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T E X A S
State Affordable Housing Corporation

October Board Meeting

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

Thursday, October 18, 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
October 18, 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 September 20, 2018. |
| Tab 2 | Presentation and Discussion of the Fiscal Year 2018 Annual Financial Audit. |
| Tab 3 | Presentation, Discussion and Possible Approval of Modifications to the Corporation's Affordable Communities of Texas Land Banking Program Policies. |
| Tab 4 | Presentation, Discussion and Possible Approval of the Publication for Public Comment of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bond Funds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2019 |
| Tab 5 | Presentation and Discussion of the Texas State Affordable Housing Corporation's Fiscal Year 2019 Strategic Plan. |

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.

President's Report

Tab A



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

Month	Closed	# of Loans	% Total
January-18	\$ 80,236,616	484	8.4%
February-18	\$ 87,423,997	521	9.2%
March-18	\$ 118,687,440	704	12.5%
April-18	\$ 121,193,442	722	12.7%
May-18	\$ 136,753,578	812	14.4%
June-18	\$ 146,474,181	848	15.4%
July-18	\$ 127,611,539	755	13.4%
August-18	\$ 132,535,804	761	13.9%
Totals	\$950,916,597	5607	100%
Lender	Closed	# of Loans	% Total
Everett Financial, dba Supreme Lending	\$93,423,245	538	9.8%
Fairway Independent Mortgage Corporation	\$70,920,775	441	7.5%
Guild Mortgage Corporation	\$65,116,881	404	6.8%
PrimeLending	\$61,333,593	393	6.4%
Cornerstone Home Lending, Inc.	\$44,641,448	251	4.7%
Nations Reliable Lending, LLC	\$31,939,758	183	3.4%
AmCap Mortgage Limited	\$28,305,056	184	3.0%
Academy Mortgage Corporation	\$28,023,233	164	2.9%
NTFN, Inc.	\$26,195,470	152	2.8%
Highlands Residential Mortgage	\$24,203,672	138	2.5%
DHI Mortgage Company, Ltd.	\$22,677,896	110	2.4%
loanDepot.com LLC	\$22,348,253	119	2.4%
Mortgage Financial Services, LLC	\$21,510,434	126	2.3%
Thrive Mortgage, LLC	\$19,925,641	110	2.1%
Cardinal Financial Company	\$18,158,295	103	1.9%
Movement Mortgage, LLC	\$16,599,029	103	1.7%
First Choice Loan Services, Inc.	\$14,996,554	74	1.6%
Ark-La-Tex Financial (Benchmark Mtg.)	\$13,921,510	74	1.5%
CMG Mortgage, Inc. dba CMG Financial	\$13,185,075	67	1.4%
SFMC, LP (Service First Mortgage)	\$13,108,844	73	1.4%
Gardner Financial Services, Ltd.	\$12,584,146	74	1.3%
Hometrust Mortgage Company	\$12,312,986	82	1.3%
Certainty Home Loans, LLC	\$11,687,998	73	1.2%
Mid America Mortgage, Inc.	\$10,521,868	62	1.1%
Network Funding, LP	\$9,755,407	59	1.0%
SWBC Mortgage Corporation	\$9,713,293	61	1.0%
HomeBridge Financial Services	\$8,939,118	57	0.9%
Interlinc Mortgage Services, LLC	\$8,077,334	44	0.8%
Primary Residential Mortgage, Inc.	\$8,067,289	51	0.8%
New American Funding (Broker Solutions)	\$8,021,112	53	0.8%
Pulte Mortgage LLC	\$7,853,217	35	0.8%
Wallick and Volk, Inc.	\$7,549,827	44	0.8%
FBC Mortgage LLC	\$7,403,768	48	0.8%
Right Start Mortgage, Inc.	\$6,866,745	43	0.7%
Sente Mortgage Inc.	\$6,744,326	40	0.7%
Eagle Home Mortgage, LLC	\$6,644,016	32	0.7%
Security National Mortgage Company	\$6,096,690	36	0.6%
Cendera Funding, Inc.	\$5,798,296	30	0.6%
Stearns Lending, LLC	\$5,791,630	26	0.6%
Envoy Mortgage	\$5,246,814	31	0.6%
Open Mortgage LLC	\$5,174,044	31	0.5%
Guaranteed Rate	\$4,575,098	26	0.5%
University Lending Group, LLC	\$4,503,833	29	0.5%
Pilgrim Mortgage, LLC	\$4,493,843	28	0.5%
Gateway Mortgage Group, LLC	\$4,437,163	25	0.5%
Independent Bank	\$4,400,483	26	0.5%
Crosscountry Mortgage, Inc.	\$4,059,476	23	0.4%
Origin Bank	\$4,011,082	26	0.4%
Mortgage Solutions of Colorado, LLC	\$4,000,139	21	0.4%
Amerifirst Financial, Inc.	\$3,939,987	25	0.4%
Pacific Union Financial, LLC	\$3,813,998	18	0.4%
First Community Mortgage	\$3,806,469	32	0.4%
Churchill Mortgage Corporation	\$3,606,866	18	0.4%
American Financial Network, Inc.	\$3,600,285	22	0.4%

At a Glance	
Average Annual Income	\$58,009
Average Purchase Price	\$173,506
Average Loan Amount	\$169,595
Average Household Size	2
Average Interest Rate	5.774%
Program	%
Home Sweet Texas	83.04%
Homes for Texas Heroes	16.96%
Allied Health Faculty	0.05%
Corrections Officer	0.87%
County Jailor	0.20%
EMS Personnel	0.34%
Fire Fighter	0.89%
Peace Officer	1.55%
Professional Nurse Faculty	0.78%
Public Security Officer	0.25%
School Counselor	0.25%
School Librarian	0.04%
School Nurse	0.05%
Teacher	10.15%
Teacher Aide	0.25%
Veteran	1.28%
New/Existing Home	
Existing	84.36%
New	15.64%
Type of Loan	
Conventional - Purchase	31.44%
FHA - Purchase	66.63%
USDA-RHS Purchase	0.14%
VA - Purchase	1.78%
Ethnicity	
American Indian/Alaskan Native	0.25%
Asian/Pacific Islander	1.37%
Black	14.43%
Hispanic	35.05%
Not Defined	6.78%
Other	0.80%
White	41.32%
Top 20 Originating Counties*	# Households
Harris	945
Tarrant	689
Dallas	623
Bexar	429
Denton	173
Travis	169
Collin	144
Williamson	144
Fort Bend	136
El Paso	121
Kaufman	115
Hidalgo	114
Galveston	100
Montgomery	98
Brazoria	83
Bell	83
Johnson	80
Nueces	78
Ellis	74
Hays	69

*Top 20 of all counties statewide. All remaining counties served 1,140 households combined.



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

First National Bank Mortgage	\$3,378,559	22	0.4%
CLM Mortgage, LLC	\$3,362,941	16	0.4%
American Mortgage & Equity Consultants	\$3,322,747	19	0.3%
Union Home Mortgage	\$3,006,334	18	0.3%
Wells Fargo Bank, N.A.	\$2,637,837	18	0.3%
Willow Bend Mortgage Company, LLC	\$2,594,175	17	0.3%
On Q Financial, Inc.	\$2,493,373	16	0.3%
Summit Funding, Inc.	\$2,278,512	12	0.2%
Nations Lending Corporation	\$2,191,498	13	0.2%
Synergy One Lending, Inc.	\$2,172,196	16	0.2%
Bank of England	\$2,127,576	12	0.2%
Gold Star Mortgage Financial Group	\$2,127,456	12	0.2%
Michigan Mutual, Inc.	\$1,920,378	10	0.2%
Aim Bank	\$1,870,387	13	0.2%
Rocky Mountain Mortgage Company	\$1,858,705	13	0.2%
LoanStar Home Loans	\$1,826,547	10	0.2%
Republic State Mortgage Co.	\$1,821,355	9	0.2%
International City Mortgage, Inc.	\$1,793,707	10	0.2%
Texas Bank Mortgage Company	\$1,658,715	12	0.2%
BancorpSouth Bank	\$1,652,511	11	0.2%
Patriot Mortgage Company	\$1,572,973	11	0.2%
Happy State Bank	\$1,524,747	12	0.2%
Loan Simple, Inc.	\$1,510,728	11	0.2%
First Continental Mortgage, Ltd.	\$1,479,114	6	0.2%
Guaranteed Rate Affinity, LLC	\$1,432,517	9	0.2%
LHM Financial Corp., dba CNN Mortgage	\$1,307,251	8	0.1%
Citywide Home Loans, a Utah Corporation	\$1,166,440	7	0.1%
America's Choice Home Loans, LP	\$1,051,997	7	0.1%
GoPrime Mortgage	\$1,044,653	6	0.1%
Affiliated Bank	\$1,005,868	7	0.1%
LegacyTexas Bank	\$1,002,652	5	0.1%
Moria Development/Peoples Mortgage Co	\$968,711	6	0.1%
Castle and Cooke Mortgage	\$813,925	5	0.1%
The Home Lending Group, LLC	\$812,903	4	0.1%
Legacy Mortgage, LLC	\$799,375	8	0.1%
Geneva Financial, LLC	\$797,340	4	0.1%
Inter National Bank	\$792,209	6	0.1%
Victorian Finance LLC	\$777,135	6	0.1%
Peoples Home Equity, Inc.	\$744,072	4	0.1%
Paramount Residential Mortgage Group	\$700,444	4	0.1%
Home Financing Unlimited, Inc.(Mission)	\$688,092	4	0.1%
Resmac, Inc.	\$654,294	4	0.1%
Inspire Home Loans, Inc.	\$573,389	3	0.1%
Encompass Lending Group, LP	\$477,249	3	0.1%
Extraco Mortgage	\$475,670	3	0.1%
Finance Home America	\$443,320	3	0.0%
integrity First Financial Group, Inc.	\$432,913	2	0.0%
Finance of America Mortgage, LLC	\$384,800	2	0.0%
American Pacific Mortgage Corporation	\$369,791	3	0.0%
Family First Funding, LLC	\$363,051	2	0.0%
1st Preference Mortgage Corporation	\$350,217	2	0.0%
First Financial Bank, N.A.	\$321,959	3	0.0%
Southwest Funding, LP	\$311,257	2	0.0%
OVM Financial, Inc.	\$305,366	2	0.0%
First Service CU dba eCU Mortgage	\$299,475	2	0.0%
Southwest Bank	\$255,550	2	0.0%
Colonial Savings, F.A.	\$232,800	1	0.0%
Diamond Residential Mortgage Corporation	\$216,200	1	0.0%
New Penn Financial, LLC	\$207,178	1	0.0%
First Centennial Mortgage Corporation	\$201,286	1	0.0%
Cherry Creek Mortgage Co., Inc.	\$199,335	1	0.0%
Corridor Mortgage Group, Inc.	\$192,429	1	0.0%
Perl Mortgage, Inc.	\$186,459	1	0.0%
American Bank, N.A.	\$167,810	1	0.0%
LeaderOne Financial	\$166,920	1	0.0%



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

American Nationwide Mortgage Company	\$157,500	1	0.0%
Lone Star National Bank	\$125,681	1	0.0%
Guaranty Bank & Trust, N.A.	\$122,735	1	0.0%
Grand Total	\$950,916,597	5607	100%



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

Month	Closed	# of Loans	% Total
Jan	\$ 13,817,927	82	6%
Feb	\$ 21,207,464	129	9%
Mar	\$ 28,967,830	170	13%
Apr	\$ 34,593,963	209	15%
May	\$ 39,527,593	237	17%
June	\$ 42,339,869	244	18%
July	\$ 27,823,548	168	12%
Aug	\$ 23,143,090	136	10%
Totals	\$231,421,284	1375	100%

Lender	Closed	# of Loans	% Total
Everett Financial, dba Supreme Lending	\$30,310,882	176	12.8%
PrimeLending	\$18,203,034	111	8.1%
Guild Mortgage Corporation	\$14,418,437	90	6.5%
Cornerstone Home Lending, Inc.	\$11,321,608	63	4.6%
Nations Reliable Lending, LLC	\$11,078,918	66	4.8%
Fairway Independent Mortgage Corporation	\$9,736,531	57	4.1%
Movement Mortgage, LLC	\$9,417,180	63	4.6%
Thrive Mortgage, LLC	\$6,367,363	33	2.4%
Cardinal Financial Company	\$6,332,915	36	2.6%
AmCap Mortgage Limited	\$5,546,552	33	2.4%
First Choice Loan Services, Inc.	\$5,452,007	28	2.0%
Primary Residential Mortgage, Inc.	\$5,412,792	36	2.6%
Open Mortgage LLC	\$4,834,956	30	2.2%
DHI Mortgage Company, Ltd.	\$4,690,802	23	1.7%
Highlands Residential Mortgage	\$4,417,977	22	1.6%
Texas Bank Mortgage Company	\$4,176,219	29	2.1%
Hometrust Mortgage Company	\$4,116,892	28	2.0%
Academy Mortgage Corporation	\$3,495,230	23	1.7%
Certainty Home Loans, LLC	\$3,383,246	22	1.6%
Pilgrim Mortgage, LLC	\$3,346,756	21	1.5%
Sente Mortgage Inc.	\$3,088,249	19	1.4%
loanDepot.com LLC	\$2,891,961	18	1.3%
Interlinc Mortgage Services, LLC	\$2,672,284	15	1.1%
CMG Mortgage, Inc. dba CMG Financial	\$2,438,004	12	0.9%
New American Funding (Broker Solutions)	\$2,207,326	15	1.1%
Pulte Mortgage LLC	\$2,181,651	10	0.7%
SWBC Mortgage Corporation	\$2,006,564	13	0.9%
Amerifirst Financial, Inc.	\$1,895,700	12	0.9%
Origin Bank	\$1,885,350	14	1.0%
Envoy Mortgage	\$1,802,392	11	0.8%
CLM Mortgage, LLC	\$1,731,692	8	0.6%
Colonial Savings, F.A.	\$1,696,596	9	0.7%
Gateway Mortgage Group, LLC	\$1,674,400	9	0.7%
SFMC, LP (Service First Mortgage)	\$1,674,011	10	0.7%
Wallick and Volk, Inc.	\$1,593,713	10	0.7%
American Mortgage & Equity Consultants	\$1,583,132	9	0.7%
Bank of England	\$1,355,264	8	0.6%
Stearns Lending, LLC	\$1,324,090	6	0.4%
Gardner Financial Services, Ltd.	\$1,301,577	7	0.5%
BancorpSouth Bank	\$1,300,786	8	0.6%
First Continental Mortgage, Ltd.	\$1,298,129	5	0.4%
Mid America Mortgage, Inc.	\$1,197,621	6	0.4%
Right Start Mortgage, Inc.	\$1,195,959	9	0.7%
Network Funding, LP	\$1,192,619	7	0.5%
NTFN, Inc.	\$1,169,443	7	0.5%
University Federal Credit Union	\$1,151,239	5	0.4%
University Lending Group, LLC	\$1,145,093	7	0.5%
Mortgage Financial Services, LLC	\$1,134,690	6	0.4%
Independent Bank	\$1,076,967	7	0.5%
Guaranteed Rate	\$1,006,113	7	0.5%
Synergy One Lending, Inc.	\$927,139	8	0.6%
Gold Star Mortgage Financial Group	\$913,226	5	0.4%

At a Glance	
Total Amount Originated	\$231,421,284
Average Annual Income	\$49,961
Average Purchase Price	\$174,032
Average Loan Amount	\$168,306
Average Household Size	2
Average Interest Rate	5.483%
Program	%
Home Sweet Texas	78.91%
Homes for Texas Heroes	21.09%
Allied Health Faculty	0.00%
Corrections Officer	1.45%
County Jailer	0.15%
EMS Personnel	0.22%
Fire Fighter	0.51%
Peace Officer	1.24%
Professional Nurse Faculty	0.73%
Public Security Officer	0.51%
School Counselor	0.29%
School Librarian	0.07%
School Nurse	0.15%
Teacher	13.31%
Teacher Aide	0.29%
Veteran	2.18%
New/Existing Home	%
Existing	84.80%
New	15.20%
Type of Loan	%
Conventional - Purchase	35.13%
FHA - Purchase	61.02%
USDA-RHS Purchase	1.75%
VA - Purchase	2.11%
Ethnicity	%
American Indian/Alaskan Native	0.17%
Asian/Pac Isle	5.38%
Black	15.14%
Hispanic	34.13%
Not Defined	6.52%
Other	1.26%
White	37.40%
Top 20 Originating Counties*	# of Loans
Harris	308
Tarrant	149
Dallas	148
Bexar	105
Travis	72
Williamson	62
Fort Bend	44
El Paso	39
Denton	32
Kaufman	31
Collin	30
Montgomery	28
Galveston	27
Hays	24
Nueces	22
Hidalgo	18
Bell	15
Brazoria	15
Webb	11
Johnson	11

*Top 20 of all counties statewide. All remaining counties served 184 households.



