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T E X A S
State Affordable Housing Corporation

July 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, July 19, 2018
10:30 a.m.

BOARD MEETING
TEXAS STATE AFFORDABLE HOUSING CORPORATION
To be held at the offices of
Texas State Affordable Housing Corporation
2200 East Martin Luther King Jr. Blvd
Austin, Texas 78702
July 19, 2018 at 10:30am

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

Bill Dietz
Chair

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

PUBLIC COMMENT

PRESIDENT'S REPORT

David Long

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 June 14, 2018.
- Tab 2** Discussion and Designation of a Vice Chair for the Texas State Affordable Housing Corporation Board of Directors.
- Tab 3** Discussion and Possible Approval of Audit Committee Membership.
- Tab 4** 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 Casitas Palo Alto Project.
- Tab 5** 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 Ventura at Tradewinds Apartments.
- Tab 6** 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 Ventura at Fairgrounds Apartments.
- Tab 7** Presentation, Discussion and Possible Approval of a Resolution Approving the Corporation's Fiscal Year 2019 Investment Policy.
- Tab 8** Presentation, Discussion and Possible Approval of the Corporation's Amended Program Guidelines for the Housing and Economic Assistance to Rebuild Texas (HEART) Program.
- Tab 9** Presentation, Discussion and Possible Approval of Transfer of Certain Real Estate Properties Owned by the Corporation to Separate Legal Entities Established and Controlled by the Corporation.
- Tab 10** Closed Executive Session: Presentation, Discussion and Possible Approval of a Resolution Providing the President and Executive Vice President Authority to (i) Execute Letters of Intent, Purchase Agreements or Similar Document for the Provision of Office Space to Serve as the Headquarters for the Corporation, (ii) to Execute Related Renovation or Construction Contracts, (iii) to Execute Related Lease Agreements and Concerning Other Matters Incident and Related thereto. **(Real Estate Matters – Section 551.072 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 Lacy Brown, ADA Responsible Employee, at 512-220-1174 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.

Tab A



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

<i>Month</i>	<i>Closed</i>	<i># of Loans</i>	<i>% Total</i>
January-18	\$ 80,236,616	484	14.8%
February-18	\$ 87,423,997	521	16.1%
March-18	\$ 118,687,440	704	21.9%
April-18	\$ 120,498,025	718	22.3%
May-18	\$ 134,609,508	800	24.9%
Totals	\$541,455,586	3227	100%
<i>Lender</i>	<i>Closed</i>	<i># of Loans</i>	<i>% Total</i>
Everett Financial, dba Supreme Lending	\$46,840,618	274	8.7%
Fairway Independent Mortgage Corporation	\$40,357,035	256	7.5%
Guild Mortgage Corporation	\$35,698,068	226	6.6%
PrimeLending	\$35,016,297	231	6.5%
Cornerstone Home Lending, Inc.	\$27,842,100	158	5.1%
Nations Reliable Lending, LLC	\$18,228,078	106	3.4%
AmCap Mortgage Limited	\$18,005,770	119	3.3%
Academy Mortgage Corporation	\$17,386,571	98	3.2%
Mortgage Financial Services, LLC	\$16,770,560	98	3.1%
NTFN, Inc.	\$15,559,694	91	2.9%
DHI Mortgage Company, Ltd.	\$14,281,320	70	2.6%
Georgetown Mortgage, LLC	\$13,711,227	75	2.5%
Highlands Residential Mortgage	\$13,616,896	77	2.5%
loanDepot.com LLC	\$12,818,883	67	2.4%
Cardinal Financial Company	\$9,798,366	56	1.8%
First Choice Loan Services, Inc.	\$9,397,508	49	1.7%
Movement Mortgage, LLC	\$9,351,598	60	1.7%
Ark-La-Tex Financial (Benchmark Mtg.)	\$8,699,784	48	1.6%
Hometrust Mortgage Company	\$8,053,431	55	1.5%
Mid America Mortgage, Inc.	\$7,363,801	44	1.4%
CMG Mortgage, Inc. dba CMG Financial	\$7,361,244	38	1.4%
Gardner Financial Services, Ltd.	\$6,486,236	37	1.2%
HomeBridge Financial Services	\$6,434,294	42	1.2%
SWBC Mortgage Corporation	\$6,289,647	40	1.2%
SFMC, LP (Service First Mortgage)	\$5,794,294	34	1.1%
Wallick and Volk, Inc.	\$5,012,725	30	0.9%
Certainty Home Loans, LLC	\$4,945,606	32	0.9%
Primary Residential Mortgage, Inc.	\$4,874,369	29	0.9%
New American Funding (Broker Solutions)	\$4,628,373	31	0.9%
Network Funding, LP	\$4,505,074	27	0.8%
Security National Mortgage Company	\$4,277,404	25	0.8%
Sente Mortgage Inc.	\$4,148,353	24	0.8%
Interlinc Mortgage Services, LLC	\$4,115,648	22	0.8%
Cendera Funding, Inc.	\$3,864,665	21	0.7%
Right Start Mortgage, Inc.	\$3,830,099	24	0.7%
Pulte Mortgage LLC	\$3,766,179	17	0.7%
Eagle Home Mortgage, LLC	\$3,761,637	18	0.7%
FBC Mortgage LLC	\$3,308,504	21	0.6%
Guaranteed Rate	\$3,144,519	18	0.6%
Envoy Mortgage	\$3,049,221	19	0.6%
Pacific Union Financial, LLC	\$3,019,934	14	0.6%
Independent Bank	\$2,828,925	17	0.5%
American Financial Network, Inc.	\$2,754,884	16	0.5%
Open Mortgage LLC	\$2,348,328	15	0.4%
Amerifirst Financial, Inc.	\$2,338,598	15	0.4%
Pilgrim Mortgage, LLC	\$2,314,984	14	0.4%
Stearns Lending, LLC	\$2,295,897	10	0.4%
First Community Mortgage	\$2,293,706	20	0.4%
Crosscountry Mortgage, Inc.	\$2,132,419	12	0.4%
Gateway Mortgage Group, LLC	\$2,044,682	12	0.4%
Synergy One Lending, Inc.	\$1,851,252	13	0.3%
LoanStar Home Loans	\$1,826,547	10	0.3%
First National Bank Mortgage	\$1,805,166	12	0.3%
CLM Mortgage, LLC	\$1,793,904	8	0.3%
American Mortgage & Equity Consultants	\$1,667,554	10	0.3%
Churchill Mortgage Corporation	\$1,637,498	7	0.3%
Summit Funding, Inc.	\$1,604,895	9	0.3%

<i>At a Glance</i>	
Average Annual Income	\$57,545
Average Purchase Price	\$171,580
Average Loan Amount	\$167,789
Average Household Size	2
Average Interest Rate	5.648%
<i>Program</i>	<i>%</i>
Home Sweet Texas	83.05%
Homes for Texas Heroes	16.95%
Allied Health Faculty	0.06%
Corrections Officer	0.90%
County Jailor	0.25%
EMS Personnel	0.28%
Fire Fighter	1.12%
Peace Officer	1.77%
Professional Nurse Faculty	0.74%
Public Security Officer	0.25%
School Counselor	0.28%
School Librarian	0.00%
School Nurse	0.03%
Teacher	9.70%
Teacher Aide	0.19%
Veteran	1.39%
<i>New/Existing Home</i>	
Existing	84.16%
New	15.84%
<i>Type of Loan</i>	
Conventional - Purchase	30.83%
FHA - Purchase	67.12%
USDA-RHS Purchase	0.22%
VA - Purchase	1.83%
<i>Ethnicity</i>	
American Indian/Alaskan Native	0.31%
Asian/Pacific Islander	1.58%
Black	14.35%
Hispanic	34.40%
Not Defined	5.83%
Other	0.62%
White	42.92%
<i>Top 20 Originating Counties*</i>	<i># Households</i>
Harris	516
Tarrant	400
Dallas	371
Bexar	268
Denton	102
Travis	99
Collin	85
Williamson	84
Fort Bend	75
Hidalgo	73
El Paso	69
Kaufman	64
Galveston	58
Montgomery	57
Bell	49
Nueces	46
Brazoria	43
Johnson	42
Ellis	41
Cameron	40

*Top 20 of all counties statewide. All remaining counties served 645 households combined.



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

Rocky Mountain Mortgage Company	\$1,533,261	11	0.3%
International City Mortgage, Inc.	\$1,511,416	8	0.3%
Mortgage Solutions of Colorado, LLC	\$1,471,131	8	0.3%
Bank of England	\$1,262,512	7	0.2%
On Q Financial, Inc.	\$1,257,498	8	0.2%
Wells Fargo Bank, N.A.	\$1,220,247	9	0.2%
Gold Star Mortgage Financial Group	\$1,164,715	7	0.2%
Happy State Bank	\$1,136,412	9	0.2%
Nations Lending Corporation	\$1,111,425	7	0.2%
Texas Bank Mortgage Company	\$1,081,461	8	0.2%
Citywide Home Loans, a Utah Corporation	\$1,054,505	6	0.2%
Michigan Mutual, Inc.	\$1,049,069	5	0.2%
Affiliated Bank	\$888,566	6	0.2%
LHM Financial Corp., dba CNN Mortgage	\$867,602	5	0.2%
LegacyTexas Bank	\$841,152	4	0.2%
Willow Bend Mortgage Company, LLC	\$829,083	6	0.2%
University Lending Group, LLC	\$818,934	7	0.2%
Patriot Mortgage Company	\$815,167	5	0.2%
Republic State Mortgage Co.	\$806,868	4	0.1%
Origin Bank	\$737,417	5	0.1%
Guaranteed Rate Affinity, LLC	\$690,167	5	0.1%
Union Home Mortgage	\$674,784	4	0.1%
The Home Lending Group, LLC	\$645,983	3	0.1%
BancorpSouth Bank	\$644,706	4	0.1%
Loan Simple, Inc.	\$627,407	5	0.1%
America's Choice Home Loans, LP	\$604,258	4	0.1%
Legacy Mortgage, LLC	\$602,496	6	0.1%
Moria Development/Peoples Mortgage Co	\$588,568	4	0.1%
Victorian Finance LLC	\$584,686	4	0.1%
Peoples Home Equity, Inc.	\$557,514	3	0.1%
Aim Bank	\$549,756	4	0.1%
First Continental Mortgage, Ltd.	\$524,863	2	0.1%
Castle and Cooke Mortgage	\$467,377	3	0.1%
Resmac, Inc.	\$462,826	3	0.1%
Inter National Bank	\$390,084	3	0.1%
Geneva Financial, LLC	\$384,981	2	0.1%
1st Preference Mortgage Corporation	\$350,217	2	0.1%
First Service CU dba eCU Mortgage	\$299,475	2	0.1%
Paramount Residential Mortgage Group	\$293,296	2	0.1%
GoPrime Mortgage	\$250,309	1	0.0%
New Penn Financial, LLC	\$207,178	1	0.0%
Cherry Creek Mortgage Co., Inc.	\$199,335	1	0.0%
integrity First Financial Group, Inc.	\$192,351	1	0.0%
Finance Home America	\$126,663	1	0.0%
Southwest Bank	\$122,996	1	0.0%
Grand Total	\$541,455,586	3227	100%



Mortgage Credit Certificate Program
January 1, 2018 to May 31, 2018

Month	Closed	# of Loans	% Total
Jan	\$ 13,817,927	82	12%
Feb	\$ 20,900,937	126	19%
Mar	\$ 25,239,753	149	22%
Apr	\$ 27,852,335	167	25%
May	\$ 24,688,174	149	22%
Totals	\$112,499,126	673	100%

Lender	Closed	# of Loans	% Total
Everett Financial, dba Supreme Lending	\$13,853,014	82	12.2%
PrimeLending	\$10,011,368	60	8.9%
Guild Mortgage Corporation	\$5,874,954	35	5.2%
Cornerstone Home Lending, Inc.	\$5,808,466	33	4.9%
Movement Mortgage, LLC	\$5,273,435	34	5.1%
Nations Reliable Lending, LLC	\$5,163,421	31	4.6%
Fairway Independent Mortgage Corporation	\$3,816,303	24	3.6%
First Choice Loan Services, Inc.	\$3,450,753	19	2.8%
Georgetown Mortgage, LLC	\$3,119,999	16	2.4%
Highlands Residential Mortgage	\$2,996,314	15	2.2%
AmCap Mortgage Limited	\$2,794,979	17	2.5%
Primary Residential Mortgage, Inc.	\$2,596,730	18	2.7%
Cardinal Financial Company	\$2,466,748	15	2.2%
Hometruster Mortgage Company	\$2,420,733	17	2.5%
DHI Mortgage Company, Ltd.	\$2,308,595	12	1.8%
Open Mortgage LLC	\$2,158,234	13	1.9%
Interlinc Mortgage Services, LLC	\$2,125,361	12	1.8%
Sente Mortgage Inc.	\$1,985,717	12	1.8%
Texas Bank Mortgage Company	\$1,901,622	14	2.1%
Pilgrim Mortgage, LLC	\$1,885,452	11	1.6%
New American Funding (Broker Solutions)	\$1,714,440	11	1.6%
Academy Mortgage Corporation	\$1,634,551	10	1.5%
CMG Mortgage, Inc. dba CMG Financial	\$1,445,150	7	1.0%
Wallick and Volk, Inc.	\$1,437,593	9	1.3%
SWBC Mortgage Corporation	\$1,389,358	9	1.3%
Certainty Home Loans, LLC	\$1,299,412	8	1.2%
loanDepot.com LLC	\$1,222,722	7	1.0%
American Mortgage & Equity Consultants	\$1,217,104	7	1.0%
Envoy Mortgage	\$1,132,918	7	1.0%
Colonial Savings, F.A.	\$956,700	5	0.7%
Mortgage Financial Services, LLC	\$896,240	5	0.7%
BancorpSouth Bank	\$873,247	5	0.7%
Pulte Mortgage LLC	\$869,990	4	0.6%
Stearns Lending, LLC	\$809,238	4	0.6%
Independent Bank	\$747,054	5	0.7%
Gateway Mortgage Group, LLC	\$731,443	4	0.6%
Victorian Finance LLC	\$728,041	5	0.7%
Geneva Financial, LLC	\$694,638	3	0.4%
Bank of England	\$676,519	4	0.6%
NTFN, Inc.	\$639,949	4	0.6%
Amerifirst Financial, Inc.	\$585,935	3	0.4%
Gardner Financial Services, Ltd.	\$585,774	3	0.4%
International City Mortgage, Inc.	\$583,514	3	0.4%
Synergy One Lending, Inc.	\$481,812	4	0.6%
Gold Star Mortgage Financial Group	\$469,414	3	0.4%
Eagle Home Mortgage, LLC	\$468,746	2	0.3%
Pacific Union Financial, LLC	\$436,815	2	0.3%
Right Start Mortgage, Inc.	\$395,060	4	0.6%
Guaranteed Rate	\$394,626	3	0.4%
Mid America Mortgage, Inc.	\$389,902	2	0.3%
SFMC, LP (Service First Mortgage)	\$388,510	2	0.3%
American Financial Network, Inc.	\$356,343	3	0.4%
Network Funding, LP	\$343,209	2	0.3%
First Continental Mortgage, Ltd.	\$279,837	1	0.1%
University Federal Credit Union	\$246,050	1	0.1%

At a Glance	
Total Amount Originated	\$112,499,126
Average Annual Income	\$50,660
Average Purchase Price	\$172,346
Average Loan Amount	\$167,161
Average Household Size	2
Average Interest Rate	5.420%
Program	%
Home Sweet Texas	81.28%
Homes for Texas Heroes	18.72%
Allied Health Faculty	0.00%
Corrections Officer	1.49%
County Jailer	0.30%
EMS Personnel	0.30%
Fire Fighter	0.45%
Peace Officer	1.19%
Professional Nurse Faculty	0.59%
Public Security Officer	0.45%
School Counselor	0.30%
School Librarian	0.00%
School Nurse	0.00%
Teacher	11.29%
Teacher Aide	0.15%
Veteran	2.23%
New/Existing Home	
Existing	84.99%
New	15.01%
Type of Loan	
Conventional - Purchase	32.54%
FHA - Purchase	64.19%
USDA-RHS Purchase	1.19%
VA - Purchase	2.08%
Ethnicity	
American Indian/Alaskan Native	0.18%
Asian/Pac Isle	4.63%
Black	17.22%
Hispanic	34.02%
Not Defined	5.48%
Other	1.19%
White	37.28%
Top 20 Originating Counties*	# of Loans
Harris	155
Dallas	70
Tarrant	68
Bexar	55
Travis	37
Williamson	31
Fort Bend	21
El Paso	21
Denton	19
Nueces	16
Kaufman	15
Montgomery	13
Collin	12
Galveston	12
Hidalgo	12
Hays	10
Webb	7
Ellis	6
Bell	6
Brazoria	6

*Top 20 of all counties statewide. All remaining counties served 81 households.



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

FBC Mortgage LLC	\$229,181	2	0.3%
CLM Mortgage, LLC	\$225,810	1	0.1%
Happy State Bank	\$211,055	2	0.3%
Origin Bank	\$204,703	2	0.3%
The Home Lending Group, LLC	\$185,478	1	0.1%
Cendera Funding, Inc.	\$167,852	1	0.1%
Waterloo Lending LLC	\$161,000	1	0.1%
Security National Mortgage Company	\$160,147	1	0.1%
Castle and Cooke Mortgage	\$155,138	1	0.1%
Paramount Residential Mortgage Group	\$141,391	1	0.1%
Michigan Mutual, Inc.	\$133,110	1	0.1%
University Lending Group, LLC	\$131,537	1	0.1%
On Q Financial, Inc.	\$129,609	1	0.1%
Guaranteed Rate Affinity, LLC	\$128,040	1	0.1%
Rocky Mountain Mortgage Company	\$127,153	1	0.1%
Legacy Mortgage, LLC	\$126,100	1	0.1%
Affiliated Bank	\$124,699	1	0.1%
Crosscountry Mortgage, Inc.	\$117,826	1	0.1%
Inter National Bank	\$105,245	1	0.1%
Total Committed	\$112,499,126	673	100%

Tab B

Texas State Affordable Housing Corporation

Development Finance Programs Report

July 2018

Affordable Communities of Texas Program (ACT)

The NSP program continues to pick up speed with 16 homes currently under construction and another 12 under contract to eligible home buyers. The vast majority of the homes under construction are located in the Rio Grande Valley. The ACT land bank program also has one property for-sale, one under contract for sale, and a third home being renovated.

Due to the rise in home prices, donations to the program by banks and private entities have been slow over the past two years. Staff is working to expand our outreach to potential new donors, including local governments. We are also working with nonprofit partners to identify new properties, specifically in San Antonio, Houston and Fort Worth/Dallas.

Staff plans to make site-visits next month to view our NSP properties and conduct training sessions in Bryan and Dallas.

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

Program	Portfolio as of July 1, 2018	Acquired	Sold	Current Portfolio	Current Portfolio Value
ACT Land Bank	54	0	1	53	\$579,209.00
ACT Land Trust	1	0	0	1	\$650,000.00
Texas NSP	200	0	3	197	\$2,754,623.44
Veteran's Initiative	1	0	0	1	\$33,210.00
Totals	256	0	4	252	\$4,017,042.44

Texas Housing Impact Fund

New loan activity has been slow this past month, but current lines of credit have been active. Two new properties were started by Legacy CDC, building new homes in Port Arthur, Texas. The Chicon, a 28-unit condominium project in Austin, Texas, started unit sales in early June and has closed on 19-units to-date. Eleven have been sold, with closing completed, to qualified households earning 80% of area median income or below, two have been sold to commercial buyers, and the remaining units have been market-rate sales.

Multifamily Bond Program

For the past month Staff has been very busy with multifamily bonds. Public hearings were held for our two current projects, Beckley Townhomes in Dallas, and Walnut Creek Apartments in Austin. No negative comments were received for either project.

Additionally, three new applications are being presented to the Board for Inducement at this meeting. Two projects are for new construction apartments in Midland, Texas and are being developed through a partnership between Texas Housing Foundation and Dominion. The third property is a new construction project in Brownsville, Texas being developed by the Community Development Corporation of Brownsville. All three projects have full write-ups in the board book.

Tab C

**Texas State Affordable Housing Corporation
2018 Quarterly Fundraising Report
July 11, 2018**

Home Buyer Programs/Financial & Housing Education			
Funder	Amount	Status	Notes
Federal Reserve Bank of Dallas	\$5,000	Received	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	Declined	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	\$9,905	Received	Online campaign donations received in December 2017 and April-May 2018
Wells Fargo Housing Foundation	\$15,000	Pending	Requested in June 2018 for 2019 Housing Connection workshop
Bank of America	\$10,000	Pending	Requested in June 2018 for 2019 Housing Connection workshop

Total Received/Awarded	\$4,043,105
Total Requests Pending	\$35,000

Texas Foundations Fund/Housing and Economic Assistance to Rebuild Texas (HEART) Program			
Funder	Amount	Status	Notes
Rebuild Texas Fund	\$500,000	Awarded	Request submitted in December 2017 and approved in March 2018 to support the HEART Program. Half of TSAHC's award was provided up front, and the other half was awarded as a matching grant contingent upon raising additional funding.
Meadows Foundation	\$100,000	Awarded	Awarded in June 2018 to support HEART Program

Total Awarded	\$600,000
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Texas Housing Impact Fund			
Funder	Amount	Status	Notes
Texas Capital Bank	\$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 to \$1.25 million in 2018.
Texas Capital Bank	\$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.
Austin Community Foundation	\$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.
Meadows Foundation	\$250,000	Withdrawn	Foundation staff indicated that HEART is a better fit for current priorities, so withdrew this application in April 2018 and submitted successful request for the HEART program
BBVA Compass Bank	\$1,000,000	Discussion	Have had initial conversation about potential EQ2 investment. Have provided requested documentation
BanCorp South	\$500,000	Pending	Submitted initial request in July 2018 for a potential EQ2 investment

Total Received	\$757,500
Total Requests Under Discussion	\$1,000,000
Total Requests Pending	\$1,000,000

Affordable Communities of Texas (ACT) Program			
Funder	Amount	Status	Notes
Lowes	\$2,000	Declined	Submitted request in March 2018 for a gift card to purchase appliances for an ACT property in Wichita Falls.
Whirlpool	\$2,000	Pending	Submitted request for in kind donation of appliances for an ACT property in Wichita Falls

Total Requests Pending	\$2,000
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Summary	
Total Received/Awarded	\$5,400,605
Total Pending	\$1,037,000
Total Under Discussion	\$1,000,000

Tab D

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF NET ASSETS (unaudited)
As of May 31, 2018

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 4,679,500
Restricted Assets Held by Bond Trustee:	
Cash and Cash Equivalents	1,665,526
Accrued Interest	59,776
Custodial Cash and Cash Equivalents	119,916
Investments, at Fair Market Value	9,077,473
Accounts Receivable & Accrued Revenue	68,775
Accrued Interest Receivable	133,039
Loans Receivable, Current Portion	66,551
Notes Receivable, Current Portion	121,456
Prepaid Expenses	37,481

Total Current Assets:	<u>16,029,493</u>
------------------------------	-------------------

Noncurrent Assets

Loans Receivable, Net of uncollectible amounts of \$26,923	492,964
Notes Receivable	5,666,954
Investments, at Fair Market Value	7,543,692
Mortgage Servicing Rights, Net of Accumulated Amortization of \$2,486,586	241,475
Fixed Assets, Net of Accumulated Depreciation of \$769,816	1,268,905
Owned Real Estate, Federal & Other Programs Net of Amort \$492,852	9,439,250
Restricted Investments Held by Bond Trustee, at Fair Market Value	33,742,980

Total Noncurrent Assets:	<u>58,396,220</u>
---------------------------------	-------------------

TOTAL ASSETS	\$ <u>74,425,713</u>
---------------------	-----------------------------

(continued)

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF NET ASSETS - Continued (unaudited)
As of May 31, 2018

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	\$	281,850
Notes Payable, Current Portion		50,306
Custodial Reserve Funds		119,917
Other Current Liabilities		246,561
Payable from Restricted Assets Held by Bond Trustee:		
Bonds Payable, Current Portion		740,000
Accrued Interest on Bonds		278,768

Total Current Liabilities: 1,717,402

Noncurrent Liabilities

Notes Payable		2,450,530
Revenue Bonds Payable		32,077,039
Due to Federal Programs		2,160,462
Unearned Revenue		211,064

Total Noncurrent Liabilities: 36,899,095

Total Liabilities: 38,616,497

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue		193,375
------------------	--	---------

Total Deferred Inflows of Resources 193,375

NET POSITION

Invested in Capital Assets		1,268,904
Restricted for:		
Debt Service		2,372,475
Other Purposes		40,186
Unrestricted		31,934,276

Total Net Position: \$ 35,615,841

TEXAS STATE AFFORDABLE HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)
for the 9 months ending May 31, 2018

Operating Revenues

Interest and Investment Income	\$ 1,630,865
Net Increase (Decrease) in Fair Value of Investments	190,135
Single Family Income	7,170,080
Asset Oversight and Compliance Fees	176,225
Loan Servicing Fees	63,280
Multifamily Income	210,281
Land Bank Income	248,203
Public Support	
Federal & State Grants	23,925
Contributions	290,386
Other Operating Revenue	652,706
Total Operating Revenues	\$ 10,656,086

Operating Expenses

Interest Expense on Bonds and Notes Payable	\$ 998,606
Salaries, Wages and Payroll Related Costs	1,914,522
Professional Fees and Services	328,644
Amortization	172,961
Office and Equipment Rental and Maintenance	70,032
Travel and Meals	70,164
Depreciation	187,118
Program and Loan Administration	786,901
Grant Expenditures	23,960
Foundation Fund Grants	318,000
Other Operating Expenses	524,361
Total Operating Expenses	\$ 5,395,269

Net Income 5,260,817

Total Net Position, Beginning 30,355,024

Total Net Position, Ending \$ 35,615,841



Quarterly Investment Report

February 28, 2018 – May 31, 2018



Political Premiums

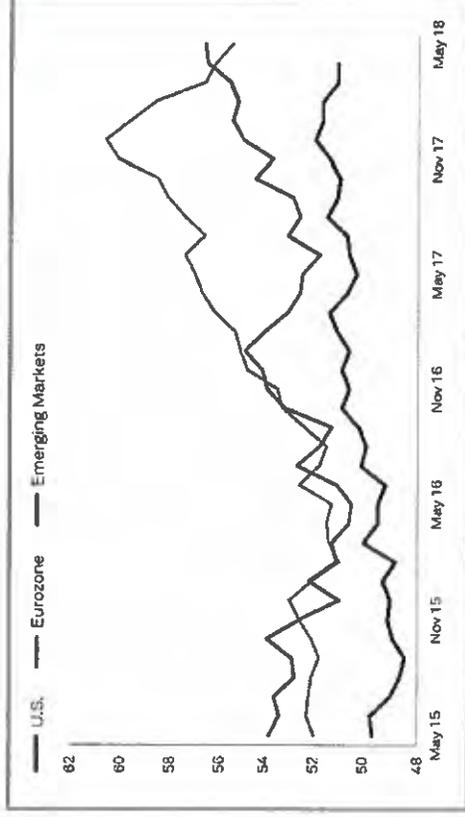
The month was dominated by political and trade events which created a mild headwind to the US economy and brought volatility as risks changed almost daily with those risks weighed and markets responding. Weaker EU data, heightened trade tensions and a strong US dollar were overshadowed by political uncertainty in southern Europe to add risk premiums across the globe.

Trade tantrums continued and escalated through the month as the US applied tariffs unexpectedly to its closest allies (UK, Canada and the EU) and extended the steel and aluminum tariffs to Mexico and Canada. If the position is to apply negotiating pressure it has its dangers. NAFTA is complicated by upcoming elections in Mexico and Canada. Cross channel distortions with other trading partners may result in a backlash which could hurt the US economy and our rate trajectory. Talks with North Korea have been much more successful on nuclear tensions which lowers the risks which had caused a significant flight to US Treasury safety.

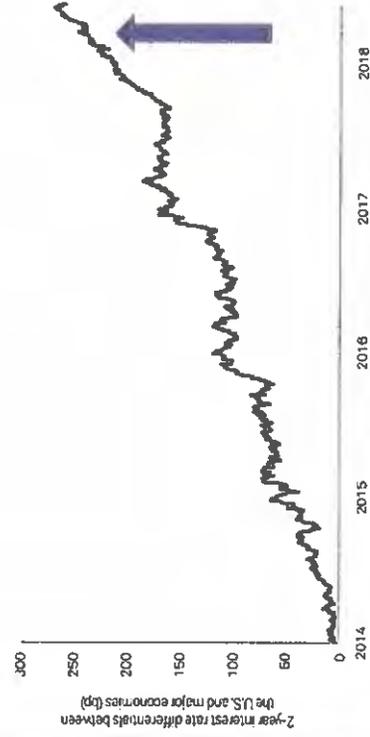
European headwinds are particularly strong as the Zone slows with low employment and inflation. The earlier EU intention to normalize rates has been put on hold and interest rates spreads to US rates make the US an attractive investment again bringing money to the US and applying downward rate pressure in the middle and long end of the curve.

The most tumultuous events however came from Italy and Spain both of which have new leaders. The coalition of Italian socialists created a Euro-skeptic administration supporting the fear of EU's 3rd biggest economy possible departure from the Union. Even if that does not occur it has undermined investor confidence and slowed growth in Italy. This follows a long history of Italian political turmoil but true consideration of an EU exit, toggled to Brexit and the UK problems at Ireland's border, has a distinctly more serious ring to it.

Europe Suffers from Slow Growth and Political Turmoil



INTEREST RATE DIFFERENTIALS BETWEEN THE U.S. AND MAJOR ECONOMIES



The Expansion Continues

Despite the global headwinds, the US economy continues on its slow and steadily improving pace.

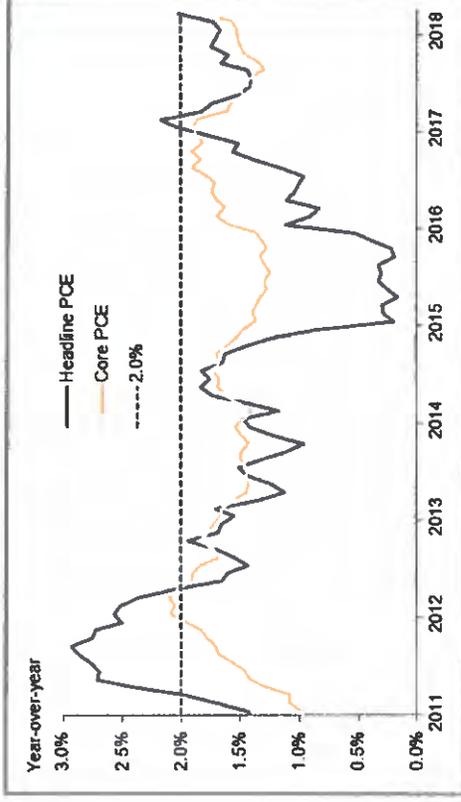
Non-farm payrolls in May surged past expectations adding 223,000 jobs and taking the unemployment rate to 3.8% - the lowest rate since 2000. Part of the lower rate drop was from the lower participation rate which measures folks of working age in the workforce. Otherwise the news was all positive with private payrolls and manufacturing expanding and hourly earnings accelerating. These hourly earnings put more money in consumer hands and as a result **consumer buying** has picked up after the few month's slowdown.

The ISM leading indicator echoed the good news across almost all its categories. Broad based gains were measured in employment, prices paid, productivity, new orders and backlogs, and supply deliveries. Matched with increasing **construction** and home sales this paints a positive picture in the US.

