40
193	G22240	GENERAL	09/28/2016	927.25	64,806.31	0.00	453.64	-453.64	64,352.67
36202XEM5	64,352.67	5.692	11/20/2036	929.42	71,095.69	0.00	453.64	-1,415.07	69,680.62
194	G26724	GENERAL	09/28/2016	1,444.46	100,912.63	0.00	644.09	-644.09	100,268.54
36295KCH4	100,268.54	5.695	12/20/2037	1,447.55	110,708.00	0.00	644.09	-2,136.26	108,571.74
195	G26725	GENERAL	09/28/2016	0.00	0.00	0.00	0.00	0.00	0.00
36295KDR1	0.00	0.000	11/20/2037	0.00	0.00	0.00	0.00	0.00	0.00
196	FGT303	GENERAL	01/30/2017	220.25	16,895.08	0.00	2,389.48	-2,389.48	14,505.60
31286DLC3	14,505.60	5.602	10/01/2037	231.50	18,608.06	0.00	2,389.48	-2,798.60	15,809.46

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Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
197	FGA677	GENERAL	01/30/2017	1,113.44	79,185.83	0.00	538.91	-538.91	78,646.92
3128KYSL4	78,646.92	5.601	05/01/2037	1,115.97	87,380.13	0.00	538.91	-1,502.25	85,877.88
198	FGJ318	GENERAL	01/30/2017	925.25	64,691.87	0.00	491.25	-491.25	64,200.62
31321XAV6	64,200.62	5.703	04/01/2038	927.60	71,129.21	0.00	491.25	-1,244.66	69,884.55
199	FGU842	GENERAL	01/30/2017	1,033.26	73,459.47	0.00	463.03	-463.03	72,996.44
31321XBK9	72,996.44	5.603	03/01/2038	1,035.44	81,011.02	0.00	463.03	-1,337.14	79,673.88
200	FGJ319	GENERAL	01/30/2017	831.87	59,148.66	0.00	382.91	-382.91	58,765.75
31321XE59	58,765.75	5.603	04/01/2038	833.67	65,227.35	0.00	382.91	-1,088.43	64,138.92
201	FGJ957	GENERAL	01/30/2017	993.96	69,426.90	0.00	423.20	-423.20	69,003.70
31321XE67	69,003.70	5.703	04/01/2038	995.99	76,335.13	0.00	423.20	-1,222.09	75,113.04
202	FGU321	GENERAL	01/30/2017	438.77	31,318.50	0.00	380.03	-380.03	30,938.47
31321XMM3	30,938.47	5.604	07/01/2038	440.56	34,523.50	0.00	380.03	-766.57	33,756.93
203	FGU616	GENERAL	01/30/2017	0.00	0.00	0.00	0.00	0.00	0.00
31335YVH6	0.00	0.000	10/01/2037	0.00	0.00	0.00	0.00	0.00	0.00
204	G26747	GENERAL	01/30/2017	879.81	61,949.78	0.00	1,121.15	-1,121.15	60,828.63
36295MS34	60,828.63	5.688	08/20/2037	885.18	67,961.17	0.00	1,121.15	-2,097.40	65,863.77
205	G26907	GENERAL	01/30/2017	791.70	55,300.00	0.00	337.96	-337.96	54,962.04
36296GK42	54,962.04	5.691	06/20/2038	793.32	60,668.34	0.00	337.96	-1,154.49	59,513.85
206	G26966	GENERAL	01/30/2017	0.00	0.00	0.00	0.00	0.00	0.00
36296N4X1	0.00	0.000	08/20/2038	0.00	0.00	0.00	0.00	0.00	0.00
207	G26967	GENERAL	01/30/2017	882.23	62,711.19	0.00	379.66	-379.66	62,331.53
36296PBA8	62,331.53	5.591	07/20/2038	884.02	68,516.93	0.00	379.66	-1,402.99	67,113.94
208	G26988	GENERAL	01/30/2017	973.42	68,022.29	0.00	460.03	-460.03	67,562.26
36296RNP8	67,562.26	5.691	08/20/2038	975.62	74,626.08	0.00	460.03	-1,468.14	73,157.94
209	FGT311	GENERAL	04/27/2017	841.11	60,398.80	0.00	1,279.87	-1,279.87	59,118.93
31286DKY6	59,118.93	5.609	10/01/2037	847.14	66,630.91	0.00	1,279.87	-2,090.34	64,540.57

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value				Ending Market Value
210	FGU958	GENERAL	04/27/2017	1,480.07	105,229.20	0.00	669.78	-669.78	104,559.42
31321XE75	104,559.42	5.610	02/01/2038	1,483.22	116,035.17	0.00	669.78	-1,918.60	114,116.57
211	FGU116	GENERAL	04/27/2017	769.18	54,677.32	0.00	332.67	-332.67	54,344.65
31321XK52	54,344.65	5.611	06/01/2038	770.75	60,283.78	0.00	332.67	-979.06	59,304.72
212	FGU656	GENERAL	04/27/2017	567.48	60,468.19	0.00	60,468.19	-60,468.19	0.00
31335YWR3	0.00	0.000	11/01/2037	852.18	66,722.98	0.00	60,468.19	-66,722.98	0.00
213	G26745	GENERAL	04/27/2017	445.81	31,703.61	0.00	213.00	-213.00	31,490.61
36295MNM7	31,490.61	5.596	09/20/2037	446.81	34,638.07	0.00	213.00	-731.86	33,906.21
214	G26774	GENERAL	04/27/2017	989.13	70,349.56	0.00	483.94	-483.94	69,865.62
36295QT26	69,865.62	5.596	10/20/2037	991.41	76,860.61	0.00	483.94	-1,636.09	75,224.52
215	G26839	GENERAL	04/27/2017	463.89	32,980.80	0.00	208.40	-208.40	32,772.40
36295X3E3	32,772.40	5.597	01/20/2038	464.87	36,033.86	0.00	208.40	-747.22	35,286.64
216	G26844	GENERAL	04/27/2017	1,311.39	93,231.35	0.00	584.92	-584.92	92,646.43
36295YLM3	92,646.43	5.597	02/20/2038	1,314.14	101,861.98	0.00	584.92	-2,107.76	99,754.22
217	G26855	GENERAL	04/27/2017	886.81	63,044.46	0.00	392.69	-392.69	62,651.77
36296AUJ1	62,651.77	5.597	03/20/2038	888.65	68,880.71	0.00	392.69	-1,422.25	67,458.46
218	G26866	GENERAL	04/27/2017	748.98	53,253.02	0.00	343.54	-343.54	52,909.48
36296BYJ5	52,909.48	5.597	04/20/2038	750.59	58,182.46	0.00	343.54	-1,214.05	56,968.41
219	G26883	GENERAL	04/27/2017	641.00	45,626.71	0.00	370.26	-370.26	45,256.45
36296DVF2	45,256.45	5.598	05/20/2038	642.75	49,626.12	0.00	370.26	-1,119.73	48,506.39
220	G20716	GENERAL	04/27/2017	626.54	44,554.18	0.00	295.69	-295.69	44,258.49
36296GK59	44,258.49	5.598	06/20/2038	627.94	48,679.46	0.00	295.69	-1,025.56	47,653.90
221	FGU317	GENERAL	09/28/2017	1,051.73	70,492.97	0.00	567.06	-567.06	69,925.91
31321W5E2	69,925.91	5.957	03/01/2038	1,054.56	78,909.12	0.00	567.06	-1,337.84	77,571.28
222	FGU309	GENERAL	09/28/2017	746.21	49,132.85	0.00	302.23	-302.23	48,830.62
31321WALO	48,830.62	6.056	01/01/2038	747.75	54,874.29	0.00	302.23	-554.02	54,320.27

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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Ending Book Value	Beginning Market Value	Ending Market Value	Change in Value	Redemptions	Purchases/ Additions
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value	Market Value	Market Value	Market Value	Change in Value	Redemptions	Purchases/ Additions
223	FGU986	GENERAL	09/28/2017	0.00	71,354.87	71,354.87	71,354.87	71,354.87	-71,354.87	71,354.87	0.00
31321WCX2	0.00	0.000	12/01/2037	356.77	79,850.79	79,850.79	71,354.87	71,354.87	-79,850.79	71,354.87	0.00
224	FGU318	GENERAL	09/28/2017	965.23	64,616.98	64,616.98	64,616.98	64,213.20	-403.78	403.78	0.00
31321XAX2	64,213.20	5.957	04/01/2038	967.24	72,325.55	72,325.55	403.78	403.78	-1,095.59	403.78	0.00
225	FGU903	GENERAL	09/28/2017	1,399.54	93,700.67	93,700.67	93,700.67	93,102.98	-597.69	597.69	0.00
31321XDG6	93,102.98	5.957	05/01/2038	1,402.53	104,902.82	104,902.82	597.69	597.69	-1,609.30	597.69	0.00
226	FGU320	GENERAL	09/28/2017	1,202.76	80,510.31	80,510.31	80,510.31	80,019.47	-490.84	490.84	0.00
31321XJH8	80,019.47	5.957	05/01/2038	1,205.21	90,162.12	90,162.12	490.84	490.84	-1,364.84	490.84	0.00
227	FGU163	GENERAL	09/28/2017	1,020.15	68,351.09	68,351.09	68,351.09	67,837.04	-514.05	514.05	0.00
31321XML5	67,837.04	5.957	05/01/2038	1,022.72	76,498.54	76,498.54	514.05	514.05	-1,252.46	514.05	0.00
228	FGU307	GENERAL	09/28/2017	1,206.57	79,447.50	79,447.50	79,447.50	78,955.01	-492.49	492.49	0.00
31335VZ41	78,955.01	6.056	12/01/2037	1,209.08	88,719.70	88,719.70	492.49	492.49	-897.00	492.49	0.00
229	G26807	GENERAL	09/28/2017	1,182.53	79,340.48	79,340.48	79,340.48	78,581.17	-759.31	759.31	0.00
36295UG54	78,581.17	5.942	12/20/2037	1,186.32	87,933.56	87,933.56	759.31	759.31	-1,648.99	759.31	0.00
230	G26808	GENERAL	09/28/2017	0.00	74,183.02	74,183.02	74,183.02	74,183.02	-74,183.02	74,183.02	0.00
36295ULD1	0.00	0.000	12/20/2037	370.92	82,218.67	82,218.67	74,183.02	74,183.02	-82,218.67	74,183.02	0.00
231	G26810	GENERAL	09/28/2017	1,723.40	113,482.81	113,482.81	113,482.81	112,772.79	-710.02	710.02	0.00
36295USM4	112,772.79	6.041	11/20/2037	1,727.01	126,236.73	126,236.73	710.02	710.02	-1,279.68	710.02	0.00
232	G26827	GENERAL	09/28/2017	667.38	44,674.85	44,674.85	44,674.85	44,400.55	-274.30	274.30	0.00
36295WNR4	44,400.55	5.942	01/20/2038	668.75	49,514.19	49,514.19	274.30	274.30	-760.19	274.30	0.00
233	G26828	GENERAL	09/28/2017	496.50	33,234.66	33,234.66	33,234.66	33,032.42	-202.24	202.24	0.00
36295WR74	33,032.42	5.942	01/20/2038	497.51	36,834.81	36,834.81	202.24	202.24	-563.53	202.24	0.00
234	G22811	GENERAL	09/28/2017	1,674.00	110,212.29	110,212.29	110,212.29	109,547.23	-665.06	665.06	0.00
36295WR82	109,547.23	6.042	12/20/2037	1,677.38	122,598.92	122,598.92	665.06	665.06	-1,215.71	665.06	0.00
235	G26839	GENERAL	09/28/2017	1,505.48	99,160.44	99,160.44	99,160.44	98,444.79	-715.65	715.65	0.00
36295X3F0	98,444.79	6.042	01/20/2038	1,509.12	110,304.72	110,304.72	715.65	715.65	-1,222.93	715.65	0.00

Portfolio TSSF

**Texas St Aff Housing - Surplus**  
**Texas Compliance Change in Val Report**  
**December 1, 2017 - February 28, 2018**

Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value	Ending Market Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Book Value	Market Value				Book Value	Market Value
236	G26840	GENERAL	09/28/2017	1,132.04	75,804.48	75,300.39	0.00	504.09	-504.09	75,300.39	75,300.39
36295X3J2	75,300.39	5.942	02/20/2038	1,134.56	84,014.60	82,682.36	0.00	504.09	-1,332.24	82,682.36	82,682.36
237	G24050	GENERAL	09/28/2017	0.00	90,169.50	90,169.50	0.00	90,169.50	-90,169.50	0.00	0.00
36295X5K7	0.00	0.000	01/20/2038	458.36	100,303.70	100,303.70	0.00	90,169.50	-100,303.70	0.00	0.00
238	G26843	GENERAL	09/28/2017	1,786.73	117,631.44	116,927.12	0.00	704.32	-704.32	116,927.12	116,927.12
36295YHV8	116,927.12	6.042	02/20/2038	1,790.31	130,852.10	129,560.65	0.00	704.32	-1,291.45	129,560.65	129,560.65
239	G24423	GENERAL	09/28/2017	1,331.04	87,649.05	87,096.24	0.00	552.81	-552.81	87,096.24	87,096.24
36295YLC5	87,096.24	6.042	12/20/2037	1,333.85	97,498.90	96,505.61	0.00	552.81	-993.29	96,505.61	96,505.61
240	G26845	GENERAL	09/28/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36295YN25	0.00	0.000	02/20/2038	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
241	G26865	GENERAL	09/28/2017	1,123.69	75,212.65	74,761.54	0.00	451.11	-451.11	74,761.54	74,761.54
36296BWF5	74,761.54	5.943	04/20/2038	1,125.94	83,360.32	82,092.21	0.00	451.11	-1,268.11	82,092.21	82,092.21
242	G26617	GENERAL	09/28/2017	872.78	58,417.71	58,068.87	0.00	348.84	-348.84	58,068.87	58,068.87
36296BYN6	58,068.87	5.943	03/20/2038	874.53	64,746.11	63,762.85	0.00	348.84	-983.26	63,762.85	63,762.85
243	G28318	GENERAL	09/28/2017	649.86	43,630.49	43,170.58	0.00	459.91	-459.91	43,170.58	43,170.58
36296DVK1	43,170.58	5.943	05/20/2038	652.16	48,349.72	47,396.98	0.00	459.91	-952.74	47,396.98	47,396.98
244	G28360	GENERAL	09/28/2017	853.59	57,188.51	56,717.53	0.00	470.98	-470.98	56,717.53	56,717.53
36296DWW6	56,717.53	5.943	05/20/2038	855.94	63,383.88	62,278.49	0.00	470.98	-1,105.39	62,278.49	62,278.49
245	G28362	GENERAL	09/28/2017	1,315.44	86,667.39	86,052.98	0.00	614.41	-614.41	86,052.98	86,052.98
36296DWX2	86,052.98	6.043	05/20/2038	1,318.56	96,404.42	95,347.18	0.00	614.41	-1,057.24	95,347.18	95,347.18
246	G20750	GENERAL	09/28/2017	398.10	26,644.59	26,487.54	0.00	157.05	-157.05	26,487.54	26,487.54
36296GL74	26,487.54	5.943	05/20/2038	398.88	29,531.09	29,084.87	0.00	157.05	-446.22	29,084.87	29,084.87
247	G26939	GENERAL	09/28/2017	1,141.32	75,154.01	74,682.52	0.00	471.49	-471.49	74,682.52	74,682.52
36296K7L0	74,682.52	6.044	07/20/2038	1,143.71	83,599.84	82,750.93	0.00	471.49	-848.91	82,750.93	82,750.93
248	G26618	GENERAL	09/28/2017	1,372.80	91,882.34	91,338.82	0.00	543.52	-543.52	91,338.82	91,338.82
36296NH4B9	91,338.82	5.944	08/20/2038	1,375.52	101,836.15	100,295.23	0.00	543.52	-1,540.92	100,295.23	100,295.23

Portfolio TSSF

Texas St Aff Housing - Surplus  
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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
249	G27004	GENERAL	09/28/2017	1,573.50	103,567.47	0.00	581.07	-581.07	102,986.40
36296TFG3	102,986.40	6.044	10/20/2038	1,576.46	115,202.98	0.00	581.07	-1,087.81	114,115.17
250	G27005	GENERAL	09/28/2017	1,291.07	84,979.00	0.00	478.90	-478.90	84,500.10
36296TKE2	84,500.10	6.044	10/20/2038	1,293.51	94,530.92	0.00	478.90	-899.83	93,631.09
<b>Sub Totals For: Fund: General Investments</b>									
				75,610.32	5,565,176.03	0.00	406,268.76	-406,268.76	5,158,907.27
				77,594.90	6,087,625.28	0.00	406,268.76	-497,192.36	5,590,432.92
<b>Report Grand Totals:</b>									
				75,610.32	5,565,176.03	0.00	406,268.76	-406,268.76	5,158,907.27
				77,594.90	6,087,625.28	0.00	406,268.76	-497,192.36	5,590,432.92

Portfolio TSSF

Tab 1

**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**  
**February 15, 2018 at 10:30 a.m.**

**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 Bob Jones, Chair, at 10:45 a.m., on February 15, 2018, 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**

Bob Jones, Chair  
Bill Dietz, Vice Chair  
Gerry Evenwel, Member  
Jerry Romero, Member

**Staff Present**

Betsy Aldrich, Senior Accounting Manager  
Celina Stubbs, Manager, Asset Oversight and Compliance  
David Long, President  
James Matias, Senior Manager of Asset Oversight & Compliance  
Janie Taylor, Executive Vice President  
Katie Claflin, Director, Communications & Development  
Lacy Brown, Executive Assistant  
Laura Ross, Corporate Secretary/Manager of Communications and Development  
Melinda Smith, Chief Financial Officer  
Michael Wilt, Manager of External Relations  
Nick Lawrence, Controller

**Guests**

Celeste Schaffer  
Karen Kennard, Greenberg Traurig, LLP  
Tim Nelson, Hilltop Securities

**Public Comment**

No Public Comment was given.

## **President's Report**

Mr. Long referred the board to the program and financial reports included in the board packet and noted that there were no exceptional items in the reports. He then provided an update on the TSAHC Loan Committee which met in January and February, noting that Mr. Romero is the board representative on the Committee. Mr. Long explained that there were no new loans which required consideration however the Committee review program reports and to take action on pending items related to existing loans. Mr. Romero added that the Committee reviewed the processes for making loans and followed up on loans having problems to identify additional steps that can be taken to ensure that risks are minimized.

Mr. Long provided a quick summary of 2017 homeownership program for the board. The corporation provided \$35 million in down payment assistance grants to homebuyers and approximately \$850 million in mortgage loans. Mr. Long compared the 2017 loan volume to the 2016 volume, approximately \$240 million. Mr. Long noted the phenomenal opportunity the Corporation had to serve so many people in Texas, as well as the capability of staff to step up to the opportunity when it arose.

Mr. Long recognized the top lenders: Ms. Stacy Lynn Schriever and Ms. Ginger Smith with Premier Nationwide Lending, and Ms. Liz White with PrimeLending. Mr. Long also recognized the top mortgage companies: PrimeLending, Fairway Independent Mortgage Company, and Guild Mortgage Company. Mr. Long reminded the board that this information can also be found on the Corporation's newly updated website.

Mr. Jones asked for a report showing the increase in activity in 2018 and Mr. Long said that it could be provided. Discussion followed about the volume generated by TSAHC programs working with the new master servicer, Lakeview Loan Servicing. Ms. Taylor added that every month a report was provided to the board showing monthly activity under the homeownership programs. She also noted that Ms. Crim created a report showing all activity in 2017 that could be provided to the board, along with a press release that was issued to announce the top lenders and mortgage companies.

Mr. Long informed the board that the homeownership team had conducted "Overcoming the Down Payment Hurdle" classes in January, and would be attending the Laredo Homebuyer Fair in March. Mr. Long then noted the Corporation received a \$10,000 grant from JPMorgan Chase in support of the Housing Connection Training to be held in June and also received an additional \$2,900 in gifts in support of the Housing Connection trainings from individual of mortgage loan officers, and realtors.

Mr. Long informed the board the Corporation released its new website on January . He thanked Ms. Ross and Ms. Claflin for all their hard work and noted that staff worked with a third-party firm to make the updates, but the majority of the work was completed by staff.

Mr. Long provided a summary of the conferences and meetings attended by staff during the last two months. Mr. Long, Ms. Crim and Mr. Almquist attended the National Council of State Housing Agencies (NCSHA) HFA Institute in D.C in January, noting that Mr. Romero also attended. Mr. Danenfelzer and Mr. Wilt represented the Corporation at the first session of the Rural Housing Preservation Academy held in San Antonio. Mr. Long noted that this initiative

was a partnership between the Corporation and the Federal Reserve Bank of Dallas to help community partners and other organizations preserving USDA affordable rental housing. Session two of the Academy would take place in Temple later in February. A total of six sessions were scheduled around the state of Texas. Mr. Long and Mr. Wilt attended the quarterly meeting of the Texas Interagency Council of Homelessness in January that was held in Austin.

Mr. Long and Ms. Cynthia Leon attended the Texas Community Capital (TCC) board of directors meeting and strategic planning meeting held at the TSAHC offices. TSAHC's role with TCC would be discussed under tab item 3.

Mr. Wilt hosted the Kickoff meeting of the Urban Land Institute's Strategic Affordable Housing Council at Corporation's offices.

Earlier in the month, Mr. Matias and Mr. Long attended the groundbreaking ceremony for the Glenn Heights Palladium Apartments. He noted that the project had received \$18.5 million in bonds through the Corporation for construction of a new 270- unit multifamily housing community in Glenn Heights, Texas.

Mr. Long spoke briefly about the National Academy of State Health Policy. He stated that Texas was as one of five states invited to participate in their Health and Housing Institute and TSAHC was asked to partner on the initiative by Texas Health and Human Service Commission.

Mr. Long stated that Mr. Matias had attended the NDC training Minneapolis in January for financial underwriting for multifamily properties.

Mr. Danefelzer attended the IRS Advisory Committee on Tax-Exempt and Government Entities meeting in Washington D.C., Mr. Long noted that Mr. Danefelzer served on the subcommittee related to tax-exempt bonds. The subcommittee would issue a report that would include recommended changes to the IRS's Voluntary Compliance Program for Issuers and Conduit Borrowers.

Mr. Danefelzer, Mr. Matias, and Mr. Long attended the Re-imagining the American Dream Housing and Economic Development Opportunities Summit that was held at the AT&T Conference Center. The summit which was put on by the Federal Reserve Bank of Dallas and HousingWorks Austin focused on the challenges and opportunities creating equal access to affordable housing and economic opportunities for all.

Mr. Long introduced TSAHC's newest employee, Lacy Brown, who would be taking over as Corporate Secretary in the coming months. He noted that as an officer, her role as Corporate Secretary would require board approval, which would be on the agenda for the March board meeting.

Mr. Long also recognized the Corporation's two other new employees who would be introduced at the next board meeting, Ms. Holsinger and Ms. McGrew. Both were part of the homeownership team.

Mr. Long introduced the professionals in the audience including Ms. Kennard, General Counsel with Greenberg Traurig, and Mr. Nelson, financial advisor with Hilltop Securities.

Mr. Long noted the date of the Corporation's next board meeting which was scheduled for Thursday, March .

**Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on December 14, 2017.**

Mr. Romero made a motion to approve the minutes of the Board Meeting held on December 14, 2017. Mr. Evenwel seconded the motion. Mr. Jones asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 2 Presentation, Discussion and Possible Approval of the Texas State Affordable Housing Corporation's 2018 Annual Action Plan.**

Mr. Wilt explained that the board approved the action of posting the draft Annual Action Plan on the Corporation's website at the December board meeting. The Action Plan was made available for public comments on December , and the public comment period was scheduled to end January but was left it open until January . The reason for the extension was that the public hearing had to be postponed from January until January due to inclement weather.

Mr. Wilt noted that the Corporation did not receive any public comment, however staff made some updates to the plan between the December Board Meeting and the February Board Meeting, specifically updating the number of homebuyers assisted in 2017 to reflect all the activities during the calendar year. Mr. Wilt noted the Corporation assisted more than 5,700 homebuyers in 2017, which was almost triple the number served in 2016.