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

Crosscountry Mortgage, Inc.	\$854,541	5	0.4%
Victorian Finance LLC	\$728,041	5	0.4%
American Financial Network, Inc.	\$700,885	6	0.4%
Geneva Financial, LLC	\$694,638	3	0.2%
Nations Lending Corporation	\$687,038	4	0.3%
Pacific Union Financial, LLC	\$668,667	3	0.2%
Inspire Home Loans, Inc.	\$603,230	3	0.2%
Cendera Funding, Inc.	\$601,940	3	0.2%
International City Mortgage, Inc.	\$583,514	3	0.2%
FBC Mortgage LLC	\$575,291	4	0.3%
Home Financing Unlimited, Inc.(Mission)	\$476,642	3	0.2%
Eagle Home Mortgage, LLC	\$468,746	2	0.1%
integrity First Financial Group, Inc.	\$453,912	2	0.1%
On Q Financial, Inc.	\$381,953	3	0.2%
Willow Bend Mortgage Company, LLC	\$339,148	2	0.1%
Brazos National Bank	\$332,710	2	0.1%
Encompass Lending Group, LP	\$316,220	2	0.1%
GoPrime Mortgage	\$296,529	2	0.1%
Summit Funding, Inc.	\$244,925	1	0.1%
Affiliated Bank	\$242,001	2	0.1%
HomeBridge Financial Services	\$216,015	1	0.1%
Happy State Bank	\$211,055	2	0.1%
The Home Lending Group, LLC	\$185,478	1	0.1%
Family First Funding, LLC	\$182,631	1	0.1%
Trustmark National Bank	\$175,750	1	0.1%
Branch Banking and Trust Company	\$172,000	1	0.1%
Republic State Mortgage Co.	\$163,661	1	0.1%
Waterloo Lending LLC	\$161,000	1	0.1%
American Pacific Mortgage Corporation	\$160,650	1	0.1%
Security National Mortgage Company	\$160,147	1	0.1%
American Nationwide Mortgage Company	\$157,500	1	0.1%
Castle and Cooke Mortgage	\$155,138	1	0.1%
Loan Simple, Inc.	\$148,510	1	0.1%
America's Choice Home Loans, LP	\$142,373	1	0.1%
Paramount Residential Mortgage Group	\$141,391	1	0.1%
Michigan Mutual, Inc.	\$133,110	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%
Guaranty Bank & Trust, N.A.	\$122,735	1	0.1%
Churchill Mortgage Corporation	\$121,754	1	0.1%
Inter National Bank	\$105,245	1	0.1%
Total Committed	\$231,421,284	1375	100%

Tab B

Texas State Affordable Housing Corporation

Development Finance Programs Report
October 2018

Affordable Communities of Texas Program (ACT)

In the past month, six homes have sold to low and moderate income households in McAllen and Harlingen, Texas. Four of the homes were located on NSP lots and two were on ACT land bank lots. Our current pipeline reports have an additional four homes listed for-sale, 15 homes under construction and 16 homes under contract with eligible buyers.

With all of the activity in the ACT program, Staff has also noted several improvements that can be made to our policies. Included with this month's board agenda are proposed amendments to the ACT policies. Staff is requesting approval of these amendments.

Here is a summary of the past month's portfolio activity:

Program	Portfolio as of Sept. 1, 2018	Acquired	Sold	Portfolio as of Oct. 1, 2018	Current Portfolio Value
ACT Land Bank	53	0	2	51	524,209.00
ACT Land Trust	1	0	0	1	\$650,000.00
Texas NSP	197	0	4	193	\$2,643,714.3564
Veteran's Initiative	1	0	0	1	\$33,210.00
Totals	252	0	6	246	\$3,851,133.3564

Texas Housing Impact Fund

While last month's submission of the Capital Magnet Fund application was a considerable focus for staff, we continue to be busy with active loans. Legacy CDC, which as a revolving line of credit for new home construction, has been very busy as of late. Five homes are currently on the line, with two scheduled for sale before the end of October. New homes are planned for addition in the Nov-Dec period. The Chicon, a 28 unit mixed use condominium project in Austin, has also re-started unit sales and has five of the last six homes in their pipeline to close before December.

Multifamily Bond Program

Staff continues to be very busy with multifamily developments. The Walnut Creek Apartments is set to close on October 17. The project, which was approved by the board last month for closing, will preserve 98 units of affordable housing for very-low income families in Austin, Texas. We are also working to bring the Ventura at Tradewinds project back to the board for final approval in November. This project will create 204 new units of affordable housing in Midland, Texas. The public hearing for this project is scheduled for October 19.

Tab C

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

Home Buyer Programs/Financial & Housing Education			
Funder	Amount	Status	Notes
Frost Bank	\$4,000,000	Received	A community development loan to be used to fund down payment assistance for home buyer programs.
BBVA Compass	\$10,000	Pending	Submitted in April 2018 for 2019 Housing Connection Training
Housing Connection Sponsorships	\$1,145	Received	Online donations received June 2018-October 2018
Wells Fargo Housing Foundation	\$15,000	Pending	Requested in June 2018 for 2019 Housing Connection workshop
Amon Carter Foundation	\$10,000	Pending	Requested in September 2018 for 2019 Housing Connection workshop
Federal Reserve Bank of Dallas	\$5,000	Awarded	In Kind donation of event space and food for 2019 Housing Connection workshop
Bank of America	\$10,000	Declined	Requested in June 2018 for 2019 Housing Connection workshop

Total Received/Awarded	\$4,006,145
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	Received	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	Received	Awarded in June 2018 to support HEART Program
Center for Disaster Philanthropy	\$50,000	Awarded	Awarded in July 2018 to support critical repair grants provided through the HEART Program. Awarded as pass-through funding as part of a larger grant submitted by Enterprise Community Partners
Wells Fargo	\$100,000	Pending	Submitted in July 2018 to support HEART Program
Texas Capital Bank	\$50,000	Discussion	Initiated discussion in July 2018 to support HEART Program
Fannie Mae	\$500,000	Pending	Submitted in July 2018 to support HEART Program

Total Awarded/Received	\$650,000
Total Requests Under Discussion	\$50,000
Total Requests Pending	\$600,000

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	Requested 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 was 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
Texas Capital Bank	\$500,000	Discussion	Initiated discussion in July 2018 to increase current investment by \$500,000
Capital Magnet Fund	\$5,250,000	Pending	Submitted in September 2018 for a five year grant to support the Texas Housing Impact Fund

Total Received	\$757,500
Total Requests Under Discussion	\$1,500,000
Total Requests Pending	\$6,000,000

Affordable Communities of Texas (ACT) Program			
Funder	Amount	Status	Notes
Lowe's	\$2,000	Declined	Submitted request in March 2018 for a gift card to purchase appliances for an ACT property in Wichita Falls.
JCPenney	\$2,000	Withdrawn	Submitted a request for discounted gift cards to purchase appliance for an ACT property in Wichita Falls. Awarded a 6% discount on gift cards, but staff determined the award was not financially feasible, so it was declined
Whirlpool	\$2,000	Declined	Submitted request for in kind donation of appliances for an ACT property in Wichita Falls.

Summary	
Total Received/Awarded	\$5,413,645
Total Pending	\$6,635,000
Total Under Discussion	\$1,550,000

Tab D

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T E X A S
State Affordable Housing Corporation

Quarterly Investment Report
May 31, 2018 – August 31, 2018

PATTERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

Trade, Tariffs and Turkey - Oh My!

Trade and its implications have dominated the news and the markets' focus this month. While the first quarter changes in tax policy have been universally hailed as a tailwind resulting in more robust household spending and business investment, trade policy was noted by Fed Chairman Powell as having potentially "significant negative effects" to domestic growth. This is particularly troubling amid an anticipated slowing pace of growth. Because of its impact, domestically the FOMC appears to be widening the pathway of uncertainty on policy rate hikes.

"For the second half of the year, [the FOMC] generally expected that GDP growth would likely slow from its second-quarter rate but would still exceed that of potential output." [FOMC Minutes]

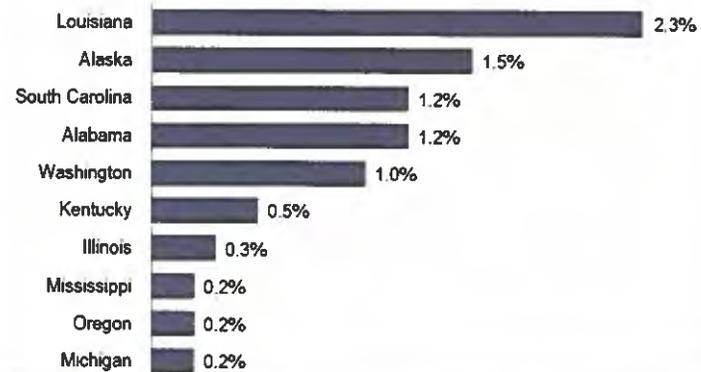
The month-end trade news is upbeat however. Mexico and the US have settled on a NAFTA preliminary rewrite. Mexico was anxious to complete the transaction before the new President takes office. The peso rallied on the news against a dollar that is battering other currencies. This news could be seen as a step towards more deals/compromises as the US moves to matters of trade with Canada, then Europe and finally on to China.

After the 1Q, the markets have generally ignored the daily trade kerfuffle but Turkey's currency collapse created significant turmoil globally hinting at hidden fears. The volatility created was extreme and has begun to stabilize but not the rout in Turkish assets and debt. Investors feared contagion from Turkey's financial crisis would spread to other emerging markets. Italian and Spanish bank stocks fell precipitously and stand precariously. Like many emerging markets, 50% of Turkey's debt is denominated in USD. The Turkish 10-year remains 2% higher on the risk. This same situation could easily spread to other emerging markets.

The US dollar's strength is built on our economic strength and our attractive rates. It challenges our exporters but even more directly challenges other currencies. China has been actively supporting its yuan by central bank positioning like lessening reserve rates but the yuan remains down 5.3% on the year. This may influence its willingness to compromise on trade and tariffs.



States that will be most affected by Chinese tariffs, by % of GDP



Domestically Strong but Moderating

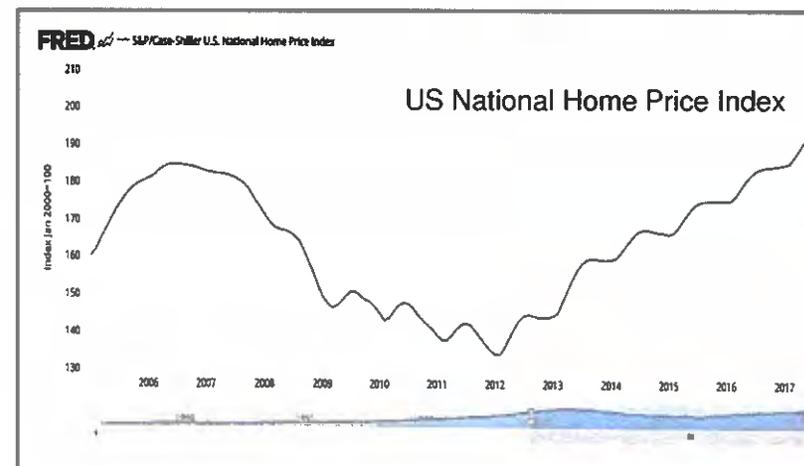
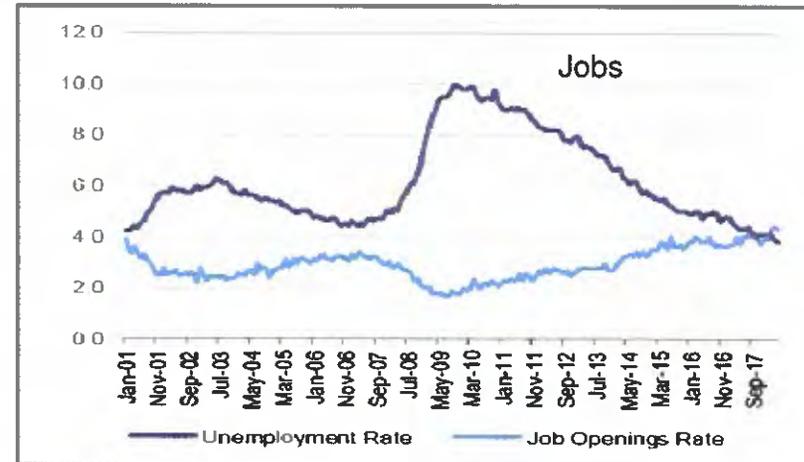
The trade situation and its uncertainty has definitely driven global funds on a flight to quality in Treasuries, however, there is a major divergence in the outlook between US equities and bonds. The stocks have hit all-time highs and continue to soar on strong earnings, tax cuts and economic growth. This month marked the start of the longest running bull market in stocks on record. Bonds on the other hand are range bound.

The view of the equities on the economy are based on a continuing growth, but the strength shown in 1Q has definitely moderated. It's not weak – just not strong. Even if the second half of 2018 has GDP reduced to 3% (from the latest 4.1%), it is still the best GDP since 2005 however.

Housing is the weakest sector of the economy and its has such a broad ripple effect it must be watched closely. Housing starts are down based on rising mortgage rates, home prices and a low inventory of homes. The raw material and worker costs for builders are up and reflected in the prices.