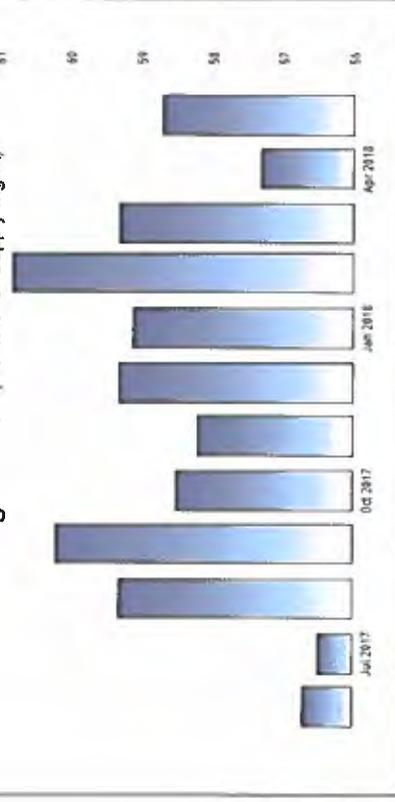
Inflation has also crept up slightly but remains elusive. The very strong US dollar prevents inflation growth currently but as corporations start to borrow for inventory rebuilding and capital expansion this could weaken the dollar. That weakening, of course, also helps the trade imbalance.

With the positive expansion the 2Q GDP expectations have also reached 3.1% Q/Q. This is all positive news for the FOMC meeting in June. Expectations are for a rate increase to 1.75-2% which is near what many consider the *neutral rate*: the rate at which it neither stimulates nor slows economic growth. The key here will be the rate at which they move. With negative external forces, if the FOMC moves too fast the market will expect a flat curve and could push the long end downward further. This would raise fears of a recession (often preceded by a flat curve) - a consideration well understood by the Fed.

Personal Consumption Expenditures

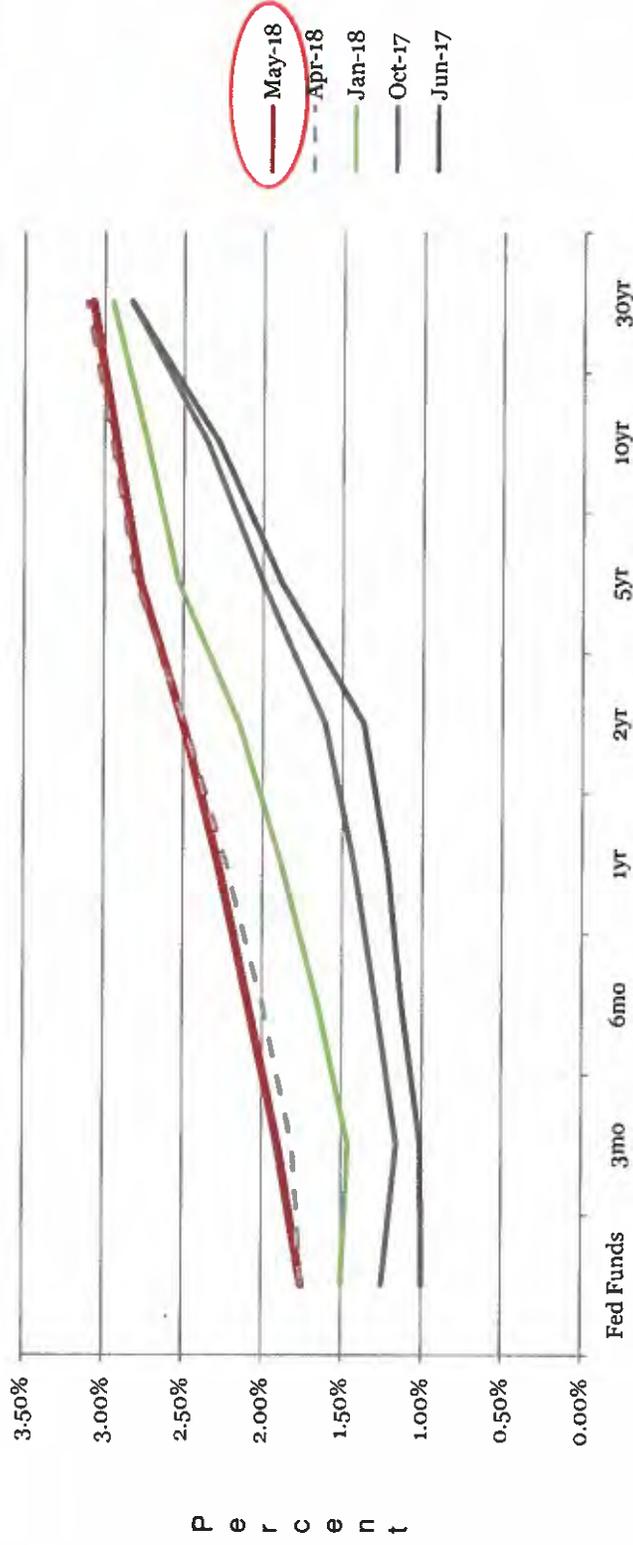


ISM Shows Strong Growth (Institute for Supply Mgmt)



Rates Struggle to Find Right Balance

- The concern for a flattening (less steep) curve has not abated and it is wait and see on the FOMC June 13th announcement. Any lessening of a hawkish tone from the Fed (to raise rates) will change the equation dramatically as the market expects at least 2 more hikes in 2018.
- Every expectation (and the futures markets) points to a rate hike in June bringing the overnight rate to the 1.75-2.0% range.
- The long end refuses to move upward until stronger indications of inflation appear. In addition, the rate differential with other sovereigns facing difficulties with slower economies continues to bring funds into the US market, even the long end.
- The yield on the Treasury 3-month is quite near the dividend yield on the S&P 500 which could cause a shift away from the riskier stock market alternatives.



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

Texas State Affordable Housing Corporation

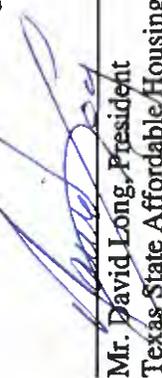
Quarterly Investment Report
February 28, 2018 – May 31, 2018
Portfolio Summary Management Report

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).

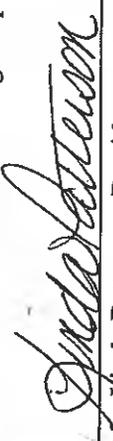
<u>Portfolio as of February 28, 2018</u>		<u>Portfolio as of May 31, 2018</u>	
Beginning Book Value	\$ 13,568,205	Ending Book Value	\$ 15,605,130
Beginning Market Value	\$ 13,551,355	Ending Market Value	\$ 15,573,267
Unrealized Gain/Loss	\$ (16,850)	Investment Income for the period	\$ 78,468
		Unrealized Gain/Loss	\$ (31,863)
		Change in Unrealized Gain/Loss	\$ (15,013)
WAM at Beginning Period Date ¹	68 days	WAM at Ending Period Date ¹	177 days
		Change in Market Value	\$ 2,021,912

Average Yield to Maturity for period 1.682 %
 Average Yield 3 month Treasury bill for period 1.810 %
 Average Yield 6 month Treasury bill for period 1.990 %


 Ms. Melinda Smith, CFO
 Texas State Affordable Housing Corporation


 Mr. David Long, President
 Texas State Affordable Housing Corporation


 Mr. Nick Lawrence, Controller
 Texas State Affordable Housing Corporation


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

¹ WAM, represents weighted average maturity.

Your Portfolio

As of May 31, 2018

PATERSON ASSOCIATES

P&A

INVESTMENT PROFESSIONALS

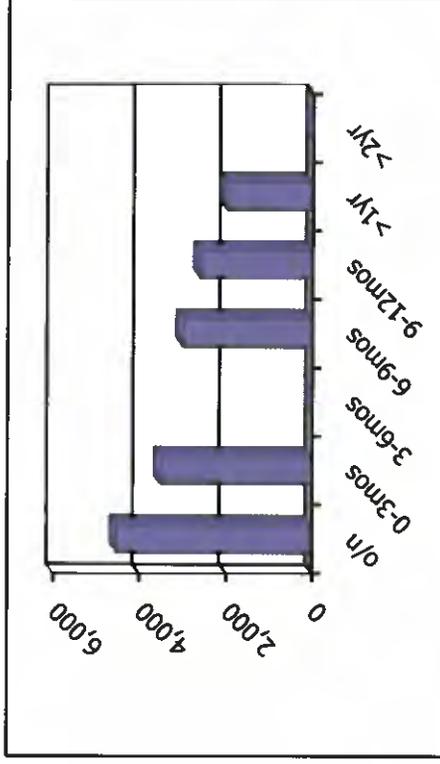
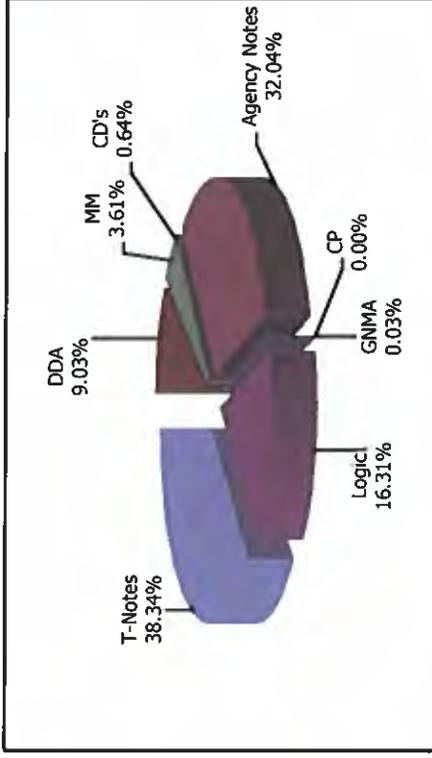
P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.

The very short-term rates continue to move up with the Fed's slow increase in the overnight rates and short term alternatives are particularly attractive. For those with access to commercial paper the values are outstanding because of the strength in the economy. Rates farther out the curve continue to move up ever so slowly.

It is recommended that everyone review their bank ECR rates versus those available outside the banks. Sweeps have once again become viable and are used to reduce bank balances and eliminate any balance based charges while increasing earnings. Call us to discuss this new situation

Your net yield of 1.68% compared to some basic benchmarks generated additional quarterly earnings of:

- Q 3 mo. T-Bill \$ (5,108.96)
- Q 6 mo. T-Bill \$ (12,346.75)
- Q 1 yr T-Bill \$ (19,584.53)





**Texas State Affordable Housing
Portfolio Management
Portfolio Summary
May 31, 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 365 Equiv.
Federal Agency Coupon Securities	5,000,000.00	4,970,881.00	4,999,531.99	32.04	600	302	1.780
Treasury Coupon Securities	6,000,000.00	5,978,074.50	5,981,910.48	38.33	289	199	1.998
Pass Through Securities (GNMA)	4,675.76	5,299.87	4,675.76	0.03	8,646	5,985	5.971
LOGIC	2,546,472.48	2,546,472.48	2,546,472.48	16.32	1	1	2.027
FHLB Dallas-Money Fund	510,349.70	510,349.70	510,349.70	3.27	1	1	1.688
MM Funds/NOW Accounts	52,287.72	52,287.72	52,287.72	0.34	1	1	0.450
CD's - Interest mo/qrly/annually	100,400.80	100,400.80	100,400.80	0.64	365	337	0.250
Bank Accounts	1,409,500.97	1,409,500.97	1,409,500.97	9.03	1	1	0.000
Investments	15,623,687.43	15,573,267.04	15,605,129.90	100.00%	308	177	1.727
Cash and Accrued Interest							
Accrued Interest at Purchase		8,328.66	8,328.66				
Subtotal		8,328.66	8,328.66				
Total Cash and Investments	15,623,687.43	15,581,595.70	15,613,458.56		308	177	1.727

Total Earnings May 31 Month Ending **22,694.55** Fiscal Year To Date **105,284.64**

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 7/2018
Melinda Smith, Chief Financial Officer

**Texas State Affordable Housing
 Summary by Type
 May 31, 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
Fund: General Investments						
MM Funds/NOW Accounts	2	52,287.72	52,287.72	0.34	0.450	1
Bank Accounts	1	1,404,818.47	1,404,818.47	9.00	0.000	1
Federal Agency Coupon Securities	4	5,000,000.00	4,999,531.99	32.04	1.780	302
FHLB Dallas-Money Fund	1	510,349.70	510,349.70	3.27	1.688	1
Pass Through Securities (GNMA)	1	4,675.76	4,675.76	0.03	5.971	5,985
LOGIC	1	2,546,472.48	2,546,472.48	16.32	2.027	1
CD's - Interest mo/qrly/annually	1	100,400.80	100,400.80	0.64	0.250	337
Treasury Coupon Securities	4	6,000,000.00	5,981,910.48	38.33	1.998	199
Subtotal	15	15,619,004.93	15,600,447.40	99.97	1.727	177
Fund: Wells Fargo - CDC						
Bank Accounts	1	4,682.50	4,682.50	0.03	0.000	1
Subtotal	1	4,682.50	4,682.50	0.03	0.000	1
Total and Average	16	15,623,687.43	15,605,129.90	100.00	1.727	177

**Texas State Affordable Housing
Fund GENERAL - General Investments
Investments by Fund
May 31, 2018**

Patterson & Associates
901 S. MoPac
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Austin, TX 78746

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Maturity Days To
Federal Agency Coupon Securities											
3130ADVE9	224	FHLB Note	04/04/2018	1,999,531.99	2,000,000.00	1,998,218.00	2.125	2.124	2.154	03/21/2019	293
3134GACF9	208	FHLMC Call Note	08/23/2016	1,000,000.00	1,000,000.00	997,828.00	1.100	1.069	1.084	08/23/2018	83
3134GABN3	209	FHLMC Call Note	08/23/2016	1,000,000.00	1,000,000.00	987,604.00	1.300	1.256	1.274	08/23/2019	448
3134G9G84	223	FHLMC Call Note	03/14/2018	1,000,000.00	1,000,000.00	987,231.00	1.100	2.199	2.230	06/28/2019	392
		Subtotal and Average		4,999,531.99	5,000,000.00	4,970,881.00		1.755	1.780		301
Treasury Coupon Securities											
91282SD3	220	T Note	02/06/2018	497,769.85	500,000.00	496,933.50	1.250	1.900	1.926	01/31/2019	244
91282RE2	221	T Note	03/01/2018	2,497,717.62	2,500,000.00	2,497,175.00	1.500	1.846	1.872	08/31/2018	91
91282C24	222	T Note	03/01/2018	2,489,272.84	2,500,000.00	2,486,817.50	1.500	2.056	2.084	02/28/2019	272
91282D23	225	T Note	04/23/2018	497,150.17	500,000.00	497,148.50	1.625	2.229	2.260	04/30/2019	333
		Subtotal and Average		5,981,910.48	6,000,000.00	5,978,074.50		1.970	1.998		199
Pass Through Securities (GNMA)											
36201LFC3	100	G2 586163 Mite	02/17/2011	4,675.76	4,675.76	5,299.87	5.990	5.889	5.971	10/20/2034	5,985
		Subtotal and Average		4,675.76	4,675.76	5,299.87		5.889	5.971		5,985
LOGIC											
5010	213	Logic	11/16/2016	2,546,472.48	2,546,472.48	2,546,472.48	2.027	1.999	2.027		1
		Subtotal and Average		2,546,472.48	2,546,472.48	2,546,472.48		2.000	2.027		1
FHLB Dallas-Money Fund											
995999995	9002	FHLB Money Market Fund	09/01/2006	510,349.70	510,349.70	510,349.70	1.688	1.664	1.687		1
		Subtotal and Average		510,349.70	510,349.70	510,349.70		1.665	1.688		1
MM Funds/NOW Accounts											
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	52,287.72	52,287.72	52,287.72	0.450	0.443	0.450		1
		Subtotal and Average		52,287.72	52,287.72	52,287.72		0.444	0.450		1
CD's - Interest mo/qty/annually											
4016000455A	226	Texas Capital Bank CD	05/04/2018	100,400.80	100,400.80	100,400.80	0.250	0.246	0.250	05/04/2019	337

Fund WELLS - Wells Fargo - CDC
Investments by Fund
May 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date	Maturity
Bank Accounts											
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



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**Texas State Affordable Housing
 Cash Reconciliation Report
 For the Period March 1, 2018 - May 31, 2018
 Grouped by Fund**

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
03/01/2018	221	GENERAL	Purchase	912828REZ	2,500,000.00	TNOTE 2.5M 1.50% Mat. 08/31/2018	08/31/2018	-2,495,410.16	-101.90	0.00	-2,495,512.06
03/01/2018	222	GENERAL	Purchase	912828C24	2,500,000.00	TNOTE 2.5M 1.50% Mat. 02/28/2019	02/28/2019	-2,485,644.53	-101.90	0.00	-2,485,746.43
03/14/2018	223	GENERAL	Purchase	3134G9G84	1,000,000.00	FHLMCC 1.0M 1.10% Mat.	06/28/2019	-985,710.00	-2,322.22	0.00	-988,032.22
03/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	23.78	40.70	64.48
04/04/2018	224	GENERAL	Purchase	3130ADVE9	2,000,000.00	FHLB 2.0M 2.13% Mat. 03/21/2019	03/21/2019	-1,999,440.00	-1,534.72	0.00	-2,000,974.72
04/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	23.58	21.63	45.21
04/23/2018	225	GENERAL	Purchase	912828D23	500,000.00	TNOTE 0.5M 1.63% Mat. 04/30/2019	04/30/2019	-496,816.41	-3,905.39	0.00	-500,721.80
04/30/2018	225	GENERAL	Interest	912828D23	500,000.00	TNOTE 0.5M 1.63% Mat. 04/30/2019	04/30/2019	0.00	4,062.50	0.00	4,062.50
05/04/2018	219	GENERAL	Interest	4016000455	100,000.00	TCBCD 0.1M 0.40% Mat. 05/04/2018	05/04/2018	0.00	97.88	0.00	97.88
05/04/2018	219	GENERAL	Interest	4016000455	100,000.00	TCBCD 0.1M 0.40% Mat. 05/04/2018	05/04/2018	-97.88	0.00	0.00	-97.88
05/04/2018	226	GENERAL	Purchase	4016000455A	100,400.80	TCBCD 0.1M 0.25% Mat. 05/04/2019	05/04/2019	-100,400.80	0.00	0.00	-100,400.80
05/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	23.47	25.95	49.42
Subtotal								-8,563,519.78	-3,734.92	88.28	-8,567,166.42
Total								-8,563,519.78	-3,734.92	88.28	-8,567,166.42

Portfolio TSAH
 AP
 AC (PRF AC) 7.2.0
 Report Ver. 7.3.6.1



**Texas State Affordable Housing
Purchases Report
Sorted by Fund - Fund
March 1, 2018 - May 31, 2018**

Patterson & Associates
901 S. MoPac
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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
General Investments													
912828REZ	221	GENERAL	TRC	TNOTE	2,500,000.00	03/01/2018	08/31 - Final Pmt.	2,495,410.16	101.90	1.500	08/31/2018	1.873	2,497,717.62
912828C24	222	GENERAL	TRC	TNOTE	2,500,000.00	03/01/2018	08/31 - 02/28	2,485,644.53	101.90	1.500	02/28/2019	2.085	2,489,272.84
3134G9G84	223	GENERAL	FAC	FHLMCC	1,000,000.00	03/14/2018	06/28 - 12/28	985,710.00	2,322.22	1.100	06/28/2019	2.230	1,000,000.00
3130ADVE9	224	GENERAL	FAC	FHLB	2,000,000.00	04/04/2018	09/21 - 03/21	1,999,440.00	1,534.72	2.125	03/21/2019	2.154	1,999,531.99
912828D23	225	GENERAL	TRC	TNOTE	500,000.00	04/23/2018	04/30 - 10/31	496,816.41	Received	1.625	04/30/2019	2.260	497,150.17
4016000455A	226	GENERAL	RR4	TCBCD	100,400.80	05/04/2018	/ - Quarterly	100,400.80		0.250	05/04/2019	0.250	100,400.80
Subtotal					8,600,400.80			8,563,421.90	4,080.74				8,584,073.42
Total Purchases					8,600,400.80			8,563,421.90	4,080.74				8,584,073.42

Received = Accrued Interest at Purchase was received by report ending date.

Portfolio TSAH
AP
PU (PRF_PU) 7.1.1
Report Ver. 7.3.6.1



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 Austin, TX 78746

Texas State Affordable Housing Maturity Report

Sorted by Maturity Date
 Amounts due during March 1, 2018 - May 31, 2018

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
4016000455	219	GENERAL	RR4	TCBCD	100,302.92	05/04/2018	05/04/2017	0.400	100,302.92	0.00	100,302.92	0.00
Total Maturities					100,302.92				100,302.92	0.00	100,302.92	0.00



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

**Texas State Affordable Housing
 Interest Earnings**
 Sorted by Fund - Fund
 March 1, 2018 - May 31, 2018
 Period Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
3130ADVE9	224	GENERAL	FAC	2,000,000.00	0.00	1,260,546.52	03/21/2019	2.125	0.541	6,729.17	91.99	6,821.16
912828C24	222	GENERAL	TRC	2,500,000.00	0.00	2,487,478.40	02/28/2019	1.500	0.523	9,375.00	3,628.31	13,003.31
912828SD3	220	GENERAL	TRC	500,000.00	496,928.97	497,353.98	01/31/2019	1.250	0.488	1,588.40	840.88	2,429.28
912828RE2	221	GENERAL	TRC	2,500,000.00	0.00	2,496,576.43	08/31/2018	1.500	0.468	9,375.00	2,307.46	11,682.46
912828D23	225	GENERAL	TRC	500,000.00	0.00	210,679.51	04/30/2019	1.625	0.568	863.63	333.76	1,197.39
5010	213	GENERAL	RRP	2,546,472.48	4,118,931.13	3,296,259.80		2.027	0.471	15,541.35	0.00	15,541.35
999999995	9002	GENERAL	RR2	510,349.70	1,248,619.16	1,237,554.84		1.688	0.398	4,931.33	0.00	4,931.33
591359967	69	GENERAL	RR5	1,404,818.47	5,541,747.49	2,565,177.31				0.00	0.00	0.00
4016000455A	226	GENERAL	RR4	100,400.80	0.00	30,556.77	05/04/2019	0.250	0.063	19.25	0.00	19.25
4016000455	219	GENERAL	RR4	0.00	100,302.92	69,775.94	05/04/2018	0.400	0.101	70.39	0.00	70.39
3134G9G84	223	GENERAL	FAC	1,000,000.00	0.00	857,686.03	06/28/2019	1.100	1.940	2,352.78	14,290.00	16,642.78
3134GACF9	208	GENERAL	FAC	1,000,000.00	1,000,000.00	1,000,000.00	08/23/2018	1.100	0.275	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	0.325	3,250.00	0.00	3,250.00
3051137	175	GENERAL	RR3	52,287.72	52,228.46	52,249.28		0.450	0.113	59.26	0.00	59.26
36201LFC3	100	GENERAL	GN1	4,675.76	4,764.04	4,718.49	10/20/2034	5.990	0.016	70.39	0.00	70.39
			Subtotal	15,619,004.93	13,563,522.17	17,066,613.30			0.005	56,975.95	21,492.40	78,468.35
Fund: Wells Fargo - CDC												
999999994	0014	WELLS	RR5	4,682.50	4,682.50	4,682.50				0.00	0.00	0.00
			Subtotal	4,682.50	4,682.50	4,682.50				0.00	0.00	0.00
			Total	15,623,687.43	13,568,204.67	17,071,295.80			0.460	56,975.95	21,492.40	78,468.35

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**Texas State Affordable Housing
 Amortization Schedule
 March 1, 2018 - May 31, 2018
 Sorted By Fund - Fund**

Investment # Issuer	Fund	Maturity Date Amort. Date	Beginning Par Value Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 03/31/2018	Amount Amortized This Period	Amt Amortized Through 05/31/2018	Amount Unamortized Through 05/31/2018
General Investments										
224 FHLB Note	GENERAL	03/21/2019	2,000,000.00 2.125	1,999,440.00	-560.00	1,999,531.99	0.00 -560.00	91.99	91.99	-468.01
208 FHLMC Call Note	GENERAL	08/23/2018 11/23/2016	1,000,000.00 1.100	1,000,300.00	300.00	1,000,000.00	-300.00 0.00	0.00	-300.00	0.00
209 FHLMC Call Note	GENERAL	08/23/2019 02/23/2017	1,000,000.00 1.300	1,000,750.00	750.00	1,000,000.00	-750.00 0.00	0.00	-750.00	0.00
223 FHLMC Call Note	GENERAL	06/28/2019 03/28/2018	1,000,000.00 1.100	985,710.00	-14,290.00	1,000,000.00	0.00 -14,290.00	14,290.00	14,290.00	0.00
220 T Note	GENERAL	01/31/2019	500,000.00 1.250	496,718.75	-3,281.25	497,769.85	210.22 -3,071.03	840.88	1,051.10	-2,230.15
221 T Note	GENERAL	08/31/2018	2,500,000.00 1.500	2,495,410.16	-4,589.84	2,497,717.62	0.00 -4,589.84	2,307.46	2,307.46	-2,282.38
222 T Note	GENERAL	02/28/2019	2,500,000.00 1.500	2,485,644.53	-14,355.47	2,489,272.84	0.00 -14,355.47	3,628.31	3,628.31	-10,727.16
225 T Note	GENERAL	04/30/2019	500,000.00 1.625	496,816.41	-3,183.59	497,150.17	0.00 -3,183.59	333.76	333.76	-2,849.83
		Subtotal		10,960,789.85	-39,210.15	10,981,442.47	-839.78 -40,049.93	21,492.40	20,652.62	-18,557.53
		Total		10,960,789.85	-39,210.15	10,981,442.47	-839.78 -40,049.93	21,492.40	20,652.62	-18,557.53



**Texas State Affordable Housing
Projected Cashflow Report
Sorted by Monthly
For the Period June 1, 2018 - December 31, 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
June 2018										
06/28/2018	223	GENERAL	3134G9G84	Interest	FHLMC Call Note	0.00	0.00	0.00	5,500.00	5,500.00
06/28/2018	223	GENERAL	3134G9G84	Call	FHLMC Call Note	1,000,000.00	985,710.00	1,000,000.00	0.00	1,000,000.00
					Total for June 2018	1,000,000.00	985,710.00	1,000,000.00	5,500.00	1,005,500.00
July 2018										
07/31/2018	220	GENERAL	912828SD3	Interest	T Note	0.00	0.00	0.00	3,125.00	3,125.00
					Total for July 2018	0.00	0.00	0.00	3,125.00	3,125.00
August 2018										
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
08/23/2018	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
08/31/2018	221	GENERAL	912828RE2	Maturity	T Note	2,500,000.00	2,495,410.16	2,500,000.00	18,750.00	2,518,750.00
08/31/2018	222	GENERAL	912828C24	Interest	T Note	0.00	0.00	0.00	18,750.00	18,750.00
					Total for August 2018	4,500,000.00	4,496,460.16	4,500,000.00	49,500.00	4,549,500.00
September 2018										
09/21/2018	224	GENERAL	3130ADVE9	Interest	FHLB Note	0.00	0.00	0.00	21,250.00	21,250.00
					Total for September 2018	0.00	0.00	0.00	21,250.00	21,250.00
October 2018										
10/31/2018	225	GENERAL	912828D23	Interest	T Note	0.00	0.00	0.00	4,062.50	4,062.50
					Total for October 2018	0.00	0.00	0.00	4,062.50	4,062.50
December 2018										
12/28/2018	223	GENERAL	3134G9G84	Interest	FHLMC Call Note	0.00	0.00	0.00	5,500.00	5,500.00
					Total for December 2018	0.00	0.00	0.00	5,500.00	5,500.00
					GRAND TOTALS:	5,500,000.00	5,482,170.16	5,500,000.00	86,937.50	5,588,937.50

Portfolio TSAH
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Report Ver. 7 3.6.1



Patterson & Associates
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**Texas State Affordable Housing
 Texas Compliance Change in Val Report
 Sorted by Fund
 March 1, 2018 - May 31, 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
Fund: General Investments									
100	G25861	GENERAL	02/17/2011	70.39	4,764.04	0.00	88.28	-88.28	4,675.76
36201LFC3	4,675.76	5.971	10/20/2034	70.83	5,445.69	0.00	88.28	-145.82	5,299.87
175	CNB	GENERAL	09/21/2015	59.26	52,228.46	59.26	0.00	59.26	52,287.72
3051137	52,287.72	0.450	/ /	59.26	52,228.46	59.26	0.00	59.26	52,287.72
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	0.00	996,397.00	0.00	0.00	1,431.00	997,828.00
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	0.00	986,751.00	0.00	0.00	853.00	987,604.00
213	LOGIC	GENERAL	11/16/2016	15,541.35	4,118,931.13	2,015,541.35	3,588,000.00	-1,572,458.65	2,546,472.48
5010	2,546,472.48	2.027	/ /	15,541.35	4,118,931.13	2,015,541.35	3,588,000.00	-1,572,458.65	2,546,472.48
219	TCBCD	GENERAL	05/04/2017	70.39	100,302.92	97.88	100,400.80	-100,302.92	0.00
4016000455	0.00	0.400	05/04/2018	97.88	100,302.92	97.88	100,400.80	-100,302.92	0.00
220	TNOTE	GENERAL	02/06/2018	1,588.40	496,928.97	0.00	0.00	840.88	497,769.85
912828SD3	500,000.00	1.926	01/31/2019	0.00	496,250.00	0.00	0.00	683.50	496,933.50
221	TNOTE	GENERAL	03/01/2018	9,375.00	0.00	2,495,410.16	0.00	2,497,717.62	2,497,717.62
912828RE2	2,500,000.00	1.872	08/31/2018	0.00	0.00	2,495,410.16	0.00	2,497,175.00	2,497,175.00
222	TNOTE	GENERAL	03/01/2018	9,375.00	0.00	2,485,644.53	0.00	2,489,272.84	2,489,272.84
912828C24	2,500,000.00	2.084	02/28/2019	0.00	0.00	2,485,644.53	0.00	2,486,817.50	2,486,817.50
223	FHLMCC	GENERAL	03/14/2018	2,352.78	0.00	985,710.00	0.00	1,000,000.00	1,000,000.00
3134G9G84	1,000,000.00	2.230	06/28/2019	0.00	0.00	985,710.00	0.00	987,231.00	987,231.00
224	FHLB	GENERAL	04/04/2018	6,729.17	0.00	1,999,440.00	0.00	1,999,531.99	1,999,531.99
3130ADVES	2,000,000.00	2.154	03/21/2019	0.00	0.00	1,999,440.00	0.00	1,998,218.00	1,998,218.00

Portfolio TSAH

Texas State Affordable Housing
Texas Compliance Change in Val Report
March 1, 2018 - May 31, 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
225	TNOTE	GENERAL	04/23/2018	863.63	0.00	496,816.41	0.00	497,150.17	497,150.17
912828D23	500,000.00	2.260	04/30/2019	157.11	0.00	496,816.41	0.00	497,148.50	497,148.50
226	TCBCD	GENERAL	05/04/2018	19.25	0.00	100,400.80	0.00	100,400.80	100,400.80
4016000455A	100,400.80	0.250	05/04/2019	0.00	0.00	100,400.80	0.00	100,400.80	100,400.80
69	FBC	GENERAL	03/05/2010	0.00	5,541,747.49	9,308,972.83	13,445,901.85	-4,136,929.02	1,404,818.47
591359967	1,404,818.47	0.000	/ /	0.00	5,541,747.49	9,308,972.83	13,445,901.85	-4,136,929.02	1,404,818.47
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	FHLBMM	GENERAL	09/01/2006	4,931.33	1,248,619.16	299,242.36	1,037,511.82	-738,269.46	510,349.70
999999995	510,349.70	1.687	/ /	4,931.33	1,248,619.16	299,242.36	1,037,511.82	-738,269.46	510,349.70
Sub Totals For: Fund: General Investments									
				56,975.95	13,563,522.17	20,187,335.58	18,171,902.75	2,036,925.23	15,600,447.40
				20,857.76	13,546,672.85	20,187,335.58	18,171,902.75	2,021,911.69	15,568,584.54
Fund: Wells Fargo - CDC									
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
Sub Totals For: Fund: Wells Fargo - CDC									
				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
Report Grand Totals:									
				56,975.95	13,568,204.67	20,187,335.58	18,171,902.75	2,036,925.23	15,605,129.90
				20,857.76	13,551,355.35	20,187,335.58	18,171,902.75	2,021,911.69	15,573,267.04



**Quarterly Investment Report
Surplus Funds**

February 28, 2018 – May 31, 2018



Political Premiums

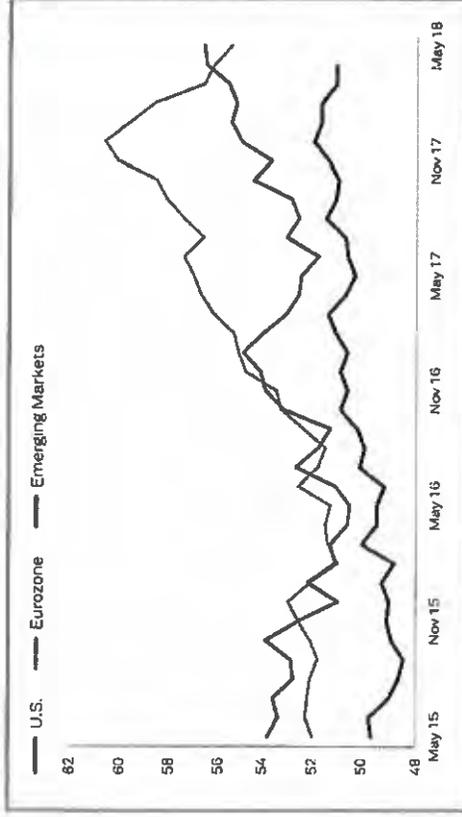
The month was dominated by political and trade events which created a mild headwind to the US economy and brought volatility as risks changed almost daily with those risks weighed and markets responding. Weaker EU data, heightened trade tensions and a strong US dollar were overshadowed by political uncertainty in southern Europe to add risk premiums across the globe.