Mr. Romero made a motion to approve the Corporation's 2018 Annual Action Plan. Mr. Dietz seconded the motion. Mr. Jones asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 3 Presentation, Discussion and Possible Approval of Action by the Corporation related to Texas Community Capital.**

Mr. Romero reminded the Board that he had been representing Corporation's board on the Texas Community Capital (TCC) board for a number of years. The original objective for the partnership between the Corporation and TACDC related to TCC was to create an organization that could obtain CDFI status and have access to related funds for Corporation's programs. Originally the Corporation gave TCC two years to achieve this goal; however the first application was not successful. Mr. Romero noted that TCC had created a Community Loan Center (CLC) program which was a great program utilized by other nonprofits across the state; unfortunately the CLC program was not related to affordable housing. Mr. Romero informed the board that he would be stepping down from the TCC Board, but Ms. Leon would continue to serve as the Corporation's board representative on the TCC board. Mr. Romero proposed a time period of 180 days for TCC to seek or attain CDFI certification. If they didn't, then Mr. Romero proposed that TSAHC end the partnership with TACDC related to TCC. Discussion followed and Mr. Long reiterated Mr. Romero's proposal that would allow TCC to work towards a CDFI application. Mr. Long informed the board that a consultant had reviewed TCC's eligibility and capacity for becoming a CDFI. Mr. Long noted the potential benefits to the Corporation being able to work with TCC should it received CDFI certification and to wait six months and see if

the application was submitted and approved. Mr. Romero agreed with Mr. Long and added that after six months the Board could revisit the partnership and determine how best to move forward.

After some further discussion, a timeframe of six months was decided on and Mr. Danefelzer was selected to represent TSAHC on the board.

Mr. Jones made a motion to approve this action by the Corporation related to Texas Community Capital. Mr. Romero seconded the motion. Mr. Jones asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 4            Presentation and Discussion of, and Possible Approval to Publish for Public Comment, the Texas Foundations Fund Draft 2018 Guidelines.**

Mr. Wilt approached the Board asking for approval to publish the Texas Foundation Fund Draft 2018 Guidelines. He stated that with the approval, the public comment period would begin on February and close on Monday March . The public comments received would be reviewed and the guidelines would be brought back for the Boards approval in April. Mr. Wilt pointed out that the Draft Guidelines before the Board reflected a matching-grant structure that was now being used for the Texas Foundation Fund. Under that structure, partners would be selected every two years. All selected partners are eligible for matching grants to supplement public and private funds that they raise to support their own programs. The programs for eligible matching funds remain the same as the prior guidelines and include critical repairs of single-family homes or supportive housing services that help families and individuals avoid homelessness and unnecessary institutionalization. The threshold criteria for how partners are eligible can be found on the bottom of page 1 and the top of page 2.

Mr. Romero made a motion to approve the publishing for Public Comment of the Texas Foundation Fund Draft 2018 Guidelines. Mr. Evenwel seconded the motion. Mr. Long asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 5            Presentation, Discussion and Possible Approval of a \$100,000 commitment from the Corporation as part of a grant application to the Rebuild Texas Fund to support a special disaster recovery round of the Texas Foundations Fund.**

Ms. Claflin started by providing the Board with background information about the Rebuild Texas Fund. TSAHC and Enterprise Community Partners would submit a joint application to the Rebuild Texas Fund to support the special disaster recovery grants program. The program would provide grants of up to \$50,000 to nonprofits providing critical home repairs and other housing services to households affected by Hurricane Harvey. Mr. Claflin then stated that TSAHC and Enterprise staff had agreed not to brand the program as a special funding round of Texas Foundations Fund or as Enterprise’s grants program, but instead to give it its own name and identity and then promote it as a partnership between TSAHC and Enterprise. The grant program would include technical assistance to help expand grantees capacity. It would be focused towards smaller organizations and grants amounts. Larger funding amounts could be sought directly from Rebuild Texas or other grant-making organizations. Under this application, TSAHC and Enterprise would each receive \$500,000 to administer grants, with a \$1 million total. TSAHC

would focus on critical home repair, while Enterprise would support other housing assistance programs.

Ms. Claflin pointed out to the Board that the application with Rebuild Texas was contingent upon a \$100,000 commitment from TSAHC in match funding. This would give TSAHC \$600,000 to administer for critical home repair. If the application was approved, TSAHC would create guidelines for administering the critical repair funding which would be presented to the board for review and possible approval at the March Board Meeting.

Mr. Romero made a motion to approve \$100,000 commitment from the Corporation as part of a grant application to the Rebuild Texas Fund to support a special disaster recovery round of the Texas Foundations Fund. Mr. Evenwel seconded the motion. Mr. Jones asked for public comment and none was given. A vote was taken and the motion passed unanimously.

**Tab 6            Review, Discussion and Possible Approval of the 2017 Annual Performance Review of the President of the Corporation and related actions.**

Mr. Romero made a motion to go into closed executive session. Mr. Evenwel seconded the motion. Mr. Jones asked for public comment and none was given. A vote was taken and the motion was approved.

**Tab 7            Closed Executive Session – Discussion regarding the Evaluation and Annual Performance Review of the President of the Corporation.**

Mr. Jones called the board into closed meeting in accordance with Texas Government Code Section 551.074, personnel matters. The time was 11:41am. The board ended the closed meeting and resumed the open meeting at 1:00pm. Mr. Jones stated that no action was taken during the closed meeting. Instead, the board discussed the president’s annual performance evaluation.

Mr. Romero made a motion to approve the review and recommend an increase in salary for the President based on his performance. Mr. Evenwel seconded the motion. Mr. Jones asked for public comment and none was given. A vote was taken on the motion and it passed unanimously.

**Closed Meeting**

Refer to Tab 7

**Open Meeting**

Mr. Long stated that he would keep the board informed about the March board meeting. He thanked the board for their time at the meeting today.

**Adjournment**

Mr. Jones adjourned the meeting at 1:02pm.

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

# Tab 2

# Texas State Affordable Housing Corporation

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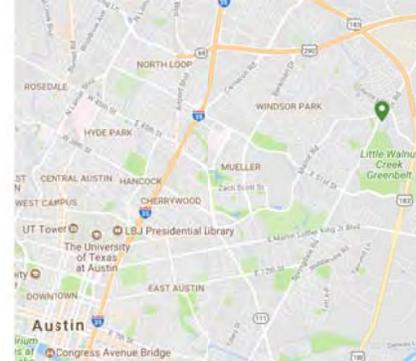
## **Agenda Item:**

Presentation, discussion and possible approval of a resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for the Walnut Creek Apartments.

## **Summary:**

The Corporation received an application from LIH Walnut Creek GP, LLC (LIH) in March 2018 for the issuance of multifamily private activity bonds for the Walnut Creek Apartments project, located at 6409 Springdale Road in Austin, Texas. The project includes the acquisition of a 98 unit multifamily housing complex that was built in 1972 and is nearing the end of its current housing assistance contract. The Corporation's Board is being asked at this time to approve an inducement resolution and provide staff with the authority to move forward with an application for private activity bond volume cap, underwriting, public hearings and drafting of bond documents to move the development towards an anticipated bond closing in July of 2018.

Map of Project Area



## **Public Benefit:**

The proposed project fulfills the Corporation's targeted housing need as an At-risk Preservation development. The applicant is also proposing to add 10 income restricted units for households earning 30% or less than the area median income.

## **Financial Summary:**

The proposed acquisition and rehabilitation of Walnut Creek Apartments has a total budget of approximately \$19 million. The proposed financing leverages tax-exempt bonds and 4% housing tax credits under a fairly typical financing structure. Approximately \$9.25 million will be used for acquisition costs, while renovation costs are estimated at \$3.98 million or \$40,620 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$5.8 million in total costs.

The total bond amount is anticipated to be \$15 million. The bonds will be issued as short-term instruments with the proceeds from sale used for acquisition and rehabilitation activities. Chase Bank will be the permanent lender providing an approximately \$11 million 35-year mortgage with an anticipated interest rate of 4.8%. The tax credits are estimated to be valued at \$5.59 million in total equity. A seller note of \$1 million, cash flow contributions of \$915,000 and deferred developer fees and cash estimated at \$450,000 round out the remaining sources.

## **Market Conditions:**

Walnut Creek Apartments sits near the intersection of Springdale and Manor Roads in East Austin. The property was originally built in 1983 and has had a Section 8 project based rental contract since initial lease up. The project did receive 4% housing tax credits in 2000 and is near the end of its current 15-year compliance period. Although located in a mixed commercial and multifamily residential area, the property is located near many community services and amenities. Within ½ mile of the site are two

## Texas State Affordable Housing Corporation

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elementary schools and students from these schools flow into Johnson High School, the location of Austin's Liberal Arts and Science Academy, which was ranked #27 in the nation by U.S. News for the 2017/18 school year. The project is also located within two miles of two full service grocery stores, Dell Children's Hospital, and the 206 acre Little Walnut Creek Preserve and Greenbelt.

The surrounding neighborhoods have seen significant growth in density and home prices over the past 10 years. In the past year home values in the 78723 zip code have increased 10.8% to \$385,330. Median rental costs have also risen sharply, so the preservation of rental assistance at Walnut Creek will have significant impacts to reducing impacts that increased housing costs have on older neighborhoods.



In addition to good access to services, schools and parks, the neighborhood is within three miles of the State Capitol, the University of Texas and other employment drivers for the Austin area.

### **Borrower Summary:**

The applicant, LIH Walnut Creek GP, LLC, is a subsidiary entity of Levy Affiliated. Founded in 1988, the company develops and manages a mix of retail centers, office buildings and apartment complexes, largely concentrated in Southern California. In the past few years they have expanded by acquiring and preserving affordable housing complexes in Hawaii, Louisiana and North Carolina. Today, Levy Affiliated owns and manages 15 properties with 1,564 units of affordable housing.

Staff contacted state housing finance agencies about Levy Affiliated's track record. Universally, they received high marks on their compliance track record and condition of properties. Additionally, they received letters of support from the California Statewide Communities Development Authority and a resolution from the City of Austin in support of their plan to preserve the Walnut Creek Apartments.

### **Staff Recommendation:**

Staff recommends that the Board approve the resolution regarding the submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Walnut Creek Apartments.

Walnut Creet - Underwriting.xlsx  
Project Summary

## Project Summary

**Applicant** LIH Walnut Creek GP, LLC

**Project Name** Walnut Creek Apartments

### Location

Address 6409 Springdale Road City Austin  
 County: Travis State TX Zip 78723  
 Census Tract: 48453002108

### Funding Sources

	Amount	% of Total
TSAHC Bonds - Short Term*	\$ 15,000,000	79.13%
Chase Bank	\$ 11,000,000	58.03%
Seller Note	\$ 1,000,000	5.28%
WNC - Tax Credits	\$ 5,591,004	29.49%
Deferred Developer Fee	\$ 450,233	2.38%
Operating Cash Flow	\$ 915,137	4.83%
<b>Totals</b>	<b>\$ 18,956,374</b>	<b>95%</b>

\* not included in total

### Market Summary

	City	County	State	Census Tract
Population	907,779	1,148,176	26,956,435	3,985
Average Age	32	33	34	28
Minority Pop. %	24.1%	23.9%	25.2%	38.4%
% Hispanic	34.5%	33.7%	38.6%	42.4%
% Persons with Disability	8.8%	8.7%	11.6%	12.4%
% Households that Rent	54.7%	48.0%	38.4%	44.7%
Persons w/o Insurance	16.8%	16.1%	19.3%	22.0%
Median Household Income	\$ 60,939.00	\$ 64,422.00	\$ 54,727.00	\$ 40,990.00
Median Home Price	\$257,800	\$253,600	\$142,700	\$173,700
Median Rents	\$1,106	\$1,113	\$911	\$939
% Renters Who are Cost Burdened	47.2%	47.3%	44.4%	66.8%
% Attending Public Schools	90.7%	90.8%	93.3%	83.7%
Graduation Rate (Austin ISD)	72.4%			
Unemployment		3.1%	4.6%	
CRA Eligible Census Tract	Yes			
Medically Underserved Area	No			

	Projects	Units
# of LI Apartment Projects	5	622

**Operating Proforma**

Applicant LIH Walnut Creek GP, LLC

Project Name Walnut Creek Apartments

Number of Units	98	Affordable Units	97
Set-Aside Requirement	39	Affordable %	99%
		Accessible Unit Min.	5

**Residential Income**

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	# units	Rent	Mo. Income	Inflator	Rent Limiter
1br/1ba	720	2880	4	\$ 1,147	\$ 4,588	1.02	30% AMI
1br/1ba	720	22320	31	\$ 1,147	\$ 35,557	1.02	60% AMI
1br/1ba	720	720	1	\$ -	\$ -	1.02	EO
2br/1ba	864	4320	5	\$ 1,245	\$ 6,225	1.02	30% AMI
2br/1ba	864	33696	39	\$ 1,245	\$ 48,555	1.02	60% AMI
3br/1ba	1056	1056	1	\$ 1,710	\$ 1,710	1.02	30% AMI
3br/1ba	1057	17969	17	\$ 1,710	\$ 29,070	1.02	60% AMI
		82961	98				