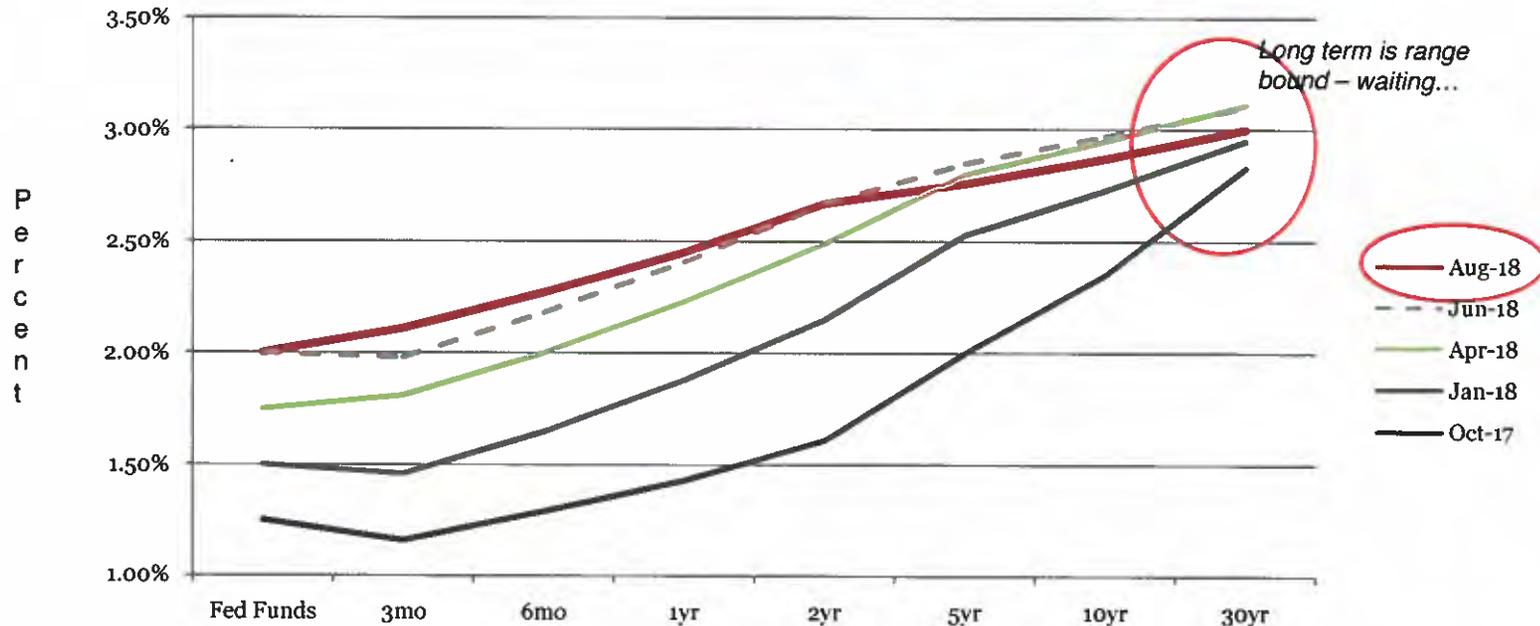
The consumer isn't slowing nonetheless. Retail sales have bounced above expectations up 6.4% YOY on apparel and food. She has also ramped up on cars and restaurant visits. This spending and confidence should continue with jobs and increased wages. A rebound in confidence has taken us to a 17-year high! Fortunately the consumer is also saving more. Savings have grown 6.7% (from 4.2%). Too continue these trends we need job growth and wage pressure, which is not currently in the picture. Expected slowdowns in manufacturing have not appeared, which could impact jobs.

At the Jackson Hole Economic Forum, Fed Chair Powell had confidence too and didn't point to a slowing economy but clearly the Committee is moving to a more "gradual" rate increase playbook, which will remain domestically data dependent .



The Flattening Curve

- Fears of an inverted curve remain. The multiyear flattening trend began as the Fed started to raise short-term rates in its pursuit of normalized monetary policy. Historically, when the yield curve has been flattening, it has often been an indicator of a weakening economy and in many cases portended an impending recession.
- This flattening however may not be foreshadowing a near-term recession risk, as it is being heavily influenced by global central bank actions and economic activity hasn't shown any indication of slowing.
- Other countries are keeping rates low – and bringing investors to the US. The ECB has held its short-term deposit rate at negative 0.40% for several years and will probably hold it there through the summer of 2019.
- Even though the 10-year U.S. Treasury is yielding only 2.82%, that yield appears quite attractive compared to Germany's 10-year bond at 0.34%. Until their rates increase and inflation kicks in demonstrably the shape is unlikely to change.



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

Texas State Affordable Housing Corporation

Quarterly Investment Report
 May 31, 2018 – August 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 May 31, 2018</u>		<u>Portfolio as of August 31, 2018</u>	
Beginning Book Value	\$ 15,605,130	Ending Book Value	\$ 18,172,592
Beginning Market Value	\$ 15,573,267	Ending Market Value	\$ 18,145,799
Unrealized Gain/Loss	\$ (31,863)	Investment Income for the period	\$ 73,991
		Unrealized Gain/Loss	\$ (26,793)
		Change in Unrealized Gain/Loss	\$ 5,070
WAM at Beginning Period Date ¹	177 days	WAM at Ending Period Date ¹	201 days
		Change in Market Value	\$

Average Yield to Maturity for period	1.862%
Average Yield 3 month Treasury bill for period	2.000%
Average Yield 6 month Treasury bill for period	2.180%



 Ms. Melinda Smith, CFO
 Texas State Affordable Housing Corporation



 Mr. Nick Lawrence, Controller
 Texas State Affordable Housing Corporation



 Mr. David Long, President
 Texas State Affordable Housing Corporation



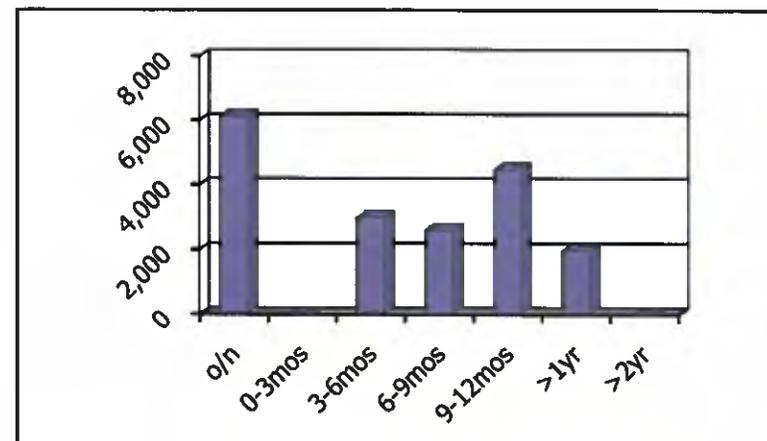
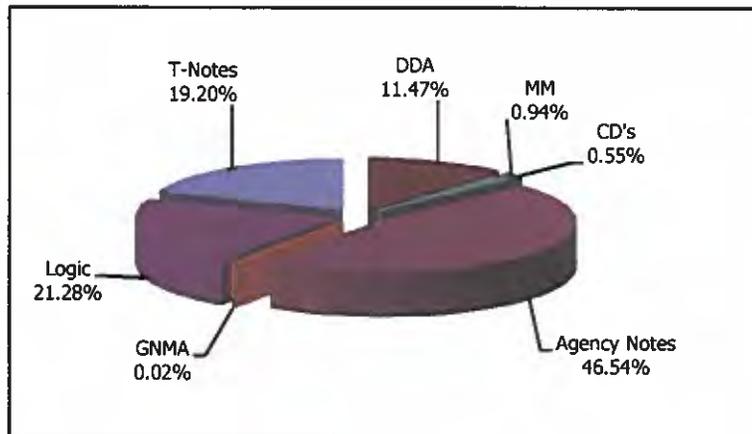
 Ms. Linda Patterson, President
 Patterson & Associates, Registered Investment Advisor

¹ WAM, represents weighted average maturity.

Your Portfolio

As of August 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 graphs below show asset allocations by market sector and by maturity. They do reflect our anticipation of another rate increase in September – and perhaps one in December – which keeps the portfolios slightly shorter overall.
- Your net yield of 1.86% compared to some basic benchmarks generated additional quarterly earnings of:
 - Q 3 mo. T-Bill \$ (5,873.24)
 - Q 6 mo. T-Bill \$ (13,557.44)
 - Q 1 yr T-Bill \$ (22,522.33)





**Texas State Affordable Housing
Portfolio Management
Portfolio Summary
August 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	8,500,000.00	8,432,422.00	8,456,448.77	46.53	495	350	2.270
Treasury Coupon Securities	3,500,000.00	3,486,250.00	3,489,449.37	19.20	364	185	2.087
Pass Through Securities (GNMA)	4,122.13	4,555.18	4,122.13	0.02	8,646	5,893	5.971
LOGIC	3,867,246.81	3,867,246.81	3,867,246.81	21.28	1	1	2.184
FHLB Dallas-Money Fund	118,364.66	118,364.66	118,364.66	0.65	1	1	1.912
MM Funds/NOW Accounts	52,347.05	52,347.05	52,347.05	0.29	1	1	0.450
CD's - Interest mo/qtrly/annually	100,464.08	100,464.08	100,464.08	0.55	365	245	0.250
Bank Accounts	2,084,149.40	2,084,149.40	2,084,149.40	11.47	1	1	0.000
Investments	18,226,694.13	18,145,799.18	18,172,592.27	100.00%	305	201	1.939
Cash and Accrued Interest							
Accrued Interest at Purchase		10,809.98	10,809.98				
Subtotal		10,809.98	10,809.98				
Total Cash and Investments	18,226,694.13	18,156,609.16	18,183,402.25		305	201	1.939

Total Earnings	August 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	26,727.13	179,275.78	179,275.78

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 10/2018
Melinda Smith, Chief Financial Officer

Reporting period 08/01/2018-08/31/2018
Data Updated: SET_TSAH 09/14/2018 10:55
Run Date: 09/14/2018 - 10:55

Portfolio TSAH
AP
PM (PRF_PM1) 7.3.0
Report Ver 7.3.6.1



**Texas State Affordable Housing
 Summary by Type
 August 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	1	52,347.05	52,347.05	0.29	0.450	1
Bank Accounts	1	2,084,149.40	2,084,149.40	11.47	0.000	1
FHLB Dallas-Money Fund	1	118,364.66	118,364.66	0.65	1.912	1
Federal Agency Coupon Securities	5	8,500,000.00	8,456,448.77	46.53	2.270	350
Pass Through Securities (GNMA)	1	4,122.13	4,122.13	0.02	5.971	5,893
LOGIC	1	3,867,246.81	3,867,246.81	21.28	2.184	1
CD's - Interest mo/qtrly/annually	1	100,464.08	100,464.08	0.55	0.250	245
Treasury Coupon Securities	3	3,500,000.00	3,489,449.37	19.20	2.087	185
Subtotal	14	18,226,694.13	18,172,592.27	99.99	1.939	201
Total and Average	14	18,226,694.13	18,172,592.27	100.00	1.939	201



**Texas State Affordable Housing
Fund GENERAL - General Investments
Investments by Fund
August 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 Date	Days To Maturity
Federal Agency Coupon Securities											
3130ADVE9	224	FHLB Note	04/04/2018	1,999,677.23	2,000,000.00	1,998,014.00	2.125	2.124	2.154	03/21/2019	201
3130ADG22	227	FHLB Call Note	08/24/2018	1,985,971.54	2,000,000.00	1,985,300.00	2.090	2.587	2.622	01/23/2020	509
3134GABN3	209	FHLMC Call Note	08/23/2016	1,000,000.00	1,000,000.00	988,285.00	1.300	1.256	1.274	08/23/2019	356
3134G9G84	223	FHLMC Call Note	03/14/2018	1,000,000.00	1,000,000.00	989,383.00	1.100	2.199	2.230	06/28/2019	300
3134GAFY5	228	FHLMC Call Note	08/31/2018	2,470,800.00	2,500,000.00	2,471,440.00	1.300	2.465	2.499	08/28/2019	361
Subtotal and Average				8,456,448.77	8,500,000.00	8,432,422.00		2.239	2.270		350
Treasury Coupon Securities											
912828S03	220	T Note	02/06/2018	498,610.72	500,000.00	497,988.50	1.250	1.900	1.926	01/31/2019	152
912828C24	222	T Note	03/01/2018	2,492,901.14	2,500,000.00	2,490,625.00	1.500	2.056	2.084	02/28/2019	180
912828D23	225	T Note	04/23/2018	497,937.51	500,000.00	497,636.50	1.625	2.229	2.260	04/30/2019	241
Subtotal and Average				3,489,449.37	3,500,000.00	3,486,250.00		2.059	2.087		184
Pass Through Securities (GNMA)											
36201LFC3	100	G2 586163 Mtge	02/17/2011	4,122.13	4,122.13	4,555.18	5.990	5.889	5.971	10/20/2034	5,893
Subtotal and Average				4,122.13	4,122.13	4,555.18		5.889	5.971		5,893
LOGIC											
5010	213	Logic	11/16/2016	3,867,246.81	3,867,246.81	3,867,246.81	2.184	2.154	2.184		1
Subtotal and Average				3,867,246.81	3,867,246.81	3,867,246.81		2.154	2.184		1
FHLB Dallas-Money Fund											
999999995	9002	FHLB Money Market Fund	09/01/2006	118,364.66	118,364.66	118,364.66	1.912	1.885	1.911		1
Subtotal and Average				118,364.66	118,364.66	118,364.66		1.885	1.912		1
MM Funds/NOW Accounts											
3051137	175	Crockett National Bank	09/21/2015	52,347.05	52,347.05	52,347.05	0.450	0.443	0.450		1
Subtotal and Average				52,347.05	52,347.05	52,347.05		0.444	0.450		1
CD's - Interest mo/qtrly/annually											
4016000455A	226	Texas Capital Bank CD	05/04/2018	100,464.08	100,464.08	100,464.08	0.250	0.246	0.250	05/04/2019	245

**Fund GENERAL - General Investments
Investments by Fund
August 31, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 385	Maturity Days To Date Maturity
Subtotal and Average				100,464.08	100,464.08	100,464.08		0.247	0.250	245
Bank Accounts										
591359967	69	Frost Bank Checking	03/05/2010	2,084,149.40	2,084,149.40	2,084,149.40				1
Subtotal and Average				2,084,149.40	2,084,149.40	2,084,149.40		0.000	0.000	1
Total Investments and Average				18,172,592.27	18,226,694.13	18,145,799.18		1.912	1.939	201