Trade tantrums continued and escalated through the month as the US applied tariffs unexpectedly to its closest allies (UK, Canada and the EU) and extended the steel and aluminum tariffs to Mexico and Canada. If the position is to apply negotiating pressure it has its dangers. NAFTA is complicated by upcoming elections in Mexico and Canada. Cross channel distortions with other trading partners may result in a backlash which could hurt the US economy and our rate trajectory. Talks with North Korea have been much more successful on nuclear tensions which lowers the risks which had caused a significant flight to US Treasury safety.

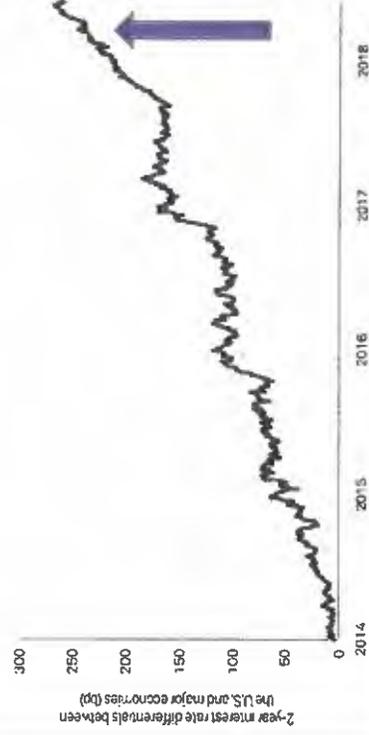
European headwinds are particularly strong as the Zone slows with low employment and inflation. The earlier EU intention to normalize rates has been put on hold and interest rates spreads to US rates make the US an attractive investment again bringing money to the US and applying downward rate pressure in the middle and long end of the curve.

The most tumultuous events however came from Italy and Spain both of which have new leaders. The coalition of Italian socialists created a Euro-skeptic administration supporting the fear of EU's 3rd biggest economy possible departure from the Union. Even if that does not occur it has undermined investor confidence and slowed growth in Italy. This follows a long history of Italian political turmoil but true consideration of an EU exit, toggled to Brexit and the UK problems at Ireland's border, has a distinctly more serious ring to it.

Europe Suffers from Slow Growth and Political Turmoil



INTEREST RATE DIFFERENTIALS BETWEEN THE U.S. AND MAJOR ECONOMIES



The Expansion Continues

Despite the global headwinds, the US economy continues on its slow and steadily improving pace.

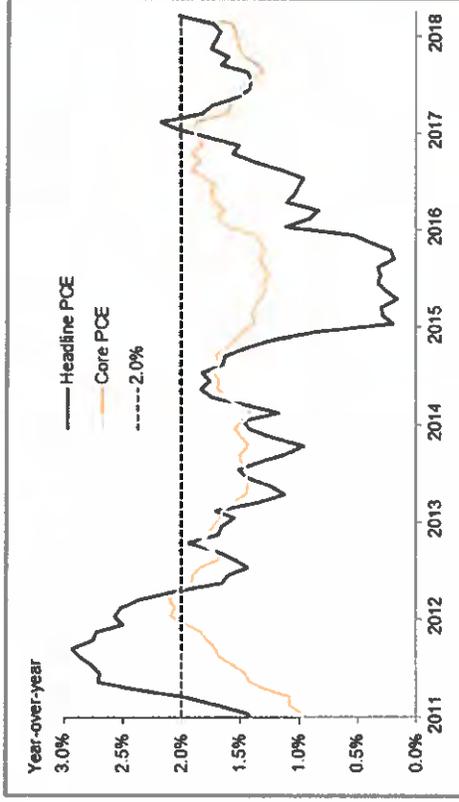
Non-farm payrolls in May surged past expectations adding 223,000 jobs and taking the unemployment rate to 3.8% - the lowest rate since 2000. Part of the lower rate drop was from the lower participation rate which measures folks of working age in the workforce. Otherwise the news was all positive with private payrolls and manufacturing expanding and hourly earnings accelerating. These hourly earnings put more money in consumer hands and as a result **consumer buying** has picked up after the few month's slowdown.

The ISM leading indicator echoed the good news across almost all its categories. Broad based gains were measured in employment, prices paid, productivity, new orders and backlogs, and supply deliveries. Matched with increasing **construction** and home sales this paints a positive picture in the US.

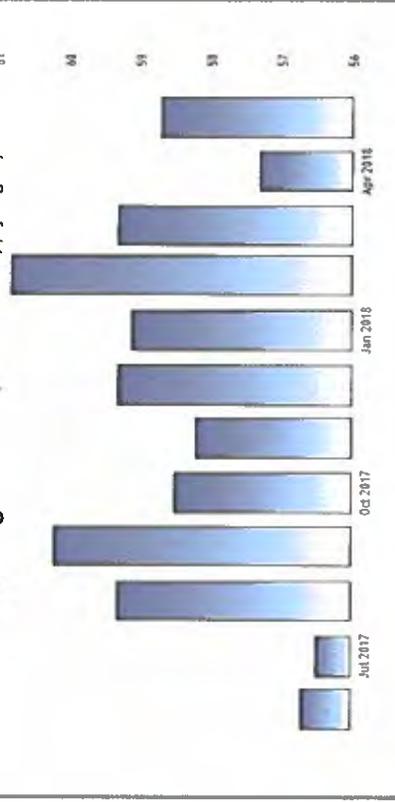
Inflation has also crept up slightly but remains elusive. The very strong US dollar prevents inflation growth currently but as corporations start to borrow for inventory rebuilding and capital expansion this could weaken the dollar. That weakening, of course, also helps the trade imbalance.

With the positive expansion the 2Q GDP expectations have also reached 3.1% Q/Q. This is all positive news for the FOMC meeting in June. Expectations are for a rate increase to 1.75-2% which is near what many consider the *neutral rate*: the rate at which it neither stimulates nor slows economic growth. The key here will be the rate at which they move. With negative external forces, if the FOMC moves too fast the market will expect a flat curve and could push the long end downward further. This would raise fears of a recession (often preceded by a flat curve) – a consideration well understood by the Fed.

Personal Consumption Expenditures

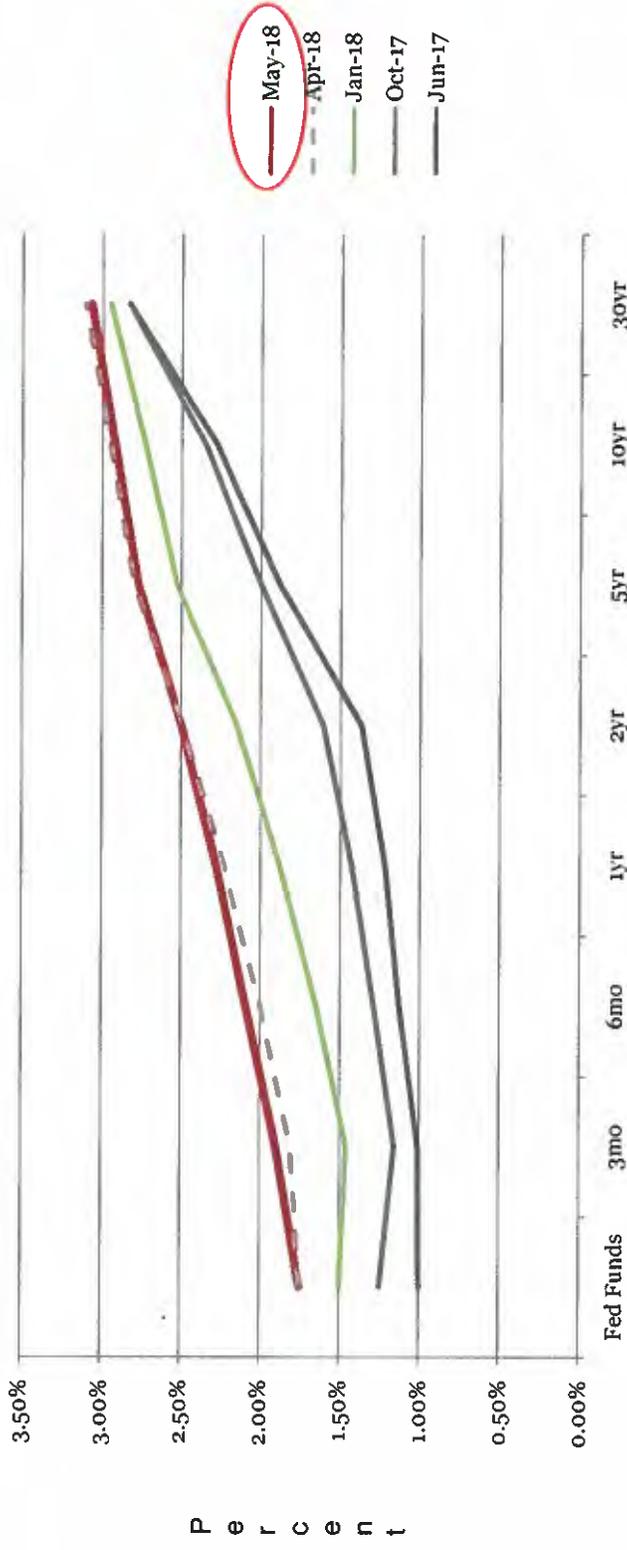


ISM Shows Strong Growth (Institute for Supply Mgmt)



Rates Struggle to Find Right Balance

- The concern for a flattening (less steep) curve has not abated and it is wait and see on the FOMC June 13th announcement. Any lessening of a hawkish tone from the Fed (to raise rates) will change the equation dramatically as the market expects at least 2 more hikes in 2018.
- Every expectation (and the futures markets) points to a rate hike in June bringing the overnight rate to the 1.75-2.0% range.
- The long end refuses to move upward until stronger indications of inflation appear. In addition, the rate differential with other sovereigns facing difficulties with slower economies continues to bring funds into the US market, even the long end.
- The yield on the Treasury 3-month is quite near the dividend yield on the S&P 500 which could cause a shift away from the riskier stock market alternatives.

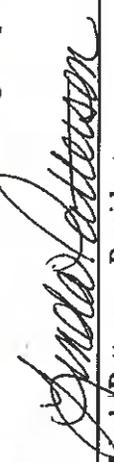


End of Month Rates - Full Yield Curve - Fed Funds to 30yr

Texas State Affordable Housing Corporation
Surplus Funds

Quarterly Investment Report
February 28, 2018 – May 31, 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).

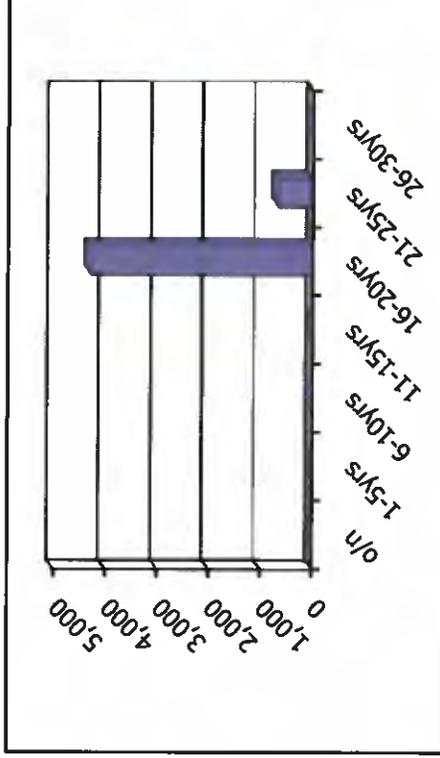
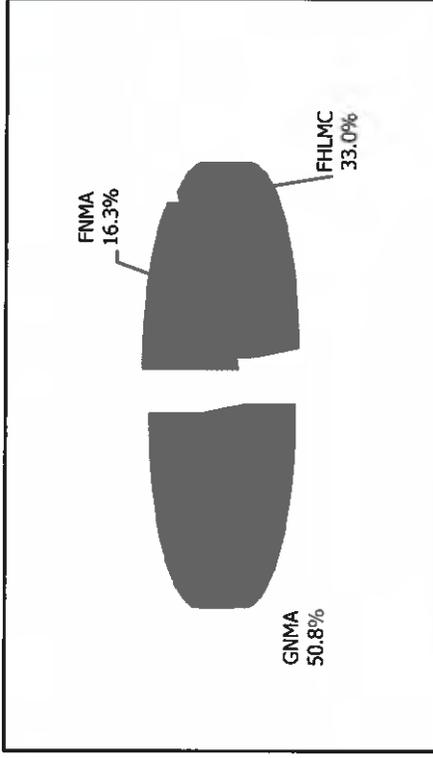
<u>Portfolio as of February 28, 2018</u>		<u>Portfolio as of May 31, 2018</u>	
Beginning Book Value	\$ 5,158,907	Ending Book Value	\$ 4,938,908
Beginning Market Value	\$ 5,590,433	Ending Market Value	\$ 5,312,915
Unrealized Gain/Loss	\$ 431,526	Investment Income for the period	\$ 71,900
		Unrealized Gain/Loss	\$ 374,007
		Change in Unrealized Gain/Loss	\$ (57,519)
WAM at Beginning Period Date ¹	7,150 days	WAM at Ending Period Date ¹	7,052 days
		Change in Market Value	\$ (277,518)
		Average Yield to Maturity for period	5.749%
		Average Yield 10 Year Treasury bill for period	2.900%
 Melinda Smith, CFO Texas State Affordable Housing Corporation		 Nick Lawrence, Controller Texas State Affordable Housing Corporation	
 Mr. David Long, President Texas State Affordable Housing Corporation		 Linda Patterson, President Patterson & Associates, Registered Investment Advisor	

¹ WAM, represents weighted average maturity.

Your Portfolio

As of May 31, 2018

- 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 slow increase in the overnight rates and short term alternatives are particularly attractive. For those with access to commercial paper the values are outstanding because of the strength in the economy. Rates farther out the curve continue to move up ever so slowly.
- It is recommended that everyone review their bank ECR rates versus those available outside the banks. Sweeps have once again become viable and are used to reduce bank balances and eliminate any balance based charges while increasing earnings. Call us to discuss this new situation
- The non-cash portion of your portfolio is yielding 5.75%.





Texas State Affordable Housing - Surplus Funds
Portfolio Management
Portfolio Summary
May 31, 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 365 Equiv.
Pass Through Securities (GNMA)	2,506,520.07	2,717,386.39	2,506,520.07	50.75	7.542	7.143	5.832
Pass Through Securities (FNMA)	803,150.47	825,080.60	803,150.47	16.26	7.539	6.650	5.493
Pass Through Securities (FHLMC)	1,629,237.07	1,770,447.69	1,629,237.07	32.99	7.573	7.109	5.750
Investments	4,938,907.61	5,312,914.68	4,938,907.61	100.00%	7.552	7.052	5.750

Total Earnings	May 31	Month Ending	Fiscal Year To Date
Current Year	23,885.47		220,672.57

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 7/2018
 Melinda Smith, Chief Financial Officer



Texas St Aff Housing - Surplus
Summary by Type
May 31, 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
Fund: General Investments						
Pass Through Securities (FHLMC)	28	1,629,237.07	1,629,237.07	32.99	5.750	7,109
Pass Through Securities (FNMA)	17	803,150.47	803,150.47	16.26	5.493	6,650
Pass Through Securities (GNMA)	46	2,506,520.07	2,506,520.07	50.75	5.832	7,143
Subtotal	91	4,938,907.61	4,938,907.61	100.00	5.750	7,052
Total and Average	91	4,938,907.61	4,938,907.61	100.00	5.750	7,052

Texas St Aff Housing - Surplus
Fund GENERAL - General Investments
Investments by Fund
May 31, 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
Pass Through Securities (GNMA)										
36296GK59	220	G2 690716 Mtn	04/27/2017	43,958.22	43,958.22	46,966.36	5.650	5.521	5.598	06/20/2038 7,324
36296GL74	246	G2 690750 Mtn	09/28/2017	26,327.93	26,327.93	28,652.14	6.000	5.862	5.943	05/20/2038 7,293
36202XEM5	193	G2 612240 Mtn	09/28/2016	63,891.90	63,891.90	68,625.13	5.750	5.614	5.692	11/20/2036 6,747
36295WR82	234	G2 682811 Mtn	09/28/2017	108,871.14	108,871.14	119,832.72	6.100	5.959	6.042	12/20/2037 7,142
36295X5K7	237	G2 684050 Mtn	09/28/2017	0.00	0.00	0.00	6.100	5.959	6.042	01/20/2038 7,173
36295YLC5	239	G2 684423 Mtn	09/28/2017	86,534.25	86,534.25	95,245.99	6.100	5.959	6.042	12/20/2037 7,142
36201XS22	172	G2 606366 Mtn	08/27/2015	0.00	0.00	0.00	5.490	5.362	5.437	03/20/2036 6,502
36201XTW8	173	G2 606365 Mtn	08/27/2015	109,477.91	109,477.91	116,020.92	5.490	5.363	5.437	05/20/2036 6,563
36202TUK0	178	G2 609086 Mtn	06/28/2016	81,767.46	81,767.46	86,654.26	5.490	5.359	5.434	11/20/2036 6,747
36202XDG9	174	G2 612203 Mtn	08/27/2015	0.00	0.00	0.00	5.490	5.363	5.438	08/20/2036 6,655
36290YB64	179	G2 621161 Mtn	06/28/2016	0.00	0.00	0.00	5.490	5.359	5.434	11/20/2036 6,747
36290YDR6	188	G2 621212 Mtn	06/28/2016	30,303.13	30,303.13	32,546.41	5.750	5.616	5.694	04/20/2037 6,898
36290YB23	187	G2 621157 Mtn	06/28/2016	48,393.01	48,393.01	51,978.12	5.750	5.615	5.693	12/20/2036 6,777
36290YCF3	184	G2 621170 Mtn	06/28/2016	127,717.81	127,717.81	137,001.83	5.750	5.615	5.693	01/20/2037 6,808
36296BYN6	242	G2 686617 Mtn	09/28/2017	57,714.33	57,714.33	62,809.14	6.000	5.861	5.943	03/20/2038 7,232
36296N4B9	248	G2 696618 Mtn	09/28/2017	90,786.37	90,786.37	98,800.77	6.000	5.863	5.944	08/20/2038 7,385
36295KCH4	194	G2 672472 Mtn	09/28/2016	99,614.33	99,614.33	106,995.50	5.750	5.617	5.695	12/20/2037 7,142
36295KDR1	195	G2 672512 Mtn	09/28/2016	0.00	0.00	0.00	5.750	5.617	5.695	11/20/2037 7,112
36295MNM7	213	G2 674596 Mtn	04/27/2017	31,274.32	31,274.32	33,414.22	5.650	5.519	5.596	09/20/2037 7,051
36295MS34	204	G2 674738 Mtn	01/30/2017	59,211.58	59,211.58	63,588.77	5.750	5.610	5.688	08/20/2037 7,020
36295QT26	214	G2 677469 Mtn	04/27/2017	69,374.21	69,374.21	74,120.50	5.650	5.519	5.596	10/20/2037 7,081
36295UGS4	229	G2 680709 Mtn	09/28/2017	77,809.36	77,809.36	84,676.12	6.000	5.861	5.942	12/20/2037 7,142
36295ULD1	230	G2 680824 Mtn	09/28/2017	0.00	0.00	0.00	6.000	5.860	5.942	12/20/2037 7,142
36295USM4	231	G2 681024 Mtn	09/28/2017	112,050.99	112,050.99	123,332.51	6.100	5.959	6.041	11/20/2037 7,112
36295WNR4	232	G2 682700 Mtn	09/28/2017	44,121.76	44,121.76	48,016.41	6.000	5.861	5.942	01/20/2038 7,173
36295WR74	233	G2 682810 Mtn	09/28/2017	32,826.89	32,826.89	35,724.58	6.000	5.861	5.942	01/20/2038 7,173
36295X3E3	215	G2 683997 Mtn	04/27/2017	32,560.78	32,560.78	34,789.00	5.650	5.520	5.597	01/20/2038 7,173
36295X3F0	235	G2 683997 Mtn	09/28/2017	97,823.53	97,823.53	107,672.31	6.100	5.959	6.042	01/20/2038 7,173
36295X3J2	236	G2 684001 Mtn	09/28/2017	74,788.07	74,788.07	81,388.54	6.000	5.861	5.942	02/20/2038 7,204
36295YHV8	238	G2 684344 Mtn	09/28/2017	116,211.11	116,211.11	127,911.89	6.100	5.960	6.042	02/20/2038 7,204
36295YLM3	216	G2 684432 Mtn	04/27/2017	92,052.46	92,052.46	98,351.95	5.650	5.520	5.597	02/20/2038 7,204

Fund GENERAL - General Investments
Investments by Fund
May 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM	YTM	Maturity	Days To Maturity
								360	365		
Pass Through Securities (GNMA)											
36295YN25	240	G2 684509 Mtge	09/28/2017	0.00	0.00	0.00	6.000	5.861	5.942	02/20/2038	7,204
36296AUJ1	217	G2 685585 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.521	5.597	03/20/2038	7,232
36296BWF5	241	G2 686546 Mtge	09/28/2017	74,303.07	74,303.07	80,862.15	6.000	5.862	5.943	04/20/2038	7,263
36296BYJ5	218	G2 686613 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.521	5.597	04/20/2038	7,263
36296DVF2	219	G2 688314 Mtge	04/27/2017	44,880.46	44,880.46	47,731.73	5.650	5.521	5.598	05/20/2038	7,293
36296GK42	205	G2 690715 Mtge	01/30/2017	54,618.77	54,618.77	58,666.27	5.750	5.613	5.691	06/20/2038	7,324
36296K7L0	247	G2 693999 Mtge	09/28/2017	74,203.20	74,203.20	81,673.66	6.100	5.961	6.044	07/20/2038	7,354
36296N4X1	206	G2 696638 Mtge	01/30/2017	0.00	0.00	0.00	5.750	5.613	5.691	08/20/2038	7,385
36296PBA8	207	G2 696733 Mtge	01/30/2017	61,946.01	61,946.01	66,185.54	5.650	5.514	5.591	07/20/2038	7,354
36296RNP8	208	G2 698898 Mtge	01/30/2017	67,095.01	67,095.01	72,067.39	5.750	5.613	5.691	08/20/2038	7,385
36296TFG3	249	G2 700467 Mtge	09/28/2017	101,865.91	101,865.91	112,117.99	6.100	5.962	6.044	10/20/2038	7,446
36296TKE2	250	G2 700593 Mtge	09/28/2017	84,013.26	84,013.26	92,473.21	6.100	5.962	6.044	10/20/2038	7,446
36296DVK1	243	G2 688318 Mtge	09/28/2017	42,703.15	42,703.15	46,466.59	6.000	5.862	5.943	05/20/2038	7,293
36296DWW6	244	G2 688360 Mtge	09/28/2017	0.00	0.00	0.00	6.000	5.862	5.943	05/20/2038	7,293
36296DWX2	245	G2 688362 Mtge	09/28/2017	85,428.38	85,428.38	94,025.77	6.100	5.960	6.043	05/20/2038	7,293
Subtotal and Average				2,506,520.07	2,506,520.07	2,717,386.39		5.752	5.832		7.143

Pass Through Securities (FNMA)											
31410JYT3	183	FN 898122 Mtge	06/28/2016	67,121.51	67,121.51	68,841.27	5.750	5.601	5.679	09/01/2036	6,667
31409XNJ4	161	FN 881593 Mtge	08/27/2015	44,155.08	44,155.08	44,883.23	5.490	5.350	5.424	04/01/2036	6,514
31410MJP6	162	FN 891370 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.350	5.424	04/01/2036	6,514
31410MW89	163	FN 891771 Mtge	08/27/2015	125,380.27	125,380.27	129,964.51	5.490	5.350	5.425	05/01/2036	6,544
31410SAG2	164	FN 895607 Mtge	08/27/2015	56,787.14	56,787.14	58,195.10	5.490	5.350	5.425	05/01/2036	6,544
31410SWN3	165	FN 896253 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.351	5.425	06/01/2036	6,575
31410VWZ9	175	FN 898964 Mtge	06/28/2016	62,954.41	62,954.41	64,522.33	5.490	5.346	5.420	09/01/2036	6,667
31410VWZ2	185	FN 898965 Mtge	06/28/2016	84,677.58	84,677.58	87,198.89	5.750	5.602	5.680	11/01/2036	6,728
31410TNQ4	166	FN 896899 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.351	5.425	06/01/2036	6,575
31410UYS5	167	FN 898121 Mtge	08/27/2015	92,401.58	92,401.58	94,958.01	5.490	5.351	5.425	07/01/2036	6,605
31410VW71	168	FN 898970 Mtge	08/27/2015	42,749.35	42,749.35	43,454.84	5.490	5.351	5.425	07/01/2036	6,605
31411CMA6	169	FN 904053 Mtge	08/27/2015	52,992.67	52,992.67	54,247.19	5.490	5.351	5.425	08/01/2036	6,636
31411LYY1	170	FN 911627 Mtge	08/27/2015	73,827.51	73,827.51	75,662.91	5.490	5.349	5.423	11/01/2035	6,362
31412BRY0	176	FN 920403 Mtge	06/28/2016	0.00	0.00	0.00	5.490	5.347	5.421	12/01/2036	6,758
Subtotal and Average				2,506,520.07	2,506,520.07	2,717,386.39		5.752	5.832		7.143

Fund GENERAL - General Investments
Investments by Fund
May 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM		Maturity Date	Maturity Days To
								360	365		
Pass Through Securities (FNMA)											
3113MMY0	177	FN 949575 Mige	06/28/2016	0.00	0.00	0.00	5.490	5.348	5.422	03/01/2037	6,848
31413RLV6	171	FN 953140 Mige	08/27/2015	0.00	0.00	0.00	5.490	5.354	5.428	09/01/2037	7,032
31414JA60	186	FN 967229 Mige	06/28/2016	100,103.37	100,103.37	103,152.32	5.650	5.507	5.583	11/01/2037	7,093
Subtotal and Average				803,150.47	803,150.47	825,080.60		5.417	5.493		6,649
Pass Through Securities (FHLMC)											
3128KYSL4	197	FG A67723 Mige	01/30/2017	78,099.65	78,099.65	84,447.35	5.650	5.524	5.601	05/01/2037	6,909
31335YKU9	160	FG U30307 Mige	08/27/2015	36,937.47	36,937.47	39,594.93	5.490	5.376	5.451	12/01/2036	6,758
31286DCD1	190	FG T30068 Mige	09/28/2016	78,407.42	78,407.42	85,157.70	5.750	5.628	5.707	03/01/2037	6,848
31286DB59	189	FG T30060 Mige	09/28/2016	34,783.96	34,783.96	37,776.91	5.750	5.628	5.706	02/01/2037	6,820
31286DLC3	196	FG T30323 Mige	01/30/2017	9,531.69	9,531.69	10,276.50	5.650	5.525	5.602	10/01/2037	7,062
31286DKY6	209	FG T30311 Mige	04/27/2017	57,680.44	57,680.44	62,352.85	5.650	5.532	5.609	10/01/2037	7,062
31321XK52	211	FG U32116 Mige	04/27/2017	54,006.13	54,006.13	58,348.51	5.650	5.534	5.611	06/01/2038	7,305
31321XML5	227	FG U32163 Mige	09/28/2017	67,117.83	67,117.83	73,851.71	6.000	5.876	5.957	05/01/2038	7,274
31335YNQ5	180	FG U30399 Mige	06/28/2016	62,383.67	62,383.67	67,253.08	5.750	5.630	5.708	06/01/2037	6,940
31335YPK6	192	FG U30426 Mige	09/28/2016	86,770.74	86,770.74	93,564.55	5.750	5.629	5.707	07/01/2037	6,970
31335YUZ7	182	FG U30600 Mige	06/28/2016	107,437.37	107,437.37	116,099.21	5.650	5.532	5.609	11/01/2037	7,093
31335YZ41	228	FG U30763 Mige	09/28/2017	78,453.99	78,453.99	86,681.72	6.100	5.973	6.056	12/01/2037	7,123
31335YNA0	181	FG U30385 Mige	06/28/2016	64,640.87	64,640.87	69,694.72	5.750	5.629	5.707	04/01/2037	6,879
31321WALO	222	FG U30911 Mige	09/28/2017	48,523.39	48,523.39	53,618.88	6.100	5.973	6.056	01/01/2038	7,154
31321W5E2	221	FG U31745 Mige	09/28/2017	69,348.22	69,348.22	76,318.34	6.000	5.875	5.957	03/01/2038	7,213
31321XAV6	198	FG U31820 Mige	01/30/2017	63,701.65	63,701.65	68,690.87	5.750	5.625	5.703	04/01/2038	7,244
31321XAX2	224	FG U31956 Mige	09/28/2017	63,803.29	63,803.29	70,209.76	6.000	5.875	5.957	04/01/2038	7,244
31321XE59	200	FG U31956 Mige	01/30/2017	58,366.95	58,366.95	63,072.37	5.650	5.526	5.603	04/01/2038	7,244
31321XJH8	226	FG U32064 Mige	09/28/2017	79,520.60	79,520.60	87,546.94	6.000	5.876	5.957	05/01/2038	7,274
31321XMM3	202	FG U32164 Mige	01/30/2017	30,548.57	30,548.57	32,998.83	5.650	5.527	5.604	07/01/2038	7,335
31335YLE4	191	FG U30325 Mige	09/28/2016	61,700.08	61,700.08	66,522.76	5.750	5.628	5.707	03/01/2037	6,848
31335YVH6	203	FG U30616 Mige	01/30/2017	0.00	0.00	0.00	5.650	5.525	5.602	10/01/2037	7,062
31335YWR3	212	FG U30656 Mige	04/27/2017	0.00	0.00	0.00	5.650	5.533	5.609	11/01/2037	7,093
31321XBK9	199	FG U31842 Mige	01/30/2017	72,525.45	72,525.45	78,373.61	5.650	5.526	5.603	03/01/2038	7,213
31321XDG6	225	FG U31903 Mige	09/28/2017	92,495.52	92,495.52	101,803.74	6.000	5.876	5.957	05/01/2038	7,274
31321XE67	201	FG U31957 Mige	01/30/2017	68,572.83	68,572.83	73,942.55	5.750	5.625	5.703	04/01/2038	7,244