Other income:	\$ 20.00	\$ 1,960	1.02
Potential gross income			
Residential vacancy loss			5.00%
<b>Effective Gross Residential Income</b>			

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$ 55,056	\$ 56,157	\$ 57,280	\$ 58,426	\$ 59,594	\$ 65,797	\$ 72,645	
\$ 426,684	\$ 435,218	\$ 443,922	\$ 452,800	\$ 461,856	\$ 509,927	\$ 563,000	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 74,700	\$ 76,194	\$ 77,718	\$ 79,272	\$ 80,858	\$ 89,273	\$ 98,565	
\$ 582,660	\$ 594,313	\$ 606,199	\$ 618,323	\$ 630,690	\$ 696,333	\$ 768,807	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 20,520	\$ 20,930	\$ 21,349	\$ 21,776	\$ 22,212	\$ 24,523	\$ 27,076	
\$ 348,840	\$ 355,817	\$ 362,933	\$ 370,192	\$ 377,596	\$ 416,896	\$ 460,287	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 23,520.00	\$ 23,990	\$ 24,470	\$ 24,960	\$ 25,459	\$ 28,109	\$ 31,034	
\$ 1,531,980	\$ 1,562,620	\$ 1,593,872	\$ 1,625,749	\$ 1,658,264	\$ 1,830,858	\$ 2,021,415	
\$ (76,599)	\$ (78,131)	\$ (79,694)	\$ (81,287)	\$ (82,913)	\$ (91,543)	\$ (101,071)	
\$ 1,455,381	\$ 1,484,489	\$ 1,514,178	\$ 1,544,462	\$ 1,575,351	\$ 1,739,315	\$ 1,920,344	

**Operating Expenses**

	TSAHC est.	Borrower Yr 1	% EGI	Variance	Per Unit	Inflator
General & Administrative	\$ 39,494	\$ 35,000	2.40	-11%	\$ 357	1.03
Management Fee	\$ 42,238	\$ 60,889	4.18	44%	\$ 621	1.03
Payroll and Related	\$ 128,674	\$ 136,500	9.38	6%	\$ 1,393	1.03
Maintenance & Repair	\$ 66,346	\$ 61,500	4.23	-7%	\$ 628	1.03
Utilities	\$ 101,234	\$ 146,052	10.04	44%	\$ 1,490	1.03
Insurance	\$ 28,616	\$ 35,000	2.40	n/a	\$ 357	1.03
Property Taxes	\$ 73,206	\$ 89,826	6.17	23%	\$ 917	1.03
Operating Debt Service Reserves			0.00	n/a	\$ -	1.03
Replacement reserves	\$ 29,400	\$ 29,400	2.02	0%	\$ 300	1.03
HTC/HOME Compliance Fees	\$ 3,880	\$ 3,880	0.27	n/a	\$ 40	1.03
Bond Compliance Fees	\$ 4,410	\$ 4,410	0.30	0%	\$ 45	1.03
Issuer Fee			0.00			1.03
Other (specify): Security	\$ 75,000	\$ 75,000	5.15		\$ 765	1.03
<b>Total Operating Expenses</b>	\$ 592,498	\$ 677,457		14%	\$ 6,913.23	
				state avg	\$ 4,861.00	per unit
				Operating Expenses as a percentage of Effective Gross Income		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 45,667	\$ 52,941	
\$ 60,889	\$ 62,716	\$ 64,597	\$ 66,535	\$ 68,531	\$ 79,446	\$ 92,100	
\$ 136,500	\$ 140,595	\$ 144,813	\$ 149,157	\$ 153,632	\$ 178,102	\$ 206,468	
\$ 61,500	\$ 63,345	\$ 65,245	\$ 67,203	\$ 69,219	\$ 80,244	\$ 93,024	
\$ 146,052	\$ 150,434	\$ 154,947	\$ 159,595	\$ 164,383	\$ 190,565	\$ 220,917	
\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 45,667	\$ 52,941	
\$ 89,826	\$ 92,521	\$ 95,296	\$ 98,155	\$ 101,100	\$ 117,203	\$ 135,870	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 29,400	\$ 30,282	\$ 31,190	\$ -	\$ -	\$ -	\$ -	
\$ 3,880	\$ 3,996	\$ 4,116	\$ 4,240	\$ 4,367	\$ 5,063	\$ 5,869	
\$ 4,410	\$ 4,542	\$ 4,679	\$ 4,819	\$ 4,963	\$ 5,754	\$ 6,671	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 84,413	\$ 97,858	\$ 113,444	
\$ 677,457	\$ 697,781	\$ 718,714	\$ 708,149	\$ 729,394	\$ 845,567	\$ 980,244	
\$ 6,913	\$ 7,120	\$ 7,334	\$ 7,226	\$ 7,443	\$ 8,628	\$ 10,002	
46.5%	47.0%	47.5%	45.9%	46.3%	48.6%	51.0%	

**NET OPERATING INCOME**

\$ 777,924	\$ 786,708	\$ 795,464	\$ 836,313	\$ 845,957	\$ 893,748	\$ 940,100
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NET OPERATING INCOME

\$	777,924	\$	786,708	\$	795,464	\$	836,313	\$	845,957	\$	893,748	\$	940,100
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PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
TSAHC Bonds - Short Term*	\$ 15,000,000	2.00%	0	2
Chase Bank	\$ 11,000,000	4.80%	35	35
Total Primary Debt	\$ 11,000,000			
TSAHC Issuer Fee	\$ 5,000			
Net Cashflow After Primary Debt				
DSCR Primary Debt				

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
				\$ -	\$ -	\$ -	\$ -
\$	654,925	\$ 654,925	\$ 649,446	\$ 649,446	\$ 649,446	\$ 649,446	\$ 649,446
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	654,925	\$ 654,925	\$ 649,446	\$ 649,446	\$ 649,446	\$ 649,446	\$ 649,446
\$	5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
\$	117,999	\$ 126,783	\$ 141,018	\$ 181,866	\$ 191,511	\$ 239,301	\$ 285,654
	1.18	1.19	1.22	1.28	1.29	1.37	1.44

SOFT SUBORDINATE DEBT & EQUITY

WNC - Tax Credits	\$ 5,591,004		
Seller Note	\$ 1,000,000	5.00%	75% Cash Flow
Deferred Developer Fee	\$ 450,233		
Total Secondary Debt/Equity	\$ 7,041,237		

\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	88,499	\$ 95,087	\$ 105,764	\$ 136,400	\$ 143,633		
\$	29,500	\$ 31,696	\$ 35,255	\$ 45,467	\$ 47,878	\$ 44,939	
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	29,500	\$ 31,696	\$ 35,255	\$ 45,467	\$ 47,878	\$ 44,939	\$ -

Estimated value of completed real estate \$ 13,529,113      Estimated Cap Rate 5.75%

## Summary of Sources and Uses

**Applicant** LIH Walnut Creek GP, LLC  
**Project Name** Walnut Creek Apartments  
**Number of Units** 98

Sources	Amount	Amount Per Unit	Percentage of Total
TSAHC Bonds - Short Term*	\$ 15,000,000	\$ 153,061	79%
Chase Bank	\$ 11,000,000	\$ 112,245	58%
Seller Note	\$ 1,000,000	\$ 10,204	5%
WNC - Tax Credits	\$ 5,591,004	\$ 57,051	29%
Deferred Developer Fee	\$ 450,233	\$ 4,594	2%
Operating Cash Flow	\$ 915,137	\$ 9,338	5%
<b>Total Sources</b>	<b>\$ 18,956,374</b>	<b>\$ 193,432.39</b>	<b>100%</b>

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 9,250,000	\$ 94,387.76	49%
Off-Site Construction	\$ -	\$ -	0%
On-Site Work	\$ -	\$ -	0%
Site Amenities	\$ -	\$ -	0%
Building Costs	\$ 3,980,781	\$ 40,620.21	21%
Other Const/Contingency	\$ 1,011,119	\$ 10,317.54	5%
Soft Costs	\$ 573,022	\$ 5,847.16	3%
Financing Costs	\$ 1,614,631	\$ 16,475.83	9%
Developer Fees	\$ 2,196,199	\$ 22,410.19	12%
Reserve Accounts	\$ 330,623	\$ 3,373.70	2%
<b>Total Uses</b>	<b>\$ 18,956,375</b>	<b>\$ 193,432.40</b>	<b>100%</b>

(Gap) / Reserve	\$ (1)
Percent of Developer Fee Deferred	20.50%

RESOLUTION NO. 18-\_\_\_\_

RESOLUTION Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Walnut Creek Apartments

WHEREAS, the Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") desires to submit one or more calendar year 2018 Applications for Allocation of Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations (the "Bonds") relating to the qualified residential rental housing project located at 6409 Springdale Road, Austin, Texas 78723 (the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to LIH Walnut Creek Austin LP (the "Borrower"), which will use the proceeds for the acquisition, rehabilitation and equipping of the Project;

WHEREAS, it is anticipated that the Borrower will make certain capital expenditures with respect to the Project and currently desires and expects to reimburse the capital expenditures with proceeds of such debt;

WHEREAS, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations, the Corporation must declare its expectation to make such reimbursement;

WHEREAS, the Corporation desires to preserve the ability of the Borrower to reimburse the capital expenditures with proceeds of tax-exempt obligations; and

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 the Application to the Texas Bond Review Board in connection with requesting 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 one or more Notices of Intent to Issue Bonds and one or more State Bond Applications in connection with the Bonds and such officers are further authorized and directed to request that the application(s) be approved by the Executive Director of the Texas Bond Review Board in accordance with Chapter 181 of the Texas Administrative Code, as amended.

3. That the President of the Corporation or any other officer 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(s) and the approval of the Bonds from the Texas Bond Review Board.

4. That the Corporation reasonably expects that the Borrower will reimburse capital expenditures with respect to the Project with proceeds of debt hereafter to be incurred by the Corporation, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the Project by the Corporation is \$16,000,000.

PASSED, APPROVED AND EFFECTIVE this April 19, 2018.

TEXAS STATE AFFORDABLE  
HOUSING CORPORATION

\*\*\*\*\*

MINUTES AND CERTIFICATION

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

The Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") convened on April 19, 2018, at its regular meeting place, and roll was called of the duly constituted members of said Board of Directors, to-wit:

Table with 2 columns: Name, Office. Rows include Robert Elliott Jones (Chairperson), William H. Dietz (Vice Chairperson), Gerry Evenwel (Director), Jerry Romero (Director), and a vacancy (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 for the consideration of said Board:

"RESOLUTION NO. 18-\_\_\_

RESOLUTION Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Walnut Creek Apartments"

Upon motion duly made and seconded, the Resolution was finally passed and adopted by the following vote:

\_\_\_ AYES \_\_\_ NOES \_\_\_ ABSTENTIONS

MINUTES APPROVED AND CERTIFIED TO BE TRUE AND CORRECT and to reflect accurately the duly constituted officers and members of the Board of Directors of the Corporation, and the attached and following copy of such Resolution is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of the Corporation.

SIGNED this April 19, 2018.

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Secretary, Texas State Affordable Housing  
Corporation

# Tab 3

CERTIFICATION

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

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

1. The Board of Directors of the Corporation (the "Board") convened on April 19th, 2018, at the Corporation's offices in Austin, Texas, and the roll was called of the duly constituted members of said Board, who are as follows:

Table with 2 columns: Name, Office. Rows include Robert Elliot Jones (Chairperson), William H. Dietz (Vice Chairperson), Gerry Evenwel (Director), and Jerry Romero (Director).

2. The officers of the Corporation (who are not Board members) are as follows:

Table with 2 columns: Name, Office. Rows include David Long (President), Janie Taylor (Executive Vice President), Melinda Smith (Chief Financial Officer and Treasurer), Laura Ross (Secretary), and Cynthia Gonzales (Assistant Secretary).

All Board members were present except \_\_\_\_\_, thus constituting a quorum. All of the officers of the Corporation (except the Secretary) were present at the meeting.