**Texas State Affordable Housing
Cash Reconciliation Report
For the Period June 1, 2018 - August 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
General Investments											
06/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	23.34	24.09	47.43
06/28/2018	223	GENERAL	Interest	3134G9G84	1,000,000.00	FHLMCC 1.0M 1.10% Mat.	06/28/2019	0.00	5,500.00	0.00	5,500.00
07/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	23.22	505.69	528.91
07/31/2018	220	GENERAL	Interest	912828SD3	500,000.00	TNOTE 0.5M 1.25% Mat. 01/31/2019	01/31/2019	0.00	3,125.00	0.00	3,125.00
08/04/2018	226	GENERAL	Interest	4016000455A	100,400.80	TCBCD 0.1M 0.25% Mat. 05/04/2019	05/04/2019	0.00	63.28	0.00	63.28
08/04/2018	226	GENERAL	Interest	4016000455A	100,400.80	TCBCD 0.1M 0.25% Mat. 05/04/2019	05/04/2019	-63.28	0.00	0.00	-63.28
08/20/2018	100	GENERAL	Interest	36201LFC3	22,957.26	G25861 0.0M 5.99% Mat.	10/20/2034	0.00	20.70	23.85	44.55
08/23/2018	208	GENERAL	Interest	3134GACF9	1,000,000.00	FHLMCC 1.0M 1.10% Mat.	08/23/2018	0.00	5,500.00	0.00	5,500.00
08/23/2018	209	GENERAL	Interest	3134GABN3	1,000,000.00	FHLMCC 1.0M 1.30% Mat.	08/23/2019	0.00	6,500.00	0.00	6,500.00
08/23/2018	208	GENERAL	Maturity	3134GACF9	1,000,000.00	FHLMCC 1.0M 1.10% Mat.	08/23/2018	0.00	0.00	1,000,000.00	1,000,000.00
08/24/2018	227	GENERAL	Purchase	3130ADG22	2,000,000.00	FHLBC 2.0M 2.09% Mat. 01/23/2020	01/23/2020	-1,985,280.00	-3,599.44	0.00	-1,988,879.44
08/31/2018	221	GENERAL	Interest	912828RE2	2,500,000.00	TNOTE 2.5M 1.50% Mat. 08/31/2018	08/31/2018	0.00	18,750.00	0.00	18,750.00
08/31/2018	222	GENERAL	Interest	912828C24	2,500,000.00	TNOTE 2.5M 1.50% Mat. 02/28/2019	02/28/2019	0.00	18,750.00	0.00	18,750.00
08/31/2018	221	GENERAL	Maturity	912828RE2	2,500,000.00	TNOTE 2.5M 1.50% Mat. 08/31/2018	08/31/2018	0.00	0.00	2,500,000.00	2,500,000.00
08/31/2018	228	GENERAL	Purchase	3134GAFY5	2,500,000.00	FHLMCC 2.5M 1.30% Mat.	08/28/2019	-2,470,800.00	-270.83	0.00	-2,471,070.83
Subtotal								-4,456,143.28	54,385.27	3,500,553.63	-901,204.38
Total								-4,456,143.28	54,385.27	3,500,553.63	-901,204.38



**Texas State Affordable Housing
 Purchases Report
 Sorted by Fund - Fund
 June 1, 2018 - August 31, 2018**

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

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Investments													
3130ADG22	227	GENERAL	FAC	FHLBC	2,000,000.00	08/24/2018	01/23 - 07/23	1,985,280.00	3,599.44	2.090	01/23/2020	2.623	1,985,971.54
3134GAFY5	228	GENERAL	FAC	FHLMCC	2,500,000.00	08/31/2018	02/28 - 08/28	2,470,800.00	270.83	1.300	08/28/2019	2.500	2,470,800.00
				Subtotal	4,500,000.00			4,456,080.00	3,870.27				4,456,771.54
				Total Purchases	4,500,000.00			4,456,080.00	3,870.27				4,456,771.54



**Texas State Affordable Housing
Maturity Report
Sorted by Maturity Date
Amounts due during June 1, 2018 - August 31, 2018**

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

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
3134GACF9	208	GENERAL	FAC	FHLMCC	1,000,000.00	08/23/2018	08/23/2016	1.100	1,000,000.00	5,500.00	1,005,500.00	5,500.00
912828RE2	221	GENERAL	TRC	TNOTE	2,500,000.00	08/31/2018	03/01/2018	1.500	2,500,000.00	18,750.00	2,518,750.00	18,750.00
Total Maturities					3,500,000.00				3,500,000.00	24,250.00	3,524,250.00	24,250.00



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

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

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
3130ADVE9	224	GENERAL	FAC	2,000,000.00	1,999,531.99	1,999,606.45	03/21/2019	2.125	0.539	10,625.00	145.24	10,770.24
912828RE2	221	GENERAL	TRC	0.00	2,497,717.62	2,471,709.71	08/31/2018	1.500	0.468	9,273.10	2,282.38	11,555.48
912828SD3	220	GENERAL	TRC	500,000.00	497,769.85	498,194.86	01/31/2019	1.250	0.486	1,579.39	840.87	2,420.26
912828C24	222	GENERAL	TRC	2,500,000.00	2,489,272.84	2,491,106.71	02/28/2019	1.500	0.522	9,376.69	3,628.30	13,004.99
912828D23	225	GENERAL	TRC	500,000.00	497,150.17	497,548.12	04/30/2019	1.625	0.566	2,031.25	787.34	2,818.59
5010	213	GENERAL	RRP	3,867,246.81	2,546,472.48	3,812,653.96		2.184	0.545	20,774.33	0.00	20,774.33
999999995	9002	GENERAL	RR2	118,364.66	510,349.70	528,873.25		1.912	0.463	2,450.24	0.00	2,450.24
3130ADG22	227	GENERAL	FAC	2,000,000.00	0.00	172,670.63	01/23/2020	2.090	0.871	812.78	691.54	1,504.32
591359967	69	GENERAL	RR5	2,084,149.40	1,404,818.47	1,149,536.47				0.00	0.00	0.00
4016000455A	226	GENERAL	RR4	100,464.08	100,400.80	100,420.06	05/04/2019	0.250	0.063	63.29	0.00	63.29
3134GAFY5	228	GENERAL	FAC	2,500,000.00	0.00	26,856.52	08/28/2019	1.300		0.00	0.00	0.00
3134GACF9	208	GENERAL	FAC	0.00	1,000,000.00	902,173.91	08/23/2018	1.100	0.278	2,505.56	0.00	2,505.56
3134G9G84	223	GENERAL	FAC	1,000,000.00	1,000,000.00	1,000,000.00	06/28/2019	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	52,347.05	52,287.72	52,308.34		0.450	0.113	59.33	0.00	59.33
36201LFC3	100	GENERAL	GN1	4,122.13	4,675.76	4,417.18	10/20/2034	5.990	0.016	64.50	0.00	64.50
Subtotal				18,226,694.13	15,600,447.40	16,708,076.16			0.005	65,615.46	8,375.67	73,991.13
Fund: Wells Fargo - CDC												
999999994	0014	WELLS	RR5	0.00	4,682.50	508.97				0.00	0.00	0.00
Subtotal				0.00	4,682.50	508.97				0.00	0.00	0.00
Total				18,226,694.13	15,605,129.90	16,708,585.13			0.443	65,615.46	8,375.67	73,991.13



**Texas State Affordable Housing
Amortization Schedule
June 1, 2018 - August 31, 2018
Sorted By Fund - Fund**

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

Investment #	Maturity Date	Beginning Par Value					Amounts Amortized	Amount Amortized	Amt Amortized	Amount Unamortized
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	And Unamortized As of 06/01/2018	This Period	Through 08/31/2018	Through 08/31/2018
General Investments										
224 FHLB Note	GENERAL	03/21/2019	2,000,000.00 2.125	1,999,440.00	-560.00	1,999,677.23	91.99 -468.01	145.24	237.23	-322.77
227 FHLB Call Note	GENERAL	01/23/2020 01/23/2019	2,000,000.00 2.090	1,985,280.00	-14,720.00	1,985,971.54	0.00 -14,720.00	691.54	691.54	-14,028.46
208 FHLMC Call Note	GENERAL	08/23/2018 11/23/2016	1,000,000.00 1.100	1,000,300.00	300.00	0.00	-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	14,290.00 0.00	0.00	14,290.00	0.00
228 FHLMC Call Note	GENERAL	08/28/2019 11/28/2018	2,500,000.00 1.300	2,470,800.00	-29,200.00	2,470,800.00	0.00 -29,200.00	0.00	0.00	-29,200.00
220 T Note	GENERAL	01/31/2019	500,000.00 1.250	496,718.75	-3,281.25	498,610.72	1,051.10 -2,230.15	840.87	1,891.97	-1,389.28
221 T Note	GENERAL	08/31/2018	2,500,000.00 1.500	2,495,410.16	-4,589.84	0.00	2,307.46 -2,282.38	2,282.38	4,589.84	0.00
222 T Note	GENERAL	02/28/2019	2,500,000.00 1.500	2,485,644.53	-14,355.47	2,492,901.14	3,628.31 -10,727.16	3,628.30	7,256.61	-7,098.86
225 T Note	GENERAL	04/30/2019	500,000.00 1.625	496,816.41	-3,183.59	497,937.51	333.76 -2,849.83	787.34	1,121.10	-2,062.49
Subtotal				15,416,869.85	-83,130.15	11,945,898.14	20,652.62 -62,477.53	8,375.67	29,028.29	-54,101.86
Total				15,416,869.85	-83,130.15	11,945,898.14	20,652.62 -62,477.53	8,375.67	29,028.29	-54,101.86



**Texas State Affordable Housing
Projected Cashflow Report
Sorted by Monthly
For the Period September 1, 2018 - March 31, 2019**

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
September 2018										
09/21/2018	224	GENERAL	3130ADVE9	Interest	FHLB Note	0.00	0.00	0.00	21,250.00	21,250.00
09/28/2018	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 September 2018						1,000,000.00	985,710.00	1,000,000.00	21,250.00	1,021,250.00
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
November 2018										
11/23/2018	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
11/28/2018	228	GENERAL	3134GAFY5	Call	FHLMC Call Note	2,500,000.00	2,470,800.00	2,500,000.00	0.00	2,500,000.00
Total for November 2018						3,500,000.00	3,471,550.00	3,500,000.00	0.00	3,500,000.00
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
January 2019										
01/23/2019	227	GENERAL	3130ADG22	Interest	FHLB Call Note	0.00	0.00	0.00	20,900.00	20,900.00
01/23/2019	227	GENERAL	3130ADG22	Call	FHLB Call Note	2,000,000.00	1,985,280.00	2,000,000.00	0.00	2,000,000.00
01/31/2019	220	GENERAL	912828SD3	Maturity	T Note	500,000.00	496,718.75	500,000.00	3,125.00	503,125.00
Total for January 2019						2,500,000.00	2,481,998.75	2,500,000.00	24,025.00	2,524,025.00
February 2019										
02/23/2019	209	GENERAL	3134GABN3	Interest	FHLMC Call Note	0.00	0.00	0.00	6,500.00	6,500.00
02/28/2019	222	GENERAL	912828C24	Maturity	T Note	2,500,000.00	2,485,644.53	2,500,000.00	18,750.00	2,518,750.00
02/28/2019	228	GENERAL	3134GAFY5	Interest	FHLMC Call Note	0.00	0.00	0.00	16,250.00	16,250.00
Total for February 2019						2,500,000.00	2,485,644.53	2,500,000.00	41,500.00	2,541,500.00
March 2019										
03/21/2019	224	GENERAL	3130ADVE9	Maturity	FHLB Note	2,000,000.00	1,999,440.00	2,000,000.00	21,250.00	2,021,250.00
Total for March 2019						2,000,000.00	1,999,440.00	2,000,000.00	21,250.00	2,021,250.00
GRAND TOTALS:						11,500,000.00	11,424,343.28	11,500,000.00	117,587.50	11,617,587.50



**Texas State Affordable Housing
Texas Compliance Change in Val Report
Sorted by Fund
June 1, 2018 - August 31, 2018**

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

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: General Investments									
100	G25861	GENERAL	02/17/2011	64.50	4,675.76	0.00	553.63	-553.63	4,122.13
36201LFC3	4,122.13	5.971	10/20/2034	67.26	5,299.87	0.00	553.63	-744.69	4,555.18
175	CNB	GENERAL	09/21/2015	59.33	52,287.72	59.33	0.00	59.33	52,347.05
3051137	52,347.05	0.450	/ /	59.33	52,287.72	59.33	0.00	59.33	52,347.05
208	FHLMCC	GENERAL	08/23/2016	2,505.56	1,000,000.00	0.00	1,000,000.00	-1,000,000.00	0.00
3134GACF9	0.00	1.084	08/23/2018	5,500.00	997,828.00	0.00	1,000,000.00	-997,828.00	0.00
209	FHLMCC	GENERAL	08/23/2016	3,250.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134GABN3	1,000,000.00	1.274	08/23/2019	6,500.00	987,604.00	0.00	0.00	681.00	988,285.00
213	LOGIC	GENERAL	11/16/2016	20,774.33	2,546,472.48	2,320,774.33	1,000,000.00	1,320,774.33	3,867,246.81
5010	3,867,246.81	2.184	/ /	20,774.33	2,546,472.48	2,320,774.33	1,000,000.00	1,320,774.33	3,867,246.81
220	TNOTE	GENERAL	02/06/2018	1,579.39	497,769.85	0.00	0.00	840.87	498,610.72
912828SD3	500,000.00	1.926	01/31/2019	3,021.41	496,933.50	0.00	0.00	1,055.00	497,988.50
221	TNOTE	GENERAL	03/01/2018	9,273.10	2,497,717.62	0.00	2,500,000.00	-2,497,717.62	0.00
912828RE2	0.00	1.872	08/31/2018	18,648.10	2,497,175.00	0.00	2,500,000.00	-2,497,175.00	0.00
222	TNOTE	GENERAL	03/01/2018	9,376.69	2,489,272.84	0.00	0.00	3,628.30	2,492,901.14
912828C24	2,500,000.00	2.084	02/28/2019	18,648.10	2,486,817.50	0.00	0.00	3,807.50	2,490,625.00
223	FHLMCC	GENERAL	03/14/2018	2,750.00	1,000,000.00	0.00	0.00	0.00	1,000,000.00
3134G9G84	1,000,000.00	2.230	06/28/2019	3,177.78	987,231.00	0.00	0.00	2,152.00	989,383.00
224	FHLB	GENERAL	04/04/2018	10,625.00	1,999,531.99	0.00	0.00	145.24	1,999,677.23
3130ADVE9	2,000,000.00	2.154	03/21/2019	0.00	1,998,218.00	0.00	0.00	-204.00	1,998,014.00
225	TNOTE	GENERAL	04/23/2018	2,031.25	497,150.17	0.00	0.00	787.34	497,937.51
912828D23	500,000.00	2.260	04/30/2019	0.00	497,148.50	0.00	0.00	488.00	497,636.50

Portfolio TSAH

Texas State Affordable Housing
Texas Compliance Change in Val Report
June 1, 2018 - August 31, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrual	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
226	TCBCD	GENERAL	05/04/2018	63.29	100,400.80	63.28	0.00	63.28	100,464.08
4016000455A	100,464.08	0.250	05/04/2019	63.28	100,400.80	63.28	0.00	63.28	100,464.08
227	FHLBC	GENERAL	08/24/2018	812.78	0.00	1,985,280.00	0.00	1,985,971.54	1,985,971.54
3130ADG22	2,000,000.00	2.622	01/23/2020	0.00	0.00	1,985,280.00	0.00	1,985,300.00	1,985,300.00
228	FHLMCC	GENERAL	08/31/2018	0.00	0.00	2,470,800.00	0.00	2,470,800.00	2,470,800.00
3134GAFY5	2,500,000.00	2.499	08/28/2019	0.00	0.00	2,470,800.00	0.00	2,471,440.00	2,471,440.00
69	FBC	GENERAL	03/05/2010	0.00	1,404,818.47	9,263,883.70	8,584,552.77	679,330.93	2,084,149.40
591359967	2,084,149.40	0.000	/ /	0.00	1,404,818.47	9,263,883.70	8,584,552.77	679,330.93	2,084,149.40
83	ACBMM	GENERAL	10/20/2010	0.00	0.00	0.00	0.00	0.00	0.00
5001506	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
9002	FHLBMM	GENERAL	09/01/2006	2,450.24	510,349.70	1,439,477.08	1,831,462.12	-391,985.04	118,364.66
999999995	118,364.66	1.911	/ /	2,450.24	510,349.70	1,439,477.08	1,831,462.12	-391,985.04	118,364.66
Sub Totals For: Fund: General Investments				65,615.46	15,600,447.40	17,480,337.72	14,916,568.52	2,572,144.87	18,172,592.27
				78,909.83	15,568,584.54	17,480,337.72	14,916,568.52	2,577,214.64	18,145,799.18
Fund: Wells Fargo - CDC									
0014	WELLS	WELLS	09/01/2006	0.00	4,682.50	0.00	4,682.50	-4,682.50	0.00
999999994	0.00	0.000	/ /	0.00	4,682.50	0.00	4,682.50	-4,682.50	0.00
Sub Totals For: Fund: Wells Fargo - CDC				0.00	4,682.50	0.00	4,682.50	-4,682.50	0.00
				0.00	4,682.50	0.00	4,682.50	-4,682.50	0.00
Report Grand Totals:				65,615.46	15,605,129.90	17,480,337.72	14,921,251.02	2,567,462.37	18,172,592.27
				78,909.83	15,573,267.04	17,480,337.72	14,921,251.02	2,572,532.14	18,145,799.18



**Quarterly Investment Report
Surplus Funds**

May 31, 2018 – August 31, 2018

PATTERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

Trade, Tariffs and Turkey - Oh My!