Fund GENERAL - General Investments
Investments by Fund
May 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM		Maturity Days To Date Maturity
								360	365	
Pass Through Securities (FHLMC)										
31321XE75	210	FG U31958 Mlge	04/27/2017	103,879.29	103,879.29	112,249.30	5.650	5.533	5.610	02/01/2038 7,185
31321WCX2	223	FG U30986 Mlge	09/28/2017	0.00	0.00	0.00	6.000	5.874	5.956	12/01/2037 7,123
Subtotal and Average				1,629,237.07	1,629,237.07	1,770,447.69		5.672	5.750	7,108
Total Investments and Average				4,938,907.61	4,938,907.61	5,312,914.68		5.671	5.750	7,051

Texas St Aff Housing - Surplus
 Cash Reconciliation Report
 For the Period March 1, 2018 - May 31, 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
03/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	171.12	154.67	325.79
03/15/2018	180	GENERAL	Interest	31335VNO5	150,342.45	FGU303 0.2M 5.75% Mat	06/01/2037	0.00	301.25	161.31	462.56
03/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	311.87	147.43	459.30
03/15/2018	182	GENERAL	Interest	31335YU77	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	509.41	240.56	749.97
03/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	168.03	94.04	262.07
03/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	378.36	184.01	562.37
03/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	298.57	202.74	501.31
03/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	422.92	453.75	876.67
03/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	68.30	814.26	882.56
03/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	370.30	181.49	551.79
03/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	307.63	165.47	473.10
03/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat.	04/01/2038	0.00	343.69	155.93	499.62
03/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	276.69	128.95	405.64
03/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	330.64	142.88	473.52
03/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	145.67	134.28	279.95
03/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	278.35	547.47	825.82
03/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	492.30	225.55	717.85
03/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat	06/01/2038	0.00	255.87	112.26	368.13
03/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	349.63	192.38	542.01
03/15/2018	222	GENERAL	Interest	31321XWAL0	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	248.22	101.85	350.07
03/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	321.07	136.05	457.12
03/15/2018	225	GENERAL	Interest	31321XD66	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	465.51	201.40	666.91
03/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat	05/01/2038	0.00	400.10	165.39	565.49
03/15/2018	227	GENERAL	Interest	31335YZ41	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	339.19	388.99	708.18
03/15/2018	228	GENERAL	Interest	31335Z41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	401.35	166.09	567.44
03/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	504.84	288.76	793.60
03/20/2018	178	GENERAL	Interest	36202TUK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	376.85	200.66	577.51
03/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat	01/20/2037	0.00	616.42	307.52	923.94
03/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	233.54	114.87	348.41
03/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat	04/20/2037	0.00	148.54	230.60	379.14
03/20/2018	189	GENERAL	Interest	36290YEM5	66,832.25	G22240 0.1M 5.75% Mat	11/20/2036	0.00	308.36	152.79	461.15
03/20/2018	193	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	480.45	216.94	697.39
03/20/2018	194	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	291.47	171.28	462.75
03/20/2018	204	GENERAL	Interest	36296YB23	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	263.36	113.83	377.19
03/20/2018	205	GENERAL	Interest	36296GK42	63,935.46	G26967 0.1M 5.65% Mat.	07/20/2038	0.00	293.48	127.85	421.33
03/20/2018	207	GENERAL	Interest	36296PBA8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	323.74	164.94	478.68
03/20/2018	208	GENERAL	Interest	36296RNP8	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	148.27	71.73	220.00
03/20/2018	213	GENERAL	Interest	36295MNM7	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	328.95	162.97	491.92
03/20/2018	214	GENERAL	Interest	36295QT26							

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Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
03/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	154.30	70.18	224.48
03/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	436.21	196.98	633.19
03/20/2018	217	GENERAL	Interest	36296AUJ1	63,937.64	G26855 0.1M 5.65% Mat.	03/20/2038	0.00	294.99	132.24	427.23
03/20/2018	218	GENERAL	Interest	36296BYJ5	54,034.41	G26866 0.1M 5.65% Mat.	04/20/2038	0.00	249.12	115.69	364.81
03/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat.	05/20/2038	0.00	213.08	124.69	337.77
03/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat.	06/20/2038	0.00	208.38	99.58	307.96
03/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat.	12/20/2037	0.00	392.91	255.90	648.81
03/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat.	11/20/2037	0.00	573.26	239.27	812.53
03/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat.	01/20/2038	0.00	222.00	92.43	314.43
03/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat.	01/20/2038	0.00	165.16	68.14	233.30
03/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat.	12/20/2037	0.00	556.87	224.06	780.93
03/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat.	01/20/2038	0.00	500.43	205.94	706.37
03/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat.	02/20/2038	0.00	376.50	169.85	546.35
03/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat.	02/20/2038	0.00	594.38	237.36	831.74
03/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat.	12/20/2037	0.00	442.74	186.30	629.04
03/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat.	04/20/2038	0.00	373.81	152.00	525.81
03/20/2018	242	GENERAL	Interest	36296BVK1	58,647.15	G26617 0.1M 6.00% Mat.	03/20/2038	0.00	290.34	117.54	407.88
03/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat.	05/20/2038	0.00	215.85	154.97	370.82
03/20/2018	244	GENERAL	Interest	36296DWW6	57,813.23	G28360 0.1M 6.10% Mat.	05/20/2038	0.00	283.59	316.77	600.36
03/20/2018	245	GENERAL	Interest	36296DWW2	87,071.42	G28362 0.1M 6.10% Mat.	05/20/2038	0.00	437.44	207.06	644.50
03/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat.	05/20/2038	0.00	132.44	52.92	185.36
03/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat.	07/20/2038	0.00	379.64	158.90	538.54
03/20/2018	248	GENERAL	Interest	36296M4B9	92,241.52	G26618 0.1M 6.00% Mat.	08/20/2038	0.00	456.69	183.19	639.88
03/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat.	10/20/2038	0.00	523.51	719.83	1,243.34
03/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat.	10/20/2038	0.00	429.54	161.39	590.93
03/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat.	04/01/2036	0.00	203.57	113.28	316.85
03/25/2018	163	GENERAL	Interest	31410MW89	135,291.51	FN8917 0.1M 5.49% Mat.	05/01/2036	0.00	578.05	321.66	899.71
03/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat.	05/01/2036	0.00	262.01	160.31	422.32
03/25/2018	167	GENERAL	Interest	31410UY55	99,858.21	FN8981 0.1M 5.49% Mat.	07/01/2036	0.00	426.08	241.99	668.07
03/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat.	07/01/2036	0.00	197.06	107.21	304.27
03/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat.	08/01/2036	0.00	247.70	381.24	628.94
03/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat.	11/01/2035	0.00	340.48	197.47	537.95
03/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat.	09/01/2036	0.00	290.26	162.44	452.70
03/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat.	09/01/2036	0.00	333.84	935.97	1,269.81
03/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat.	11/01/2036	0.00	409.55	262.91	672.46
03/25/2018	186	GENERAL	Interest	31410JA60	108,583.92	FN9672 0.1M 5.65% Mat.	11/01/2037	0.00	476.42	392.21	868.63
04/15/2018	180	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	170.41	162.17	325.85
04/15/2018	180	GENERAL	Interest	31335YKQ5	150,342.45	FGU303 0.2M 5.75% Mat.	06/01/2037	0.00	300.48	162.14	462.65
04/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	311.16	148.19	459.35
04/15/2018	182	GENERAL	Interest	31335YUZ7	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	508.28	271.71	779.99
04/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	167.58	94.52	262.10
04/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	377.48	184.97	562.45

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Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
04/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	297.59	202.69	500.28
04/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	420.75	456.14	876.89
04/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	64.46	292.99	357.45
04/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	369.44	182.41	551.85
04/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	306.84	166.32	473.16
04/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat.	03/01/2038	0.00	342.96	157.13	500.09
04/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	276.68	129.60	405.68
04/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	329.96	143.62	473.58
04/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	145.04	115.03	260.07
04/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	275.77	511.20	786.97
04/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	491.24	226.71	717.95
04/15/2018	211	GENERAL	Interest	31321XX52	55,438.68	FGU116 0.1M 5.65% Mat.	06/01/2038	0.00	255.34	112.84	368.18
04/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	348.67	192.14	540.81
04/15/2018	222	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	247.70	102.41	350.11
04/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	320.39	136.67	457.06
04/15/2018	225	GENERAL	Interest	31321XD66	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	464.51	202.48	666.99
04/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat.	05/01/2038	0.00	399.27	166.29	565.56
04/15/2018	227	GENERAL	Interest	31321XML5	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	337.34	174.64	511.98
04/15/2018	228	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	400.51	167.35	567.86
04/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	503.52	289.99	793.51
04/20/2018	178	GENERAL	Interest	36202UIK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	375.94	201.67	577.61
04/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat.	01/20/2037	0.00	614.95	309.12	924.07
04/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	232.99	115.47	348.46
04/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat.	04/20/2037	0.00	147.44	232.47	379.91
04/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat.	11/20/2036	0.00	307.62	153.58	461.20
04/20/2018	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	479.41	218.07	697.48
04/20/2018	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	290.65	272.18	562.83
04/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	262.81	114.42	377.23
04/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat.	07/20/2038	0.00	292.88	128.51	421.39
04/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	322.99	155.75	478.74
04/20/2018	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	147.93	72.09	220.02
04/20/2018	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	328.18	163.80	491.98
04/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	153.97	70.54	224.51
04/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	435.28	197.99	633.27
04/20/2018	217	GENERAL	Interest	36296AUJ1	63,937.64	G26855 0.1M 5.65% Mat.	03/20/2038	0.00	294.36	62,519.53	62,813.89
04/20/2018	218	GENERAL	Interest	36296BYJ5	54,034.41	G26866 0.1M 5.65% Mat.	04/20/2038	0.00	248.57	116.28	364.85
04/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat.	05/20/2038	0.00	212.50	125.33	337.83
04/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat.	06/20/2038	0.00	207.91	100.09	308.00
04/20/2018	229	GENERAL	Interest	36295UCS4	79,839.89	G26807 0.1M 6.00% Mat.	12/20/2037	0.00	391.63	257.26	648.89
04/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat.	11/20/2037	0.00	572.05	240.60	812.65
04/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat.	01/20/2038	0.00	221.54	92.93	314.47
04/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat.	01/20/2038	0.00	164.82	68.51	233.33

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Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
04/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat.	12/20/2037	0.00	555.73	225.29	781.02
04/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat.	01/20/2038	0.00	499.38	207.09	706.47
04/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat.	02/20/2038	0.00	375.65	170.77	546.42
04/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat.	02/20/2038	0.00	593.17	238.67	831.84
04/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat.	12/20/2037	0.00	441.79	187.33	629.12
04/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat.	04/20/2038	0.00	373.05	152.82	525.87
04/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat.	03/20/2038	0.00	289.76	118.18	407.94
04/20/2018	243	GENERAL	Interest	36296DYK1	43,932.99	G28318 0.0M 6.00% Mat.	05/20/2038	0.00	215.08	155.81	370.89
04/20/2018	244	GENERAL	Interest	36296DWW6	57,813.23	G28360 0.1M 6.00% Mat.	05/20/2038	0.00	282.00	29.92	311.92
04/20/2018	245	GENERAL	Interest	36296DWW2	87,071.42	G28362 0.1M 6.10% Mat.	05/20/2038	0.00	436.38	208.20	644.58
04/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat.	05/20/2038	0.00	132.17	53.20	185.37
04/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat.	07/20/2038	0.00	378.83	159.77	538.60
04/20/2018	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mat.	08/20/2038	0.00	455.78	184.13	639.91
04/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat.	10/20/2038	0.00	519.86	199.78	719.64
04/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat.	10/20/2038	0.00	428.72	162.28	591.00
04/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat.	04/01/2036	0.00	203.05	113.84	316.89
04/25/2018	163	GENERAL	Interest	31410MMW9	135,291.51	FN8917 0.1M 5.49% Mat.	05/01/2036	0.00	576.58	323.27	899.85
04/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat.	05/01/2036	0.00	261.28	161.12	422.40
04/25/2018	167	GENERAL	Interest	31410UY55	99,858.21	FN8981 0.1M 5.49% Mat.	07/01/2036	0.00	424.97	243.21	668.18
04/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat.	07/01/2036	0.00	196.57	107.74	304.31
04/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat.	08/01/2036	0.00	245.96	383.14	629.10
04/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat.	11/01/2035	0.00	339.58	198.45	538.03
04/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat.	09/01/2036	0.00	289.51	163.25	452.76
04/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat.	09/01/2036	0.00	329.36	1,040.84	1,370.20
04/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat.	11/01/2036	0.00	408.29	264.29	672.58
04/25/2018	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mat.	11/01/2037	0.00	474.57	394.22	868.79
05/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	169.70	156.22	325.92
05/15/2018	180	GENERAL	Interest	31335YNO5	150,342.45	FGU303 0.2M 5.75% Mat.	06/01/2037	0.00	299.70	163.01	462.71
05/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	310.45	148.97	459.42
05/15/2018	182	GENERAL	Interest	31335YUJ7	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	507.00	243.18	750.18
05/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	167.13	95.02	262.15
05/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	376.59	185.93	562.52
05/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	296.62	203.75	500.37
05/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	418.56	581.06	999.62
05/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	63.08	3,866.66	3,929.74
05/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	368.58	183.37	551.95
05/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	306.04	167.18	473.22
05/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat.	03/01/2038	0.00	342.22	157.93	500.15
05/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	275.47	140.25	415.72
05/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	329.27	144.37	473.64
05/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	144.49	140.59	285.08
05/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	273.37	379.82	653.19

Portfolio TSSF
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Report Ver. 7.3.6.1

Texas St Aff Housing - Surplus
Cash Reconciliation Report
For the Period March 1, 2018 - May 31, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
05/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	490.17	227.87	718.04
05/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat.	06/01/2038	0.00	254.81	113.42	368.23
05/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	347.71	193.17	540.88
05/15/2018	222	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	247.18	102.97	350.15
05/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	319.70	137.19	456.89
05/15/2018	225	GENERAL	Interest	31321XD66	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	463.50	203.58	667.08
05/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat.	05/01/2038	0.00	398.44	167.19	565.63
05/15/2018	227	GENERAL	Interest	31321XML5	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	336.47	175.58	512.05
05/15/2018	228	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	399.66	167.58	567.24
05/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	502.19	291.44	793.63
05/20/2018	178	GENERAL	Interest	36202TJK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	375.01	202.67	577.68
05/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat.	01/20/2037	0.00	613.47	310.74	924.21
05/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	232.44	116.07	348.51
05/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat.	04/20/2037	0.00	146.32	233.68	380.00
05/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat.	11/20/2036	0.00	306.89	154.40	461.29
05/20/2018	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	478.37	219.20	697.57
05/20/2018	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	289.35	1,173.59	1,462.94
05/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	262.27	115.02	377.29
05/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat.	07/20/2038	0.00	292.27	129.16	421.43
05/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	322.25	156.56	478.81
05/20/2018	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	147.59	72.47	220.06
05/20/2018	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	327.41	164.64	492.05
05/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	153.64	70.90	224.54
05/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	434.35	199.00	633.35
05/20/2018	218	GENERAL	Interest	36296BYJ5	54,034.41	G26866 0.1M 5.65% Mat.	04/20/2038	0.00	248.02	52,925.53	52,677.51
05/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat.	05/20/2038	0.00	211.91	125.97	337.88
05/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat.	06/20/2038	0.00	207.44	100.60	308.04
05/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat.	12/20/2037	0.00	390.34	258.65	648.99
05/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat.	11/20/2037	0.00	570.82	241.93	812.75
05/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat.	01/20/2038	0.00	221.08	93.43	314.51
05/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat.	01/20/2038	0.00	164.48	68.88	233.36
05/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat.	12/20/2037	0.00	554.58	226.74	781.32
05/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat.	01/20/2038	0.00	498.33	208.23	706.56
05/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat.	02/20/2038	0.00	374.80	171.70	546.50
05/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat.	02/20/2038	0.00	591.96	239.98	831.94
05/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat.	02/20/2037	0.00	440.84	188.36	629.20
05/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat.	04/20/2038	0.00	372.28	153.65	525.93
05/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat.	03/20/2038	0.00	289.17	118.82	407.99
05/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat.	05/20/2038	0.00	214.30	156.65	370.95
05/20/2018	244	GENERAL	Interest	36296DWW6	57,813.23	G28360 0.1M 6.00% Mat.	05/20/2038	0.00	281.85	56,370.84	56,652.69
05/20/2018	245	GENERAL	Interest	36296DWW2	87,071.42	G28362 0.1M 6.10% Mat.	05/20/2038	0.00	435.33	209.34	644.67
05/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat.	05/20/2038	0.00	131.91	53.49	185.40

Texas St Aff Housing - Surplus
Cash Reconciliation Report
For the Period March 1, 2018 - May 31, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
05/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat.	07/20/2038	0.00	378.02	160.65	538.67
05/20/2018	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mat.	08/20/2038	0.00	454.86	185.13	639.99
05/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat.	10/20/2038	0.00	518.84	200.88	719.72
05/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat.	10/20/2038	0.00	427.90	163.17	591.07
05/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat.	04/01/2036	0.00	202.53	114.41	316.94
05/25/2018	163	GENERAL	Interest	31410MW89	135,291.51	FN8917 0.1M 5.49% Mat.	05/01/2036	0.00	575.10	324.88	899.98
05/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat.	05/01/2036	0.00	260.54	161.92	422.46
05/25/2018	167	GENERAL	Interest	31410UY55	99,858.21	FN8981 0.1M 5.49% Mat.	07/01/2036	0.00	423.86	244.42	668.28
05/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat.	07/01/2036	0.00	196.07	108.28	304.35
05/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat.	08/01/2036	0.00	244.20	385.06	629.26
05/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat.	11/01/2035	0.00	338.67	199.44	538.11
05/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat.	09/01/2036	0.00	288.77	164.06	452.83
05/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat.	09/01/2036	0.00	324.37	573.55	897.92
05/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat.	11/01/2036	0.00	407.02	265.66	672.68
05/25/2018	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mat.	11/01/2037	0.00	472.71	295.72	768.43
Subtotal								0.00	74,311.40	219,999.66	294,311.06
Total								0.00	74,311.40	219,999.66	294,311.06

**Texas St Aff Housing - Surplus
 Interest Earnings**
 Sorted by Fund - Fund
 March 1, 2018 - May 31, 2018
 Period Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
31335YKU9	160	GENERAL	GN3	36,937.47	37,403.80	37,164.39	12/01/2036	5.490	0.015	509.10	0.00	509.10
31409XNJ4	161	GENERAL	GN2	44,155.08	44,496.61	44,358.39	04/01/2036	5.490	0.015	607.59	0.00	607.59
31410MW89	163	GENERAL	GN2	125,380.27	126,350.08	125,957.60	05/01/2036	5.490	0.015	1,725.29	0.00	1,725.29
31410SAG2	164	GENERAL	GN2	56,787.14	57,270.49	57,074.88	05/01/2036	5.490	0.015	781.62	0.00	781.62
31410UY55	167	GENERAL	GN2	92,401.58	93,131.20	92,835.93	07/01/2036	5.490	0.015	1,271.57	0.00	1,271.57
31410VW71	168	GENERAL	GN2	42,749.35	43,072.58	42,941.77	07/01/2036	5.490	0.015	588.22	0.00	588.22
31411CMA6	169	GENERAL	GN2	52,992.67	54,142.11	53,676.94	08/01/2036	5.490	0.015	732.60	0.00	732.60
31411LYY1	170	GENERAL	GN2	73,827.51	74,422.87	74,181.93	11/01/2035	5.490	0.015	1,016.01	0.00	1,016.01
36201XTW8	173	GENERAL	GN1	109,477.91	110,348.10	109,948.57	05/20/2036	5.490	0.015	1,506.57	0.00	1,506.57
31410VWZ9	175	GENERAL	GN2	62,954.41	63,444.16	63,245.96	09/01/2036	5.490	0.015	866.30	0.00	866.30
36202TUK0	178	GENERAL	GN1	81,767.46	82,370.16	82,094.74	11/20/2036	5.490	0.015	1,125.04	0.00	1,125.04
31335YNQ5	180	GENERAL	GN3	62,383.67	62,870.16	62,620.43	06/01/2037	5.750	0.016	899.10	0.00	899.10
31335YNA0	181	GENERAL	GN3	64,640.87	65,085.46	64,857.23	04/01/2037	5.750	0.016	931.35	0.00	931.35
31335YUZ7	182	GENERAL	GN3	107,437.37	108,192.82	107,805.12	11/01/2037	5.650	0.015	1,521.13	0.00	1,521.13
31410UYT3	183	GENERAL	GN2	67,121.51	69,671.87	68,517.83	09/01/2036	5.750	0.015	975.35	0.00	975.35
36290YCF3	184	GENERAL	GN1	127,717.81	128,645.19	128,219.53	01/20/2037	5.750	0.016	1,840.40	0.00	1,840.40
31410VWZ2	185	GENERAL	GN2	84,677.58	85,470.44	85,149.61	11/01/2036	5.750	0.016	1,221.06	0.00	1,221.06
36290YB23	186	GENERAL	GN2	100,103.37	101,185.52	100,714.58	11/01/2037	5.650	0.015	1,418.60	0.00	1,418.60
36290YDR6	187	GENERAL	GN1	48,393.01	48,739.42	48,580.42	12/20/2036	5.750	0.016	697.31	0.00	697.31
31286DB59	188	GENERAL	GN1	30,303.13	30,999.88	30,680.30	04/20/2037	5.750	0.016	438.96	0.00	438.96
31286DCD1	189	GENERAL	GN3	34,783.96	35,067.54	34,921.96	02/01/2037	5.750	0.016	501.38	0.00	501.38
31335YLE4	190	GENERAL	GN3	78,407.42	78,962.33	78,677.47	03/01/2037	5.750	0.016	1,129.77	0.00	1,129.77
31335YPK6	191	GENERAL	GN3	61,700.08	62,309.26	61,996.17	03/01/2037	5.750	0.016	889.86	0.00	889.86
31335YPM6	192	GENERAL	GN3	86,770.74	88,261.69	87,536.59	07/01/2037	5.750	0.016	1,255.09	0.00	1,255.09
36202XEM5	193	GENERAL	GN1	63,891.90	64,352.67	64,141.18	11/20/2036	5.750	0.016	920.66	0.00	920.66
36295KCH4	194	GENERAL	GN1	99,614.33	100,268.54	99,968.26	12/20/2037	5.750	0.016	1,435.10	0.00	1,435.10
31286DLC3	196	GENERAL	GN3	9,531.69	14,505.60	12,951.08	10/01/2037	5.650	0.014	172.42	0.00	172.42
3128KYSL4	197	GENERAL	GN3	78,099.65	78,646.92	78,365.98	05/01/2037	5.650	0.015	1,105.74	0.00	1,105.74
31321XAX2	224	GENERAL	GN3	63,803.29	64,213.20	64,002.68	04/01/2038	6.000	0.016	959.11	0.00	959.11
31321XAV6	198	GENERAL	GN3	63,701.65	64,200.62	63,944.47	04/01/2038	5.750	0.016	918.12	0.00	918.12

Texas St Aff Housing - Surplus
Interest Earnings
March 1, 2018 - May 31, 2018

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
31321XBK9	199	GENERAL	GN3	72,525.45	72,996.44	72,754.78	03/01/2038	5.650	0.015	1,026.65	0.00	1,026.65
31321XE59	200	GENERAL	GN3	58,366.95	58,765.75	58,564.30	04/01/2038	5.650	0.015	826.36	0.00	826.36
31321XE67	201	GENERAL	GN3	68,572.83	69,003.70	68,782.51	04/01/2038	5.750	0.016	987.81	0.00	987.81
31321XMM3	202	GENERAL	GN3	30,548.57	30,938.47	30,739.88	07/01/2038	5.650	0.015	433.36	0.00	433.36
36295MS34	204	GENERAL	GN1	59,211.58	60,828.63	60,415.39	08/20/2037	5.750	0.016	863.72	0.00	863.72
36296GK42	205	GENERAL	GN1	54,618.77	54,962.04	54,804.48	06/20/2038	5.750	0.016	786.79	0.00	786.79
36296PBA8	207	GENERAL	GN1	61,946.01	62,331.53	62,154.57	07/20/2038	5.650	0.015	876.81	0.00	876.81
36296RNP8	208	GENERAL	GN1	67,095.01	67,562.26	67,347.79	08/20/2038	5.750	0.016	966.74	0.00	966.74
31286DKY6	209	GENERAL	GN3	57,680.44	59,118.93	58,323.43	10/01/2037	5.650	0.015	820.72	0.00	820.72
31321XE75	210	GENERAL	GN3	103,879.29	104,559.42	104,210.27	02/01/2038	5.650	0.015	1,470.51	0.00	1,470.51
31321XK52	211	GENERAL	GN3	54,006.13	54,344.65	54,170.87	06/01/2038	5.650	0.015	764.43	0.00	764.43
36295MNM7	213	GENERAL	GN1	31,274.32	31,490.61	31,391.33	09/20/2037	5.650	0.015	442.77	0.00	442.77
36295QT26	214	GENERAL	GN1	69,374.21	69,865.62	69,640.05	10/20/2037	5.650	0.015	982.23	0.00	982.23
36295X3E3	215	GENERAL	GN1	32,560.78	32,772.40	32,675.26	01/20/2038	5.650	0.015	460.92	0.00	460.92
36295X3F0	235	GENERAL	GN1	97,823.53	98,444.79	98,159.68	01/20/2038	6.100	0.017	1,494.98	0.00	1,494.98
36295YLM3	216	GENERAL	GN1	92,052.46	92,646.43	92,373.79	02/20/2038	5.650	0.015	1,303.04	0.00	1,303.04
36296DFV2	219	GENERAL	GN1	44,880.46	45,256.45	45,083.86	05/20/2038	5.650	0.015	635.72	0.00	635.72
36296GK59	220	GENERAL	GN1	43,958.22	44,258.49	44,120.66	06/20/2038	5.650	0.015	622.32	0.00	622.32
31321W5E2	221	GENERAL	GN3	69,348.22	69,925.91	69,628.95	03/01/2038	6.000	0.016	1,043.12	0.00	1,043.12
31321WAL0	222	GENERAL	GN3	48,523.39	48,830.62	48,672.92	01/01/2038	6.100	0.017	741.54	0.00	741.54
31321XDG6	225	GENERAL	GN3	92,495.52	93,102.98	92,791.17	05/01/2038	6.000	0.016	1,390.49	0.00	1,390.49
31321XJH8	226	GENERAL	GN3	79,520.60	80,019.47	79,763.40	05/01/2038	6.000	0.016	1,195.31	0.00	1,195.31
31321XML5	227	GENERAL	GN3	67,117.83	67,837.04	67,402.54	05/01/2038	6.000	0.016	1,009.40	0.00	1,009.40
31335YZ41	228	GENERAL	GN3	78,453.99	78,955.01	78,697.73	12/01/2037	6.100	0.017	1,198.98	0.00	1,198.98
36295UGS4	229	GENERAL	GN1	77,809.36	78,581.17	78,226.94	12/20/2037	6.000	0.016	1,171.02	0.00	1,171.02
36295USM4	231	GENERAL	GN1	112,050.99	112,772.79	112,441.54	11/20/2037	6.100	0.017	1,712.46	0.00	1,712.46
36295WNR4	232	GENERAL	GN1	44,121.76	44,400.55	44,272.60	01/20/2038	6.000	0.016	663.23	0.00	663.23
36295WR74	233	GENERAL	GN1	32,826.89	33,032.42	32,938.09	01/20/2038	6.000	0.016	493.43	0.00	493.43
36295WR82	234	GENERAL	GN1	108,871.14	109,547.23	109,237.02	12/20/2037	6.100	0.017	1,663.74	0.00	1,663.74
36295XJ2	236	GENERAL	GN1	74,788.07	75,300.39	75,065.26	02/20/2038	6.000	0.016	1,124.39	0.00	1,124.39
36295YHV8	238	GENERAL	GN1	116,211.11	116,927.12	116,598.52	02/20/2038	6.100	0.017	1,775.87	0.00	1,775.87
36295YLC5	239	GENERAL	GN1	86,534.25	87,096.24	86,838.33	12/20/2037	6.100	0.017	1,322.51	0.00	1,322.51
36296BWF5	241	GENERAL	GN1	74,303.07	74,761.54	74,551.12	04/20/2038	6.000	0.016	1,116.85	0.00	1,116.85
36296BYN6	242	GENERAL	GN1	57,714.33	58,068.87	57,906.15	03/20/2038	6.000	0.016	867.50	0.00	867.50
36296DVK1	243	GENERAL	GN1	42,703.15	43,170.58	42,956.05	05/20/2038	6.000	0.016	642.90	0.00	642.90
36296DWX2	245	GENERAL	GN1	85,428.38	86,052.98	85,766.33	05/20/2038	6.100	0.017	1,305.97	0.00	1,305.97
36296GL74	246	GENERAL	GN1	26,327.93	26,487.54	26,414.29	05/20/2038	6.000	0.016	395.72	0.00	395.72

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Interest Earnings
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CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
36296K7L0	247	GENERAL	GN1	74,203.20	74,682.52	74,462.54	07/20/2038	6.100	0.017	1,134.05	0.00	1,134.05
36296N4B9	248	GENERAL	GN1	90,786.37	91,338.82	91,085.26	08/20/2038	6.000	0.016	1,364.57	0.00	1,364.57
36296TFG3	249	GENERAL	GN1	101,865.91	102,986.40	102,297.82	10/20/2038	6.100	0.017	1,556.52	0.00	1,556.52
36296TKE2	250	GENERAL	GN1	84,013.26	84,500.10	84,276.67	10/20/2038	6.100	0.017	1,283.69	0.00	1,283.69
			Subtotal	4,938,907.61	4,986,628.49	4,965,136.16			0.016	71,899.56	0.00	71,899.56
			Total	4,938,907.61	4,986,628.49	4,965,136.16			0.016	71,899.56	0.00	71,899.56



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 Sorted by Fund
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Inv #	Issuer	Fund	Purch Date	Interest Accrued	Beginning Book Value	Ending Book Value	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value	Purchases/ Additions			Market Value
Fund: General Investments									
160	FGMTGE	GENERAL	08/27/2015	509.10	37,403.80	0.00	466.33	-466.33	36,937.47
31335YKU9	36,937.47	5.451	12/01/2036	511.23	40,526.08	0.00	466.33	-931.15	39,594.93
161	FN8815	GENERAL	08/27/2015	607.59	44,496.61	0.00	341.53	-341.53	44,155.08
31409XNJ4	44,155.08	5.424	04/01/2036	609.15	45,322.21	0.00	341.53	-438.98	44,883.23
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	1,725.29	126,350.08	0.00	969.81	-969.81	125,380.27
31410MW89	125,380.27	5.425	05/01/2036	1,729.73	131,389.16	0.00	969.81	-1,424.65	129,964.51
164	FN8956	GENERAL	08/27/2015	781.62	57,270.49	0.00	483.35	-483.35	56,787.14
31410SAG2	56,787.14	5.425	05/01/2036	783.83	58,921.61	0.00	483.35	-726.51	58,195.10
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
31410TNQ4	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	1,271.57	93,131.20	0.00	729.62	-729.62	92,401.58
31410UY55	92,401.58	5.425	07/01/2036	1,274.91	95,965.15	0.00	729.62	-1,007.14	94,958.01
168	FN8989	GENERAL	08/27/2015	588.22	43,072.58	0.00	323.23	-323.23	42,749.35
31410VW71	42,749.35	5.425	07/01/2036	589.70	43,872.28	0.00	323.23	-417.44	43,454.84
169	FN9040	GENERAL	08/27/2015	732.60	54,142.11	0.00	1,149.44	-1,149.44	52,992.67
31411CMA6	52,992.67	5.425	08/01/2036	737.86	55,563.00	0.00	1,149.44	-1,315.81	54,247.19
170	FN9116	GENERAL	08/27/2015	1,016.01	74,422.87	0.00	595.36	-595.36	73,827.51
31411LYY1	73,827.51	5.423	11/01/2035	1,018.73	76,464.76	0.00	595.36	-801.85	75,662.91