3. Whereupon, among other business, the following written resolution (the "Resolution") bearing the following caption:

"RESOLUTION NO. 18-\_\_

TEXAS STATE AFFORDABLE HOUSING CORPORATION

APPROVAL OF LOAN AGREEMENT RELATING TO \$1,000,000 REVOLVING LOAN TO BE MADE BY CORPORATION TO COMMUNITY DEVELOPMENT CORPORATION OF BROWNSVILLE TO BE USE TO MAKE SINGLE FAMILY LOANS PURSUANT TO ITS MICASITA LOAN PROGRAM"

was duly introduced for the consideration of said Board and said caption was read in full. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion and request for comments, said motion carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

\_\_\_ AYES

\_\_\_ NOES

\_\_\_ ABSTENTIONS

4. That a true, full and correct copy of the Resolution adopted at the meeting described in the above is attached to this certificate; that the adoption of the Resolution will be duly recorded in the Board's minutes of the meeting; that the persons named above are the duly chosen, qualified and acting members of the Board and officers of the Corporation as indicated; that each member of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at said meeting.

SIGNED this 19th day of April, 2018.

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Laura Ross, Secretary  
Texas State Affordable Housing Corporation

**RESOLUTION NO. 18-\_\_**

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**APPROVAL OF LOAN AGREEMENT RELATING TO \$1,000,000  
REVOLVING LOAN TO BE MADE BY CORPORATION TO  
COMMUNITY DEVELOPMENT CORPORATION OF  
BROWNSVILLE TO BE USE TO MAKE SINGLE FAMILY  
LOANS PURSUANT TO ITS MICASITA LOAN PROGRAM**

WHEREAS, the Texas State Affordable Housing Corporation (the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of Subchapter Y (Section 2306.551 et. seq.) of Chapter 2306, Texas Government Code, as amended, and other applicable provisions of Texas law (collectively, the “Act”); and

WHEREAS, under the Act, the Corporation is authorized to perform activities and services that the Corporation’s Board of Directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing primarily for individuals and families of low, very low, and extremely low income, and such activities and services shall include engaging in lending transactions; and

WHEREAS, said activities and services include those permitted to be funded by the Texas Housing Impact Fund (“THIF”), a fund established and maintained by the Corporation, which include the provision of loans and lines of credit for the acquisition, rehabilitation and construction of single family residences meeting the requirements of the THIF policies and rules; and

WHEREAS, at the December 15, 2016 meeting of the Board of Directors meeting, the Board approved, by motion, the making of a loan to Community Development Corporation of Brownsville (“CDCB”) in the maximum amount of \$1,000,000, with the loan proceeds to be used by CDCB to make loans to qualified borrowers under CDCB’s “MiCasita” loan program (the “MiCasita Program”), in connection with the purchase and construction of single family homes in the Texas counties of Cameron, Hidalgo and Willacy; and

WHEREAS, the Board of Directors has been updated by Corporation staff with regard to the status of the loan to CDCB and the use of loan proceeds for the MiCasita Program, and after due discussion and consideration, has determined to affirm its approval of the loan to CDCB and to authorize the President and the Executive Vice President to approve and execute all necessary documentation to evidence such loan.

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

Section 1. Approval of Loan. The Board of Directors affirms its approval of a loan by the Corporation to CDCB in the maximum amount of \$1,000,000 (the “CDCB Loan”), the proceeds of which are to be used by CDCB in making loans to eligible borrowers under its MiCasita Program. The Board authorizes the President and the Vice President to approve, in consultation with counsel, the form and substance of all necessary documents relating to the

CDCB Loan, including but not limited to a revolving loan agreement and related security documents (collectively, the “Transaction Documents”).

Section 2. Execution and Delivery of Transaction Documents. The President and the Executive Vice President are each, in the name and on behalf of the Corporation, authorized by the Board of Directors, to execute and deliver the Transaction Documents to which the Corporation is a party, with such changes as the officer executing the same, in such officer’s sole discretion, approves. Any such execution and delivery of the Transaction Documents, with any such changes, by any such officer of the Corporation shall be conclusive evidence that the same have been approved by the Board of Directors.

Section 3. Execution and Delivery of Ancillary Documents. The President and the Executive Vice President are each, in the name and on behalf of the Corporation, authorized by the Board of Directors, at any time before or after the execution and delivery of the Transaction Documents, to execute, acknowledge and deliver any and all such orders, directions, certificates, agreements, documents, instruments, amendments and other papers or items (collectively, “Ancillary Documents”), and to do or cause to be done any and all such acts and things (collectively, “Ancillary Actions”), which such officer, in such officer’s sole discretion and judgment, deems necessary or desirable in connection with the consummation of the transactions contemplated by the Transaction Documents, or as are otherwise authorized above. The execution and delivery of any such Ancillary Documents and the taking of any such Ancillary Actions by such officer of the Corporation shall be conclusive evidence that the same have been approved by the Board of Directors.

Section 4. Ratification of Prior Actions. All actions taken prior to the date of this Resolution by any officer of the Corporation in the name and on behalf of the Corporation, with respect to any of the matters and transactions described above, are ratified, confirmed and approved by the Board of Directors.

Section 5. Conflicting Prior Actions. Any order, resolution, approval or any action of the Board of Directors in conflict with this Resolution is hereby repealed to the extent of any such conflict.

Section 6. Severability. Any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

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

*[Remainder of Page Intentionally Left Blank]*

APPROVED AND EFFECTIVE this 19th day of April, 2018.

TEXAS STATE AFFORDABLE HOUSING  
CORPORATION

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Chairperson  
Texas State Affordable Housing Corporation

ATTEST:

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Laura Ross, Secretary  
Texas State Affordable Housing Corporation

Tab 4



## 2018 Texas Foundations Fund Guidelines April 2018

### ***Texas Foundations Fund Overview***

Through its Texas Foundations Fund program, the Texas State Affordable Housing Corporation (TSAHC) partners with nonprofit organizations across Texas to support housing services that meet critical housing needs of very low-income households in Texas.

### ***Matching Grant Structure***

For the 2018 funding round, the Texas Foundations Fund will provide matching grants to eligible public and private funds raised by selected partners (“Partners”). Public and private funds must have been received by Partners on or after January 1, 2018 and must be earmarked specifically for the program for which a matching grant from the Texas Foundations Fund is requested.

The following are eligible for matching grants:

- Individual donations
- Foundation grants
- Corporate grants or sponsorships
- Government grants
- In-kind donations of materials or professional services (volunteer labor does not qualify for matching grants)

### ***2018 Partner Application Process***

Partners eligible for matching grants will be selected every two years through an online application process. The online application will be available on TSAHC’s website at [www.tsahc.org](http://www.tsahc.org) in April 2018. Interested applicants should first complete an eligibility quiz to determine if they may qualify as a Partner. Only organizations that pass the eligibility quiz will be instructed to complete the online application.

Partner applications must be submitted online no later than **5:00 pm on Friday, June 1, 2018**. All applicants meeting certain threshold requirements will qualify as Partners and will be eligible for matching grants.

After submitting an application, applicants may not contact members of TSAHC’s Board of Directors regarding their application. Failure to comply will result in the disqualification of the application.

If an application contains deficiencies that require clarification or correction, TSAHC staff will contact the applicant directly to request clarification or correction of such deficiencies. Failure to respond to follow up requests for information will result in the disqualification of an application.

### ***Partner Threshold Requirements***

To qualify as a Partner eligible for a matching grant, applicants must meet the following threshold requirements:

1. **Organization Type:** Applicant must be a nonprofit organization with a 501(c)(3) designation from the Internal Revenue Service.

2. **Organization Experience:** Applicant must have at least **three** years of experience operating housing programs in Texas.
3. **Program Experience:** Applicant must have at least **two** years of experience operating the program for which a matching grant will be requested (see section below for additional program eligibility information).
4. **Fundraising Experience:** Applicant must provide a letter of reference or support from a funder who has supported the program for which a matching grant will be requested.
5. **Government Grant Performance:** Applicant must certify that it has not defaulted on or been required to repay any federal, state or local government grants within the past two years. Applicants do not need to have prior experience with government grants to be eligible for a matching grant.
6. **Financial Requirements:** Applicant must be able to provide annual financial audits for its two most recent fiscal years (TSAHC will accept financial reviews in lieu of audits from organizations with an annual operating budget of \$750,000 or less) and must be prepared to submit its audits, as well as other financial documents, when requested.
7. **Household Requirements:** To ensure the Texas Foundations Fund reaches those who are most in need, each applicant must utilize matching funds to serve **only** :
  - a. Households at or below 50% of the area median family income (very low income)<sup>1</sup>, **and**
  - b. Households with a household member with a disability, **and/or** households located in a rural community<sup>2</sup>.

### ***Eligible Programs***

Programs that provide the following housing services are eligible for a matching grant from the Texas Foundations Fund:

1. **The rehabilitation and/or critical repair of single family homes<sup>3</sup> to remedy unsafe living conditions.**

- Critical repairs may also include accessibility modifications for homes with a household member with a disability.
- Homes receiving repairs must be owner-occupied.
- TSAHC will support the critical repair of single family rental homes owned and operated by the organization applying only if the repairs enhance accessibility for a renting household with an individual with a disability<sup>4</sup>

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<sup>1</sup> While an applicant's program may serve households above this income level with other funding sources, a matching grant from the Texas Foundations Fund may only be used to serve households meeting this income requirement. TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility for the Texas Foundations Fund program. To review the current income limits, visit: [www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html)

<sup>2</sup> TSAHC defines "rural" as a county that is outside a metropolitan statistical area (MSA), or a city or community that is: 1) outside the boundaries of an MSA; or 2) within the boundaries of an MSA, if it has a population of 25,000 or less and does not share a boundary with an urban area (population larger than 25,000 within an MSA).

<sup>3</sup> TSAHC defines "single family home" as a residential property with an attached or detached dwelling that consists of (i) a single unit on an individual lot, or (ii) a single unit in a condo project, Planned Unit Development, or duplex, triplex or fourplex, or (iii) not more than four connected units, with each unit intended as housing for one family. Dwellings that are not titled as real estate, such as RVs and houseboats, are not eligible.

<sup>4</sup> In exceptional circumstances, TSAHC may allow a Partner to perform critical repairs on a rental home owned by a private landlord and occupied by a very low-income household. Partners must notify TSAHC in advance if they wish to use a portion of their Texas Foundation Fund matching grant for this purpose. Additional information, including documentation that the landlord is financially unable to perform the repairs, will be required.

- All rehabilitation and/or critical repairs funded through the Texas Foundations Fund must be provided free of charge.

**2. The provision of supportive housing services that help individuals and families at risk of homelessness or unnecessary institutionalization gain and maintain their housing stability.**

Eligible supportive housing services include, but are not limited to:

- the provision of alcohol and drug counseling,
- adult education and/or job training,
- mental health counseling, and/or
- case management or services provided by a health care provider.

Resident Services, such as afterschool tutoring programs and computer labs, are not considered supportive housing services and will not be eligible for a matching grant. All supportive housing services funded through the Texas Foundations Fund must be provided free of charge to residents. Organizations that solely provide supportive services are not eligible for a matching grant. TSAHC will only consider organizations that own and operate housing with supportive services made available to the residents as a result of their occupancy.

***2018 Funding Availability and Timeline***

TSAHC provides the matching grants available through the Texas Foundations Fund by blending private donations with earned revenue from its affordable housing programs. TSAHC’s Board of Directors approves the funding available each year under the Texas Foundations Fund. While the total funding available for 2018 has not yet been determined, it is anticipated that at least \$300,000 will be available this year. The funding available to each Partner will depend both on the total funding available as determined by TSAHC’s Board of Directors and the number of Partners selected (estimated range \$10,000-\$30,000 per year, per Partner).

Please note that donors to the Texas Foundations Fund have the ability to request their funds be used within a specific city or region; as a result, depending on Partners’ service area(s), the maximum amount of funding available to each Partner may vary.

It is anticipated that Partners will be announced and matching grants will become available in September 2018. At that time, each Partner will have six months to access its matching grant. Any funds not accessed during the initial six month period will be combined into a statewide pool and made available to other Partners on a first-come, first-awarded basis until all funds are depleted. TSAHC reserves the right to limit the total amount of funding available to each Partner from the statewide pool.

All previous Texas Foundations Fund awardees are eligible to apply to be selected as a Partner for the 2018 funding round, as long as they meet the Partner threshold requirements listed above and performed according to the grant agreement of their most recent funding award.

***Partner Term and Disbursement of Grants***

Partners will be selected for a two-year term (“Partner Term”), with grant funding made available each year. To access matching grants, Partners must submit a funding request form provided by TSAHC that documents proof of public or private funds and proposed use of the matching grant. A Partner may submit up to three funding requests during the initial six month period to access the full amount of its matching grant.