Trade and its implications have dominated the news and the markets' focus this month. While the first quarter changes in tax policy have been universally hailed as a tailwind resulting in more robust household spending and business investment, trade policy was noted by Fed Chairman Powell as having potentially "significant negative effects" to domestic growth. This is particularly troubling amid an anticipated slowing pace of growth. Because of its impact, domestically the FOMC appears to be widening the pathway of uncertainty on policy rate hikes.

"For the second half of the year, [the FOMC] generally expected that GDP growth would likely slow from its second-quarter rate but would still exceed that of potential output." {FOMC Minutes}

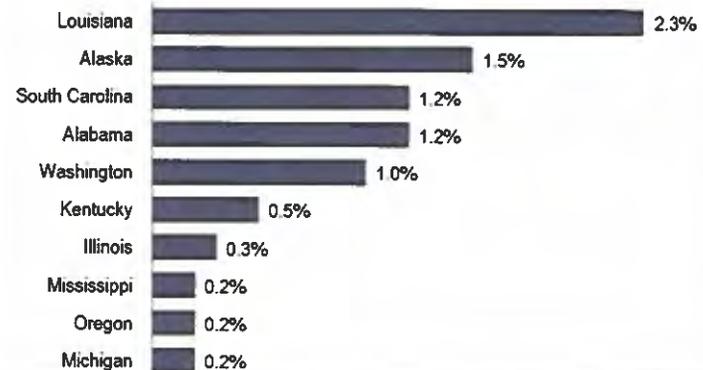
The month-end trade news is upbeat however. Mexico and the US have settled on a NAFTA preliminary rewrite. Mexico was anxious to complete the transaction before the new President takes office. The peso rallied on the news against a dollar that is battering other currencies. This news could be seen as a step towards more deals/compromises as the US moves to matters of trade with Canada, then Europe and finally on to China.

After the 1Q, the markets have generally ignored the daily trade kerfuffle but Turkey's currency collapse created significant turmoil globally hinting at hidden fears. The volatility created was extreme and has begun to stabilize but not the rout in Turkish assets and debt. Investors feared contagion from Turkey's financial crisis would spread to other emerging markets. Italian and Spanish bank stocks fell precipitously and stand precariously. Like many emerging markets, 50% of Turkey's debt is denominated in USD. The Turkish 10-year remains 2% higher on the risk. This same situation could easily spread to other emerging markets.

The US dollar's strength is built on our economic strength and our attractive rates. It challenges our exporters but even more directly challenges other currencies. China has been actively supporting its yuan by central bank positioning like lessening reserve rates but the yuan remains down 5.3% on the year. This may influence its willingness to compromise on trade and tariffs.



States that will be most affected by Chinese tariffs, by % of GDP



Domestically Strong but Moderating

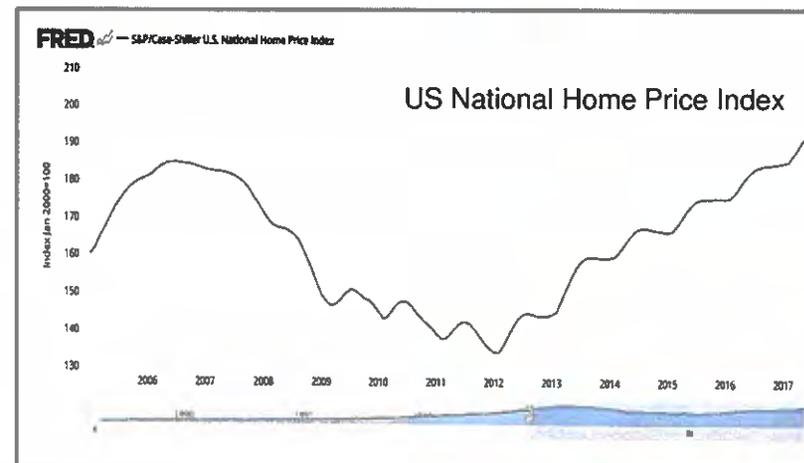
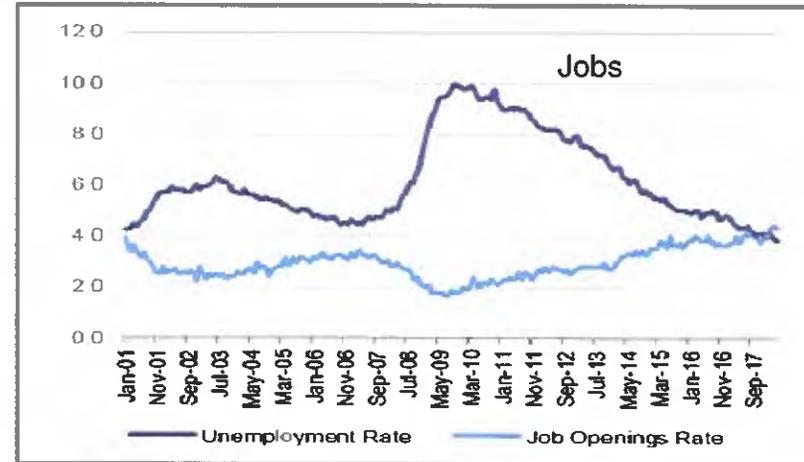
The trade situation and its uncertainty has definitely driven global funds on a flight to quality in Treasuries, however, there is a major divergence in the outlook between US equities and bonds. The stocks have hit all-time highs and continue to soar on strong earnings, tax cuts and economic growth. This month marked the start of the longest running bull market in stocks on record. Bonds on the other hand are range bound.

The view of the equities on the economy are based on a continuing growth, but the strength shown in 1Q has definitely moderated. It's not weak – just not strong. Even if the second half of 2018 has GDP reduced to 3% (from the latest 4.1%), it is still the best GDP since 2005 however.

Housing is the weakest sector of the economy and its has such a broad ripple effect it must be watched closely. Housing starts are down based on rising mortgage rates, home prices and a low inventory of homes. The raw material and worker costs for builders are up and reflected in the prices.

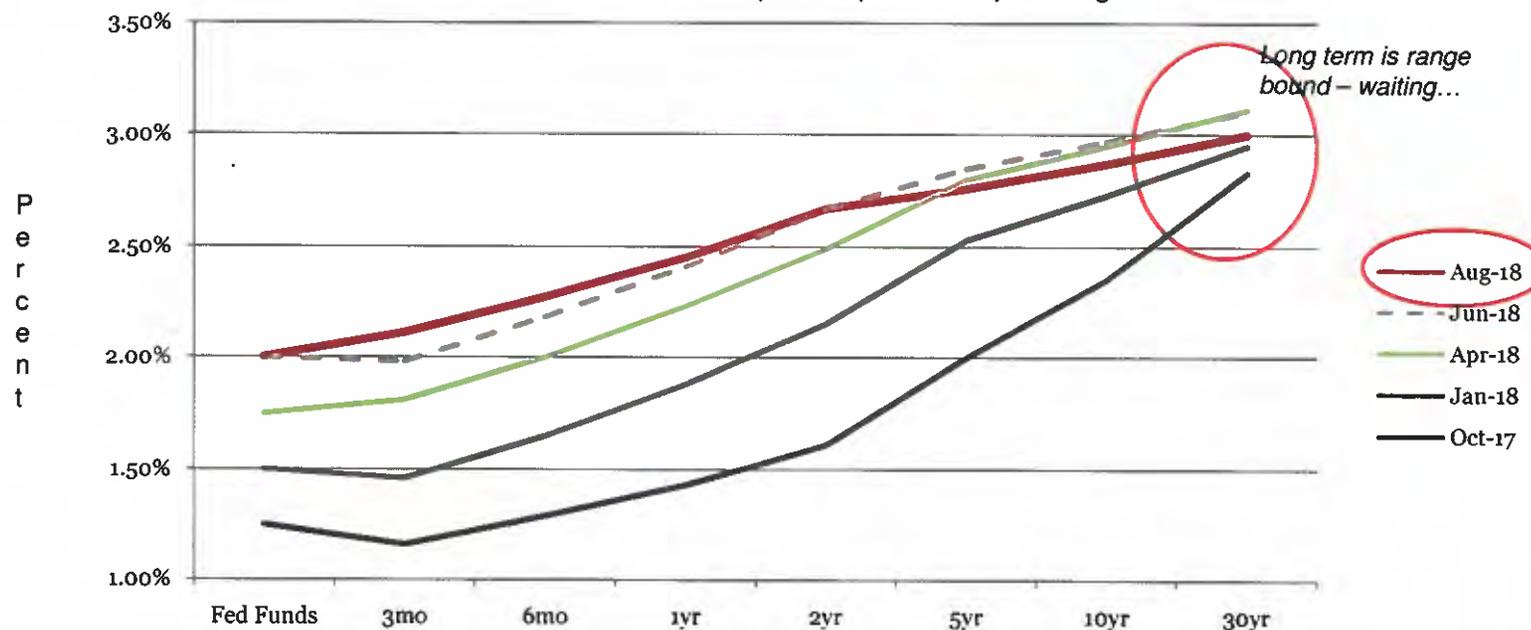
The consumer isn't slowing nonetheless. Retail sales have bounced above expectations up 6.4% YOY on apparel and food. She has also ramped up on cars and restaurant visits. This spending and confidence should continue with jobs and increased wages. A rebound in confidence has taken us to a 17-year high! Fortunately the consumer is also saving more. Savings have grown 6.7% (from 4.2%). Too continue these trends we need job growth and wage pressure, which is not currently in the picture. Expected slowdowns in manufacturing have not appeared, which could impact jobs.

At the Jackson Hole Economic Forum, Fed Chair Powell had confidence too and didn't point to a slowing economy but clearly the Committee is moving to a more "gradual" rate increase playbook, which will remain domestically data dependent .



The Flattening Curve

- Fears of an inverted curve remain. The multiyear flattening trend began as the Fed started to raise short-term rates in its pursuit of normalized monetary policy. Historically, when the yield curve has been flattening, it has often been an indicator of a weakening economy and in many cases portended an impending recession.
- This flattening however may not be foreshadowing a near-term recession risk, as it is being heavily influenced by global central bank actions and economic activity hasn't shown any indication of slowing.
- Other countries are keeping rates low – and bringing investors to the US. The ECB has held its short-term deposit rate at negative 0.40% for several years and will probably hold it there through the summer of 2019.
- Even though the 10-year U.S. Treasury is yielding only 2.82%, that yield appears quite attractive compared to Germany's 10-year bond at 0.34%. Until their rates increase and inflation kicks in demonstrably the shape is unlikely to change.



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

*Texas State Affordable Housing Corporation
Surplus Funds*

Quarterly Investment Report
May 31, 2018 – August 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).

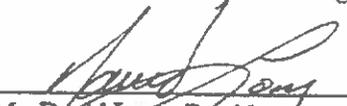
<u>Portfolio as of May 31, 2018</u>		<u>Portfolio as of August 31, 2018</u>	
Beginning Book Value	\$ 4,938,908	Ending Book Value	\$ 4,585,306
Beginning Market Value	\$ 5,312,915	Ending Market Value	\$ 4,881,100
Unrealized Gain/Loss	\$ 374,007	Investment Income for the period	\$ 66,631
		Unrealized Gain/Loss	\$ 295,794
		Change in Unrealized Gain/Loss	\$ (78,213)
WAM at Beginning Period Date ¹	7,052 days	WAM at Ending Period Date ¹	6,943 days
		Change in Market Value	\$ (431,815)
	Average Yield to Maturity for period		5.746%
	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

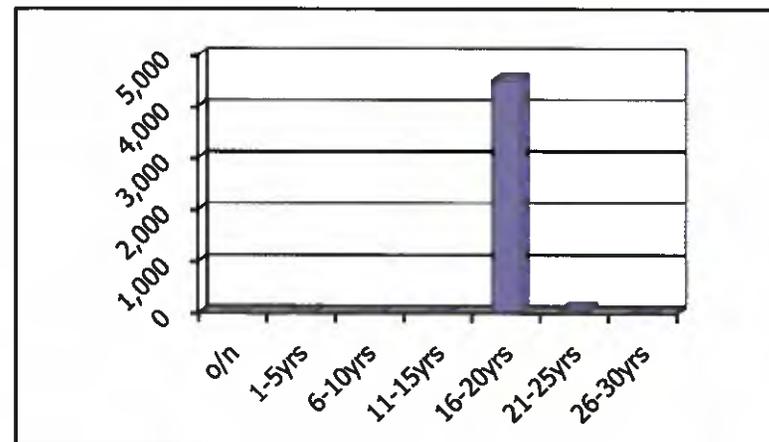
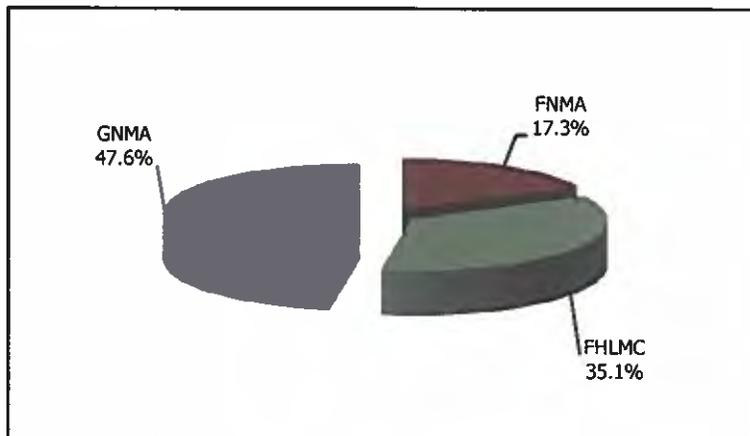
¹ WAM, represents weighted average maturity.

Your Portfolio

As of August 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 graphs below show asset allocations by market sector and by maturity. They do reflect our anticipation of another rate increase in September – and perhaps one in December – which keeps the portfolios slightly shorter overall.
- The non-cash portion of your portfolio is yielding 5.739%.