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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	Beginning Market Value				Ending Market Value
171	FN9531	GENERAL	08/27/2015	0.00	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	0.00
172	G26063	GENERAL	08/27/2015	0.00	0.00	0.00	0.00	0.00	0.00
36201XSZ2	0.00	0.000	03/20/2036	0.00	0.00	0.00	0.00	0.00	0.00
173	G26066	GENERAL	08/27/2015	1,506.57	110,348.10	0.00	870.19	-870.19	109,477.91
36201XTW8	109,477.91	5.437	05/20/2036	1,510.55	117,768.25	0.00	870.19	-1,747.33	116,020.92
174	G26122	GENERAL	08/27/2015	0.00	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	0.00
175	FN8964	GENERAL	06/28/2016	866.30	63,444.16	0.00	489.75	-489.75	62,954.41
31410VWZ9	62,954.41	5.420	09/01/2036	868.54	65,187.79	0.00	489.75	-665.46	64,522.33
176	FN9204	GENERAL	06/28/2016	0.00	0.00	0.00	0.00	0.00	0.00
31412BRY0	0.00	0.000	12/01/2036	0.00	0.00	0.00	0.00	0.00	0.00
177	FN9495	GENERAL	06/28/2016	0.00	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	0.00
178	G26090	GENERAL	06/28/2016	1,125.04	82,372.46	0.00	605.00	-605.00	81,767.46
36202TUK0	81,767.46	5.434	11/20/2036	1,127.80	87,910.99	0.00	605.00	-1,256.73	86,654.26
179	G26211	GENERAL	06/28/2016	0.00	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	0.00
180	FGJ303	GENERAL	06/28/2016	899.10	62,870.16	0.00	486.49	-486.49	62,383.67
31335YNQ5	62,383.67	5.708	06/01/2037	901.43	68,420.78	0.00	486.49	-1,167.70	67,253.08
181	FGJ308	GENERAL	06/28/2016	931.35	65,085.46	0.00	444.59	-444.59	64,640.87
31335YNA0	64,640.87	5.707	04/01/2037	933.48	70,839.00	0.00	444.59	-1,144.28	69,694.72
182	FGJ306	GENERAL	06/28/2016	1,521.13	108,192.82	0.00	755.45	-755.45	107,437.37
31335YUZ7	107,437.37	5.609	11/01/2037	1,524.69	118,078.11	0.00	755.45	-1,978.90	116,099.21
183	FN8122	GENERAL	06/28/2016	975.35	69,671.87	0.00	2,550.36	-2,550.36	67,121.51
31410UYT3	67,121.51	5.679	09/01/2036	987.57	71,643.54	0.00	2,550.36	-2,802.27	68,841.27

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Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
184	G26217	GENERAL	06/28/2016	1,840.40	128,645.19	0.00	927.38	-927.38	127,717.81
36290YCF3	127,717.81	5.693	01/20/2037	1,844.84	139,117.20	0.00	927.38	-2,115.37	137,001.83
185	FN8965	GENERAL	06/28/2016	1,221.06	85,470.44	0.00	792.86	-792.86	84,677.58
31410VW22	84,677.58	5.680	11/01/2036	1,224.86	88,253.65	0.00	792.86	-1,054.76	87,198.89
186	FN9672	GENERAL	06/28/2016	1,418.60	101,185.52	0.00	1,082.15	-1,082.15	100,103.37
31414JA60	100,103.37	5.583	11/01/2037	1,423.70	104,558.65	0.00	1,082.15	-1,406.33	103,152.32
187	G26215	GENERAL	06/28/2016	697.31	48,739.42	0.00	346.41	-346.41	48,393.01
36290YB23	48,393.01	5.693	12/20/2036	698.97	52,774.77	0.00	346.41	-796.65	51,978.12
188	G26212	GENERAL	06/28/2016	438.96	30,999.88	0.00	696.75	-696.75	30,303.13
36290YDR6	30,303.13	5.694	04/20/2037	442.30	33,565.04	0.00	696.75	-1,018.63	32,546.41
189	FGT300	GENERAL	09/28/2016	501.38	35,067.54	0.00	283.58	-283.58	34,783.96
31286DB59	34,783.96	5.706	02/01/2037	502.74	38,444.25	0.00	283.58	-667.34	37,776.91
190	FGT068	GENERAL	09/28/2016	1,129.77	78,962.33	0.00	554.91	-554.91	78,407.42
31286DCD1	78,407.42	5.707	03/01/2037	1,132.43	86,570.46	0.00	554.91	-1,412.76	85,157.70
191	FGU325	GENERAL	09/28/2016	889.86	62,309.26	0.00	609.18	-609.18	61,700.08
31335YLE4	61,700.08	5.707	03/01/2037	892.78	67,815.05	0.00	609.18	-1,292.29	66,522.76
192	FGU304	GENERAL	09/28/2016	1,255.09	88,261.69	0.00	1,490.95	-1,490.95	86,770.74
31335YPK6	86,770.74	5.707	07/01/2037	1,262.23	96,067.40	0.00	1,490.95	-2,502.85	93,564.55
193	G22240	GENERAL	09/28/2016	920.66	64,352.67	0.00	460.77	-460.77	63,891.90
36202XEM5	63,891.90	5.692	11/20/2036	922.87	69,680.62	0.00	460.77	-1,055.49	68,625.13
194	G26724	GENERAL	09/28/2016	1,435.10	100,268.54	0.00	654.21	-654.21	99,614.33
36295KCH4	99,614.33	5.695	12/20/2037	1,438.23	108,571.74	0.00	654.21	-1,576.24	106,995.50
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	172.42	14,505.60	0.00	4,973.91	-4,973.91	9,531.69
31286DLC3	9,531.69	5.602	10/01/2037	195.84	15,809.46	0.00	4,973.91	-5,532.96	10,276.50

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Beginning Market Value				Book Value	Market Value
197	FGA677	GENERAL	01/30/2017	1,105.74	78,646.92	78,646.92	0.00	547.27	-547.27	78,099.65	78,099.65
3128KYSL4	78,099.65	5.601	05/01/2037	1,108.32	85,877.88	85,877.88	0.00	547.27	-1,430.53	84,447.35	84,447.35
198	FGU318	GENERAL	01/30/2017	918.12	64,200.62	64,200.62	0.00	498.97	-498.97	63,701.65	63,701.65
31321XAV6	63,701.65	5.703	04/01/2038	920.51	69,884.55	69,884.55	0.00	498.97	-1,193.68	68,690.87	68,690.87
199	FGU842	GENERAL	01/30/2017	1,026.65	72,996.44	72,996.44	0.00	470.99	-470.99	72,525.45	72,525.45
31321XBK9	72,525.45	5.603	03/01/2038	1,028.87	79,673.88	79,673.88	0.00	470.99	-1,300.27	78,373.61	78,373.61
200	FGU319	GENERAL	01/30/2017	826.36	58,765.75	58,765.75	0.00	398.80	-398.80	58,366.95	58,366.95
31321XE59	58,366.95	5.603	04/01/2038	828.24	64,138.92	64,138.92	0.00	398.80	-1,066.55	63,072.37	63,072.37
201	FGU957	GENERAL	01/30/2017	987.81	69,003.70	69,003.70	0.00	430.87	-430.87	68,572.83	68,572.83
31321XE67	68,572.83	5.703	04/01/2038	989.87	75,113.04	75,113.04	0.00	430.87	-1,170.49	73,942.55	73,942.55
202	FGU321	GENERAL	01/30/2017	433.36	30,938.47	30,938.47	0.00	389.90	-389.90	30,548.57	30,548.57
31321XMM3	30,548.57	5.604	07/01/2038	435.20	33,756.93	33,756.93	0.00	389.90	-758.10	32,998.83	32,998.83
203	FGU616	GENERAL	01/30/2017	0.00	0.00	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	0.00	0.00
204	G26747	GENERAL	01/30/2017	863.72	60,828.63	60,828.63	0.00	1,617.05	-1,617.05	59,211.58	59,211.58
36295MS34	59,211.58	5.688	08/20/2037	871.47	65,863.77	65,863.77	0.00	1,617.05	-2,275.00	63,588.77	63,588.77
205	G26907	GENERAL	01/30/2017	786.79	54,962.04	54,962.04	0.00	343.27	-343.27	54,618.77	54,618.77
36296GK42	54,618.77	5.691	06/20/2038	788.44	59,513.85	59,513.85	0.00	343.27	-847.58	58,666.27	58,666.27
206	G26966	GENERAL	01/30/2017	0.00	0.00	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	0.00	0.00
207	G26967	GENERAL	01/30/2017	876.81	62,331.53	62,331.53	0.00	385.52	-385.52	61,946.01	61,946.01
36296PBA8	61,946.01	5.591	07/20/2038	878.63	67,113.94	67,113.94	0.00	385.52	-928.40	66,185.54	66,185.54
208	G26988	GENERAL	01/30/2017	966.74	67,562.26	67,562.26	0.00	467.25	-467.25	67,095.01	67,095.01
36296RNP8	67,095.01	5.691	08/20/2038	968.98	73,157.94	73,157.94	0.00	467.25	-1,090.55	72,067.39	72,067.39
209	FGT311	GENERAL	04/27/2017	820.72	59,118.93	59,118.93	0.00	1,438.49	-1,438.49	57,680.44	57,680.44
31286DKY6	57,680.44	5.609	10/01/2037	827.49	64,540.57	64,540.57	0.00	1,438.49	-2,187.72	62,352.85	62,352.85

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March 1, 2018 - May 31, 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
210	FGU958	GENERAL	04/27/2017	1,470.51	104,559.42	0.00	680.13	-680.13	103,879.29
31321XE75	103,879.29	5.610	02/01/2038	1,473.71	114,116.57	0.00	680.13	-1,867.27	112,249.30
211	FGU116	GENERAL	04/27/2017	764.43	54,344.65	0.00	338.52	-338.52	54,006.13
31321XK52	54,006.13	5.611	06/01/2038	766.02	59,304.72	0.00	338.52	-956.21	58,348.51
212	FGU656	GENERAL	04/27/2017	0.00	0.00	0.00	0.00	0.00	0.00
31335YWR3	0.00	0.000	11/01/2037	0.00	0.00	0.00	0.00	0.00	0.00
213	G26745	GENERAL	04/27/2017	442.77	31,490.61	0.00	216.29	-216.29	31,274.32
36295MNM7	31,274.32	5.596	09/20/2037	443.79	33,906.21	0.00	216.29	-491.99	33,414.22
214	G26774	GENERAL	04/27/2017	982.23	69,865.62	0.00	491.41	-491.41	69,374.21
36295QT26	69,374.21	5.596	10/20/2037	984.54	75,224.52	0.00	491.41	-1,104.02	74,120.50
215	G26839	GENERAL	04/27/2017	460.92	32,772.40	0.00	211.62	-211.62	32,560.78
36295X3E3	32,560.78	5.597	01/20/2038	461.91	35,286.64	0.00	211.62	-497.64	34,789.00
216	G26844	GENERAL	04/27/2017	1,303.04	92,646.43	0.00	593.97	-593.97	92,052.46
36295YLM3	92,052.46	5.597	02/20/2038	1,305.84	99,754.22	0.00	593.97	-1,402.27	98,351.95
217	G26855	GENERAL	04/27/2017	294.36	62,651.77	0.00	62,651.77	-62,651.77	0.00
36296AUJ1	0.00	0.000	03/20/2038	589.35	67,458.46	0.00	62,651.77	-67,458.46	0.00
218	G26866	GENERAL	04/27/2017	496.59	52,909.48	0.00	52,909.48	-52,909.48	0.00
36296BYJ5	0.00	0.000	04/20/2038	745.71	56,968.41	0.00	52,909.48	-56,968.41	0.00
219	G26883	GENERAL	04/27/2017	635.72	45,256.45	0.00	375.99	-375.99	44,880.46
36296DVF2	44,880.46	5.598	05/20/2038	637.49	48,506.39	0.00	375.99	-774.66	47,731.73
220	G20716	GENERAL	04/27/2017	622.32	44,258.49	0.00	300.27	-300.27	43,958.22
36296GK59	43,958.22	5.598	06/20/2038	623.73	47,653.90	0.00	300.27	-687.54	46,966.36
221	FGU317	GENERAL	09/28/2017	1,043.12	69,925.91	0.00	577.69	-577.69	69,348.22
31321W5E2	69,348.22	5.957	03/01/2038	1,046.01	77,571.28	0.00	577.69	-1,252.94	76,318.34
222	FGU309	GENERAL	09/28/2017	741.54	48,830.62	0.00	307.23	-307.23	48,523.39
31321WALO	48,523.39	6.056	01/01/2038	743.10	54,320.27	0.00	307.23	-701.39	53,618.88

Portfolio TSSF

Texas St Aff Housing - Surplus
Texas Compliance Change in Val Report
March 1, 2018 - May 31, 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
223	FGU986	GENERAL	09/28/2017	0.00	0.00	0.00	0.00	0.00	0.00
31321WCX2	0.00	0.000	12/01/2037	0.00	0.00	0.00	0.00	0.00	0.00
224	FGU318	GENERAL	09/28/2017	959.11	64,213.20	0.00	409.91	-409.91	63,803.29
31321XAX2	63,803.29	5.957	04/01/2038	961.16	71,229.96	0.00	409.91	-1,020.20	70,209.76
225	FGU903	GENERAL	09/28/2017	1,390.49	93,102.98	0.00	607.46	-607.46	92,495.52
31321XDG6	92,495.52	5.957	05/01/2038	1,393.52	103,293.52	0.00	607.46	-1,489.78	101,803.74
226	FGU320	GENERAL	09/28/2017	1,195.31	80,019.47	0.00	498.87	-498.87	79,520.60
31321XJH8	79,520.60	5.957	05/01/2038	1,197.81	88,797.28	0.00	498.87	-1,250.34	87,546.94
227	FGU163	GENERAL	09/28/2017	1,009.40	67,837.04	0.00	719.21	-719.21	67,117.83
31321XML5	67,117.83	5.957	05/01/2038	1,013.00	75,246.08	0.00	719.21	-1,394.37	73,851.71
228	FGU307	GENERAL	09/28/2017	1,198.98	78,955.01	0.00	501.02	-501.02	78,453.99
31335YZ41	78,453.99	6.056	12/01/2037	1,201.52	87,822.70	0.00	501.02	-1,140.98	86,681.72
229	G26807	GENERAL	09/28/2017	1,171.02	78,581.17	0.00	771.81	-771.81	77,809.36
36295UGS4	77,809.36	5.942	12/20/2037	1,174.88	86,294.57	0.00	771.81	-1,608.45	84,676.12
230	G26808	GENERAL	09/28/2017	0.00	0.00	0.00	0.00	0.00	0.00
36295ULD1	0.00	0.000	12/20/2037	0.00	0.00	0.00	0.00	0.00	0.00
231	G26810	GENERAL	09/28/2017	1,712.46	112,772.79	0.00	721.80	-721.80	112,050.99
36295USM4	112,050.99	6.041	11/20/2037	1,716.13	124,957.05	0.00	721.80	-1,624.54	123,332.51
232	G26827	GENERAL	09/28/2017	663.23	44,400.55	0.00	278.79	-278.79	44,121.76
36295WNR4	44,121.76	5.942	01/20/2038	664.62	48,754.00	0.00	278.79	-737.59	48,016.41
233	G26828	GENERAL	09/28/2017	493.43	33,032.42	0.00	205.53	-205.53	32,826.89
36295WR74	32,826.89	5.942	01/20/2038	494.46	36,271.28	0.00	205.53	-546.70	35,724.58
234	G22811	GENERAL	09/28/2017	1,663.74	109,547.23	0.00	676.09	-676.09	108,871.14
36295WR82	108,871.14	6.042	12/20/2037	1,667.18	121,383.21	0.00	676.09	-1,550.49	119,832.72
235	G26839	GENERAL	09/28/2017	1,494.98	98,444.79	0.00	621.26	-621.26	97,823.53
36295X3F0	97,823.53	6.042	01/20/2038	1,498.14	109,081.79	0.00	621.26	-1,409.48	107,672.31

Portfolio TSSF

Texas St Aff Housing - Surplus
Texas Compliance Change in Val Report
March 1, 2018 - May 31, 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	Market Value	Market Value	Market Value
236	G26840	GENERAL	09/28/2017	1,124.39	75,300.39	0.00	512.32	-512.32	74,788.07
36295X3J2	74,788.07	5.942	02/20/2038	1,126.95	82,682.36	0.00	512.32	-1,293.82	81,388.54
237	G24050	GENERAL	09/28/2017	0.00	0.00	0.00	0.00	0.00	0.00
36295X5K7	0.00	0.000	01/20/2038	0.00	0.00	0.00	0.00	0.00	0.00
238	G26843	GENERAL	09/28/2017	1,775.87	116,927.12	0.00	716.01	-716.01	116,211.11
36295YHV8	116,211.11	6.042	02/20/2038	1,779.51	129,560.65	0.00	716.01	-1,648.76	127,911.89
239	G24423	GENERAL	09/28/2017	1,322.51	87,096.24	0.00	561.99	-561.99	86,534.25
36295YLC5	86,534.25	6.042	12/20/2037	1,325.37	96,505.61	0.00	561.99	-1,259.62	95,245.99
240	G26845	GENERAL	09/28/2017	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
241	G26865	GENERAL	09/28/2017	1,116.85	74,761.54	0.00	458.47	-458.47	74,303.07
36296BWF5	74,303.07	5.943	04/20/2038	1,119.14	82,092.21	0.00	458.47	-1,230.06	80,862.15
242	G26617	GENERAL	09/28/2017	867.50	58,068.87	0.00	354.54	-354.54	57,714.33
36296BYN6	57,714.33	5.943	03/20/2038	869.27	63,762.85	0.00	354.54	-953.71	62,809.14
243	G28318	GENERAL	09/28/2017	642.90	43,170.58	0.00	467.43	-467.43	42,703.15
36296DVK1	42,703.15	5.943	05/20/2038	645.23	47,396.98	0.00	467.43	-930.39	46,466.59
244	G28360	GENERAL	09/28/2017	563.85	56,717.53	0.00	56,717.53	-56,717.53	0.00
36296DWW6	0.00	0.000	05/20/2038	847.44	62,278.49	0.00	56,717.53	-62,278.49	0.00
245	G28362	GENERAL	09/28/2017	1,305.97	86,052.98	0.00	624.60	-624.60	85,428.38
36296DWWX2	85,428.38	6.043	05/20/2038	1,309.15	95,347.18	0.00	624.60	-1,321.41	94,025.77
246	G20750	GENERAL	09/28/2017	395.72	26,487.54	0.00	159.61	-159.61	26,327.93
36296GL74	26,327.93	5.943	05/20/2038	396.52	29,084.87	0.00	159.61	-432.73	28,652.14
247	G26939	GENERAL	09/28/2017	1,134.05	74,682.52	0.00	479.32	-479.32	74,203.20
36296K7L0	74,203.20	6.044	07/20/2038	1,136.49	82,750.93	0.00	479.32	-1,077.27	81,673.66
248	G26618	GENERAL	09/28/2017	1,364.57	91,338.82	0.00	552.45	-552.45	90,786.37
36296N4B9	90,786.37	5.944	09/20/2038	1,367.33	100,295.23	0.00	552.45	-1,494.46	98,800.77

Portfolio TSSF

Texas St Aff Housing - Surplus
Texas Compliance Change in Val Report
March 1, 2018 - May 31, 2018

Inv #	Issuer	Fund	Purch Date	Interest Received	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
249	G27004	GENERAL	09/28/2017	1,556.52	102,986.40	0.00	1,120.49	-1,120.49	101,865.91
36296TFG3	101,865.91	6.044	10/20/2038	1,562.21	114,115.17	0.00	1,120.49	-1,997.18	112,117.99
250	G27005	GENERAL	09/28/2017	1,283.69	84,500.10	0.00	486.84	-486.84	84,013.26
36296TKE2	84,013.26	6.044	10/20/2038	1,286.16	93,631.09	0.00	486.84	-1,157.88	92,473.21
Sub Totals For: Fund: General Investments									
				73,254.36	5,158,907.27	0.00	219,999.66	-219,999.66	4,938,907.61
				74,311.40	5,590,432.92	0.00	219,999.66	-277,518.24	5,312,914.68
Report Grand Totals:									
				73,254.36	5,158,907.27	0.00	219,999.66	-219,999.66	4,938,907.61
				74,311.40	5,590,432.92	0.00	219,999.66	-277,518.24	5,312,914.68



**Quarterly Investment Report
Direct Lending**

February 28, 2018 – May 31, 2018



Political Premiums

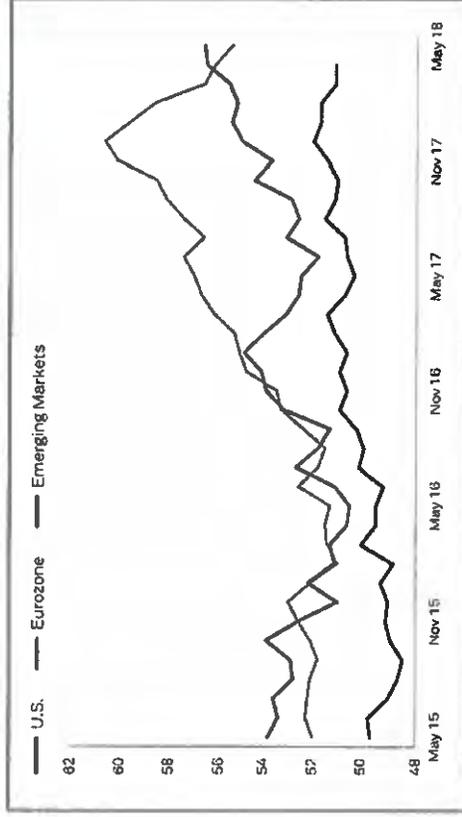
The month was dominated by political and trade events which created a mild headwind to the US economy and brought volatility as risks changed almost daily with those risks weighed and markets responding. Weaker EU data, heightened trade tensions and a strong US dollar were overshadowed by political uncertainty in southern Europe to add risk premiums across the globe.

Trade tantrums continued and escalated through the month as the US applied tariffs unexpectedly to its closest allies (UK, Canada and the EU) and extended the steel and aluminum tariffs to Mexico and Canada. If the position is to apply negotiating pressure it has its dangers. NAFTA is complicated by upcoming elections in Mexico and Canada. Cross channel distortions with other trading partners may result in a backlash which could hurt the US economy and our rate trajectory. Talks with North Korea have been much more successful on nuclear tensions which lowers the risks which had caused a significant flight to US Treasury safety.

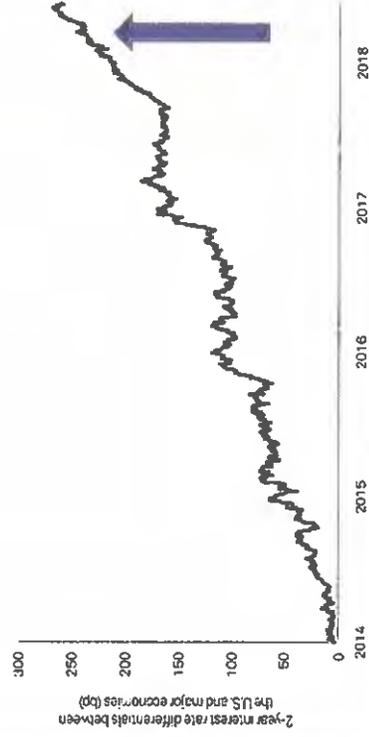
European headwinds are particularly strong as the Zone slows with low employment and inflation. The earlier EU intention to normalize rates has been put on hold and interest rates spreads to US rates make the US an attractive investment again bringing money to the US and applying downward rate pressure in the middle and long end of the curve.

The most tumultuous events however came from Italy and Spain both of which have new leaders. The coalition of Italian socialists created a Euro-skeptic administration supporting the fear of EU's 3rd biggest economy possible departure from the Union. Even if that does not occur it has undermined investor confidence and slowed growth in Italy. This follows a long history of Italian political turmoil but true consideration of an EU exit, toggled to Brexit and the UK problems at Ireland's border, has a distinctly more serious ring to it.

Europe Suffers from Slow Growth and Political Turmoil



INTEREST RATE DIFFERENTIALS BETWEEN THE U.S. AND MAJOR ECONOMIES



The Expansion Continues

Despite the global headwinds, the US economy continues on its **slow and steady** improving pace.

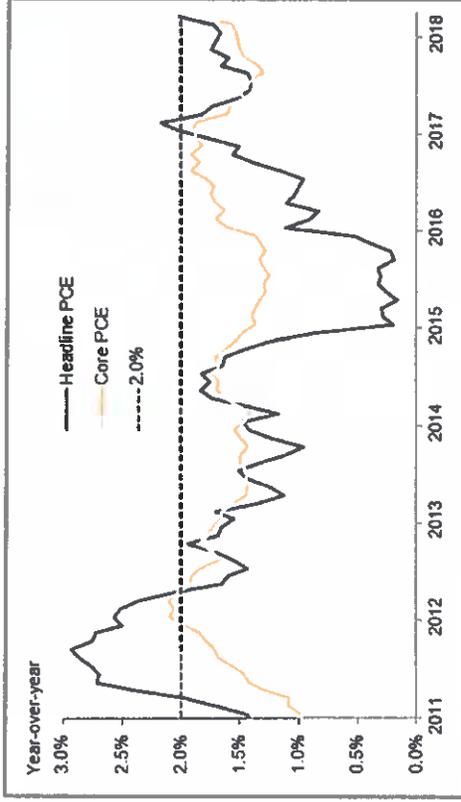
Non-farm payrolls in May surged past expectations adding 223,000 jobs and taking the unemployment rate to 3.8% – the lowest rate since 2000. Part of the lower rate drop was from the lower participation rate which measures folks of working age in the workforce. Otherwise the news was all positive with private payrolls and manufacturing expanding and hourly earnings accelerating. These hourly earnings put more money in consumer hands and as a result **consumer buying** has picked up after the few month's slowdown.

The **ISM** leading indicator echoed the good news across almost all its categories. Broad based gains were measured in employment, prices paid, productivity, new orders and backlogs, and supply deliveries. Matched with increasing **construction** and home sales this paints a positive picture in the US.

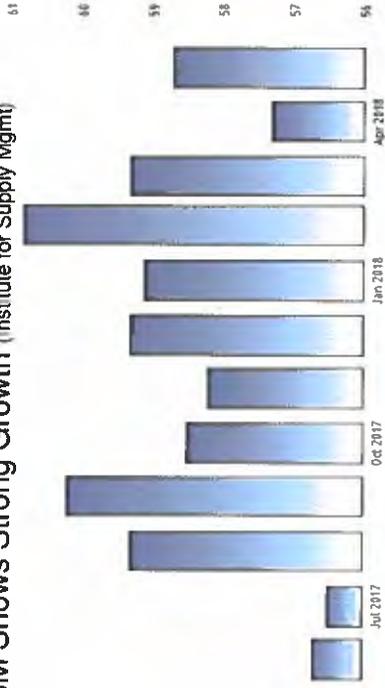
Inflation has also crept up slightly but remains elusive. The very strong US dollar prevents inflation growth currently but as corporations start to borrow for inventory rebuilding and capital expansion this could weaken the dollar. That weakening, of course, also helps the trade imbalance.

With the positive expansion the **2Q GDP** expectations have also reached 3.1% Q/Q. This is all positive news for the FOMC meeting in June. Expectations are for a rate increase to 1.75-2% which is near what many consider the *neutral rate*: the rate at which it neither stimulates nor slows economic growth. The key here will be the rate at which they move. With negative external forces, if the FOMC moves too fast the market will expect a flat curve and could push the long end downward further. This would raise fears of a recession (often preceded by a flat curve) – a consideration well understood by the Fed.

Personal Consumption Expenditures

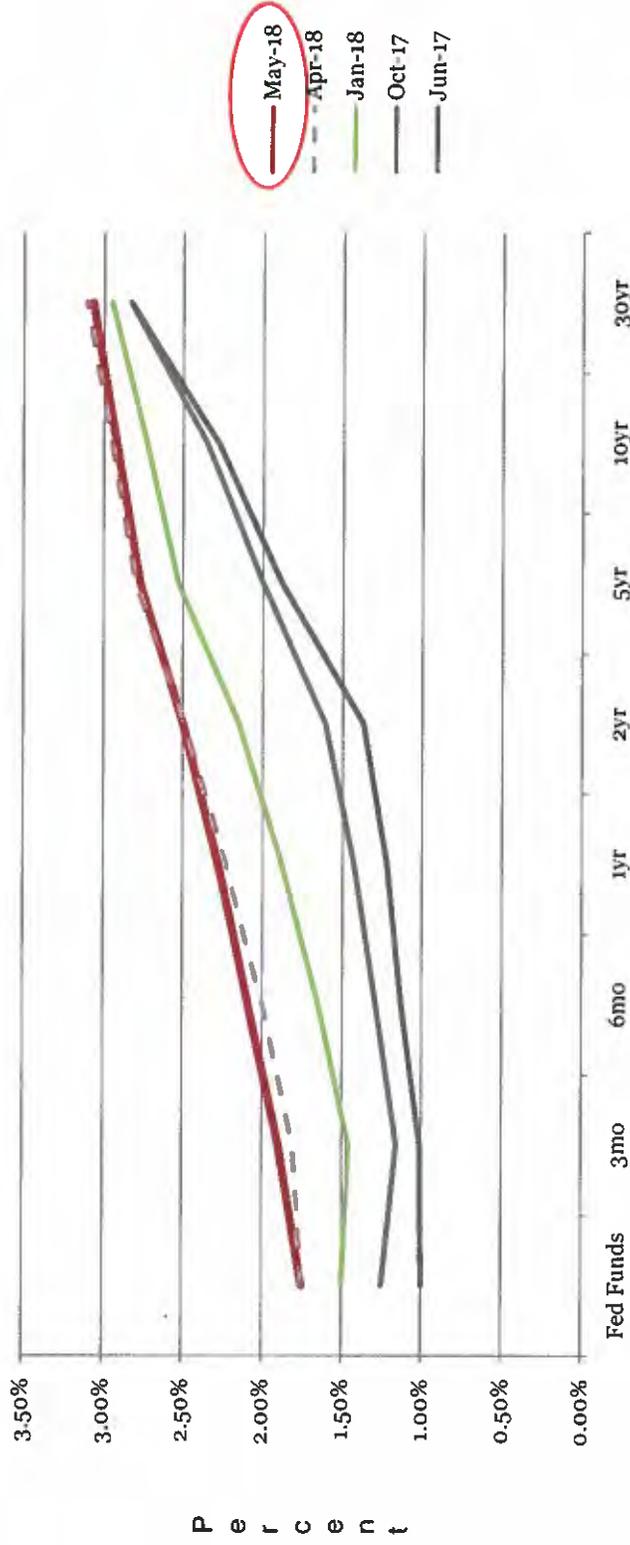


ISM Shows Strong Growth (Institute for Supply Mgmt)



Rates Struggle to Find Right Balance

- The concern for a flattening (less steep) curve has not abated and it is wait and see on the FOMC June 13th announcement. Any lessening of a hawkish tone from the Fed (to raise rates) will change the equation dramatically as the market expects at least 2 more hikes in 2018.
- Every expectation (and the futures markets) points to a rate hike in June bringing the overnight rate to the 1.75-2.0% range.
- The long end refuses to move upward until stronger indications of inflation appear. In addition, the rate differential with other sovereigns facing difficulties with slower economies continues to bring funds into the US market, even the long end.
- The yield on the Treasury 3-month is quite near the dividend yield on the S&P 500 which could cause a shift away from the riskier stock market alternatives.