A Partner must spend 100% of its matching grant and submit a report documenting use of the matching grant and updated financial information by the end of the first year of the Partner Term before accessing matching funds the following year.

### ***Partner Agreement***

Partners will be required to execute a partner agreement that outlines:

- a description of the program for which the matching grant will be used,
- eligible expenditures<sup>5</sup>,
- the process to request matching grants,
- reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

**Failure to adhere to the terms of the partner agreement may result in the delay or cancelation of matching grants, termination of the partner agreement, or request for repayment of all or part of the matching grants disbursed.**

### ***Questions***

Questions should be submitted in writing to Michael Wilt by email at [mwilt@tsahc.org](mailto:mwilt@tsahc.org). Applicants are highly encouraged to review the Texas Foundations Fund's Question and Answer section of TSAHC's website at [www.tsahc.org](http://www.tsahc.org) for pertinent application information.

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<sup>5</sup> Partners must use 100% of their matching grant for direct costs to provide the program for which the matching grant is requested. These costs may include, but are not limited to, contractor fees, materials, salaries for staff performing critical repair work, salaries for staff providing supportive housing services, salaries for staff directly coordinating and supporting the program, travel expenses for staff directly coordinating and supporting the program, and building permits and inspection fees for homes to be repaired. The partner agreement will include a full list of expenses eligible for a matching grant.

# Tab 5



## Texas Community Capital April 19, 2018

### Agenda Item

#### **Presentation, Discussion and Possible Approval of Texas Community Capital (TCC)'s Proposed Changes to Bylaws Relating to Increase in Number of TSAHC-Appointed Board Members and Other Changes to Board Composition.**

#### **Summary**

Pursuant to discussions that were held by the Board at the February meeting of the Corporation, staff is working with TACDC and TCC regarding next-steps to be taken by TCC to become a certified Community Development Financial Institution (CDFI). As part of this process, the CDFI consultant has recommended to TCC to make the various changes to the TCC by-laws, including the following:

1. Article III, regarding the formation and makeup of the Board of Directors for TCC has been amended to expand from five (5) Directors to a maximum of nine (9) Directors. The appointing agencies, Texas Association of Community Development Corporations and Texas State Affordable Housing Corporation, will each appoint three (3) Directors, or a total of six (6). The remaining three (3) at-large Directors will be appointed by the combined TCC Directors.

Various other changes to the Bylaws are being proposed, including certain changes made to adhere to CDFI certification standards.

#### **Staff Recommendation:**

Staff recommends that the Board approve the changes to the Texas Community Capital Organizational By-Laws, Article III, as presented above.

Proposed Amendments to Article III of the Texas Community Capital Bylaws.

### ARTICLE III

#### Board of Directors

(1) Powers

The Board of Directors ("Board of Directors") of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these Bylaws.

(2) Qualifications

Participation as a member of the Board of Directors (a "Director") shall not be denied to any person on the basis of race, creed, sex, religion, or national origin.

No Director shall have the power to appoint any other member of the Board of Directors other than through the individual vote of that Director.

(3) Number of Directors

The Board of Directors will consist of no fewer than five (5) and no more than nine (9) Directors. Two- No more than three (3) Directors shall be appointed by resolution of and approved by the Board of Directors of the Texas State Affordable Housing Corporation ("TSAHC Board"), a Texas non-profit corporation, and no more than three (3) Two of the Directors shall be appointed and approved by the Board of Directors of the Texas Association of Community Development Corporations ("TACDC Board"), a Texas non-profit corporation. The TACDC Board, together with the TSAHC Board, are heretofore referred to as the "Appointing Authorities" and each individually an "Appointing Authority", a Texas non-profit corporation. One Director Up to three (3) Directors shall be appointed by majority vote by the other acting Directors of the Board of Directors. Upon majority resolution of the Board of Directors and approval by each of the TSAHC Board and the TACDC Board, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three Directors. The persons serving as directors at the time of adoption of this amendment to the Bylaws shall continue to serve until such time as their replacements have been named and seated. The Executive Director of the Corporation, if one is selected, shall serve as an ex-officio non-voting member of the Board of Directors. All other employees of the Corporation are ineligible to serve on the Board of Directors.

The Board, in consideration of this process, will consider geography, diversity, experience, and community representation in appointing new board members.

(4) Term and Election of Directors

Directors shall serve terms of four years, ~~however each.~~ Each Appointing Authority named above shall ~~in its initial appointments name one stagger the terms of their appointed Director to an initial term of two years and the other director to an initial term of four years so such~~ that each appointing authority fills appoints at least one board ~~vacancy member~~ every two years. ~~The Director appointed by the Board of Directors shall fill an initial term of four years.~~ Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose pursuant to the revised Bylaws previously approved by each Appointing Authority.

Directors whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen. When a re-appointment ~~or replacement~~ is made that term will be for the term identified at re-appointment. When a Director is replaced the term of the replacement ~~shall will~~ be ~~considered effective on the date that the term expired (i.e. the new remaining term does not begin on of the date of re-appointment or replacement).~~ Director being replaced.

~~(5)~~ Nomination Process

~~Each Appointing Authority shall nominate their respective Directors and one can be nominated by the Board of Directors~~

~~(6)~~(5) Resignation

Any Director may resign at any time by delivering written notice to the Secretary or Chair of the Board of Directors. Such resignation shall take effect upon receipt or at the time specified therein.

~~(7)~~(6) Removal

Any Director may be removed ~~without~~ with cause, at any time, by a two-thirds majority of the entire Board of Directors, at a regular or special meeting called for that purpose. For this purpose, "cause" for removal shall be deemed to exist if a trustee willfully and materially breaches or habitually neglects his duties as a Director of the Corporation, is grossly negligent in carrying out his duties as a Director, engages in fraud on the Corporation, engages in any other act materially detrimental to the best interests of the Corporation, or is convicted of a felony. Any director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

~~(8)~~(7) Vacancies

Vacancies shall be filled by the respective Appointing Authority with respect to the Directors that they are responsible to appoint. The Vacancy of the Director appointed by the Board of Directors shall be filled by the Board of Directors.

(9)(8) Compensation

Directors shall not receive any salaries for their services, but, by resolution of the Board of Directors, may be compensated for any actual expenses incurred in the performance of their duties for the Corporation. The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or Officer, however this provision does not limit the Corporation's ability to loan money or property or otherwise guarantee an obligation to a lending entity of which the Director is an employee, principle, or a member of its Board of Directors.

## **BY-LAWS OF TEXAS COMMUNITY CAPITAL, INC.**

### **ARTICLE I**

These Bylaws (the "Bylaws") constitute the code of rules adopted by the TEXAS COMMUNITY CAPITAL, INC. for the regulation and management of its affairs.

### **ARTICLE II**

#### **Purpose**

Texas Community Capital (the "Corporation") shall exist for the purpose of providing loan and investment products, development services and other related activities to residents of underserved communities either directly or through community development financial institutions (CDFIs) and community development corporations (CDCs), and similar community lenders in order to expand the availability of funds for affordable housing and other community development investments. The mission of the Corporation is to promote economic and community development in low-income communities. The Corporation shall be and is a non-profit corporation under the laws of the State of Texas. The service area of the Corporation is the entire United States with a focus on low income and under-served Texas areas.

### **ARTICLE III**

#### **Board of Directors**

(1) Powers

The Board of Directors ("Board of Directors") of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these Bylaws.

(2) Qualifications

Participation as a member of the Board of Directors (a "Director") shall not be denied to any person on the basis of race, creed, sex, religion, or national origin.

No Director shall have the power to appoint any other member of the Board of Directors other than through the individual vote of that Director.

(3) Number of Directors

The Board of Directors will consist of no fewer than five and no more than nine Directors. No more than three Directors shall be appointed and approved by the Board of Directors of the Texas State Affordable Housing Corporation ("TSAHC Board"), a Texas non-profit corporation and no more than three of the Directors shall be appointed and approved the Board of Directors of the Texas Association of Community Development Corporations ("TACDC Board"), a Texas non-profit corporation. The TACDC Board, together with the TSAHC Board, are heretofore referred to as the "Appointing Authorities" and each individually an "Appointing Authority. Up to three Directors shall be appointed by majority vote by the acting Directors of the Board. Upon majority resolution of the Board of Directors and approval by each of the TSAHC Board and the TACDC Board, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three Directors. The persons serving as directors at the time of adoption of this amendment to the Bylaws shall continue to serve until such time as their replacements have been named and

seated. The Executive Director of the Corporation (if one is selected) shall serve as an ex-officio non-voting member of the Board of Directors. All other employees of the Corporation are ineligible to serve on the Board of Directors.

The Board, in consideration of this process, will consider geography, diversity, experience, and community representation in appointing new board members.

(4) Term and Election of Directors

Directors shall serve terms of four years. Each Appointing Authority shall stagger the terms of their appointed Director such that each appointing authority appoints at least one board member every two years. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose pursuant to the revised Bylaws previously approved by each Appointing Authority.

Directors whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen. When a re-appointment is made that term will be for the term identified at re-appointment. When a Director is replaced the term of the replacement will be the remaining term of the Director being replaced.

(5) Resignation

Any Director may resign at any time by delivering written notice to the Secretary or Chair of the Board of Directors. Such resignation shall take effect upon receipt or at the time specified therein.

(6) Removal

Any Director may be removed with-cause, at any time, by a two-thirds majority of the entire Board of Directors, at a regular or special meeting called for that purpose. For this purpose, "cause" for removal shall be deemed to exist if a trustee willfully and materially breaches or habitually neglects his duties as a Director of the Corporation, is grossly negligent in carrying out his duties as a Director, engages in fraud on the Corporation, engages in any other act materially detrimental to the best interests of the Corporation, or is convicted of a felony. Any director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

(7) Vacancies

Vacancies shall be filled by the respective Appointing Authority with respect to the Directors that they are responsible to appoint. The Vacancy of the Director appointed by the Board of Directors shall be filled by the Board of Directors.

(8) Compensation

Directors shall not receive any salaries for their services, but, by resolution of the Board of Directors, may be compensated for any actual expenses incurred in the performance of their duties for the Corporation. The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or Officer; however this provision does not limit the Corporation's ability to loan money or property or otherwise guarantee an obligation to a lending entity of which the Director is an employee, principle, or a Member of its board of directors.

## **ARTICLE IV**

### **Committees**

(1) Standing Committees

The Board of Directors may from time to time designate and appoint standing or temporary committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designated by the Board of Directors. The Board Chair of the Board of Directors (the Board Chair") shall appoint the Chair of any such committee. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Articles of Incorporation and these Bylaws.

## **ARTICLE V**

### **Advisory Board**

The Board of Directors may provide a formal process for community development leaders and representatives of low-income communities to advise the Corporation on its decisions regarding the Corporation's programs, loans, investments, development services (technical assistance) and capital development through the creation of Advisory Boards. The Board of Directors may appoint Advisory Members from lenders eligible to receive loans and investments from the Corporation; from financial institutions, corporations or foundations which have made capital available to the Corporation in the form of grants, loans or investments; from local, state and national organizations dedicated to the field of community development, or may appoint other individuals from the community. An Advisory Board may meet in person or by electronic means.

The responsibilities of an Advisory Board will be determined by the Board of Directors.

## **ARTICLE VI**

### **Code of Ethics**

It is imperative to the success of the Corporation that there be a fully informed, responsive, and reasonable Board of Directors. To accomplish this end, all Directors shall conduct themselves at all times in the best interest of the Corporation. In this regard, each Director shall abide by the following "Code of Ethics." While no code or set of rules can be framed which will particularize all the duties of a Director, the following code of ethics shall serve as a general guide. The enumeration of particular duties should not be construed as a denial of the existence of others equally imperative, though not specifically mentioned.

- (1) Directors shall put forth their best effort to attend all meetings and constructively participate in the meetings.
- (2) Directors shall be responsible for insuring that adequate and correct information is presented to public.
- (3) Directors shall exercise good judgment in the control and use of confidential information that may from time to time come into their possession. No Director shall use confidential information gained by reason of being a Director for personal gain to the detriment of the Corporation.
- (4) Each Director shall serve as a public relations agent for the Corporation and therefore shall work diligently and properly to promote its goals and objectives while keeping abreast with its overall progress.

- (5) Conflict of Interest and Nepotism: Directors shall fully comply with the Conflict of Interest Policy adopted by the TCC Board of Directors.