**Texas State Affordable Housing - Surplus Funds
Portfolio Management
Portfolio Summary
August 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)	2,181,481.27	2,337,662.52	2,181,481.27	47.58	7.533	7,028	5.821
Pass Through Securities (FNMA)	793,626.66	812,707.13	793,626.66	17.31	7.539	6,558	5.492
Pass Through Securities (FHLMC)	1,610,198.51	1,730,729.86	1,610,198.51	35.12	7.573	7,017	5.751
Investments	4,585,306.44	4,881,099.51	4,585,306.44	100.00%	7,548	6,943	5.739

Total Earnings	August 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	22,134.76	290,347.54	290,347.54

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


 _____ 10/2018
 Melinda Smith, Chief Financial Officer



**Texas St Aff Housing - Surplus
 Summary by Type
 August 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	1,610,198.51	1,610,198.51	35.12	5.751	7,017
Pass Through Securities (FNMA)	17	793,626.66	793,626.66	17.31	5.492	6,558
Pass Through Securities (GNMA)	46	2,181,481.27	2,181,481.27	47.58	5.821	7,028
Subtotal	91	4,585,306.44	4,585,306.44	100.01	5.739	6,943
Total and Average	91	4,585,306.44	4,585,306.44	100.00	5.739	6,943



**Texas St Aff Housing - Surplus
Fund GENERAL - General Investments
Investments by Fund
August 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 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.521	5.598	06/20/2038 7,232
36296GL74	246	G2 690750 Mtge	09/28/2017	26,165.72	26,165.72	28,035.76	6.000	5.862	5.943	05/20/2038 7,201
36202XEM5	193	G2 612240 Mtge	09/28/2016	63,423.91	63,423.91	67,644.78	5.750	5.614	5.692	11/20/2036 6,655
36295WR82	234	G2 682811 Mtge	09/28/2017	108,184.04	108,184.04	117,100.53	6.100	5.959	6.042	12/20/2037 7,050
36295X5K7	237	G2 684050 Mtge	09/28/2017	0.00	0.00	0.00	6.100	5.959	6.042	01/20/2038 7,081
36295YLC5	239	G2 684423 Mtge	09/28/2017	85,962.95	85,962.95	93,046.56	6.100	5.959	6.042	12/20/2037 7,050
36201XSZ2	172	G2 606366 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.362	5.437	03/20/2036 6,410
36201XTW8	173	G2 606365 Mtge	08/27/2015	108,594.85	108,594.85	115,265.29	5.490	5.363	5.437	05/20/2036 6,471
36202TUK0	178	G2 609086 Mtge	06/28/2016	81,153.36	81,153.36	86,138.74	5.490	5.359	5.434	11/20/2036 6,655
36202XDG9	174	G2 612203 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.363	5.438	08/20/2036 6,563
36290YB64	179	G2 621161 Mtge	06/28/2016	0.00	0.00	0.00	5.490	5.359	5.434	11/20/2036 6,655
36290YDR6	188	G2 621212 Mtge	06/28/2016	29,609.17	29,609.17	31,577.51	5.750	5.616	5.694	04/20/2037 6,806
36290YB23	187	G2 621157 Mtge	06/28/2016	48,041.17	48,041.17	51,238.03	5.750	5.615	5.693	12/20/2036 6,685
36290YCF3	184	G2 621170 Mtge	06/28/2016	126,775.83	126,775.83	135,035.79	5.750	5.615	5.693	01/20/2037 6,716
36296BYN6	242	G2 686617 Mtge	09/28/2017	57,354.00	57,354.00	61,453.07	6.000	5.861	5.943	03/20/2038 7,140
36296N4B9	248	G2 696618 Mtge	09/28/2017	90,224.95	90,224.95	96,673.39	6.000	5.863	5.944	08/20/2038 7,293
36295KCH4	194	G2 672472 Mtge	09/28/2016	98,949.84	98,949.84	105,536.38	5.750	5.617	5.695	12/20/2037 7,050
36295KDR1	195	G2 672512 Mtge	09/28/2016	0.00	0.00	0.00	5.750	5.617	5.695	11/20/2037 7,020
36295MNM7	213	G2 674596 Mtge	04/27/2017	31,054.68	31,054.68	33,059.91	5.650	5.519	5.596	09/20/2037 6,959
36295MS34	204	G2 674738 Mtge	01/30/2017	56,461.81	56,461.81	60,185.38	5.750	5.610	5.688	08/20/2037 6,928
36295QT26	214	G2 677469 Mtge	04/27/2017	68,875.19	68,875.19	73,322.25	5.650	5.519	5.596	10/20/2037 6,989
36295UGS4	229	G2 680709 Mtge	09/28/2017	77,133.03	77,133.03	82,643.32	6.000	5.861	5.942	12/20/2037 7,050
36295ULD1	230	G2 680824 Mtge	09/28/2017	0.00	0.00	0.00	6.000	5.860	5.942	12/20/2037 7,050
36295USM4	231	G2 681024 Mtge	09/28/2017	111,317.74	111,317.74	120,492.13	6.100	5.959	6.041	11/20/2037 7,020
36295WNR4	232	G2 682700 Mtge	09/28/2017	43,757.44	43,757.44	46,885.05	6.000	5.861	5.942	01/20/2038 7,081
36295WR74	233	G2 682810 Mtge	09/28/2017	32,617.99	32,617.99	34,949.06	6.000	5.861	5.942	01/20/2038 7,081
36295X3E3	215	G2 683997 Mtge	04/27/2017	32,345.88	32,345.88	34,434.14	5.650	5.520	5.597	01/20/2038 7,081
36295X3F0	235	G2 683997 Mtge	09/28/2017	97,191.95	97,191.95	105,202.07	6.100	5.959	6.042	01/20/2038 7,081
36295X3J2	236	G2 684001 Mtge	09/28/2017	74,298.51	74,298.51	79,607.10	6.000	5.861	5.942	02/20/2038 7,112
36295YHV8	238	G2 684344 Mtge	09/28/2017	0.00	0.00	0.00	6.100	5.960	6.042	02/20/2038 7,112
36295YLM3	216	G2 684432 Mtge	04/27/2017	91,449.31	91,449.31	97,357.79	5.650	5.520	5.597	02/20/2038 7,112

Portfolio TSSF

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**Fund GENERAL - General Investments
Investments by Fund
August 31, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
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	7,112
36296AUJ1	217	G2 685585 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.521	5.597	03/20/2038	7,140
36296BWF5	241	G2 686546 Mtge	09/28/2017	73,837.11	73,837.11	79,113.49	6.000	5.862	5.943	04/20/2038	7,171
36296BYJ5	218	G2 686613 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.521	5.597	04/20/2038	7,171
36296DVF2	219	G2 688314 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.521	5.598	05/20/2038	7,201
36296GK42	205	G2 690715 Mtge	01/30/2017	54,270.11	54,270.11	57,882.93	5.750	5.613	5.691	06/20/2038	7,232
36296K7L0	247	G2 693999 Mtge	09/28/2017	73,715.94	73,715.94	79,780.16	6.100	5.961	6.044	07/20/2038	7,262
36296N4X1	206	G2 696638 Mtge	01/30/2017	0.00	0.00	0.00	5.750	5.613	5.691	08/20/2038	7,293
36296PBA8	207	G2 696733 Mtge	01/30/2017	61,554.53	61,554.53	65,528.70	5.650	5.514	5.591	07/20/2038	7,262
36296RNP8	208	G2 698898 Mtge	01/30/2017	66,620.41	66,620.41	71,053.61	5.750	5.613	5.691	08/20/2038	7,293
36296TFG3	249	G2 700467 Mtge	09/28/2017	0.00	0.00	0.00	6.100	5.962	6.044	10/20/2038	7,354
36296TKE2	250	G2 700593 Mtge	09/28/2017	83,518.34	83,518.34	90,402.87	6.100	5.962	6.044	10/20/2038	7,354
36296DVK1	243	G2 688318 Mtge	09/28/2017	42,228.09	42,228.09	45,240.93	6.000	5.862	5.943	05/20/2038	7,201
36296DWW6	244	G2 688360 Mtge	09/28/2017	0.00	0.00	0.00	6.000	5.862	5.943	05/20/2038	7,201
36296DWX2	245	G2 688362 Mtge	09/28/2017	84,793.42	84,793.42	91,775.80	6.100	5.960	6.043	05/20/2038	7,201
Subtotal and Average				2,181,481.27	2,181,481.27	2,337,862.52		5.741	5.821		7,027
Pass Through Securities (FNMA)											
31410UYT3	183	FN 898122 Mtge	06/28/2016	64,558.39	64,558.39	66,025.38	5.750	5.601	5.679	09/01/2036	6,575
31409XNJ4	161	FN 881593 Mtge	08/27/2015	43,808.41	43,808.41	44,446.57	5.490	5.350	5.424	04/01/2036	6,422
31410MJP6	162	FN 891370 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.350	5.424	04/01/2036	6,422
31410MW89	163	FN 891771 Mtge	08/27/2015	124,395.87	124,395.87	128,426.67	5.490	5.350	5.425	05/01/2036	6,452
31410SAG2	164	FN 895607 Mtge	08/27/2015	56,296.51	56,296.51	57,531.13	5.490	5.350	5.425	05/01/2036	6,452
31410SWN3	165	FN 896253 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.351	5.425	06/01/2036	6,483
31410VWZ9	175	FN 898964 Mtge	06/28/2016	62,457.29	62,457.29	63,833.46	5.490	5.346	5.420	09/01/2036	6,575
31410VW22	185	FN 898965 Mtge	06/28/2016	83,872.29	83,872.29	86,103.62	5.750	5.602	5.680	11/01/2036	6,636
31410TNQ4	166	FN 896899 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.351	5.425	06/01/2036	6,483
31410UY55	167	FN 898121 Mtge	08/27/2015	91,660.96	91,660.96	93,905.90	5.490	5.351	5.425	07/01/2036	6,513
31410VW71	168	FN 898970 Mtge	08/27/2015	42,421.26	42,421.26	43,039.68	5.490	5.351	5.425	07/01/2036	6,513
31411CMA6	169	FN 904053 Mtge	08/27/2015	51,825.93	51,825.93	52,907.34	5.490	5.351	5.425	08/01/2036	6,544
31411LYY1	170	FN 911627 Mtge	08/27/2015	73,223.19	73,223.19	74,833.54	5.490	5.349	5.423	11/01/2035	6,270
31412BRY0	176	FN 920403 Mtge	06/28/2016	0.00	0.00	0.00	5.490	5.347	5.421	12/01/2036	6,666

**Fund GENERAL - General Investments
Investments by Fund
August 31, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Pass Through Securities (FNMA)											
31413MMY0	177	FN 949575 Mtge	06/28/2016	0.00	0.00	0.00	5.490	5.348	5.422	03/01/2037	6,756
31413RLV6	171	FN 953140 Mtge	08/27/2015	0.00	0.00	0.00	5.490	5.354	5.428	09/01/2037	6,940
31414JA60	186	FN 967229 Mtge	06/28/2016	99,106.56	99,106.56	101,653.84	5.650	5.507	5.583	11/01/2037	7,001
Subtotal and Average				793,826.66	793,826.66	812,707.13		5.417	5.492		6,557
Pass Through Securities (FHLMC)											
3128KYSL4	197	FG A67723 Mtge	01/30/2017	77,543.96	77,543.96	83,251.32	5.650	5.524	5.601	05/01/2037	6,817
31335YKU9	160	FG U30307 Mtge	08/27/2015	36,464.12	36,464.12	38,934.91	5.490	5.376	5.451	12/01/2036	6,666
31286DCD1	190	FG T30068 Mtge	09/28/2016	77,843.79	77,843.79	83,697.09	5.750	5.628	5.707	03/01/2037	6,756
31286DB59	189	FG T30060 Mtge	09/28/2016	34,451.32	34,451.32	37,042.29	5.750	5.628	5.706	02/01/2037	6,728
31286DLC3	196	FG T30323 Mtge	01/30/2017	4,069.12	4,069.12	4,340.83	5.650	5.525	5.602	10/01/2037	6,970
31286DKY6	209	FG T30311 Mtge	04/27/2017	56,362.33	56,362.33	60,489.24	5.650	5.532	5.609	10/01/2037	6,970
31321XK52	211	FG U32116 Mtge	04/27/2017	53,661.28	53,661.28	57,541.40	5.650	5.534	5.611	06/01/2038	7,213
31321XML5	227	FG U32163 Mtge	09/28/2017	66,504.40	66,504.40	71,998.47	6.000	5.876	5.957	05/01/2038	7,182
31335YNQ5	180	FG U30399 Mtge	06/28/2016	61,889.54	61,889.54	66,016.99	5.750	5.630	5.708	06/01/2037	6,848
31335YPK6	192	FG U30426 Mtge	09/28/2016	85,532.30	85,532.30	91,315.37	5.750	5.629	5.707	07/01/2037	6,878
31335YUZ7	182	FG U30600 Mtge	06/28/2016	106,588.19	106,588.19	114,277.19	5.650	5.532	5.609	11/01/2037	7,001
31335YZ41	228	FG U30763 Mtge	09/28/2017	77,944.66	77,944.66	84,657.52	6.100	5.973	6.056	12/01/2037	7,031
31335YNA0	181	FG U30385 Mtge	06/28/2016	64,189.28	64,189.28	68,490.53	5.750	5.629	5.707	04/01/2037	6,787
31321WAL0	222	FG U30911 Mtge	09/28/2017	48,211.05	48,211.05	52,386.62	6.100	5.973	6.056	01/01/2038	7,062
31321W5E2	221	FG U31745 Mtge	09/28/2017	68,795.94	68,795.94	74,546.61	6.000	5.875	5.957	03/01/2038	7,121
31321XAV6	198	FG U31820 Mtge	01/30/2017	63,194.84	63,194.84	67,455.60	5.750	5.625	5.703	04/01/2038	7,152
31321XAX2	224	FG U31820 Mtge	09/28/2017	63,387.27	63,387.27	68,670.38	6.000	5.875	5.957	04/01/2038	7,152
31321XE59	200	FG U31956 Mtge	01/30/2017	57,971.97	57,971.97	62,173.32	5.650	5.526	5.603	04/01/2038	7,152
31321XJH8	226	FG U32064 Mtge	09/28/2017	79,013.58	79,013.58	85,675.01	6.000	5.876	5.957	05/01/2038	7,182
31321XMM3	202	FG U32164 Mtge	01/30/2017	30,121.53	30,121.53	32,273.24	5.650	5.527	5.604	07/01/2038	7,243
31335YLE4	191	FG U30325 Mtge	09/28/2016	61,248.70	61,248.70	65,386.37	5.750	5.628	5.707	03/01/2037	6,756
31335YVH6	203	FG U30616 Mtge	01/30/2017	0.00	0.00	0.00	5.650	5.525	5.602	10/01/2037	6,970
31335YWR3	212	FG U30656 Mtge	04/27/2017	0.00	0.00	0.00	5.650	5.533	5.609	11/01/2037	7,001
31321XBK9	199	FG U31842 Mtge	01/30/2017	72,046.78	72,046.78	77,236.70	5.650	5.526	5.603	03/01/2038	7,121
31321XDG6	225	FG U31903 Mtge	09/28/2017	91,838.72	91,838.72	99,517.12	6.000	5.876	5.957	05/01/2038	7,182
31321XE67	201	FG U31957 Mtge	01/30/2017	68,135.19	68,135.19	72,754.46	5.750	5.625	5.703	04/01/2038	7,152

**Fund GENERAL - General Investments
Investments by Fund
August 31, 2018**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Pass Through Securities (FHLMC)											
31321XE75	210	FG U31958 Mtge	04/27/2017	103,188.65	103,188.65	110,601.28	5.650	5.533	5.610	02/01/2038	7,093
31321WCX2	223	FG U30986 Mtge	09/28/2017	0.00	0.00	0.00	6.000	5.874	5.956	12/01/2037	7,031
Subtotal and Average				1,610,198.51	1,610,198.51	1,730,729.86		5.672	5.751		7,017
Total Investments and Average				4,585,306.44	4,585,306.44	4,881,099.51		5.661	5.739		6,942