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

Texas State Affordable Housing Corporation
Direct Lending Program

Quarterly Investment Report
 February 28, 2018 – May 31, 2018
Portfolio Summary Management Report

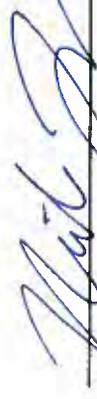
This quarterly report is in compliance with the investment policy and strategy as established by the Corporation and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

<u>Portfolio as of February 28, 2018</u>		<u>Portfolio as of May 31, 2018</u>	
Beginning Book Value	\$ 116,042	Ending Book Value	\$ 291,546
Beginning Market Value	\$ 116,042	Ending Market Value	\$ 291,546
Unrealized Gain/Loss	\$ 0	Investment Income for the period	\$ 0
		Unrealized Gain/Loss	\$ 0
		Change in Unrealized Gain/Loss	\$ 0
WAM at Beginning Period Date ¹	1 day	WAM at Ending Period Date ¹	1 day
		Change in Market Value	\$ 175,504

Average Yield to Maturity for period **0.000%**
 Average Yield 3 month Treasury bill for period **1.810%**
 Average Yield 6 month Treasury bill for period **1.990%**


 Ms. Melinda Smith, CFO
 Texas State Affordable Housing Corporation


 Mr. David Long, President
 Texas State Affordable Housing Corporation


 Mr. Nick Lawrence, Controller
 Texas State Affordable Housing Corporation


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

¹ WAM, represents weighted average maturity.

Your Portfolio

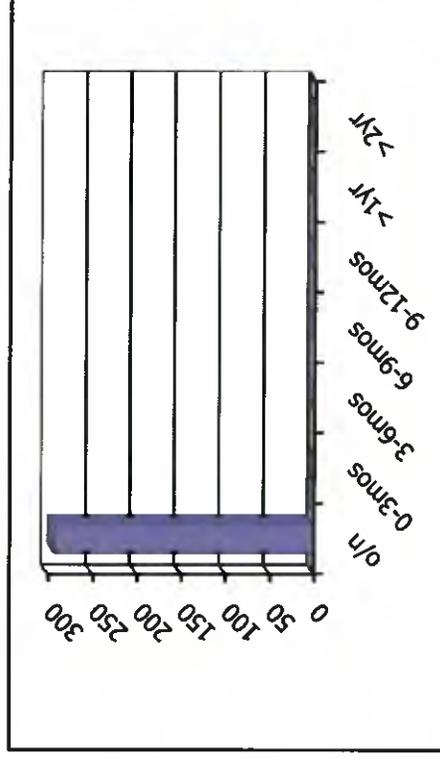
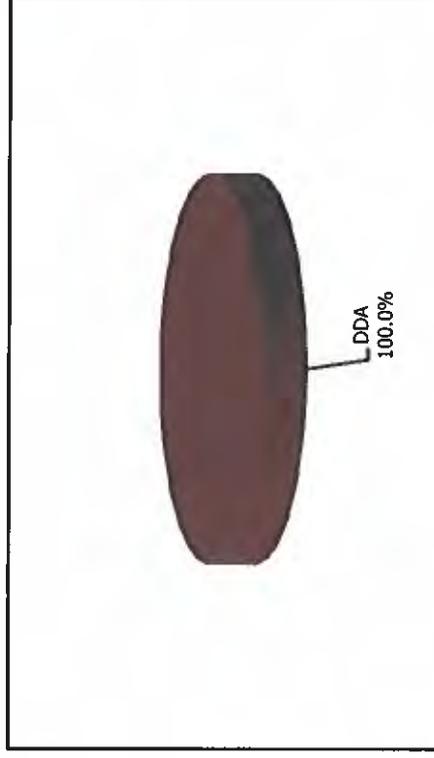
As of May 31, 2018

PATERSON & ASSOCIATES

P&A

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 slow increase in the overnight rates and short term alternatives are particularly attractive. For those with access to commercial paper the values are outstanding because of the strength in the economy. Rates farther out the curve continue to move up ever so slowly.
- It is recommended that everyone review their bank ECR rates versus those available outside the banks. Sweeps have once again become viable and are used to reduce bank balances and eliminate any balance based charges while increasing earnings. Call us to discuss this new situation





**TSAHC - Direct Lending Program
Portfolio Management
Portfolio Summary
May 31, 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 365 Equiv.
Bank Accounts	291,546.40	291,546.40	291,546.40	100.00	1	1	0.000
Investments	291,546.40	291,546.40	291,546.40	100.00%	1	1	0.000

Total Earnings **May 31 Month Ending** **Fiscal Year To Date**
 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 7/20/18
 Melinda Smith, Chief Financial Officer



TSAHC - Direct Lending Program
Summary by Type
May 31, 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
Fund: Neighborhood Stabilization Pro						
Bank Accounts	1	171,629.92	171,629.92	58.87	0.000	1
Subtotal	1	171,629.92	171,629.92	58.87	0.000	1
Fund: Rita Blanca Reserve						
Bank Accounts	1	39,669.62	39,669.62	13.61	0.000	1
Subtotal	1	39,669.62	39,669.62	13.61	0.000	1
Fund: Willows Operating						
Bank Accounts	1	0.00	0.00	0.00	0.000	0
Subtotal	1	0.00	0.00	0.00	0.000	0
Fund: Willows Replacement Reserve						
Bank Accounts	1	80,246.86	80,246.86	27.52	0.000	1
Subtotal	1	80,246.86	80,246.86	27.52	0.000	1
Total and Average	4	291,546.40	291,546.40	100.00	0.000	1



TSAHC - Direct Lending Program
Fund NSP - Neighborhood Stabilization Pro
Investments by Fund
May 31, 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
Bank Accounts										
591359932	71	Frost Bank Checking	04/20/2010	171,629.92	171,629.92	171,629.92				1
		Subtotal and Average		171,629.92	171,629.92	171,629.92		0.000	0.000	1
		Total Investments and Average		171,629.92	171,629.92	171,629.92		0.000	0.000	1

Fund RBRES - Rita Blanca Reserve
Investments by Fund
May 31, 2018

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Bank Accounts										
591732447	150	Frost Bank Checking	01/28/2015	39,669.62	39,669.62	39,669.62				1
		Subtotal and Average		39,669.62	39,669.62	39,669.62		0.000	0.000	1
		Total Investments and Average		39,669.62	39,669.62	39,669.62		0.000	0.000	1

**Fund WOPER - Willows Operating
Investments by Fund
May 31, 2018**

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

**Fund WRR - Willows Replacement Reserve
Investments by Fund
May 31, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Bank Accounts										
591501224	108	Frost Bank Checking	11/17/2011	80,246.86	80,246.86	80,246.86				1
		Subtotal and Average		80,246.86	80,246.86	80,246.86		0.000	0.000	1
		Total Investments and Average		80,246.86	80,246.86	80,246.86		0.000	0.000	1



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

TSAHC - Direct Lending Program
Interest Earnings
 Sorted by Fund - Fund
 March 1, 2018 - May 31, 2018
 Period Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Yield This Period	Interest Earned	Adjusted Interest Earnings		
										Amortization/ Accretion	Adjusted Interest Earnings	
Fund: Neighborhood Stabilization Pro												
591359932	71	NSP	RR5	171,629.92	2,960.17	128,630.17			0.00	0.00	0.00	
			Subtotal	171,629.92	2,960.17	128,630.17			0.00	0.00	0.00	
Fund: Rita Blanca Reserve												
591732447	150	RBRES	RR5	39,669.62	36,834.71	38,478.14			0.00	0.00	0.00	
			Subtotal	39,669.62	36,834.71	38,478.14			0.00	0.00	0.00	
Fund: Willows Replacement Reserve												
591501224	108	WRR	RR5	80,246.86	76,246.87	77,928.03			0.00	0.00	0.00	
			Subtotal	80,246.86	76,246.87	77,928.03			0.00	0.00	0.00	
			Total	291,546.40	116,041.75	245,036.34			0.00	0.00	0.00	



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TSAHC - Direct Lending Program
Texas Compliance Change in Val Report
Sorted by Fund
March 1, 2018 - May 31, 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
Fund: Bunker Hill Debt									
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
Sub Totals For: Fund: Bunker Hill Debt									
Fund: Bunker Hill Operatin									
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
Sub Totals For: Fund: Bunker Hill Operatin									
Fund: Bunker Hill Replacem									
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
Sub Totals For: Fund: Bunker Hill Replacem									
Fund: Neighborhood Stabili									
71	FBC	NSP	04/20/2010	0.00	2,960.17	376,053.69	207,383.94	168,669.75	171,629.92
591359932	171,629.92	0.000	/ /	0.00	2,960.17	376,053.69	207,383.94	168,669.75	171,629.92
Sub Totals For: Fund: Neighborhood Stabili									
Fund: Rita Blanca Reserve									
150	FBC	RBRES	01/28/2015	0.00	36,834.71	2,834.91	0.00	2,834.91	39,669.62
591732447	39,669.62	0.000	/ /	0.00	36,834.71	2,834.91	0.00	2,834.91	39,669.62

Portfolio TSDL
 TC (PRF_TC) 7.0
 Report Ver. 7.3.6.1

TSAHC - Direct Lending Program
 Texas Compliance Change in Val Report
 March 1, 2018 - May 31, 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
Sub Totals For: Fund: Rita Blanca Reserve									
				0.00	36,834.71	2,834.91	0.00	2,834.91	39,669.62
Fund: Sagebrush Apartments									
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
Sub Totals For: Fund: Sagebrush Apartments									
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Sagebrush Apartments									
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
Sub Totals For: Fund: Sagebrush Apartments									
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Sagebrush Replacemen									
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
Sub Totals For: Fund: Sagebrush Replacemen									
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Willows Operating									
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
Sub Totals For: Fund: Willows Operating									
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Willows Replacement									
108	FBC	WRR	11/17/2011	0.00	76,246.87	3,999.99	0.00	3,999.99	80,246.86
591501224	80,246.86	0.000	/ /	0.00	76,246.87	3,999.99	0.00	3,999.99	80,246.86

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
June 14, 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 June 14, 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. At this time Mr. Jones announced Mr. Dietz will be the new Chair for TSAHC appointed by Governor Abbott.

Members Present

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

Staff Present

Betsy Aldrich, Senior Accounting Manager
Celina Stubbs, Manager, Asset Oversight and Compliance
Cynthia Gonzales, Senior Officer, & Loan Servicing Manager
Dave Danenfelzer, Senior Director, Development Finance
David Long, President
James Matias, Manager, Asset Oversight and Compliance
Janie Taylor, Executive Vice President
Jo Keene, Manager, Development Finance
Joniel Crim, Director, Homeownership Programs
Lacy Brown, Executive Assistant
Melinda Smith, Chief Financial Officer
Michael Wilt, Manager of External Relations
Nick Lawrence, Controller
Sarah Ellinor, Manager, Homeownership Programs

Guests

Linda Patterson, Patterson & Associates
Aaron Greg, Greenberg Traurig, LLP
Tim Nelson, Hilltop Securities
Claire Meritt, Hilltop Securities
Lori Cobos, Cobos Law Firm
David Steinwedell, Affordable Central Texas

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 stated staff would be providing an in-depth program overview of the compliance and residence services report during a staff presentation under agenda item nine. Mr. Long informed the Board that the Loan Committee met the day before the Board meeting, noting while loan approvals were not considered, the Loan Committee did review loan portfolio and activity reports. Mr. Romero added that he thought the Loan Committee was working well.

Mr. Long provided an overview of the Homeownership Programs recent activities for the month which included the Housing Connection training in San Antonio, and six overcoming down payment hurdle classes. Staff also attended and managed a booth at the Affordable Homes of South Texas Annual Homebuyer Fair in McAllen. Mr. Long then introduced the newest employee of the Homeownership Program team, Mr. Frank Duplechain who was in San Antonio at the Housing Connection training.

Mr. Long noted several of the Corporations staff and representatives of the City of Austin, Texas Capital Bank and Frost Bank attended the ribbon-cutting ceremony for The Chicon. The Chicon is a 28-mixed-use property developed by the Chestnut Neighborhood Revitalization Corporation that includes 21 single-family homes for households at or below 80% of the median family income. Mr. Long stated that the Corporation provided \$2 million in construction financing for The Chicon development through the Texas Housing Impact Fund.

Mr. Long stated that additional activities last month included staff attendance at the National Association of Local Housing Finance Agency's (NALHFA) annual conference in New Orleans, the Fannie Mae HFA Housing Summit in Washington, D.C., and TSAHC hosted the fourth of six sessions of the Rural Housing Preservation Academy. Mr. Long reminded the Board of the initiative between TSAHC, the Federal Reserve Bank of Dallas, Enterprise Community Partners and other organizations working to preserve USDA affordable rural rental properties. Mr. Long thanked staff for their participation and role in hosting the training session at TSAHC's offices.

Mr. Long informed the Board that Mr. Wilt joined him for the Senate Committee on Intergovernmental Relations hearing in Pharr, Texas the previous month. Chairman Lucio

conducted the hearing on housing affordability across Texas and invited the Corporation to participate and testify at the hearing. Mr. Long also thanked Ms. Taylor for all her work in providing potential stakeholder contacts and providing input for his testimony.

Mr. Long informed the Board that Ms. Keene traveled to Milwaukee for the national conference focused on land banking initiatives of the Corporation as a land banking partner.

Mr. Long recognized Mr. Danenfelzer for completing his term serving on the IRS Tax Exempt and Governmental Entity Advisory Committee. He noted that as a result of the Committee's work, they were able to publish and present their 2018 recommendations on June .

Mr. Long introduced the professionals in the audience; Mr. Gregg, representing Greenberg Traurig, on behalf of Ms. Kennard (TSAHC's general counsel), Tim Nelson and Claire Merritt representing Hilltop Securities (TSAHC's municipal advisor).

Mr. Dietz recognized Ms. Cobos; Ms. Cobos is an attorney in Austin and was recently appointed to the Texas State Affordable Housing Corporation Board of Directors by Governor Abbott.

Mr. Long concluded his president's report with the date of TSAHC's next Board meeting which will be held on July .

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on April 19, 2018.

Mr. Evenwel made motion to approve the Minutes of the Board meeting held on April ; Mr. Romero seconded the motion. Mr. Jones requested clarification on page 6; after further discussion and clarification, Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 2 Presentation and Discussion by Patterson and Associates regarding the Corporation's Investment Portfolio.

Ms. Patterson with Patterson and Associates presented the Board with a presentation and discussion regarding the Corporation's investment portfolio.

Tab 3 Presentation, Discussion and Possible Approval of the Corporation's fiscal year 2019 Investment Policy.

Ms. Smith provided an overview of the Corporation's 2019 Investment Policy. Ms. Smith noted the auditors requested a change on page A-6, to specify fiscal year not calendar year.

Mr. Romero motioned to approve the Corporation's 2019 Investment Policy; Mr. Jones seconded the motion. Mr. Evenwel requested clarification and potential changes to the policy as presented. After further discussion by the Board, Ms. Smith, Mr. Long and Mr. Gregg, the Board agreed to the changes noted by Mr. Evenwel during the discussion. Mr. Gregg noted the

Board could vote to approve the 2019 Investment Policy at this meeting and then adopt a resolution at the next board meeting as per the Investment Policy.

Mr. Romero restated his motion to approve the Corporation's 2019 Investment Policy to include the changes; Mr. Jones seconded the motion; Mr. Dietz noted the motion had been moved and seconded to approve the 2019 Investment Policy with the changes noted. Mr. Dietz asked for public comments and none were given. A vote was taken and the motion passed unanimously.

Tab 4 Presentation, Discussion and Possible Approval of the Corporation's fiscal year 2019 Broker Listing.

Ms. Smith reminded the Board that similar to the Investment Policy, the Public Funds Investment Act requires that the Corporation's Broker Listing be approved by the Board. Mr. Romero noted the fiscal year needed to be updated to reflect 2019. Mr. Evenwel asked for clarification regarding brokerage compliance; Ms. Smith stated that Patterson and Associates performs the required compliance on behalf of the Corporation.

Mr. Romero inquired about the need to abstain and the ability of the Board to vote on the item; Mr. Gregg explained that since a quorum was confirmed and present, the Board members present were able to vote on the item and any members that were legally required to abstain could do so.

Mr. Jones made a motion to approve the Corporation's 2019 Broker Listing; Mr. Evenwel seconded the motion; Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed with two votes in favor of the motion with abstentions from Mr. Romero and Mr. Dietz.

Tab 5 Presentation, Discussion and Possible Approval of a Resolution Regarding an Application for and the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (Pre August 7, 2018).

Mr. Dietz informed the Board that Tab Items 5, 6, and 7 are related to Mortgage Credit Certificate (MCC) Program. Mr. Dietz further explained that staff would make a combined presentation to the Board on Tab Items 5, 6 and 7, however the Board would be voting on them separately.

Ms. Crim provided an overview of the Corporation's MCC Program, and the expectation of an increase in demand for the Program. Based on current demand, staff anticipated fully utilizing the current MCC allocation before the end of 2018. In order to ensure eligible buyers have access to the MCC Program, staff was seeking Board approval of the resolutions under Tab Items 5, 6, and 7. The three resolutions would authorize the Corporation to submit applications to the Texas Bond Review Board for the reservation and conversion to MCC's.

Ms. Crim explained that Tab Item 5 would authorize the Corporation to apply for its 2018 annual allocation of private activity bonds in the amount of \$83,215,512 with a deadline of August 7, 2018.

Mr. Jones made a motion to approve the Resolution Regarding an Application for and the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (Pre-August 7, 2018). Mr. Romero seconded the motion; Mr. Dietz's asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 6 Presentation, Discussion and Possible Approval of a Resolution Regarding an Application for and the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (August 7-15, 2018).

Mr. Dietz recognized Tab Item 6; Ms. Crim explained that Tab Item 6 would authorize the Corporation to apply for an allocation of private activity bonds in the amount of \$225 million.

Mr. Jones made a motion to approve the Resolution Regarding an Application for and the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (August 7-15, 2018). Mr. Romero seconded the motion; Mr. Dietz's asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 7 Presentation, Discussion and Possible Approval of a Resolution Regarding an Application for and the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (Post August 14, 2018).

Mr. Dietz recognized Tab Item 7; Ms. Crim explained that Tab Item 7 would authorize the Corporation to apply for an allocation of private activity bonds in the amount of \$925 million.

Mr. Romero made a motion to approve the Resolution Regarding an Application for and the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (Post August 14, 2018). Mr. Evenwel seconded the motion; Mr. Dietz's asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 8 Presentation, Discussion and Possible Approval of a Resolution authorizing the Corporation to negotiate a partnership with Affordable Central Texas, or related entities, including the possibility to establish one or more subsidiary entities for the purpose of owning real property to expand affordable housing options within the City of Austin and surrounding Counties.

Mr. Danenfelzer introduced Mr. Steinwedell with Affordable Central Texas provided an overview of the proposed partnership with Affordable Central Texas and related entities. The partnership would explore the possibility of development partnerships involving acquisition of multifamily properties in Central Texas. Focus would be on existing properties in an effort to preserve affordability for work-force housing. Mr. Danenfelzer noted the Corporation's role would be similar to our Land Banking and Land Trust, serving as a partner in each transaction.

After further discussion between Mr. Dietz, the Board and both Mr. Danenfelzer and Mr. Steinwedell, there was agreement that a partnership would be negotiated and brought back to the Board for approval.

Mr. Steinwedell noted that a challenge in the marketplace today is properties move extremely fast, adding the resolution would allow the partnership to expedite the approval process and move forward in the acquisition of eligible properties. He stated Affordable Central Texas has an opportunity to address affordability with a broad spectrum of properties and locations and to accomplish its goals, partnerships with housing organizations like the TSAHC provide an effective way to address the affordability needs across the entire spectrum of housing types.

Mr. Danenfelzer explained that staff is seeking Board approval to move forward with negotiations regarding the partnership structure and work with Affordable Central Texas on identifying eligible multifamily properties. Mr. Danenfelzer added staff would come back to the Board with a transaction request should a property be identified and to create subsidiary entities as may be needed.

Mr. Romero inquired further regarding the process for developing the partnership and creating subsidiary entities, as needed, to facilitate moving forward. Ms. Taylor explained that counsel drafted the resolution with the intent to have the board authorize staff to negotiate a partnership with Affordable Central Texas and also authorize staff, working through the partnership, to identify properties. Once a property is identified, staff would present to the Board the details of that transaction and the related terms and responsibilities of each entity, including the authority to create a subsidiary. After further discussion, Mr. Dietz asked if there were any other questions.

Mr. Jones made a motion for approval of the Resolution authorizing the Corporation to negotiate a Partnership with Affordable Central Texas, or related entities, including the possibility to establish one or more subsidiary entities for the purpose of owning real property to expand affordable housing options within the city of Austin and surrounding Counties. Mr. Romero seconded the motion; Mr. Dietz's asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 9 Staff Presentation and Overview of Multifamily Oversight Department.

Ms. Stubbs provided an introduction to the Asset Oversight and Compliance Program, noting that she would provide an overview of the Compliance responsibilities of the Corporation's staff related to properties funded with bonds. Mr. Matias would provide an overview of the Asset Management responsibilities later in the presentation.

Ms. Stubbs explained that she and Mr. Matias conduct annual on-site visits and perform monthly and quarterly monitoring reviews for each property. The Corporation currently monitors 30 multifamily properties, which consists of 4,628 units.

Ms. Stubbs continued the presentation by providing an overview of the Compliance Monitoring requirements maintained throughout the compliance period. The Compliance review process consists of five critical areas for the Compliance Report; Affordability Set-a-side, Applicable

Federal and State Standards, Records Retention for Income Certification, Resident Services and Tenant File Reviews.

Ms. Stubbs explained that each on-site visit is concluded with an exit interview with property management staff to go over any observations or findings that were noted and go over any rules that have changed in the last 12 months. On a monthly basis, owners and managers are required to submit a unit status report and resident service report.

Mr. Romero asked if the Corporation maintains a list of accessible units. Ms. Stubbs responded that staff does not maintain a list but they have that information available.

Mr. Matias continued with the Asset Oversight responsibilities related to multifamily rental properties that received bond financing through the Corporation.

Mr. Matias explained the Asset Oversight review process consists of a physical and financial evaluation of each property. During the visits, staff examine 15 areas by reviewing reports, interviewing the regional and property managers, and physically inspecting the property and its units.

Mr. Matias explained that after each on-site visit is concluded a thorough report is written describing how the property is operating. The report is posted on the Corporation's website and sent to the property manager, owners, and stakeholders. Each property is required to submit annual budgets prior to the beginning of the next calendar year and audited financials three to four months after the end of the previous calendar year.

Mr. Jones asked how many properties the Corporation inspects; Ms. Stubbs replied 30 properties currently. Mr. Dietz then inquired who made the trips for the on-site visits. Ms. Stubbs stated Mr. Matias and she conduct all the annual on-site visits. Mr. Dietz thanked Ms. Stubbs and Mr. Matias for their presentations.

Tab 10 Presentation in Recognition of Gerry Evenwel, Board Member of the Texas State Affordable Housing Corporation.

Mr. Long expressed the staff's thanks and gratitude to Mr. Evenwel for his time serving on the Corporation's Board of Directors. Mr. Evenwel began serving on Corporation's Board in January 2012. Mr. Evenwel was presented with a certificate from the Office of Governor Abbott and some parting gifts from staff. The Board Members offered their comments and thanked Mr. Evenwel.

Adjournment

Mr. Dietz adjourned the meeting at 12:26PM.

Respectfully submitted by _____
Lacy Brown, Corporate Secretary

Tab 2

TAB 2

Discussion and Designation of a Vice Chair for the Texas State
Affordable Housing Corporation Board of Directors.

Tab 3

TAB 3

Discussion and Possible Approval of Audit Committee Membership.

Tab 4

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 Casitas Palo Alto Project

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 or a calendar year 2018 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations (the "Bonds") relating to a qualified residential rental housing project to be located Southeast of Sports Park Blvd and Old Alice Road, Brownsville, Texas 78526 (the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to Palo Alto L.P. (the "Borrower"), which will use the proceeds for acquiring, constructing and equipping 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 \$11,000,000.

PASSED, APPROVED AND EFFECTIVE this July 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 July 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 William H. Dietz (Chairperson), Jerry Romero (Director), Robert Elliott Jones (Director), Valerie Vargus Cardenas (Director), and Lori Cobos (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 Casitas Palo Alto Project"

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 July 19, 2018.

Secretary, Texas State Affordable Housing
Corporation

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

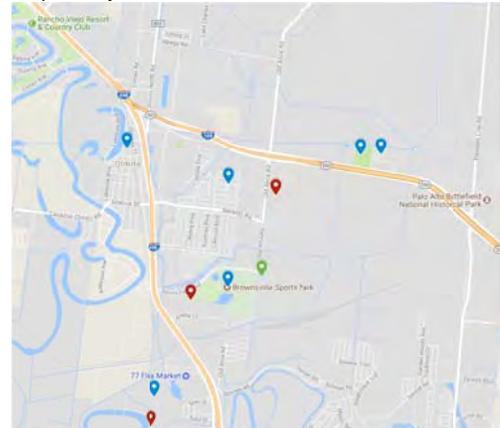
Agenda:

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 Casitas Palo Alto Project.

Summary:

The Corporation received an application from Community Development Corporation of Brownsville (Developer) on June 14th proposing the development of a 120 unit single-family rental project located in Brownsville, Texas. The application requests \$9.3 million in short-term bonds to be issued later this year.

Map of Project Area



Public Benefit:

The proposed project will provide 120 units of housing targeted to families earning 60% of area median income or less. The project includes all single-family homes with 2, 3 and 4 bedroom models. The project is also located within a census tract that's median income is 148% of the County's Area Median, making it a high opportunity area, per the State's Housing Tax Credit Qualified Action Plan.

Financial Summary:

The proposed new construction of the Casitas Palo Alto Project has a total budget of approximately \$16.2 million. The proposed financing leverages tax-exempt bonds and 4% housing tax credits under a fairly typical financing structure. Approximately \$115,000 will be used for land acquisition costs, with construction costs of \$10.5 million or \$87,524 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$5.6 million in total costs.

The total bond amount is anticipated to be \$9.3 million. The bonds will be issued as short-term instruments with the proceeds from sale used for land acquisition and construction activities. Stifel Financial has been secured as the underwriter of the bonds, which are anticipated to be publicly issued with a "AA+" S&P rating. A permanent mortgage of approximately \$9.4 million will repay bond proceeds and is anticipated to have an interest rate of 4.65%. The permanent mortgage will be insured through FHA's 221d4 program. The lender for the mortgage is expected to be Capital One Commercial Banking. The tax credits are estimated to be valued at \$6.1 million in total equity. Deferred developer fees and cash estimated at \$740,000 rounding out the remaining sources.

Market Conditions:

Casitas Palo Alto Projects will sit near the intersection of Sports Park Road and Old Alice Road in the Northwest section of Brownsville. The property is located near the Olmito area, a growing suburb near the intersection of Interstates 69E and 169. The site is across Old Alice Road from the Brownsville Sports Park that covers more than 100 acres of open space and park facilities. Nearby residential developments

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

are primarily single family in nature, including the Olmito Estates Subdivision where the Corporation has been developing 39 lots for low to moderate income home buyers in partnership with the Developer.

The project sits within a census tract that has a median home price of \$128,800, as compared to Cameron County's overall median home price of \$79,900. The census tract also has a median family income of \$57,172 compared to the County's family median of \$38,551. Access to elementary and secondary schools for the site needs to be determined by the district, which has two campuses within 2 miles of the project site.

Access to affordable rental properties is limited within the immediate area. Staff looked at federally assisted projects within a 5 mile radius of the project site. While these other properties provided 656 units of housing in 8 properties, 4 properties are restricted to senior households and only two family focused properties have been built in the past 20 years.

Borrower Summary:

The Community Development Corporation of Brownsville (CDCB), is a private 501(c)3 non-profit community housing development corporation (CHDO). Founded in 1974, CDCB has been providing safe, sanitary affordable housing to the citizens of the Lower Rio Grande Valley for the past 41 years. In addition to being one the largest non-profit producers of single family housing in Texas, CDCB has been the recipient of numerous national affordable housing awards, including the Maxwell Award of Excellence and the Federal Home Loan Bank Community Partnership Award.

CDCB has also expanded into rental housing and has developed 136 units of housing over the past 5 years. Located in 2 properties in Cameron County, CDCB has an excellent track record in tax credit compliance since building their first multifamily property in 2013.

Staff also wishes to note that CDCB has been a recipient of funding from the Corporation in the past. Currently, CDCB is our local partner at the Olmito Estates subdivision located less than one mile from the Casitas Palo Alto site. Olmito Estates is a land bank development that the Corporation owns, with CDCB as developer/builder of the homes targeted to families earning 120% of area median income or less. Additionally, the Corporation awarded \$1.5 million to CDCB for the MiCasita Homeownership program in 2017. That loan is in good standing.

Recommendation:

Staff recommends approval of 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 Casitas Palo Alto Project.