## ARTICLE VII

### Board Meetings

(1) Place of Board Meetings

Meetings of the Board of Directors, regular or special, will be held in person or by electronic means at a place designated by the Board Chair.

(2) Regular and Special Meetings

Regular meetings of the Board of Directors shall be held each quarter, or more frequently as deemed necessary by the Board of Directors. The Board Chair or any five Directors may call special Meetings.

(3) Notice of Board Meetings

Notice of the date, time, and place of regular meetings of the Board of Directors shall be given to each Director by regular mail, telephone (including voice mail), facsimile, or electronic e-mail no less than five business days prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each Director by telephone (including voice mail), facsimile, or electronic e-mail, no less than twenty-four hours prior to the meeting, with the exception of special meetings held to amend the Articles of Incorporation or these Bylaws, for which a five-day written notice by mail or facsimile shall be required.

(4) Waiver of Notice

Attendance by a Director at any meeting of the Board of Directors will constitute a waiver of notice of such meeting except where such Director attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

(5) Quorum

A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the conduct of business. At meetings of the Board of Directors where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board of Directors unless a greater number is required by the Articles of Incorporation or by any provision of these Bylaws.

(6) Actions without a Meeting

Any action required or permitted to be taken by the Board of Directors under the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these Bylaws may be taken without a meeting, if all Directors individually and collectively consent in writing, setting forth the action to be taken. Such unanimous written consent shall have the same force and effect as a unanimous vote of the Board of Directors.

## ARTICLE VIII

### Officers

(1) Roster of Officers

The Corporation shall have a Chair, Vice Chair, Secretary, and Treasurer. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be appointed by the Directors. One person may hold two or more offices, except that the office of President and Secretary must be held by different people.

(2) Selection and Removal of Officers

All officers shall serve one year terms. The election shall be conducted at the regularly scheduled Board of Directors meeting held in the first quarter of each year and following the election of the new Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve two consecutive terms before replacement. The election of officers shall be by majority vote of the Directors attending the meeting at which a quorum is present.

(3) Vacancies

If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall fill the vacancy as soon as practical by appointing a new officer by majority vote of Directors present at which a quorum is present.

(4) Chair

The Chair will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given him or her by the Board of Directors.

The Chair will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board of Directors. The Chair shall preside at all meetings of the Board of Directors and shall exercise parliamentary control.

The Chair shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board of Directors or these Bylaws.

The Chair shall, with the advice of the Board of Directors and in accordance with the requirements of these Bylaws, set and cause the secretary to give notice of the agenda for each meeting of the Board of Directors.

(5) Vice Chair

The Vice Chair shall act in place of the Chair in the event of the chair's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors. The Vice Chair shall serve as the parliamentarian and interpret any ambiguities of the Bylaws.

(6) Secretary

The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws.

The Secretary shall attest to and keep the Bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.

The Secretary shall take or ensure that someone takes minutes of all meetings of the committees, Board of Directors, and members, and shall keep copies of all minutes at the principal office of the Corporation.

The Secretary shall keep a record of the names and addresses of the Directors and members at the principal office of the Corporation.

The Secretary shall, with the approval of the Board of Directors, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.

The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board of Directors at the principal office of the Corporation during regular business hours.

The Secretary shall see that all notices are duly given in accordance with these Bylaws or as required by law.

The Secretary shall see that all books, reports, statements, certificates, and other documents and records of the Corporation are properly kept and filed.

In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the Vice Chair shall perform the functions of the Secretary.

(7) Treasurer

The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accountings to the Directors as required by the Board of Directors, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation, which shall be approved by the Board of Directors.

The Treasurer, with the approval of the Board of Directors, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.

The Treasurer's signature shall be one of the two authorized signatures for all checking, savings and investment accounts of the Corporation. The signature of the Corporation's Executive Director will be the other authorized signature for all checking, savings and investment accounts of the Corporation.

The Treasurer shall render to the Chair and the Board of Directors, upon request, an accounting of all transactions and of the financial conditions of the Corporation.

The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

## **ARTICLE IX**

### **Rules of Procedure**

The proceedings and business of the Board of Directors shall be governed by following parliamentary procedures.

## **ARTICLE X**

### **Executive Director**

The Board of Directors may, upon resolution, appoint an Executive Director to serve at the discretion of the Board of Directors and to carry out whatever tasks the Board of Directors from time to time resolves. The Executive Director shall be paid an annual salary set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Articles of Incorporation and these Bylaws.

The Executive Director shall generally be expected to attend all meetings of the Board of Directors and meetings of all Advisory Boards.

## **ARTICLE XI**

### **Indemnification**

The Corporation will provide indemnification insurance for its Directors at such time that the Corporation begins implementation of its lending and investment programs, and the Board of Directors shall select the amount and limits of such insurance policy.

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in instances where the person failed to act in good faith and for a purpose which he or she reasonably believed to be in the best interests of the Corporation, the person had reasonable cause to believe that his or her conduct was unlawful, or the person shall be adjudged to be liable for misconduct or negligence in the performance of a duty.

## ARTICLE XII

### Operations

(1) Execution of Documents

Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the Executive Director or the Chair/Vice Chair (or such other person designated by the Board of Directors), pursuant to the general authorization of the Board. Financial Transactions, including loans and investments made by the Corporation shall require majority approval of the Board of Directors unless such approval is delegated by resolution of the Board of Directors.

(2) Records

The Corporation will keep correct and complete records of account and will also keep minutes of the proceeding of the meetings of the Board of Directors and Committees. The Corporation will keep at its principal place of business the original or a copy of the Bylaws, including amendments to date certified by the Secretary of the Corporation.

(3) Inspection of Books and Records

All books and records of this Corporation may be inspected by any Director and each Appointing Authority for any purpose at any reasonable time on written demand.

(4) Amendments

The Board of Directors may adopt Articles of Amendment (amending the Articles of Incorporation) by a vote of two-thirds of Directors present at a meeting where a quorum is present. Articles of Amendment must be adopted in accordance with Texas law. These Bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present; provided, however, that an amendment to any of Article III hereof must also be approved by each Appointing Authority to become effective.

(5) Fiscal Year

The fiscal year for the Corporation will be the calendar year, January 1 to December 31.

(6) Audit

The Corporation shall have an annual audit to be completed by June 30 of each year for the previous fiscal year by a certified public accountant.

### CERTIFICATION

I hereby certify that these Bylaws were adopted by the Board of Directors of Texas Community Capital, Inc. at its meeting held on \_\_\_\_\_ and were also approved by each Appointing Authority.

\_\_\_\_\_  
Secretary

# Tab 6



## Texas Community Capital April 19, 2018

### Agenda Item

Presentation, Discussion and Possible Approval of the Appointment of Member(s) to the Board Members of Texas Community Capital, LLC

### Summary

Pursuant to Article 3 of the Texas Community Capital By-Laws, the Texas State Affordable Housing Corporation, as an appointing agency of Texas Community Capital, shall have the right to appoint up to three members to the Texas Community Capital Board of Directors. Staff has worked to find a third member to represent the Corporation's interest and is requesting approval of the appointment of Mr. Roy Nash.

Mr. Nash serves as the President and CEO of NeighborWorks® Waco and has over 38 years of experience in the housing and building industry. He serves on the Visibility and Resource Development Committee for NeighborWorks® America as well as the NeighborWorks America HomeOwnership Steering Committee and the National NeighborWorks® Association. He is the founding and current chair of the NeighborWorks® Alliance of Texas, a collaboration of Texas NeighborWorks® organizations. Mr. Nash is the current vice-chair of the Waco Housing Coalition, and he also serves on the boards of the Heart of Texas Builders Association, the Texas Association of Builders and the Heart of Texas Workforce Solutions.

The Corporation has worked with Mr. Nash on several projects over the years. Most recently, NeighborWorks® Waco has been a Local Partner with the Corporation's Affordable Communities of Texas Land Banking Program. Mr. Nash's term will begin in May 2018 and continue through May of 2022.

Additionally, the Board is being asked to reaffirm and ratify the terms of its other appointees to the TCC board. Ms. Cynthia Leon's term ends in June 2018 and with her acceptance, we are recommending that her appointment be renewed for an additional 4-year term, to end in June 2022. A request to ratify the appointment of Mr. David Danenfelzer was made by TCC, as well. Since Mr. Danenfelzer is assuming the remaining term of Mr. Jerry Romero, his term continues until June 2020.

### Staff Recommendation:

Staff recommends that the Board approve:

1. The appointment of Mr. Roy Nash to the Texas Community Capital Board of Directors to begin in May 2018 and end in May of 2022;
2. The renewal of Ms. Cynthia Leon's appointment for a new 4-year term to begin June 2018 and end in June of 2022; and
3. To ratify the term of Mr. David Danenfelzer, who is assuming the remaining term of Mr. Romero. His appointment will end in June of 2020.

Tab 7



## Critical Repair Funding Guidelines Housing and Economic Assistance to Rebuild Texas (HEART) Program

### ***Program Overview***

The Texas State Affordable Housing Corporation (TSAHC) has partnered with Enterprise Community Partners and the Rebuild Texas Fund to create the Housing and Economic Assistance to Rebuild Texas (HEART) Program, a program that awards grants of up to \$50,000 to nonprofits providing critical home repairs and other housing assistance to families displaced or otherwise affected by Hurricane Harvey.

In addition to grant funding, the program also provides direct technical assistance to grantees to help them build capacity and scale their programs to assist more Texas families.

### ***Funding for Critical Home Repairs***

A total of \$350,000 in initial funding is available for critical home repairs under the HEART Program. This includes an initial \$250,000 grant from the Rebuild Texas Fund as well as a \$100,000 commitment from TSAHC's Board of Directors.

The Rebuild Texas Fund has also committed additional funding as matching funds, which may become available once the initial funds are expended. TSAHC and Enterprise Community Partners will continue to seek additional funds to increase the funding available under the program.

### ***Eligibility Requirements***

To qualify for critical repair grant funding, applicants must meet the following requirements:

1. **Organization Type:** Applicant must be a nonprofit organization with a 501(c)(3) designation from the Internal Revenue Service; a government entity serving one or more rural counties, cities and/or communities<sup>1</sup>; a church; or a religious organization.
2. **Experience Requirements:** Applicant must have a successful track record of providing housing-related services for at least two years. Applicants without a 501(c)(3) status must specifically be able to document prior experience with home repair programs.
3. **Financial Requirements:** Applicant must be able to provide annual financial audits for its two most recent fiscal years (TSAHC will accept financial reviews in lieu of audits from organizations with an annual operating budget of \$750,000 or less) and must be prepared to submit its audits, as well as other financial documents, when requested.
4. **Household Requirements:** To ensure the HEART program reaches those who are most in need, each applicant must use critical repair funds only for critical home repairs<sup>2</sup> of

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<sup>1</sup> TSAHC defines "rural" as a county that is outside a metropolitan statistical area (MSA), or a city or community that is: 1) outside the boundaries of an MSA; or 2) within the boundaries of an MSA, if it has a population of 25,000 or less and does not share a boundary with an urban area (population larger than 25,000 within an MSA).

single-family homes<sup>3</sup> to households at or below 80% of the area median family income (low income)<sup>4</sup>. Homes receiving repairs must be owner-occupied.

5. **Geographic Requirements:** Applicant must provide critical repairs to hurricane-damaged homes located in counties eligible for individual assistance as part of the Federal Emergency Management Agency's federal disaster declaration. A map of the counties included in the federal disaster declaration is included as an attachment to these guidelines. The number of grants and funding available to Harris, Montgomery and/or Waller County are limited to no more than half the total amount of critical repair grants and funding available.

### **Administration**

1. Applications will be accepted on a rolling basis as long as funding is available.
2. Interested applicants must submit an introductory pre-proposal describing their proposed program and technical assistance needs.
3. After reviewing each pre-proposal for program eligibility, TSAHC, Enterprise Community Partners and the Rebuild Texas Fund will determine if the applicant is a good fit for the program and if so, direct the applicant to submit a full proposal.
4. The maximum grant per applicant is \$50,000, and the maximum amount that can be used to assist an individual household is \$10,000.
5. Grantees will receive funding as a lump sum award. In certain circumstances, TSAHC may disperse critical repair funds in one or more installment(s).
6. Grantees must spend 100% of their award and complete all activities proposed in their application within one year of signing their grant agreement.
7. Grantees will be required to provide income certifications for all households assisted with critical repairs.
8. Grantees will be required to provide evidence that the housing receiving critical repairs was damaged by Hurricane Harvey. Evidence may include proof of application to the Federal Emergency Management Agency, Insurance Claim Statements, or property assessment form completed by another entity. Grantees must also provide documentation demonstrating that the repairs were not funded through federal funds, an insurance claim, or another funding source.
9. Funding for additional disaster-related housing services will be made available by Enterprise Community Partners as part of this partnership. While applicants with a 501(c)(3) designation may apply for both funding types, the total available to each organization is capped at \$50,000. Applicants do not need to submit a separate application for each funding type.