**Texas St Aff Housing - Surplus
Cash Reconciliation Report
For the Period June 1, 2018 - August 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
General Investments											
06/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	168.99	157.00	325.99
06/15/2018	180	GENERAL	Interest	31335YNQ5	150,342.45	FGU303 0.2M 5.75% Mat.	06/01/2037	0.00	298.92	163.85	462.77
06/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	309.74	149.75	459.49
06/15/2018	182	GENERAL	Interest	31335YUZ7	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	505.85	244.42	750.27
06/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	166.67	100.16	266.83
06/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	375.70	186.90	562.60
06/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	295.65	149.67	445.32
06/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	415.78	410.67	826.45
06/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	44.88	1,337.77	1,382.65
06/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	367.72	184.29	552.01
06/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	305.24	168.06	473.30
06/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat.	03/01/2038	0.00	341.47	158.74	500.21
06/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	274.81	130.99	405.80
06/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	328.58	145.12	473.70
06/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	143.83	141.27	285.10
06/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	271.58	478.69	750.27
06/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	489.10	229.04	718.14
06/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat.	06/01/2038	0.00	254.28	114.00	368.28
06/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	346.74	194.22	540.96
06/15/2018	222	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	246.66	103.54	350.20
06/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	319.02	137.92	456.94
06/15/2018	225	GENERAL	Interest	31321XDG6	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	462.48	204.68	667.16
06/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat.	05/01/2038	0.00	397.60	168.10	565.70
06/15/2018	227	GENERAL	Interest	31321XML5	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	335.59	177.20	512.79
06/15/2018	228	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	398.81	168.85	567.66
06/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	500.86	292.88	793.74
06/20/2018	178	GENERAL	Interest	36202TUK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	374.09	203.68	577.77
06/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat.	01/20/2037	0.00	611.98	312.36	924.34
06/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	231.88	116.67	348.55
06/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat.	04/20/2037	0.00	145.20	221.40	366.60
06/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat.	11/20/2036	0.00	306.15	155.19	461.34
06/20/2018	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	477.32	220.35	697.67
06/20/2018	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	283.72	679.71	963.43
06/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	261.71	115.62	377.33
06/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat.	07/20/2038	0.00	291.66	129.83	421.49
06/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	321.50	157.38	478.88
06/20/2018	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	147.25	72.84	220.09
06/20/2018	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	326.64	165.49	492.13

Portfolio TSSF
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Texas St Aff Housing - Surplus
Cash Reconciliation Report
For the Period June 1, 2018 - August 31, 2018

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
06/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	153.31	71.27	224.58
06/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	433.41	200.02	633.43
06/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat.	05/20/2038	0.00	211.31	126.62	337.93
06/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat.	06/20/2038	0.00	206.97	101.11	308.08
06/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat.	12/20/2037	0.00	389.05	224.22	613.27
06/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat.	11/20/2037	0.00	569.59	208.41	778.00
06/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat.	01/20/2038	0.00	220.61	174.05	394.66
06/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat.	01/20/2038	0.00	164.13	69.26	233.39
06/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat.	12/20/2037	0.00	553.43	227.78	781.21
06/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat.	01/20/2038	0.00	497.27	209.38	706.65
06/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat.	02/20/2038	0.00	373.94	142.41	516.35
06/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat.	02/20/2038	0.00	590.74	241.30	832.04
06/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat.	12/20/2037	0.00	439.88	189.39	629.27
06/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat.	04/20/2038	0.00	371.52	154.48	526.00
06/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat.	03/20/2038	0.00	288.57	119.46	408.03
06/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat.	05/20/2038	0.00	213.52	157.50	371.02
06/20/2018	245	GENERAL	Interest	36296DWX2	87,071.42	G28362 0.1M 6.10% Mat.	05/20/2038	0.00	434.26	210.49	644.75
06/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat.	05/20/2038	0.00	131.64	53.78	185.42
06/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat.	07/20/2038	0.00	377.20	161.53	538.73
06/20/2018	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mat.	08/20/2038	0.00	453.93	186.13	640.06
06/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat.	10/20/2038	0.00	517.82	201.99	719.81
06/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat.	10/20/2038	0.00	427.07	164.07	591.14
06/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat.	04/01/2036	0.00	202.01	114.98	316.99
06/25/2018	163	GENERAL	Interest	31410MW89	135,291.51	FN8917 0.1M 5.49% Mat.	05/01/2036	0.00	573.61	326.50	900.11
06/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat.	05/01/2036	0.00	259.80	162.73	422.53
06/25/2018	167	GENERAL	Interest	31410UYS5	99,858.21	FN8981 0.1M 5.49% Mat.	07/01/2036	0.00	422.74	245.65	668.39
06/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat.	07/01/2036	0.00	195.58	108.82	304.40
06/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat.	08/01/2036	0.00	242.44	386.98	629.42
06/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat.	11/01/2035	0.00	337.76	200.44	538.20
06/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat.	09/01/2036	0.00	288.02	164.88	452.90
06/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat.	09/01/2036	0.00	321.62	949.25	1,270.87
06/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat.	11/01/2036	0.00	405.75	267.04	672.79
06/25/2018	186	GENERAL	Interest	31414JAG0	108,583.92	FN9672 0.1M 5.65% Mat.	11/01/2037	0.00	471.32	297.24	768.56
07/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	168.27	157.78	326.05
07/15/2018	180	GENERAL	Interest	31335YNQ5	150,342.45	FGU303 0.2M 5.75% Mat.	06/01/2037	0.00	298.14	164.71	462.85
07/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	309.02	150.53	459.55
07/15/2018	182	GENERAL	Interest	31335YUZ7	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	504.70	357.25	861.95
07/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	166.19	90.72	256.91
07/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	374.81	187.88	562.69
07/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	294.93	150.46	445.39
07/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	413.81	412.81	826.62
07/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	38.58	2,595.54	2,634.12

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

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
07/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	366.85	185.23	552.08
07/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	304.43	168.93	473.36
07/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat.	03/01/2038	0.00	340.73	159.56	500.29
07/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	274.19	131.66	405.85
07/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	327.88	145.88	473.76
07/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	143.17	143.05	286.22
07/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	269.32	436.85	706.17
07/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	488.02	230.21	718.23
07/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat.	06/01/2038	0.00	253.74	115.68	369.42
07/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	345.77	183.02	528.79
07/15/2018	222	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	246.13	104.12	350.25
07/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	318.33	138.68	457.01
07/15/2018	225	GENERAL	Interest	31321XDG6	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	461.45	245.01	706.46
07/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat.	05/01/2038	0.00	396.76	169.00	565.76
07/15/2018	227	GENERAL	Interest	31321XML5	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	334.70	257.01	591.71
07/15/2018	228	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	397.95	170.13	568.08
07/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	499.52	294.35	793.87
07/20/2018	178	GENERAL	Interest	36202TUK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	373.15	204.70	577.85
07/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat.	01/20/2037	0.00	610.48	313.99	924.47
07/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	231.32	117.28	348.60
07/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat.	04/20/2037	0.00	144.14	233.14	377.28
07/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat.	11/20/2036	0.00	305.41	155.99	461.40
07/20/2018	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	476.26	221.49	697.75
07/20/2018	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	280.47	683.25	963.72
07/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	261.16	116.22	377.38
07/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat.	07/20/2038	0.00	291.05	130.49	421.54
07/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	320.74	158.20	478.94
07/20/2018	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	146.91	73.21	220.12
07/20/2018	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	325.86	166.34	492.20
07/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	152.97	71.63	224.60
07/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	432.47	201.05	633.52
07/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat.	05/20/2038	0.00	210.72	127.27	337.99
07/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat.	06/20/2038	0.00	206.49	101.63	308.12
07/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat.	12/20/2037	0.00	387.93	225.45	613.38
07/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat.	11/20/2037	0.00	568.53	275.05	843.58
07/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat.	01/20/2038	0.00	219.74	94.88	314.62
07/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat.	01/20/2038	0.00	163.79	69.63	233.42
07/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat.	12/20/2037	0.00	552.27	229.03	781.30
07/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat.	01/20/2038	0.00	496.21	210.52	706.73
07/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat.	02/20/2038	0.00	373.23	173.03	546.26
07/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat.	02/20/2038	0.00	589.51	242.63	832.14
07/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat.	12/20/2037	0.00	438.92	190.43	629.35

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

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
07/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat.	04/20/2038	0.00	370.74	155.32	526.06
07/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat.	03/20/2038	0.00	287.97	120.11	408.08
07/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat.	05/20/2038	0.00	212.73	158.35	371.08
07/20/2018	245	GENERAL	Interest	36296DWX2	87,071.42	G28362 0.1M 6.10% Mat.	05/20/2038	0.00	433.19	211.65	644.84
07/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat.	05/20/2038	0.00	131.37	54.07	185.44
07/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat.	07/20/2038	0.00	376.38	162.42	538.80
07/20/2018	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mat.	08/20/2038	0.00	453.00	187.14	640.14
07/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat.	10/20/2038	0.00	516.79	203.10	719.89
07/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat.	10/20/2038	0.00	426.23	164.97	591.20
07/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat.	04/01/2036	0.00	201.48	115.56	317.04
07/25/2018	163	GENERAL	Interest	31410MW89	135,291.51	FN8917 0.1M 5.49% Mat.	05/01/2036	0.00	572.12	328.13	900.25
07/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat.	05/01/2036	0.00	259.06	163.54	422.60
07/25/2018	167	GENERAL	Interest	31410UYS5	99,858.21	FN8981 0.1M 5.49% Mat.	07/01/2036	0.00	421.61	246.87	668.48
07/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat.	07/01/2036	0.00	195.08	109.36	304.44
07/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat.	08/01/2036	0.00	240.67	388.91	629.58
07/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat.	11/01/2035	0.00	336.84	201.44	538.28
07/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat.	09/01/2036	0.00	287.26	165.71	452.97
07/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat.	09/01/2036	0.00	317.08	1,054.19	1,371.27
07/25/2018	185	GENERAL	Interest	31410VWZ2	90,451.78	FN8965 0.1M 5.75% Mat.	11/01/2036	0.00	404.47	268.43	672.90
07/25/2018	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mat.	11/01/2037	0.00	469.92	298.76	768.68
08/15/2018	160	GENERAL	Interest	31335YKU9	134,189.95	FGMTGE 0.1M 5.49% Mat.	12/01/2036	0.00	167.55	158.57	326.12
08/15/2018	180	GENERAL	Interest	31335YNQ5	150,342.45	FGU303 0.2M 5.75% Mat.	06/01/2037	0.00	297.35	165.57	462.92
08/15/2018	181	GENERAL	Interest	31335YNA0	67,879.79	FGU308 0.1M 5.75% Mat.	04/01/2037	0.00	308.30	151.31	459.61
08/15/2018	182	GENERAL	Interest	31335YUZ7	112,790.45	FGU306 0.1M 5.65% Mat.	11/01/2037	0.00	503.02	247.51	750.53
08/15/2018	189	GENERAL	Interest	31286DB59	36,674.94	FGT300 0.0M 5.75% Mat.	02/01/2037	0.00	165.76	141.76	307.52
08/15/2018	190	GENERAL	Interest	31286DCD1	81,958.25	FGT068 0.1M 5.75% Mat.	03/01/2037	0.00	373.91	188.85	562.76
08/15/2018	191	GENERAL	Interest	31335YLE4	64,968.59	FGU325 0.1M 5.75% Mat.	03/01/2037	0.00	294.21	151.25	445.46
08/15/2018	192	GENERAL	Interest	31335YPK6	94,933.96	FGU304 0.1M 5.75% Mat.	07/01/2037	0.00	411.83	414.96	826.79
08/15/2018	196	GENERAL	Interest	31286DLC3	25,951.59	FGT303 0.0M 5.65% Mat.	10/01/2037	0.00	26.36	1,529.26	1,555.62
08/15/2018	197	GENERAL	Interest	3128KYSL4	80,923.70	FGA677 0.1M 5.65% Mat.	05/01/2037	0.00	365.98	186.17	552.15
08/15/2018	198	GENERAL	Interest	31321XAV6	66,275.20	FGU318 0.1M 5.75% Mat.	04/01/2038	0.00	303.62	169.82	473.44
08/15/2018	199	GENERAL	Interest	31321XBK9	74,952.57	FGU842 0.1M 5.65% Mat.	03/01/2038	0.00	339.98	160.37	500.35
08/15/2018	200	GENERAL	Interest	31321XE59	60,403.19	FGU319 0.1M 5.65% Mat.	04/01/2038	0.00	273.57	132.33	405.90
08/15/2018	201	GENERAL	Interest	31321XE67	70,795.09	FGU957 0.1M 5.75% Mat.	04/01/2038	0.00	327.18	146.64	473.82
08/15/2018	202	GENERAL	Interest	31321XMM3	32,533.49	FGU321 0.0M 5.65% Mat.	07/01/2038	0.00	142.49	142.72	285.21
08/15/2018	209	GENERAL	Interest	31286DKY6	64,278.72	FGT311 0.1M 5.65% Mat.	10/01/2037	0.00	267.27	402.57	669.84
08/15/2018	210	GENERAL	Interest	31321XE75	106,752.64	FGU958 0.1M 5.65% Mat.	02/01/2038	0.00	486.94	231.39	718.33
08/15/2018	211	GENERAL	Interest	31321XK52	55,438.68	FGU116 0.1M 5.65% Mat.	06/01/2038	0.00	253.20	115.17	368.37
08/15/2018	221	GENERAL	Interest	31321W5E2	70,865.04	FGU317 0.1M 6.00% Mat.	03/01/2038	0.00	344.85	175.04	519.89
08/15/2018	222	GENERAL	Interest	31321WAL0	49,331.58	FGU309 0.0M 6.10% Mat.	01/01/2038	0.00	245.60	104.68	350.28
08/15/2018	224	GENERAL	Interest	31321XAX2	64,882.54	FGU318 0.1M 6.00% Mat.	04/01/2038	0.00	317.63	139.42	457.05
08/15/2018	225	GENERAL	Interest	31321XDG6	94,093.78	FGU903 0.1M 6.00% Mat.	05/01/2038	0.00	460.23	207.11	667.34