Casitas Palo Alto - Underwriting / Project Summary

Project Summary

Applicant Community Dev Corp of Brownsville

Project Name Casitas Palo Alto

Location

Address South East of Sports Park Blvd and Old Alice Road

City Brownsville

County: Cameron

State Texas

Zip _____

Census Tract: 48113016605

Funding Sources

	Amount	% of Total
TSAHC Bonds - Short Term*	\$ 9,330,038	n/a
FHA 1st Lien Mortgage	\$ 9,462,249	58.12%
Tax Credit Equity	\$ 6,077,952	37.33%
Deferred Dev Fees	\$ 740,448	4.55%
	\$ -	0.00%
Totals	\$ 16,280,649	100%

* not included in total

Market Summary

	City	County	State	Census Tract
Population:	182,110	418,785	26,956,435	17,255
Average Age:	31	31	34	29
Diversity Index:		19.86		17.19
% Hispanic:	94.0%	89.0%	38.4%	90.7%
% Persons with Disability:	11.9%	13.0%	11.6%	8.7%
% Households that Rent:	36.85%	33.16%	38.51%	14.74%
Median Rents:	\$ 644	\$ 653	\$ 911	\$ 1,087
% Renters Who are Cost Burdened:	51.39%	46.97%	44.35%	41.06%
Median Home Price:	\$ 83,800	\$ 79,900	\$ 142,700	\$ 128,800
Median Household Income:	\$ 37,701	\$ 38,551	\$ 64,585	\$ 57,172
Unemployment:	6.9%		4.3%	
Persons w/o Insurance:	33.4%	30.5%	19.3%	31.3%
Medically Underserved Area:	yes			
% Attending Public Schools:	97.0%	97.4%	93.3%	96.8%
Graduation Rate (Midland ISD):	81%			
CRA Eligible Census Tract:	No			
# of LI Projects and Units:	8	656		

Casitas Palo Alto - Underwriting / Operating Proforma

Operating Proforma

Applicant: Community Dev Corp of Brownsville
 Project Name: Casitas Palo Alto

Number of Units	120	Affordable Units	120	Min. Set Aside	48
Set-Aside Requirement	48	Affordable %	100%	Accessible Unit Min.	6

Residential Income

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	# units	Rent	Mo. Income	Inflator	Rent Limiter	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
2/1.5	900	16,200	18	\$ 763	\$ 13,734	1.02	60% AMI	\$ 164,808	\$ 168,104	\$ 171,466	\$ 174,896	\$ 178,393	\$ 196,961	\$ 217,461
2/2	1050	8,400	8	\$ 763	\$ 6,104	1.02	60% AMI	\$ 73,248	\$ 74,713	\$ 76,207	\$ 77,731	\$ 79,286	\$ 87,538	\$ 96,649
2/2	1100	15,400	14	\$ 763	\$ 10,682	1.02	60% AMI	\$ 128,184	\$ 130,748	\$ 133,363	\$ 136,030	\$ 138,750	\$ 153,192	\$ 169,136
								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/2	1146	13,752	12	\$ 882	\$ 10,584	1.02	60% AMI	\$ 127,008	\$ 129,548	\$ 132,139	\$ 134,782	\$ 137,478	\$ 151,786	\$ 167,584
3/2	1185	15,405	13	\$ 882	\$ 11,466	1.02	60% AMI	\$ 137,592	\$ 140,344	\$ 143,151	\$ 146,014	\$ 148,934	\$ 164,435	\$ 181,550
3/2	1186	1,186	1	\$ 882	\$ 882	1.02	60% AMI	\$ 10,584	\$ 10,796	\$ 11,012	\$ 11,232	\$ 11,456	\$ 12,649	\$ 13,965
3/2	1206	6,030	5	\$ 882	\$ 4,410	1.02	60% AMI	\$ 52,920	\$ 53,978	\$ 55,058	\$ 56,159	\$ 57,282	\$ 63,244	\$ 69,827
3/2	1208	1,208	1	\$ 882	\$ 882	1.02	60% AMI	\$ 10,584	\$ 10,796	\$ 11,012	\$ 11,232	\$ 11,456	\$ 12,649	\$ 13,965
3/2	1255	5,020	4	\$ 882	\$ 3,528	1.02	60% AMI	\$ 42,336	\$ 43,183	\$ 44,046	\$ 44,927	\$ 45,826	\$ 50,595	\$ 55,861
								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4/2	1307	16,991	13	\$ 984	\$ 12,792	1.02	60% AMI	\$ 153,504	\$ 156,574	\$ 159,706	\$ 162,900	\$ 166,158	\$ 183,451	\$ 202,545
4/2	1363	5,452	4	\$ 984	\$ 3,936	1.02	60% AMI	\$ 47,232	\$ 48,177	\$ 49,140	\$ 50,123	\$ 51,125	\$ 56,447	\$ 62,322
4/2	1390	13,900	10	\$ 984	\$ 9,840	1.02	60% AMI	\$ 118,080	\$ 120,442	\$ 122,850	\$ 125,307	\$ 127,814	\$ 141,117	\$ 155,804
4/2	1407	23,919	17	\$ 984	\$ 16,728	1.02	60% AMI	\$ 200,736	\$ 204,751	\$ 208,846	\$ 213,023	\$ 217,283	\$ 239,898	\$ 264,867
								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	6567	142,863	120		\$ 1			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income:				\$ 20.83	\$ 2,500	1.02		\$ 29,995.20	\$ 30,595	\$ 31,207	\$ 31,831	\$ 32,468	\$ 35,847	\$ 39,578
Potential gross income								\$ 1,296,811	\$ 1,322,747	\$ 1,349,202	\$ 1,376,186	\$ 1,403,710	\$ 1,549,809	\$ 1,711,115
Residential vacancy loss								\$ (90,777)	\$ (92,592)	\$ (94,444)	\$ (96,333)	\$ (98,260)	\$ (108,487)	\$ (119,778)
Effective Gross Residential Income								\$ 1,206,034	\$ 1,230,155	\$ 1,254,758	\$ 1,279,853	\$ 1,305,450	\$ 1,441,323	\$ 1,591,337

Operating Expenses

	TSAHC est.	Borrower Yr 1	% EGI	Variance	Per Unit	Inflator	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
General & Administrative	\$ 41,040	\$ 25,700	2.13	-37%	\$ 214	1.03	\$ 25,700	\$ 26,471	\$ 27,265	\$ 28,083	\$ 28,926	\$ 33,533	\$ 38,874
Management Fee	\$ 43,560	\$ 42,500	3.52	-2%	\$ 354	1.03	\$ 42,500	\$ 43,775	\$ 45,088	\$ 46,441	\$ 47,834	\$ 55,453	\$ 64,285
Payroll and Related	\$ 129,240	\$ 89,000	7.38	-31%	\$ 742	1.03	\$ 89,000	\$ 91,670	\$ 94,420	\$ 97,253	\$ 100,170	\$ 116,125	\$ 134,620
Maintenance & Repair	\$ 66,240	\$ 62,000	5.14	-6%	\$ 517	1.03	\$ 62,000	\$ 63,860	\$ 65,776	\$ 67,749	\$ 69,782	\$ 80,896	\$ 93,781
Utilities	\$ 98,160	\$ 99,000	8.21	1%	\$ 825	1.03	\$ 99,000	\$ 101,970	\$ 105,029	\$ 108,180	\$ 111,425	\$ 129,173	\$ 149,746
Insurance	\$ 45,720	\$ 47,000	3.90	3%	\$ 392	1.03	\$ 47,000	\$ 48,410	\$ 49,862	\$ 51,358	\$ 52,899	\$ 61,324	\$ 71,092
Taxes	\$ 67,200	\$ 56,000	4.64	-17%	\$ 467	1.03	\$ 56,000	\$ 57,680	\$ 59,410	\$ 61,193	\$ 63,028	\$ 73,067	\$ 84,705
Operating Debt Service Reserves						1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement reserves	\$ 30,000	\$ 30,000	2.49	0%	\$ 250	1.03	\$ 30,000	\$ 30,900	\$ 31,827	\$ -	\$ -	\$ -	\$ -
HTC/HOME Compliance Fees	\$ 4,800	\$ 4,800	0.40	0%	\$ 40	1.03	\$ 4,800	\$ 4,944	\$ 5,092	\$ 5,245	\$ 5,402	\$ 6,263	\$ 7,260
Bond Compliance Fees	\$ 5,400	\$ 5,400	0.45	0%	\$ 45	1.03	\$ 5,400	\$ 5,562	\$ 5,729	\$ 5,901	\$ 6,078	\$ 7,046	\$ 8,168
Issuer Fee	\$ -	\$ -	0.00		\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (specify): Support Services	\$ 13,000	\$ 13,000	1.08		\$ 108	1.03	\$ 13,000	\$ 13,390	\$ 13,792	\$ 14,205	\$ 14,632	\$ 16,962	\$ 19,664
Total Operating Expenses	\$ 531,360	\$ 474,400		-11%	\$ 3,953.33		\$ 474,400	\$ 488,632	\$ 503,291	\$ 485,608	\$ 500,176	\$ 579,841	\$ 672,195
				state avg	\$ 4,861.00	per unit	\$ 3,953	\$ 4,072	\$ 4,194	\$ 4,047	\$ 4,168	\$ 4,832	\$ 5,602
				<i>Operating Expenses as a percentage of Effective Gross Income</i>			39.3%	39.7%	40.1%	37.9%	38.3%	40.2%	42.2%

NET OPERATING INCOME

\$ 731,634	\$ 741,523	\$ 751,467	\$ 794,245	\$ 805,274	\$ 861,482	\$ 919,142
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Casitas Palo Alto - Underwriting / Operating Proforma

NET OPERATING INCOME

\$	731,634	\$	741,523	\$	751,467	\$	794,245	\$	805,274	\$	861,482	\$	919,142
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PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
TSHAC Short Term Bonds*	\$ 9,330,038	2.00%	0	3
FHA 1st Lien Mortgage	\$ 9,462,249	5.25%	35	18

Total Primary Debt	\$ 9,462,249			
TSAC Issuer Fee	\$ 9,330			
Net Cashflow After Primary Debt				
DSCR Primary Debt				

SOFT SUBORDINATE DEBT & EQUITY

HTC Equity	\$ 6,077,952			
Deferred Dev Fees	\$ 740,448			
Total Secondary Debt	\$ 6,818,400			

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 596,225	\$ 596,225	\$ 591,288	\$ 591,288	\$ 591,288	\$ 591,288	\$ 591,288
	\$ 596,225	\$ 596,225	\$ 591,288	\$ 591,288	\$ 591,288	\$ 591,288	\$ 591,288
	\$ 9,330	\$ 9,330					
	\$ 126,079	\$ 135,968	\$ 160,179	\$ 202,957	\$ 213,986	\$ 270,194	\$ 327,854
	1.21	1.22	1.27	1.34	1.36	1.46	1.55

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 126,079	\$ 135,968	\$ 160,179	\$ 318,222.17	\$ -			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 126,079	\$ 135,968	\$ 160,179	\$ 318,222	\$ -	\$ -	\$ -	\$ -

Casitas Palo Alto - Underwriting / Summary Sources and Uses

Summary of Sources and Uses

Applicant Community Dev Corp of Brownsville

Project Name Casitas Palo Alto

Number of Units 120

Sources	Amount	Amount Per Unit	Percentage of Total
TSAHC Bonds - Short Term*	\$ 9,330,038	\$ 77,750	57%
FHA 1st Lien Mortgage	\$ 9,462,249	\$ 78,852	58%
Tax Credit Equity	\$ 6,077,952	\$ 50,650	37%
Deferred Dev Fees	\$ 740,448	\$ 6,170	5%
0	\$ -	\$ -	0%
Total Sources	\$ 16,280,649	\$ 135,672.08	100%

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 115,000	\$ 958.33	1%
Off-Site Construction	\$ 96,500	\$ 804.17	1%
On-Site Work	\$ 1,461,350	\$ 12,177.92	9%
Site Amenities	\$ 378,000	\$ 3,150.00	2%
Building Costs	\$ 8,567,111	\$ 71,392.59	53%
Other Const/Contingency	\$ 1,730,888	\$ 14,424.07	11%
Soft Costs	\$ 766,300	\$ 6,385.83	5%
Financing Costs	\$ 798,500	\$ 6,654.17	5%
Developer Fees	\$ 2,017,000	\$ 16,808.33	12%
Reserve Accounts	\$ 350,000	\$ 2,916.67	2%
Total Uses	\$ 16,280,649	\$ 135,672.08	100%

(Gap) / Reserve	\$ -
Percent of Developer Fee Deferred	36.71%

Tab 5

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 Ventura at Tradewinds 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 or a calendar year 2018 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations (the "Bonds") relating to a qualified residential rental housing project to be located at approximately 1811 Tradewinds Blvd., Midland, Texas 79706 (the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to Midland Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the "Borrower"), which will use the proceeds for acquiring, constructing and equipping 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 \$30,000,000.

PASSED, APPROVED AND EFFECTIVE this July 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 July 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 William H. Dietz (Chairperson), Jerry Romero (Director), Robert Elliott Jones (Director), Valerie Vargus Cardenas (Director), and Lori Cobos (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 Ventura at Tradewinds 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 July 19, 2018.

Secretary, Texas State Affordable Housing
Corporation

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

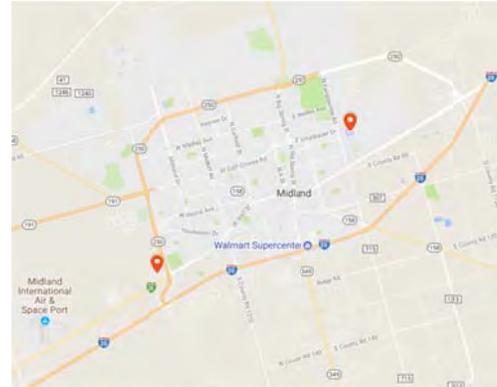
Agenda:

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 Ventura at Tradewinds Apartments.

Summary:

The Corporation received an application from Dominion Inc. and Texas Housing Foundation (Developer) on June 14th proposing the development of a 204-unit multifamily rental project located in Midland, Texas. The application requests approximately \$26.7million in long-term bonds to be issued in the first quarter of 2019.

Map of Project Area



Public Benefit:

The proposed project will provide 204-units of housing targeted to families earning 60% of area median income or less. Midland meets the Corporation's Target Housing Need as a Small Urban Market.

Financial Summary:

The proposed new construction of Ventura at Tradewinds Apartments has a total budget of approximately \$42.6 million. Approximately \$3 million will be used for land acquisition costs, with construction costs of \$27.2 million or \$133,192 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$12.4 million in total costs.

The total bond amount is anticipated to be \$26.7 million. The bonds will be issued as long-term securities. Dougherty & Company, LLC has been secured as the underwriter of the bonds, which are anticipated to be issued through the Freddie Mac Tax Exempt Loan Program. The Corporation will issue the bonds and use funds to provide a permanent mortgage to the Developer/Owner. The anticipated bond amount will be \$26.7 million, with tax credit equity estimated at \$15.5 million. Deferred developer fees and cash estimated at \$411,384 rounds out the remaining sources.

Market Conditions:

Ventura at Tradewinds Apartments will be built at 1811 Tradewinds Boulevard, Midland, Texas on the east side of the City, just off Business IH 20. The property is located near Beal Park, the Midland Industrial/Manufacturing Park and is a 10 minute drive from Midland International Airport.

The project sits within a census tract that has a median home price of \$167,200, as compared to Midland County's overall median home price of \$175,000. While the census tract home pricing is lower at this time, staff anticipates continued housing price growth in the coming years. Median family income for the census tract was not available to staff, but the County Median Income was reported at \$85,709, higher than the State's median of \$64,585. Because of continued growth in oil and gas field exploration, along with expanding wind energy, the Midland area's income and overall cost of living has grown much

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

faster than the State's. Median rents for the area average \$1,143 compared to the State's average of \$911.

Access to affordable rental units in Midland has increased in recent years, but construction has not kept up with population growth. Thirteen properties with 1,589 affordable units were observed in Staff's market review, one of these, Palladium Midland, was financed through bonds issued by the Corporation in 2015. Of the thirteen properties only 5 were less than 10-years old.

Borrower Summary:

The development team for Ventura at Tradewinds is Dominion and the Texas Housing Foundation. The Texas Housing Foundation (THF) is a non-profit public housing authority based in Marble Falls, Texas. THF was created in 2006 and has developed more than 1,000 units of affordable rental housing throughout Texas. THF's executive Director Mark Mayfield has been involved in affordable housing development for more than 20 years. THF, as General Partner, will oversee management of the property and has established working agreements with the Midland Public Housing Authority to provide access to the development for section 8 voucher holders and other special needs populations.

Founded in 1972 by David Brierton and Jack Safar, Dominion now owns over 25,000 apartment units and has more than 1,000 employees across the United States. Eighty-percent of Dominion's portfolio is comprised of affordable communities, primarily Section 42 Tax Credit and senior properties. Product types range from garden style to mid-rise to high-rise communities including historic and value added rehabilitations.

Here in Texas, Dominion is represented by a strong team including Jeff Spicer, Vice President and Project Partner in Development and Acquisitions. Mr. Spicer has worked for more than 25 years in affordable housing in Texas. The Corporation previously worked with Mr. Spicer on the THF Sagebrush Apartments project that received a loan through the Texas Housing Impact Fund earlier this year.

Recommendation:

Staff recommends approval of 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 Ventura at Tradewinds Apartments.

Ventura Tradewinds - Underwriting/ Project Summary

Project Summary

Applicant Dominium and THF
 Project Name Ventura at Tradewinds

Location

Address 1811 Tradewinds Blvd City Midland
 County: Midland State Texas Zip 79703
 Census Tract: 48113016605

Funding Sources

	Amount	% of Total
TSAHC Bonds/Freddie TEL	\$ 26,710,000	62.66%
Tax Credit Equity	\$ 15,503,690	36.37%
Freddie TEL Refund	\$ 411,384	0.97%
Deferred Dev Fee	\$ -	0.00%
Totals	\$ 42,625,074	100%

* not included in total

Market Summary

	City	County	State	Census Tract
Population:	128,051	155,817	26,956,435	8217
Average Age:	32	32	34	32
Diversity Index:		58.24		54.37
% Hispanic:	42.86%	42.16%	38.36%	33.82%
% Persons with Disability:	9.99%	10.19%	11.64%	9.96%
% Households that Rent:	35.89%	33.51%	38.51%	33.37%
Median Rents:	\$ 1,143	\$ 1,148	\$ 911	
% Renters Who are Cost Burdened:	42.11%	41.91%	44.35%	42.75%
Median Home Price:	\$ 182,300	\$ 175,700	\$ 142,700	\$ 167,200
Median Household Income:		\$ 85,709	\$ 64,585	
Unemployment:	3.00%		4.30%	
Persons w/o Insurance:	19.46%	19.74%	19.32%	11.32%
Medically Underserved Area:	No			
% Attending Public Schools:	86.11%	87.28%	93.28%	86.78%
Graduation Rate (Midland ISD):	74.80%			
CRA Eligible Census Tract:	<u>No</u>			
# of LI Projects and Units:	<u>13</u>	<u>1589</u>		

Ventura Tradewinds - Underwriting/ Operating Proforma

Operating Proforma

Applicant Dominium and THF
 Project Name Ventura at Tradewinds

Number of Units	204	Affordable Units	204	Min. Set Aside	82
Set-Aside Requirement	82	Affordable %	100%	Accessible Unit Min.	11

Residential Income

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	# units	Rent	Mo. Income	Inflator	Rent Limiter
1/1	1018	36,648	36	\$ 982	\$ 35,352	1.02	60% AMI
2/2	1222	102,648	84	\$ 1,174	\$ 98,616	1.02	60% AMI
		-					
3/2	1412	118,608	84	\$ 1,354	\$ 113,736	1.02	60% AMI
		257,904	204		\$ 247,704		

Other income:		\$ 82.00	\$ 16,728	1.02
Potential gross income				
Residential vacancy loss				7.00%
Effective Gross Residential Income				

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$	424,224	432,708	441,363	450,190	459,194	506,987	559,755
\$	-	-	-	-	-	-	-
\$	1,183,392	1,207,060	1,231,201	1,255,825	1,280,942	1,414,263	1,561,461
\$	-	-	-	-	-	-	-
\$	1,364,832	1,392,129	1,419,971	1,448,371	1,477,338	1,631,101	1,800,867
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-
\$	200,736.00	204,751	208,846	213,023	217,283	239,898	264,867
\$	3,173,184	3,236,648	3,301,381	3,367,408	3,434,756	3,792,249	4,186,949
\$	(222,123)	(226,565)	(231,097)	(235,719)	(240,433)	(265,457)	(293,086)
\$	2,951,061	3,010,082	3,070,284	3,131,690	3,194,323	3,526,791	3,893,862

Operating Expenses

	TSAHC est.	Borrower Yr 1	% EGI	Variance	Per Unit	Inflator
General & Administrative	\$ 75,276	\$ 97,920	3.32	30%	\$ 480	1.03
Management Fee	\$ 74,460	\$ 113,285	3.84	52%	\$ 555	1.03
Payroll and Related	\$ 231,744	\$ 295,800	10.02	28%	\$ 1,450	1.03
Maintenance & Repair	\$ 126,276	\$ 132,600	4.49	5%	\$ 650	1.03
Utilities	\$ 184,416	\$ 145,860	4.94	-21%	\$ 715	1.03
Insurance	\$ 49,980	\$ 56,508	1.91	13%	\$ 277	1.03
Taxes	\$ -		0.00		\$ -	1.03
Operating Debt Service Reserves			0.00		\$ -	1.03
Replacement reserves	\$ 51,000	\$ 51,000	1.73	0%	\$ 250	1.03
HTC/HOME Compliance Fees	\$ 8,160	\$ 8,160	0.28	n/a	\$ 40	1.03
Bond Compliance Fees	\$ 9,180	\$ 8,640	0.29	-6%	\$ 45	1.03
Other (specify):			0.00		\$ -	1.03
Total Operating Expenses	\$ 810,492	\$ 909,773		12%	\$ 4,462.32	
				state avg	\$ 4,812.00	per unit
				<i>Operating Expenses as a percentage of Effective Gross Income</i>		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$	97,920	100,858	103,883	107,000	110,210	127,763	148,113
\$	113,285	116,684	120,184	123,790	127,503	147,811	171,354
\$	295,800	304,674	313,814	323,229	332,926	385,952	447,424
\$	132,600	136,578	140,675	144,896	149,242	173,013	200,569
\$	145,860	150,236	154,743	159,385	164,167	190,314	220,626
\$	56,508	58,203	59,949	61,748	63,600	73,730	85,473
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-
\$	51,000	52,530	54,106				
\$	8,160	8,405	8,657	8,917	9,184	10,647	12,343
\$	8,640	8,899	9,166	9,441	9,724	11,273	13,069
\$	-	-	-	-	-	-	-
\$	909,773	937,066	965,178	938,404	966,557	1,120,504	1,298,971
\$	4,460	4,593	4,731	4,600	4,738	5,493	6,368
	30.8%	31.1%	31.4%	30.0%	30.3%	31.8%	33.4%

NET OPERATING INCOME

\$	2,041,288	2,073,016	2,105,106	2,193,285	2,227,767	2,406,287	2,594,891
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Ventura Tradewinds - Underwriting/ Operating Proforma

NET OPERATING INCOME

\$	2,041,288	\$	2,073,016	\$	2,105,106	\$	2,193,285	\$	2,227,767	\$	2,406,287	\$	2,594,891
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PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
TSHAC Bonds*	\$ 26,710,000	5.26%	35	18

Total Primary Debt	\$ 26,710,000		
TSAHC Issuer Fee	\$ 26,710		
Net Cashflow After Primary Debt			
DSCR Primary Debt			

SOFT SUBORDINATE DEBT & EQUITY

HTC Equity	\$ 15,503,690		
Freddie TEL Refund	\$ 411,384		
Deferred Dev Fee	\$ -		
Total Secondary Debt	\$ 15,915,074		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
				\$ -	\$ -	\$ -	\$ -
\$	1,684,691	1,684,691	1,670,744	1,670,744	1,670,744	1,670,744	1,670,744
\$	-	-	-	-	-	-	-
\$	1,684,691	1,684,691	1,670,744	1,670,744	1,670,744	1,670,744	1,670,744
\$	26,710	26,710	26,710	26,710	26,710	26,710	26,710
\$	329,887	361,615	407,652	495,831	530,313	708,833	897,437
	1.19	1.21	1.24	1.29	1.31	1.42	1.53

\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-

Ventura Tradewinds - Underwriting/ Summary Sources and Uses

Summary of Sources and Uses

Applicant	Dominium and THF
Project Name	Ventura at Tradewinds
Number of Units	204

Sources	Amount	Amount Per Unit	Percentage of Total
TSAHC Bonds/Freddie TEL	\$ 26,710,000	\$ 130,931	63%
Tax Credit Equity	\$ 15,503,690	\$ 75,998	36%
Freddie TEL Refund	\$ 411,384	\$ 2,017	1%
Deferred Dev Fee	\$ -	\$ -	0%
Total Sources	\$ 42,625,074	\$ 208,946.44	100%

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 3,001,548	\$ 14,713.47	7%
Off-Site Construction	\$ -	\$ -	0%
On-Site Work	\$ -	\$ -	0%
Site Amenities	\$ -	\$ -	0%
Building Costs	\$ 27,171,360	\$ 133,192.94	64%
Other Const/Contingency	\$ 1,932,317	\$ 9,472.14	5%
Soft Costs	\$ 1,559,695	\$ 7,645.56	4%
Financing Costs	\$ 1,404,446	\$ 6,884.54	3%
Developer Fees	\$ 4,825,586	\$ 23,654.83	11%
Reserve Accounts	\$ 2,730,122	\$ 13,382.95	6%
Total Uses	\$ 42,625,074	\$ 208,946.44	100%

(Gap) / Reserve	\$ -
Percent of Developer Fee Deferred	0.00%

Tab 6

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 Ventura at Fairgrounds 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 or a calendar year 2018 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations (the "Bonds") relating to a qualified residential rental housing project to be located on the approximately 26 acres at the Northeast corner of the intersection of Scharbauer Drive and North Fairgrounds Road, Midland, Texas 79705 (the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to Midland Leased Housing Associates II, Limited Partnership, a Texas limited partnership (the "Borrower"), which will use the proceeds for acquiring, constructing and equipping 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 \$40,000,000.

PASSED, APPROVED AND EFFECTIVE this July 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 July 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 William H. Dietz (Chairperson), Jerry Romero (Director), Robert Elliott Jones (Director), Valerie Vargus Cardenas (Director), and Lori Cobos (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 Ventura at Fairgrounds 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 July 19, 2018.

Secretary, Texas State Affordable Housing
Corporation

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

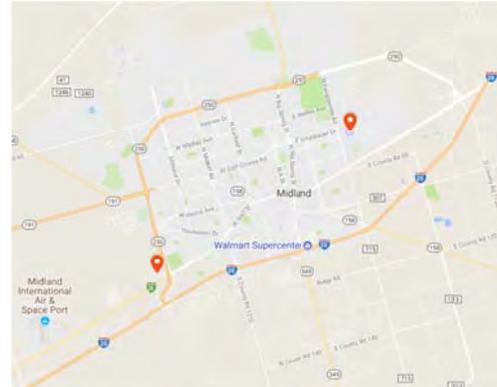
Agenda:

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 Ventura at Fairgrounds Apartments.

Summary:

The Corporation received an application from Dominion Inc. and Texas Housing Foundation (Developer) on June 14th proposing the development of a 276-unit multifamily rental project located in Midland, Texas. The application requests approximately \$35.4million in long-term bonds to be issued in the first quarter of 2019.

Map of Project Area



Public Benefit:

The proposed project will provide 276-units of housing targeted to families earning 60% of area median income or less. Midland meets the Corporation's Target Housing Need as a Small Urban Market.

Financial Summary:

The proposed new construction of Ventura at Fairgrounds Apartments has a total budget of approximately \$57.9 million. Approximately \$2.3 million will be used for land acquisition costs, with construction costs of \$39 million or \$141,517 per unit. Financing costs, soft costs, developer fees and reserves account for the remaining \$16.6 million in total costs.

The total bond amount is anticipated to be \$35.4 million. The bonds will be issued as long-term securities. Dougherty & Company, LLC has been secured as the underwriter of the bonds, which are anticipated to be issued through the Freddie Mac Tax Exempt Loan Program. The Corporation will issue the bonds and use funds to provide a permanent mortgage to the Developer/Owner. The anticipated bond amount will be \$35.4 million, with tax credit equity estimated at \$20.9 million. Deferred developer fees and cash estimated at \$1.6 million round out the remaining sources.

Market Conditions:

Ventura at Fairgrounds Apartments will sit near the intersection of East Golf Course Road and North Fairgrounds on the west side of Midland, Texas. The property is located near several large parks and is a fast growing single family residential area. Both elementary and secondary schools are located within 2 miles, and access to office and commercial centers is easily accessed by East Golf Course Road and Business IH-20.

The project sits within a census tract that has a median home price of \$166,300, as compared to Midland County's overall median home price of \$175,000. While the census tract home pricing is lower at this time, more than 200 lots have been approved for development within 1 mile of the project. Median family income for the census tract was not available to staff, but the County Median Income was reported at \$85,709, higher than the State's median of \$64,585. Because of continued growth in oil and

Texas State Affordable Housing Corporation

Multifamily Private Activity Bond Project Summary

gas field exploration, along with expanding wind energy, the Midland area's income and overall cost of living has grown much faster than the State's. Median rents for the area average \$1,143 compared to the State's average of \$911.

Access to affordable rental units in Midland has increased in recent years, but construction has not kept up with population growth. Thirteen properties with 1,589 affordable units were observed in Staff's market review, one of these, Palladium Midland, was financed through bonds issued by the Corporation in 2015. Of the thirteen properties only 5 were less than 10-years old.

Borrower Summary:

The development team for Ventura at Fairgrounds is Dominion and the Texas Housing Foundation. The Texas Housing Foundation (THF) is a non-profit public housing authority based in Marble Falls, Texas. THF was created in 2006 and has developed more than 1,000 units of affordable rental housing throughout Texas. THF's executive Director Mark Mayfield has been involved in affordable housing development for more than 20 years. THF, as General Partner, will oversee management of the property and has established working agreements with the Midland Public Housing Authority to provide access to the development for section 8 voucher holders and other special needs populations.

Founded in 1972 by David Brierton and Jack Safar, Dominion now owns over 25,000 apartment units and has more than 1,000 employees across the United States. Eighty-percent of Dominion's portfolio is comprised of affordable communities, primarily Section 42 Tax Credit and senior properties. Product types range from garden style to mid-rise to high-rise communities including historic and value added rehabilitations.

Here in Texas, Dominion is represented by a strong team including Jeff Spicer, Vice President and Project Partner in Development and Acquisitions. Mr. Spicer has worked for more than 25 years in affordable housing in Texas. The Corporation previously worked with Mr. Spicer on the THF Sagebrush Apartments project that received a loan through the Texas Housing Impact Fund earlier this year.

Recommendation:

Staff recommends approval of 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 Ventura at Fairgrounds Apartments.