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<sup>2</sup> TSAHC defines critical repairs as repairs to a failed system, including electrical, roofing repairs/replacements, structural damage, plumbing, mechanical systems, and heating and air conditioning. Critical repairs must be vital to the health and safety of the occupants and meet state and local building codes.

<sup>3</sup> TSAHC defines "single family home" as a residential property with an attached or detached dwelling that consists of (i) a single unit on an individual lot, or (ii) a single unit in a condo project, Planned Unit Development, or duplex, triplex or fourplex, or (iii) not more than four connected units, with each unit intended as housing for one family. Dwellings that are not titled as real estate, such as RVs and houseboats, are not eligible.

<sup>4</sup> TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility for the HEART program. To review the current income limits, visit: [www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html)

### ***Grant Agreement***

Grantees will be required to execute a grant agreement that outlines:

- a description of how the grant will be used,
- eligible expenditures<sup>5</sup>,
- reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

**Failure to adhere to the terms of the grant agreement may result in the delay or cancelation of grants, termination of the agreement, or request for repayment of all or part of the grants disbursed.**

### ***Questions***

Questions should be submitted in writing to Michael Wilt by email at [mwilt@tsahc.org](mailto:mwilt@tsahc.org). Applicants are highly encouraged to review the HEART Program Question and Answer section of TSAHC's website at [www.tsahc.org](http://www.tsahc.org) for pertinent application information.

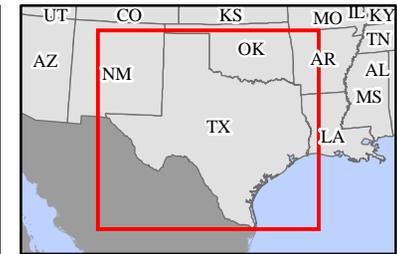
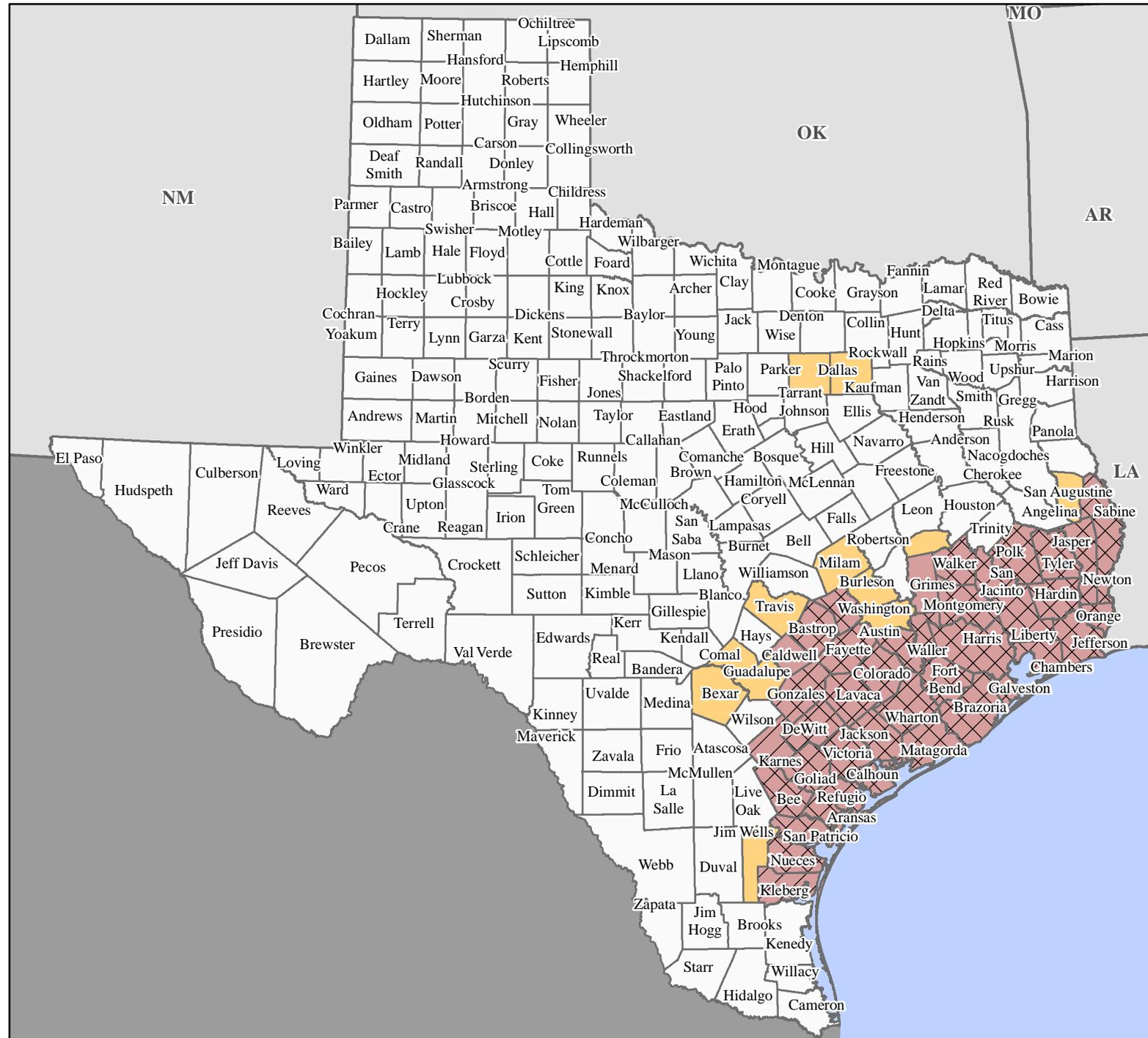
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<sup>5</sup> Grantees must use 100% of their grant for direct costs for critical home repairs. These costs may include, but are not limited to, contractor fees, materials, salaries for staff performing critical repair work, and building permits and inspection fees for homes to be repaired. The grant agreement will include a full list of expenses eligible for a grant.

# FEMA-4332-DR, Texas Disaster Declaration as of 10/11/2017



FEMA

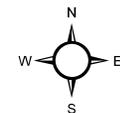


**Data Layer/Map Description:**  
The types of assistance that have been designated for selected areas in the State of Texas.

All designated areas in the State of Texas are eligible to apply for assistance under the Hazard Mitigation Grant Program.

**Designated Counties**

- No Designation
- Public Assistance
- Individual Assistance and Public Assistance
- Public Assistance (Category B)
- Individual Assistance and Public Assistance (Categories A and B)
- Individual Assistance and Public Assistance (Categories A - G)



**Data Sources:**  
 FEMA, ESRI;  
 Initial Declaration: 08/25/2017  
 Disaster Federal Registry Notice:  
 Amendment #10 - 10/11/2017  
 Datum: North American 1983  
 Projection: Lambert Conformal Conic

# Tab 8

**MINUTES AND CERTIFICATION**

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

I, the undersigned officer of the Texas State Affordable Housing Corporation (the “*Corporation*”), do hereby certify as follows:

1. The Board of Directors of the Corporation (the “*Board*”) convened on the 19th day of April, 2018, at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted members of said Board and officers, to wit:

**BOARD OF DIRECTORS**

<u>Name</u>	<u>Office</u>
Robert Elliott Jones	Chairperson
William H. Dietz	Vice Chairperson
Jerry Romero	Director
Gerry Evenwel	Director
Vacant	Director

**OFFICERS**

<u>Name</u>	<u>Office</u>
David Long	President (non-Board member)
Janie Taylor	Executive Vice President (non-Board member)
Melinda Smith	Chief Financial Officer (non-Board member)
Laura Ross	Secretary (non-Board member)
Cynthia Gonzales	Assistant Secretary (non-Board member)

and all of said members of the Board of Directors 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:

**RESOLUTION NO. 18-\_\_**

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**

“A Resolution to Restate, Ratify, and Affirm the Officers of the Corporation, Appoint the person to Fill the Position of Corporate Secretary, and Designate and Restate the Signature and Approval Authority of Officers of the Corporation.”

was duly introduced for the consideration of the Board and read in full. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion carrying with it the adoption of the Resolution, prevailed and passed by the following vote:

\_\_\_\_\_ AYES

\_\_\_\_\_ NOES

\_\_\_\_\_ ABSTENTIONS

2. That a true, full and correct copy of the aforesaid Resolution [as modified to reflect discussion by said Board] 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 officers of the Corporation 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 of said Board consented, in advance, to the holding of said meeting for such purpose.

SIGNED this 19th day of April, 2018.

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Secretary, Texas State Affordable Housing  
Corporation

**RESOLUTION NUMBER 18-\_\_**

**BOARD RESOLUTION  
OF  
TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**RESOLUTION TO RESTATE, RATIFY, AND AFFIRM THE OFFICERS OF THE CORPORATION, APPOINT A PERSON TO FILL THE POSITION OF EXECUTIVE VICE PRESIDENT, AND TO DESIGNATE AND RESTATE THE SIGNATURE AND APPROVAL AUTHORITY FOR OFFICERS OF THE CORPORATION**

**WHEREAS**, 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., now codified as the Texas Business Organizations Code, Chapter 22 as amended, and under the authority of Texas Government Code, Title 10, Chapter 2306, Subchapter Y, as amended; and

**WHEREAS**, Laura Ross has accepted a new position at the Corporation and will no longer serve as Secretary of the Corporation effective April 19, 2018; and

**WHEREAS**, upon the recommendation of Mr. David Long, President of the Corporation, the Corporation has selected Ms. Lacy Brown to assume the position of Secretary of the Corporation, effective April 19, 2018; and

**WHEREAS**, effective implementation and execution of the Corporation’s programs, operations and various task forces require that persons employed by the Corporation as Officers be empowered to approve and execute documents pursuant to the authority given such Officers as provided in the relevant resolutions passed or to be passed by the Board with respect to the Corporation’s programs, operations and various task forces;

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

**RESOLVED**, that upon Laura Ross accepting a new position at the Corporation, the Board hereby ratifies, affirms, appoints, and restates, the following persons as the officers of the Corporation:

President	David Long
Chief Financial Officer and Treasurer	Melinda Smith
Executive Vice President	Janie Taylor
Secretary	Lacy Brown
Assistant Secretary	Cynthia Gonzales

**RESOLVED**, that the Board hereby authorizes David Long, as President of the Corporation, to execute and deliver, on behalf of the Corporation, any and all documents or instruments necessary to carry out his functions as President, including without limitation, any and all documents and instruments relating to the Corporation’s programs (including bond administration), operations and task forces.

**RESOLVED**, that the Board hereby authorizes Janie Taylor, as Executive Vice President of the Corporation, to execute and deliver, on behalf of the Corporation, any and all documents or instruments necessary to carry out her functions as Executive Vice President.

**RESOLVED**, that the Board hereby authorizes Melinda Smith, as Chief Financial Officer and Treasurer of the Corporation, to execute and deliver, on behalf of the Corporation, any and all documents or instruments necessary to carry out her functions as Chief Financial Officer and Treasurer.

**RESOLVED**, that effective April 19, 2018, the Board hereby authorizes Lacy Brown, as Secretary of the Corporation, and Cynthia Gonzales as Assistant Secretary of the Corporation, to execute and deliver, on behalf of the Corporation, any and all documents or instruments necessary to carry out their respective functions as Secretary and Assistant Secretary of the Corporation.

**Effective Date.** This Resolution shall be in full force and effect from and after the date of its adoption.

ALL MATTERS ABOVE ARE APPROVED AND EFFECTIVE this 19th day of April, 2018.

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Texas State Affordable Housing Corporation

ATTEST:

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Laura Ross  
Secretary of the Corporation

# Tab 9

**Closed Executive Session –**

**Discuss real estate matters related to the purchase, exchange, lease, or value of real property located at 112 Sanford Drive, Leander Texas (Real Estate Matters Section 551.072 Texas Government Code)**

# Tab 10

**Closed Executive Session –**

**Discuss legal issues related to mortgage transaction matters with Mortgage  
Financial Services Company. (Private Consultation with Legal Counsel – Section  
551.071 Texas Government Code)**