Project Summary

Applicant Dominium and THF
 Project Name Ventura at Fairgrounds

Location

Address N Fairgrounds Rd City Midland
 County: Midland State Texas Zip 79705
 Census Tract: 48113016605

Funding Sources

	Amount	% of Total
TSAHC Bonds	\$ 35,440,000	61.16%
Tax Credit Equity	\$ 20,926,669	36.11%
Deferred Dev Fees	\$ 1,226,177	2.12%
Freddie Mac Refund	\$ 354,400	0.61%
Totals	\$ 57,947,246	100%

* not included in total

Market Summary

	City	County	State	Census Tract
Population:	128051	155817	26956435	738
Average Age:	32	32	34	52
Diversity Index:		58.24		40.21
% Hispanic:	42.86%	42.16%	38.36%	74.39%
% Persons with Disability:	9.99%	10.19%	11.64%	10.41%
% Households that Rent:	35.89%	33.51%	38.51%	12.20%
Median Rents:	\$ 1,143	\$ 1,148	\$ 911	
% Renters Who are Cost Burdened:	42.11%	41.91%	44.35%	100.00%
Median Home Price:	\$ 182,300	\$ 175,700	\$ 142,700	\$ 166,300
Median Household Income:		\$ 85,709	\$ 64,585	
Unemployment:	3.00%		4.30%	
Persons w/o Insurance:	19.46%	19.74%	19.32%	13.21%
Medically Underserved Area:	No			
% Attending Public Schools:	86.11%	87.28%	93.28%	70.42%
Graduation Rate (Midland ISD):	74.80%			
CRA Eligible Census Tract:	<u>No</u>			
# of LI Projects and Units:	<u>13</u>	<u>1589</u>		

Ventura Fairgrounds - Underwriting.xlsx / Operating Proforma

Operating Proforma

Applicant Dominium and THF
 Project Name Ventura at Fairgrounds

Number of Units	276	Affordable Units	276	Min. Set Aside	111
Set-Aside Requirement	110	Affordable %	100%	Accessible Unit Mir	14

Residential Income

Unit Type	Unit Sq. Ft.	Net Sq. Ft.	# units	Rent	Mo. Income	Inflator	Rent Limiter	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
1/1	727	14,540	20	\$ 982	\$ 19,640	1.02	60% AMI	\$ 235,680	\$ 240,394	\$ 245,201	\$ 250,106	\$ 255,108	\$ 281,659	\$ 310,975
1/1	754	30,160	40	\$ 982	\$ 39,280	1.02	60% AMI	\$ 471,360	\$ 480,787	\$ 490,403	\$ 500,211	\$ 510,215	\$ 563,319	\$ 621,950
2/2	1087	17,392	16	\$ 1,174	\$ 18,784	1.02	60% AMI	\$ 225,408	\$ 229,916	\$ 234,514	\$ 239,205	\$ 243,989	\$ 269,383	\$ 297,421
2/2	1097	35,104	32	\$ 1,174	\$ 37,568	1.02	60% AMI	\$ 450,816	\$ 459,832	\$ 469,029	\$ 478,410	\$ 487,978	\$ 538,767	\$ 594,842
2/2	1066	21,320	20	\$ 1,174	\$ 23,480	1.02	60% AMI	\$ 281,760	\$ 287,395	\$ 293,143	\$ 299,006	\$ 304,986	\$ 336,729	\$ 371,776
2/2	1100	44,000	40	\$ 1,174	\$ 46,960	1.02	60% AMI	\$ 563,520	\$ 574,790	\$ 586,286	\$ 598,012	\$ 609,972	\$ 673,459	\$ 743,553
3/2	1271	137,268	108	\$ 1,354	\$ 146,232	1.02	60% AMI	\$ 1,754,784	\$ 1,789,880	\$ 1,825,677	\$ 1,862,191	\$ 1,899,435	\$ 2,097,129	\$ 2,315,400
	1481	299,784	276											
				\$ 97.00	\$ 26,772	1.02		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income:								\$ 321,264.00	\$ 327,689	\$ 334,243	\$ 340,928	\$ 347,746	\$ 383,940	\$ 423,901
Potential gross income								\$ 4,304,592	\$ 4,390,684	\$ 4,478,498	\$ 4,568,067	\$ 4,659,429	\$ 5,144,386	\$ 5,679,818
Residential vacancy loss								\$ (301,321)	\$ (307,348)	\$ (313,495)	\$ (319,765)	\$ (326,160)	\$ (360,107)	\$ (397,587)
Effective Gross Residential Income								\$ 4,003,271	\$ 4,083,336	\$ 4,165,003	\$ 4,248,303	\$ 4,333,269	\$ 4,784,279	\$ 5,282,230

Operating Expenses

	TSAHC est.	Borrower Yr 1	% EGI	Variance	Per Unit	Inflator	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
General & Administrative	\$ 94,392	\$ 96,600	2.41	2%	\$ 350	1.03	\$ 96,600	\$ 99,498	\$ 102,483	\$ 105,557	\$ 108,724	\$ 126,041	\$ 146,116
Management Fee	\$ 100,188	\$ 152,009	3.80	52%	\$ 551	1.03	\$ 152,009	\$ 156,569	\$ 161,266	\$ 166,104	\$ 171,087	\$ 198,337	\$ 229,927
Payroll and Related	\$ 297,252	\$ 400,000	9.99	35%	\$ 1,449	1.03	\$ 400,000	\$ 412,000	\$ 424,360	\$ 437,091	\$ 450,204	\$ 521,909	\$ 605,036
Maintenance & Repair	\$ 152,352	\$ 179,400	4.48	18%	\$ 650	1.03	\$ 179,400	\$ 184,782	\$ 190,325	\$ 196,035	\$ 201,916	\$ 234,076	\$ 271,359
Utilities	\$ 225,768	\$ 197,340	4.93	-13%	\$ 715	1.03	\$ 197,340	\$ 203,260	\$ 209,358	\$ 215,639	\$ 222,108	\$ 257,484	\$ 298,494
Insurance	\$ 105,156	\$ 76,452	1.91	n/a	\$ 277	1.03	\$ 76,452	\$ 78,746	\$ 81,108	\$ 83,541	\$ 86,047	\$ 99,753	\$ 115,641
Taxes	\$ 154,560	\$ -	0.00	-100%	\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Debt Service Reserves			0.00	n/a	\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement reserves	\$ 69,000	\$ 69,000	1.72	0%	\$ 250	1.03	\$ 69,000	\$ 71,070	\$ 73,202	\$ -	\$ -	\$ -	\$ -
HTC/HOME Compliance Fees	\$ 11,040	\$ 11,040	0.28	n/a	\$ 40	1.03	\$ 11,040	\$ 11,371	\$ 11,712	\$ 12,064	\$ 12,426	\$ 14,405	\$ 16,699
Bond Compliance Fees	\$ 12,420	\$ 12,420	0.31	0%	\$ 45	1.03	\$ 12,420	\$ 12,793	\$ 13,176	\$ 13,572	\$ 13,979	\$ 16,205	\$ 18,786
Issuer Fee			0.00		\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (specify):			0.00		\$ -	1.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 1,222,128	\$ 1,194,261		-2%	\$ 4,327.03		\$ 1,194,261	\$ 1,230,089	\$ 1,266,991	\$ 1,229,603	\$ 1,266,491	\$ 1,468,210	\$ 1,702,058
state avg						\$ 4,812.00	per unit						
<i>Operating Expenses as a percentage of Effective Gross Income</i>							29.8%	30.1%	30.4%	28.9%	29.2%	30.7%	32.2%

NET OPERATING INCOME

\$ 2,809,010	\$ 2,853,247	\$ 2,898,011	\$ 3,018,700	\$ 3,066,778	\$ 3,316,069	\$ 3,580,172
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Ventura Fairgrounds - Underwriting.xlsx / Operating Proforma

NET OPERATING INCOME

\$	2,809,010	\$	2,853,247	\$	2,898,011	\$	3,018,700	\$	3,066,778	\$	3,316,069	\$	3,580,172
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PRIMARY DEBT SERVICE

	Principal	Rate	Amort	Term
TSAHC Bonds/1st Lien	\$ 35,440,000	5.25%	35	18

Total Primary Debt	\$ 35,440,000		
TSAHC Issuer Fee	\$ 5,000		
Net Cashflow After Primary Debt			
DSCR Primary Debt			

SOFT SUBORDINATE DEBT & EQUITY

HTC Equity	\$ 20,926,669		
Deferred Dev Fees	\$ 1,226,177		
Freddie Mac Refund	\$ 354,400		

Total Secondary Debt	\$ 22,507,246
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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
\$	2,233,108	\$ 2,233,108	\$ 2,214,616	\$ 2,214,616	\$ 2,214,616	\$ 2,214,616	\$ 2,214,616
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	2,233,108	\$ 2,233,108	\$ 2,214,616	\$ 2,214,616	\$ 2,214,616	\$ 2,214,616	\$ 2,214,616
\$	5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
\$	570,901	\$ 615,139	\$ 678,395	\$ 799,084	\$ 847,162	\$ 1,096,453	\$ 1,360,556
	1.26	1.27	1.31	1.36	1.38	1.49	1.61

\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	570,901	\$ 615,139	\$ 678,395	\$ (638,257.92)			
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	570,901	\$ 615,139	\$ 678,395	\$ (638,258)	\$ -	\$ -	\$ -

Ventura Fairgrounds - Underwriting.xlsx / Summary Sources and Uses

Summary of Sources and Uses

Applicant	Dominium and THF
Project Name	Ventura at Fairgrounds
Number of Units	276

Sources	Amount	Amount Per Unit	Percentage of Total
TSAHC Bonds	\$ 35,440,000	\$ 128,406	61%
Tax Credit Equity	\$ 20,926,669	\$ 75,821	36%
Deferred Dev Fees	\$ 1,226,177	\$ 4,443	2%
Freddie Mac Refund	\$ 354,400	\$ 1,284	1%
Total Sources	\$ 57,947,246	\$ 209,953.79	100%

Uses	Amount	Amount Per Unit	Percentage of Total
Acquisition	\$ 2,328,372	\$ 8,436.13	4%
Off-Site Construction	\$ -	\$ -	0%
On-Site Work	\$ -	\$ -	0%
Site Amenities	\$ -	\$ -	0%
Building Costs	\$ 39,058,830	\$ 141,517.50	67%
Other Const/Contingency	\$ 2,777,706	\$ 10,064.15	5%
Soft Costs	\$ 1,559,695	\$ 5,651.07	3%
Financing Costs	\$ 1,722,016	\$ 6,239.19	3%
Developer Fees	\$ 6,811,383	\$ 24,678.92	12%
Reserve Accounts	\$ 3,689,243	\$ 13,366.82	6%
Total Uses	\$ 57,947,245	\$ 209,953.79	100%

(Gap) / Reserve	\$ 1
Percent of Developer Fee Deferred	18.00%

Tab 7

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 _____, 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:

<u>Name</u>	<u>Office</u>
William H. Dietz	Chairperson
Robert Elliot Jones	Director
Valerie Cardenas	Director
Lori Cobos	Director
Jerry Romero	Director

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

<u>Name</u>	<u>Office</u>
David Long	President
Janie Taylor	Executive Vice President
Melinda Smith	Chief Financial Officer and Treasurer
Lacy Brown	Secretary
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

RESOLUTION TO APPROVE THE CORPORATION’S FISCAL
YEAR 2019 INVESTMENT POLICY”

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 July, 2018.

Lacy Brown, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 18-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION TO APPROVE

THE CORPORATION'S FISCAL YEAR 2019 INVESTMENT
POLICY"

WHEREAS, the Texas State Affordable Housing Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq. Vernon's Annotated Texas Civil Statutes, as amended and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the "Act"), and the investment of funds and bond proceeds of the Corporation is currently governed by the Investment Policy of the Corporation, adopted on ____, 201_ (the "Current Investment Policy"); and

WHEREAS, the Corporation desires to approve the Fiscal Year 2019 Investment Policy of the Corporation, to be adopted on _____, 201__ (the "Revised Investment Policy"), to make certain modifications to the Current Investment Policy;

WHEREAS, there has been presented to the Corporation and its counsel the proposed form of the Revised Investment Policy attached hereto as Exhibit A and which comprises a part of this Resolution:

WHEREAS, the Corporation finds the form of the Revised Investment Policy to be satisfactory and proper and hereby determines to proceed with the execution of such document and the taking of such other actions as may be necessary and appropriate in connection therewith; and

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

Section 1. Approval, Execution and Delivery of the Revised Investment Policy. That the Revised Investment Policy in the form presented to the Board of Directors at the meeting at which this Resolution was considered and attached hereto as Exhibit A is hereby approved.

Section 2. Execution and Delivery of Other Documents. That the officers of the Corporation are each hereby authorized to consent to, accept, execute and attest such certificates, documents, instruments, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 3. Ratification of Certain Prior Actions. That all prior actions taken by or on behalf of the Corporation in connection with the Revised Investment Policy are hereby authorized, ratified, confirmed and approved.

Section 4. Purposes of Resolution. That the Board of Directors of the Corporation has expressly determined and hereby confirms that the execution of the Revised Investment Policy accomplishes a valid public purpose of the Corporation.

Section 5. Conflicting Prior Actions. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Issuer in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 6. Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

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

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William Dietz, Chairperson
Texas State Affordable Housing Corporation

ATTEST:

Lacy Brown, Secretary
Texas State Affordable Housing Corporation



DRAFT INVESTMENT POLICY

Fiscal Year 2018~~9~~

(Presented for Approval June 14, 2018)

TEXAS STATE AFFORDABLE HOUSING CORPORATION

INVESTMENT POLICY

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TEXAS STATE AFFORDABLE HOUSING CORPORATION

INVESTMENT POLICY

I. POLICY

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

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

II. SCOPE

This Investment Policy (“Policy”) applies to all financial assets of the Corporation, except for any promissory notes payable to the Corporation. A separate portfolio is created for surplus bond funds which are received as a result of the early redemption of bonds. The long-term nature of these funds requires a distinct portfolio for the purpose of investment. The purpose of the funds is directed solely towards investment income. The fund’s investment shall be in full compliance with all applicable state statutes governing the investment of public funds, including (i) the Corporation’s enabling legislation, Texas Government Code, Section 2306, Subchapter Y, and (ii) the Public Funds Investment Act (the “Act”), Texas Government Code, Section 2256.

III. PRUDENCE

- A. Prudent Person Standard - Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety and liquidity of their capital as well as the probable income to be derived.
- B. The standard of prudence to be used by the Investment Officer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio.

Investment Officers (hereinafter defined) acting in accordance with the Policy and written procedures and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. OBJECTIVES

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

A. Safety of Principal

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

B. Liquidity

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

C. Diversification

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

D. Yield

The Corporation's investment portfolio shall be designed with the objective of attaining a reasonable market yield throughout budgetary and economic cycles,

taking into account the investment risk constraints and cash flow needs of the Corporation. Return on investment is of less importance than the safety and liquidity of the investments. Reasonable yield shall be obtained through competitive bidding on all transactions and comparative analysis of all market alternatives available within the parameters of this Policy.

V. INVESTMENT STRATEGY

- A.** The Corporation may commingle its operating funds for maximum investment efficiency and economy of scale. Interest will be distributed as applicable among the funds. The authorized securities, investments or pools utilized for this portfolio will be of the highest credit quality and marketability supporting the Corporation's objectives of safety, liquidity, diversification, and yield.
- B.** Securities, when not matched to a specific liability, will be short-term and of a liquid nature to provide adequate cash flow for the Corporation. The portfolio shall be diversified to protect against credit and market risk in any one sector. Diversification requirements can be fully met through use of an authorized pool. The weighted average maturity on the pooled investment group will be no greater than one year. Because the funds are pooled for investment purposes, the portfolio will address the varying needs of all funds in the pooled fund.
- C.** Surplus funds of the Corporation) may be invested in certain longer term investments than those authorized for operating funds, as described in this paragraph. The maximum stated maturity (from the date of investment of such surplus funds) of such investments will be thirty (30) years. The permitted longer term investments are pass-through mortgage-backed securities guaranteed by GNMA (Government National Mortgage Association), FNMA (Federal National Mortgage Association) or FHLMC (Federal Home Loan Mortgage Corporation) and authorized as program investments under the Corporation's bond issues. Investment of surplus funds includes transfers to the Corporation of surplus investments released from a bond trust indenture established to secure bonds of the Corporation.

VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY

A. Board of Directors

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

The Board shall also review and adopt the list of eligible broker/dealers annually and shall receive and review the quarterly investment report. Authority granted to a person to invest the Corporation's funds shall remain effective until rescinded by the Board or the termination of the Investment Officer's employment by the Corporation. The Board shall also provide for the training required for Investment Officers.

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

B. Investment Officer(s)

1. The authority to manage the Corporation's investment program is granted to the ~~Chief Executive Officer (CEO) or the President~~when the CEO and the President is not the same individual. The ~~President may~~ Board delegates the responsibility for the operation of the investment program to the Chief Financial Officer and Controller as the Corporation's designated "Investment Officers".
2. The Investment Officer shall be responsible for all transactions undertaken and shall establish internal controls to regulate the activities of subordinate officials. Procedures should include reference to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures may include explicit temporary delegation of authority to persons responsible for investment transactions.
3. The Investment Officer shall establish written procedures for the operation of the investment program consistent with this Policy.
4. The Investment Officer shall attend ten (10) hours of training within twelve (12) months of assuming the position and every two fiscal years thereafter. Training may be received from any independent source approved by the Board. Training is to include investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.
5. The Investment Officer may temporarily delegate investment responsibilities to subordinate staff. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions.

6. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officer.

VII. ETHICS AND CONFLICT OF INTEREST

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

VIII. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

- A.** The Corporation shall maintain a list with a minimum of three qualified broker/dealers authorized to engage in investment transactions with the Corporation. This list of qualified broker/dealers shall be reviewed, revised and adopted at least annually by the Board.
- B.** Broker/dealers shall, at a minimum, provide information as required by the Investment Officer and provide evidence of Financial Industry Regulatory Agency (FINRA) membership. Information on the broker/dealers shall be maintained by the Investment Officer or non-discretionary Investment Adviser. The Corporation shall assure that every Corporation authorized broker/dealer is provided a current copy of the Corporation's Investment Policy.
- C.** Financial institutions used for time and demand deposits do not need the prior approval of the Board. The nature of competition for rates in financial institutions within Texas prohibits foreknowledge of applicable financial institutions. These institutions shall, however, fulfill all remaining requirements for authorization including depository/collateral contracts, as applicable.
- D.** Any business organization (defined as pools and contracted discretionary investment advisers) offering to engage in an investment transaction with the Corporation shall be provided a copy of this Policy for review and certification of that review (PFIA 2256.005(k)). Material changes to the Policy will require re-certification. The Corporation will utilize only a non-discretionary investment adviser to assure that cash-flow is monitored and protected.

A certification for business organizations in a form acceptable to the Corporation shall affirm that the business organization:

1. Has received and reviewed this Policy; and
2. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio or requires an interpretation of subjective investment standards.

E. The Investment Officer of the Corporation may not transact any business from a business organization (pool) which has not delivered the signed certification to the Corporation.

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

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

IX. AUTHORIZED INVESTMENTS

A. Notwithstanding any grant or program limitations to the contrary, the following are authorized investments of the Corporation:

1. **Obligations of the U.S. Government, its agencies and instrumentalities** including collateralized mortgage obligations (CMOs). Debentures shall have a stated maturity not to exceed three (3) years. CMOs shall have a stated maturity (i) not to exceed ten (10) years and (ii) pass the Federal Reserve's *bank shock test*. Surplus funds are authorized to be invested as described in Section V.C. above.
2. **Depository Certificates of Deposit** issued by any state or national bank doing business in the State of Texas or a credit union doing business in the State of Texas to include the CDARS program as defined by the Act and are:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor or the National Credit Union Insurance Fund or its successor;
 - b. Secured by obligations of the US Government, its agencies and instrumentalities as further defined in this Policy; and
 - c. Have a stated maturity not to exceed one year.

3. **Fully collateralized repurchase agreements** and reverse repurchase agreements which:
 - a. Have a defined termination date and are executed under the terms of a written Master Repurchase Agreement;
 - b. Are secured by collateral defined in this Policy and held by an independent safekeeping agent approved by the Corporation;
 - c. Require that the securities being purchased be held in the Corporation's name by an independent custodian approved by the Corporation; and
 - d. Are executed with a primary government securities dealer, as defined by the Federal Reserve;

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

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

- a. A money market mutual fund is an authorized investment if the fund:
 - i. Is registered with and regulated by the Securities and Exchange Commission;
 - ii. Has a dollar-weighted average stated maturity of 60 days or fewer; and
 - iii. Includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.
- b. The Corporation is not authorized to invest its funds or funds under its control in any money market mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

5. **Commercial Paper.** Commercial paper is an authorized investment if it:

- a. Has a stated maturity of one-hundred-eighty(180) days or fewer to its stated maturity; and
- b. Is rated not less than A-1/P-1 or equivalent by at least two nationally-recognized credit rating agencies,

6. **Uncollateralized Guaranteed Investment Contracts.** For funds that are pledged under a trust indenture for bonds issued by the Corporation, investment securities

that are permitted under the terms of such trust indenture, including, but not limited to, uncollateralized investment agreements.

7. **Texas Local Government Investment Pools.** Permitted constant dollar investment pools, as defined by the Act, are authorized under this policy if the investment pool:
 - a. Is created to function as a money market mutual fund, marks its portfolio to market daily and strives to maintain a \$1 net asset value.
 - b. If it is rated not less than AAA or V-1 or equivalent rating by at least one nationally recognized rating service.
 8. **State and Municipal Obligations.** Obligations of any state and their subdivisions rated A, or better, by two nationally recognized rating agencies with a stated maturity not to exceed three years.
 9. **FDIC Insured Brokered Certificate of Deposit Securities. Brokered Certificate of Deposit Securities** from banks in any US state, delivered versus payment to the Corporation's safekeeping depository, not to exceed one year to maturity. Before purchase the Investment Officer or Investment Adviser must verify the status of the bank on www.fdic.gov to assure that the bank is FDIC insured.
- B.** No additional securities or investments are authorized for Corporation use until this Policy has been amended and the amended policy has been adopted by the Board.
 - C.** All investment transactions shall require competitive bidding.
 - D.** To minimize loss of principal, securities which are downgraded in credit or become unauthorized after purchase should be monitored on a daily basis and may be sold prior to maturity after a prudent analysis of market conditions.
 - E.** Security swaps may be utilized for improvement in the quality, yield, or target duration in the portfolio but only if analysis proves a positive horizon value for the swap.
 - F.** Any investment held prior to changes in this Policy that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. The Corporation is not required to liquidate investments that were authorized at the time of purchase (Act Section 2256.017). However, at maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

X. OTHER INVESTMENT POWERS.

In accordance with Section 2256.024(a) of the Act, the investment authority set forth in Section IX of this Policy is in addition to that granted to the Corporation by other applicable law. In accordance with Section 2256.024(b) and (c) of the Act, the Corporation may invest in mortgage pass-through certificates and individual mortgage loans that are originated in

connection with authorized housing bond programs of the Corporation, subject to any limitations otherwise set forth in this Policy.

XI. UNAUTHORIZED INVESTMENTS

The following are not authorized investments:

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

XII. DIVERSIFICATION

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

General diversification parameters will include:

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

XIII. EFFECT OF LOSS OF REQUIRED RATING

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

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

XIV. COLLATERALIZATION

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

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

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

XV. SAFEKEEPING AND CUSTODY

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

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

XVI. INTERNAL CONTROLS

A. Internal Controls

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

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

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

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

B. Compliance Audit

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

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

C. Wire Transfers

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

D. Monitoring FDIC Insurance

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

XVII. REPORTING

A. Quarterly Reports

At least quarterly, the Investment Officer shall prepare and present to the Board an investment report, including a summary that provides a clear picture of the status of the

current investment portfolio and transactions made over the last quarter. This investment report will be prepared in a manner, which will allow the Board to ascertain whether investment activities during the reporting period have conformed to the Policy. The report must:

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

B. Audit Report

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

C. Performance Standards

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

D. Market Value

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

E. Changes to Public Funds Investment Act

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

XVIII. INVESTMENT POLICY ADOPTION

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

Tab 8



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 unrestricted revenue](#).

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 all of 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 communities¹; 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 [as specified in *Organization Type* above] 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.

¹ 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).

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 repairs² of single-family homes³ to households at or below 80% of the area median family income (low income)⁴. 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.
6. Exceptions: To best meet the needs of households affected by Hurricane Harvey, TSAHC's President or Executive Vice President may allow for exceptions for an applicant's experience or financial requirements on a case-by-case basis for otherwise qualified applicants.

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.

² 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.

³ 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.

⁴ 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

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.

Grant Agreement

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

- a description of how the grant will be used,
- eligible expenditures⁵,
- 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. Applicants are highly encouraged to review the HEART Program Question and Answer section of TSAHC's website at www.tsahc.org for pertinent application information.

⁵ 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.

Tab 9

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 July 19, 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 William H. Dietz (Chairperson), Robert Elliot Jones (Director), Valerie Cardenas (Director), Lori Cobos (Director), 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), Lacy Brown (Secretary), 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 TRANSFER OF CERTAIN REAL ESTATE PROPERTIES OWNED OR TO BE OWNED BY THE CORPORATION TO SEPARATE LEGAL ENTITIES ESTABLISHED AND CONTROLLED BY THE CORPORATION"

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 July, 2018.

Lacy Brown, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 18-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

**APPROVAL OF TRANSFER OF CERTAIN REAL ESTATE
PROPERTIES OWNED OR TO BE OWNED BY THE
CORPORATION TO SEPARATE LEGAL ENTITIES
ESTABLISHED AND CONTROLLED BY THE CORPORATION**

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 (Sections 2306.551 through 2306.569) 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, the Corporation currently directly owns various properties and may acquire additional properties in the future (collectively, the “Properties”); and

WHEREAS, the Properties currently owned by TSAHC include (i) single family homes held for rental to qualified persons and families in Travis County, Williamson County and Hays County, (ii) an office building in Travis County in which the Corporation’s offices exist, (iii) an apartment building held for in Travis County held for rental, and (iv) a commercial building in Travis County held for rental to qualified tenants; and

WHEREAS, after due consideration and discussion, the Corporation has determined to transfer ownership of the Properties to newly formed, separate entities to be established and controlled by the Corporation and to purchase future properties directly by other such entities to be established and controlled by the Corporation; and

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

Section 1. Approval for the Formation of Separate Entities and Transfer of Properties. The Board of Directors hereby approves the transfer of the Properties currently directly owned by the Corporation to one or more new legal entities to be established and controlled by the Corporation. The Board of Directors also approves the purchase of Properties that may be acquired in the future by one or more of the existing or one or more newly established legal entities. The President and Executive Vice President are each authorized to establish, with the advice of counsel, the number and types of entities and to select the specific Properties to be transferred to each entity. The President and the Executive Vice President are each authorized by the Board of Directors to take any action necessary to accomplish the purposes of this Resolution, and to execute and deliver all documents, agreements, assignments, orders, directions, certificates, instruments, amendments or other items as the President or the Executive Vice President, with the advice of counsel, shall deem to be required to effectuate the purposes of this Resolution. The

execution and delivery of such documents shall be conclusive evidence that the same have been approved by the Board of Directors.

Section 2. Ratification of Prior Actions. All actions taken prior to the date of this Resolution by the President, Executive Vice President or the Chief Financial Officer, or any other 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 3. 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 4. 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 5. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

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

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Lacy Brown, Secretary
Texas State Affordable Housing Corporation

To: TSAHC Board of Directors

From: Bill Gehrig, Josh Prywes and Karen Kennard

cc: David Long, Janie Taylor and Melinda Smith

Date: July 6, 2018

Re: **Transfer of Properties to Subsidiary Entities**

Texas State Affordable Housing Corporation (“TSAHC”) is considering the transfer of certain of its directly owned properties to one or more separate entities each of which will be established and controlled by TSAHC. The main purpose of the transfer is to limit TSAHC’s liability exposure with respect to each of these owned assets and not exposing the general assets of TSAHC to liability emanating from any particular asset. The properties being considered for transfer are (i) approximately 19 residential single family homes (held for rental to qualified persons or families), (ii) one residential apartment building (Rollins Martin) (15 units held for rental to qualified person or families) (iii) one commercial building rented to qualified tenants, and (iv) one commercial building occupied by TSAHC. These properties are located in 3 Texas counties: Williamson, Hays and Travis.

TSAHC currently holds the legal title to the properties directly (i.e., in its own name). Direct ownership exposes the general assets of TSAHC to liability that could arise from one or more of the properties. Depending on the nature of the liability, the amount could be considerable and exceed the insurance held by TSAHC with respect to a property. As a result of this exposure, TSAHC is considering transferring the ownership of these properties to separate legal entities where liability exposure should be limited to the asset or assets held by a particular entity. A separate legal entity, properly established and maintained, should limit the liability with respect to assets held by that entity.

TSAHC is entitled to a state real estate tax exemption for properties it owns directly. Under Texas law, that exemption will also extend to properties held in subsidiary entities that are established and 100% controlled by TSAHC. To confirm the subsidiary’s eligibility for such treatment, we have contacted and had discussions with representatives of the appraisal district offices of the three Texas counties. As a result of those discussions, all three appraisal district offices have given us verbal preliminary approval that TSAHC’s tax exemption will continue to apply with respect to properties transferred to single member limited liability companies. The basic theory is that the entities are “ignored” for federal and state tax purposes since they are established and 100% controlled by the parent entity.

As a note, after review and discussion with TSAHC staff, we have recommended that TSAHC establish the separate legal entities as limited liability companies (“LLCs”) (as opposed to nonprofit corporations), as follows: (i) a “series LLC” for the single family properties in which each single family home will be part of a separate series of the LCC (for each series the liability

will be limited to the residence held by such series), (ii) a separate LLC for the apartment building and each commercial building (this would be 4 total LLCs). We have also recommended that each LLC be established as a “member-managed” LLC with TSAHC being the sole member, and thus the sole manager, of each entity. TSAHC may appoint TSAHC officers as officers of the LLCs in order to delegate responsibilities of operating the LLCs.

After the new legal entities have been created, we will contact the Appraisal Districts again to receive a more “final” approval regarding the transfer the properties. Upon receipt of such approvals, TSAHC will proceeds with the transfers of the properties.

As TSAHC General Counsel, we strongly recommend that TSAHC proceed with these transfers.

Tab 10

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 July 19, 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 William H. Dietz (Chairperson), Robert Elliot Jones (Director), Valerie Cardenas (Director), Lori Cobos (Director), 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), Lacy Brown (Secretary), 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

RESOLUTION PROVIDING THE PRESIDENT AND EXECUTIVE VICE PRESIDENT AUTHORITY TO (I) EXECUTE LETTERS OF INTENT, PURCHASE AGREEMENTS OR SIMILAR DOCUMENT FOR THE PROVISION OF OFFICE SPACE TO SERVE AS THE HEADQUARTERS FOR THE CORPORATION, (II) TO EXECUTE

RESOLUTION NO. 18-_____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION PROVIDING THE PRESIDENT AND EXECUTIVE VICE PRESIDENT AUTHORITY TO (I) EXECUTE LETTERS OF INTENT, PURCHASE AGREEMENTS OR SIMILAR DOCUMENT FOR THE PROVISION OF OFFICE SPACE TO SERVE AS THE HEADQUARTERS FOR THE CORPORATION, (II) TO EXECUTE RELATED RENOVATION OR CONSTRUCTION CONTRACTS, (III) TO EXECUTE RELATED LEASE AGREEMENTS AND CONCERNING OTHER MATTERS INCIDENT AND RELATED THERETO

WHEREAS, the Texas State Affordable Housing Corporation (the “Corporation”) has been duly created and organized pursuant to and in accordance with the provisions of Subchapter Y (Sections 2306.551 through 2306.569) of Chapter 2306, Texas Government Code, as amended, and other applicable provisions of Texas law (collectively, the “Act”); and

WHEREAS, the Corporation’s offices are currently located at 2200 East Martin Luther King, Jr. Boulevard in Austin, Texas, and in the near future will be insufficient in size to maintain the growing operations and staff of the Corporation; and

WHEREAS, the Corporation’s staff has recently been exploring potential new locations for the Corporation’s offices which will be of sufficient size to house the operations and staff of the Corporation for the foreseeable future;

WHEREAS, the Board of Directors of the Corporation (the “Board”), after due consideration, has determined to provide the President and Executive Vice President of the Corporation with the authority to negotiate and execute a letter of intent, purchase agreement, lease agreement, related renovation or construction contracts or similar documents with regard to the acquisition or leasing of new property to serve as the Corporation’s headquarters (the “New Office Property”) and to negotiate, in consultation with counsel, the forms of applicable documents related to the acquisition or leasing of the New Office Property;

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

Section 1. Authority of President and Executive Vice President to Execute Letter of Intent. The President of the Corporation (the “President”) and the Executive Vice President of the Corporation (the “Executive Vice President”) are each authorized to draft, negotiate and execute, in consultation with counsel, a letter of intent for the acquisition or leasing of the New Office Property.

Section 2. Authority of President and Executive Vice President to Prepare, Negotiate and Execute Related Documents. The President and the Executive Vice President are each authorized, in consultation with counsel, to prepare, review, negotiate and execute a purchase agreement (including the amount of any earnest money deposit required under such purchase

agreement) or, if applicable a lease agreement, and any related renovation or construction or similar documents, in connection with the acquisition or leasing of the New Property, in each case that the President and the Executive Vice President deem to be reasonable, in the best interests of the Corporation, and consistent with the purposes of this Resolution.

Section 3. Execution and Delivery of Other Documents. The President and the Executive Vice President of the Corporation are hereby each authorized to consent to, accept, execute and attest such other certificates, documents, instruments, letter of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 4. Ratification of Prior Actions. All actions taken prior to the date of this Resolution by the President, the Executive Vice President, or any other officer or employee of the Corporation, on behalf of, the Corporation, with respect to any of the matters and transactions described in this Resolution, are authorized, ratified, confirmed and approved by the Board.

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

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APPROVED AND EFFECTIVE this __th day of July, 2018.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

William H. Dietz, Chairperson

ATTEST:

Lacy Brown, Secretary
Texas State Affordable Housing Corporation