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

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
08/15/2018	226	GENERAL	Interest	31321XJH8	80,833.15	FGU320 0.1M 6.00% Mat.	05/01/2038	0.00	395.92	169.92	565.84
08/15/2018	227	GENERAL	Interest	31321XML5	68,688.43	FGU163 0.1M 6.00% Mat.	05/01/2038	0.00	333.42	179.22	512.64
08/15/2018	228	GENERAL	Interest	31335YZ41	79,771.92	FGU307 0.1M 6.10% Mat.	12/01/2037	0.00	397.08	170.35	567.43
08/20/2018	173	GENERAL	Interest	36201XTW8	118,464.73	G26066 0.1M 5.49% Mat.	05/20/2036	0.00	498.17	295.83	794.00
08/20/2018	178	GENERAL	Interest	36202TUK0	86,182.90	G26090 0.1M 5.49% Mat.	11/20/2036	0.00	372.22	205.72	577.94
08/20/2018	184	GENERAL	Interest	36290YCF3	134,471.73	G26217 0.1M 5.75% Mat.	01/20/2037	0.00	608.98	315.63	924.61
08/20/2018	187	GENERAL	Interest	36290YB23	50,915.80	G26215 0.1M 5.75% Mat.	12/20/2036	0.00	230.76	117.89	348.65
08/20/2018	188	GENERAL	Interest	36290YDR6	33,104.67	G26212 0.0M 5.75% Mat.	04/20/2037	0.00	143.02	239.42	382.44
08/20/2018	193	GENERAL	Interest	36202XEM5	66,832.25	G22240 0.1M 5.75% Mat.	11/20/2036	0.00	304.66	156.81	461.47
08/20/2018	194	GENERAL	Interest	36295KCH4	103,789.18	G26724 0.1M 5.75% Mat.	12/20/2037	0.00	475.20	222.65	697.85
08/20/2018	204	GENERAL	Interest	36295MS34	67,040.43	G26747 0.1M 5.75% Mat.	08/20/2037	0.00	277.19	1,386.81	1,664.00
08/20/2018	205	GENERAL	Interest	36296GK42	56,389.26	G26907 0.1M 5.75% Mat.	06/20/2038	0.00	260.60	116.82	377.42
08/20/2018	207	GENERAL	Interest	36296PBA8	63,935.46	G26967 0.1M 5.65% Mat.	07/20/2038	0.00	290.44	131.16	421.60
08/20/2018	208	GENERAL	Interest	36296RNP8	69,504.97	G26988 0.1M 5.75% Mat.	08/20/2038	0.00	319.98	159.02	479.00
08/20/2018	213	GENERAL	Interest	36295MNM7	32,188.10	G26745 0.0M 5.65% Mat.	09/20/2037	0.00	146.56	73.59	220.15
08/20/2018	214	GENERAL	Interest	36295QT26	71,450.31	G26774 0.1M 5.65% Mat.	10/20/2037	0.00	325.07	167.19	492.26
08/20/2018	215	GENERAL	Interest	36295X3E3	33,454.82	G26839 0.0M 5.65% Mat.	01/20/2038	0.00	152.63	72.00	224.63
08/20/2018	216	GENERAL	Interest	36295YLM3	94,561.79	G26844 0.1M 5.65% Mat.	02/20/2038	0.00	431.53	202.08	633.61
08/20/2018	219	GENERAL	Interest	36296DVF2	46,468.90	G26883 0.0M 5.65% Mat.	05/20/2038	0.00	210.12	44,626.57	44,836.69
08/20/2018	220	GENERAL	Interest	36296GK59	45,695.59	G20716 0.0M 5.65% Mat.	06/20/2038	0.00	206.02	43,755.48	43,961.50
08/20/2018	229	GENERAL	Interest	36295UGS4	79,839.89	G26807 0.1M 6.00% Mat.	12/20/2037	0.00	386.80	226.66	613.46
08/20/2018	231	GENERAL	Interest	36295USM4	113,949.72	G26810 0.1M 6.10% Mat.	11/20/2037	0.00	567.13	249.79	816.92
08/20/2018	232	GENERAL	Interest	36295WNR4	44,855.26	G26827 0.0M 6.00% Mat.	01/20/2038	0.00	219.26	95.39	314.65
08/20/2018	233	GENERAL	Interest	36295WR74	33,367.68	G26828 0.0M 6.00% Mat.	01/20/2038	0.00	163.44	70.01	233.45
08/20/2018	234	GENERAL	Interest	36295WR82	110,649.49	G22811 0.1M 6.10% Mat.	12/20/2037	0.00	551.11	230.29	781.40
08/20/2018	235	GENERAL	Interest	36295X3F0	99,561.09	G26839 0.1M 6.10% Mat.	01/20/2038	0.00	495.14	211.68	706.82
08/20/2018	236	GENERAL	Interest	36295X3J2	76,135.82	G26840 0.1M 6.00% Mat.	02/20/2038	0.00	372.36	174.12	546.48
08/20/2018	238	GENERAL	Interest	36295YHV8	118,094.59	G26843 0.1M 6.10% Mat.	02/20/2038	0.00	588.28	115,727.18	116,315.46
08/20/2018	239	GENERAL	Interest	36295YLC5	88,012.57	G24423 0.1M 6.10% Mat.	12/20/2037	0.00	437.95	191.48	629.43
08/20/2018	241	GENERAL	Interest	36296BWF5	75,509.36	G26865 0.1M 6.00% Mat.	04/20/2038	0.00	369.97	156.16	526.13
08/20/2018	242	GENERAL	Interest	36296BYN6	58,647.15	G26617 0.1M 6.00% Mat.	03/20/2038	0.00	287.37	120.76	408.13
08/20/2018	243	GENERAL	Interest	36296DVK1	43,932.99	G28318 0.0M 6.00% Mat.	05/20/2038	0.00	211.94	159.21	371.15
08/20/2018	245	GENERAL	Interest	36296DWX2	87,071.42	G28362 0.1M 6.10% Mat.	05/20/2038	0.00	432.12	212.82	644.94
08/20/2018	246	GENERAL	Interest	36296GL74	26,747.88	G20750 0.0M 6.00% Mat.	05/20/2038	0.00	131.10	54.36	185.46
08/20/2018	247	GENERAL	Interest	36296K7L0	75,464.06	G26939 0.1M 6.10% Mat.	07/20/2038	0.00	375.55	163.31	538.86
08/20/2018	248	GENERAL	Interest	36296N4B9	92,241.52	G26618 0.1M 6.00% Mat.	08/20/2038	0.00	452.07	188.15	640.22
08/20/2018	249	GENERAL	Interest	36296TFG3	103,949.58	G27004 0.1M 6.10% Mat.	10/20/2038	0.00	515.76	101,460.82	101,976.58
08/20/2018	250	GENERAL	Interest	36296TKE2	85,293.91	G27005 0.1M 6.10% Mat.	10/20/2038	0.00	425.39	165.88	591.27
08/25/2018	161	GENERAL	Interest	31409XNJ4	94,018.05	FN8815 0.1M 5.49% Mat.	04/01/2036	0.00	200.95	116.13	317.08
08/25/2018	163	GENERAL	Interest	31410MW89	135,291.51	FN8917 0.1M 5.49% Mat.	05/01/2036	0.00	570.62	329.77	900.39
08/25/2018	164	GENERAL	Interest	31410SAG2	84,705.09	FN8956 0.1M 5.49% Mat.	05/01/2036	0.00	258.31	164.36	422.67
08/25/2018	167	GENERAL	Interest	31410UYS5	99,858.21	FN8981 0.1M 5.49% Mat.	07/01/2036	0.00	420.48	248.10	668.58

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

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
08/25/2018	168	GENERAL	Interest	31410VW71	46,052.64	FN8989 0.0M 5.49% Mat.	07/01/2036	0.00	194.58	109.91	304.49
08/25/2018	169	GENERAL	Interest	31411CMA6	64,739.66	FN9040 0.1M 5.49% Mat.	08/01/2036	0.00	238.89	390.85	629.74
08/25/2018	170	GENERAL	Interest	31411LYY1	79,911.93	FN9116 0.1M 5.49% Mat.	11/01/2035	0.00	335.92	202.44	538.36
08/25/2018	175	GENERAL	Interest	31410VWZ9	66,528.69	FN8964 0.1M 5.49% Mat.	09/01/2036	0.00	286.50	166.53	453.03
08/25/2018	183	GENERAL	Interest	31410UYT3	80,282.28	FN8122 0.1M 5.75% Mat.	09/01/2036	0.00	312.02	559.68	871.70
08/25/2018	185	GENERAL	Interest	31410VW22	90,451.78	FN8965 0.1M 5.75% Mat.	11/01/2036	0.00	403.18	269.82	673.00
08/25/2018	186	GENERAL	Interest	31414JA60	108,583.92	FN9672 0.1M 5.65% Mat.	11/01/2037	0.00	468.51	400.81	869.32
Subtotal								0.00	71,425.68	353,601.17	425,026.85
Total								0.00	71,425.68	353,601.17	425,026.85



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

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

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
31335YKU9	160	GENERAL	GN3	36,464.12	36,937.47	36,692.74	12/01/2036	5.490	0.015	502.64	0.00	502.64
31409XNJ4	161	GENERAL	GN2	43,808.41	44,155.08	44,013.53	04/01/2036	5.490	0.015	602.85	0.00	602.85
31410MW89	163	GENERAL	GN2	124,395.87	125,380.27	124,978.32	05/01/2036	5.490	0.015	1,711.85	0.00	1,711.85
31410SAG2	164	GENERAL	GN2	56,296.51	56,787.14	56,586.81	05/01/2036	5.490	0.015	774.93	0.00	774.93
31410UYS5	167	GENERAL	GN2	91,660.96	92,401.58	92,099.17	07/01/2036	5.490	0.015	1,261.44	0.00	1,261.44
31410VW71	168	GENERAL	GN2	42,421.26	42,749.35	42,615.38	07/01/2036	5.490	0.015	583.74	0.00	583.74
31411CMA6	169	GENERAL	GN2	51,825.93	52,992.67	52,516.27	08/01/2036	5.490	0.015	716.66	0.00	716.66
31411LYY1	170	GENERAL	GN2	73,223.19	73,827.51	73,580.75	11/01/2035	5.490	0.015	1,007.76	0.00	1,007.76
36201XTW8	173	GENERAL	GN1	108,594.85	109,477.91	109,069.35	05/20/2036	5.490	0.015	1,494.51	0.00	1,494.51
31410VWZ9	175	GENERAL	GN2	62,457.29	62,954.41	62,751.43	09/01/2036	5.490	0.015	859.50	0.00	859.50
36202TUK0	178	GENERAL	GN1	81,153.36	81,767.46	81,483.34	11/20/2036	5.490	0.015	1,116.65	0.00	1,116.65
31335YNQ5	180	GENERAL	GN3	61,889.54	62,383.67	62,128.22	06/01/2037	5.750	0.016	892.04	0.00	892.04
31335YNA0	181	GENERAL	GN3	64,189.28	64,640.87	64,407.41	04/01/2037	5.750	0.016	924.89	0.00	924.89
31335YUJ7	182	GENERAL	GN3	106,588.19	107,437.37	106,998.02	11/01/2037	5.650	0.015	1,509.57	0.00	1,509.57
31410UYT3	183	GENERAL	GN2	64,558.39	67,121.51	65,941.88	09/01/2036	5.750	0.015	938.44	0.00	938.44
36290YCF3	184	GENERAL	GN1	126,775.83	127,717.81	127,282.03	01/20/2037	5.750	0.016	1,826.93	0.00	1,826.93
31410VW22	185	GENERAL	GN2	83,872.29	84,677.58	84,348.80	11/01/2036	5.750	0.016	1,209.54	0.00	1,209.54
31414JA60	186	GENERAL	GN2	99,106.56	100,103.37	99,729.77	11/01/2037	5.650	0.015	1,405.06	0.00	1,405.06
36290YB23	187	GENERAL	GN1	48,041.17	48,393.01	48,230.24	12/20/2036	5.750	0.016	692.28	0.00	692.28
36290YDR6	188	GENERAL	GN1	29,609.17	30,303.13	29,987.26	04/20/2037	5.750	0.016	429.04	0.00	429.04
31286DB59	189	GENERAL	GN3	34,451.32	34,783.96	34,625.51	02/01/2037	5.750	0.016	497.03	0.00	497.03
31286DCD1	190	GENERAL	GN3	77,843.79	78,407.42	78,116.04	03/01/2037	5.750	0.016	1,121.72	0.00	1,121.72
31335YLE4	191	GENERAL	GN3	61,248.70	61,700.08	61,466.74	03/01/2037	5.750	0.016	882.62	0.00	882.62
31335YPK6	192	GENERAL	GN3	85,532.30	86,770.74	86,130.51	07/01/2037	5.750	0.016	1,235.48	0.00	1,235.48
36202XEM5	193	GENERAL	GN1	63,423.91	63,891.90	63,675.40	11/20/2036	5.750	0.016	913.98	0.00	913.98
36295KCH4	194	GENERAL	GN1	98,949.84	99,614.33	99,306.92	12/20/2037	5.750	0.016	1,425.59	0.00	1,425.59
31286DLC3	196	GENERAL	GN3	4,069.12	9,531.69	6,760.72	10/01/2037	5.650	0.014	84.10	0.00	84.10
3128KYSL4	197	GENERAL	GN3	77,543.96	78,099.65	77,812.36	05/01/2037	5.650	0.015	1,097.93	0.00	1,097.93
31321XAX2	224	GENERAL	GN3	63,387.27	63,803.29	63,588.24	04/01/2038	6.000	0.016	952.90	0.00	952.90
31321XAV6	198	GENERAL	GN3	63,194.84	63,701.65	63,439.65	04/01/2038	5.750	0.016	910.86	0.00	910.86

Texas St Aff Housing - Surplus
Interest Earnings
June 1, 2018 - August 31, 2018

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
31321XBK9	199	GENERAL	GN3	72,046.78	72,525.45	72,277.98	03/01/2038	5.650	0.015	1,019.93	0.00	1,019.93
31321XE59	200	GENERAL	GN3	57,971.97	58,366.95	58,162.75	04/01/2038	5.650	0.015	820.71	0.00	820.71
31321XE67	201	GENERAL	GN3	68,135.19	68,572.83	68,346.59	04/01/2038	5.750	0.016	981.54	0.00	981.54
31321XMM3	202	GENERAL	GN3	30,121.53	30,548.57	30,327.79	07/01/2038	5.650	0.015	427.48	0.00	427.48
36295MS34	204	GENERAL	GN1	56,461.81	59,211.58	58,172.01	08/20/2037	5.750	0.015	828.21	0.00	828.21
36296GK42	205	GENERAL	GN1	54,270.11	54,618.77	54,457.47	06/20/2038	5.750	0.016	781.80	0.00	781.80
36296PBA8	207	GENERAL	GN1	61,554.53	61,946.01	61,764.90	07/20/2038	5.650	0.015	871.31	0.00	871.31
36296RNP8	208	GENERAL	GN1	66,620.41	67,095.01	66,875.45	08/20/2038	5.750	0.016	959.94	0.00	959.94
31286DKY6	209	GENERAL	GN3	56,362.33	57,680.44	56,972.28	10/01/2037	5.650	0.015	801.96	0.00	801.96
31321XE75	210	GENERAL	GN3	103,188.65	103,879.29	103,522.24	02/01/2038	5.650	0.015	1,460.81	0.00	1,460.81
31321XK52	211	GENERAL	GN3	53,661.28	54,006.13	53,827.84	06/01/2038	5.650	0.015	759.60	0.00	759.60
36295MNM7	213	GENERAL	GN1	31,054.68	31,274.32	31,172.71	09/20/2037	5.650	0.015	439.69	0.00	439.69
36295QT26	214	GENERAL	GN1	68,875.19	69,374.21	69,143.34	10/20/2037	5.650	0.015	975.22	0.00	975.22
36295X3E3	215	GENERAL	GN1	32,345.88	32,560.78	32,461.36	01/20/2038	5.650	0.015	457.90	0.00	457.90
36295X3F0	235	GENERAL	GN1	97,191.95	97,823.53	97,531.39	01/20/2038	6.100	0.017	1,485.41	0.00	1,485.41
36295YLM3	216	GENERAL	GN1	91,449.31	92,052.46	91,773.42	02/20/2038	5.650	0.015	1,294.57	0.00	1,294.57
31321W5E2	221	GENERAL	GN3	68,795.94	69,348.22	69,055.72	03/01/2038	6.000	0.016	1,034.60	0.00	1,034.60
31321WAL0	222	GENERAL	GN3	48,211.05	48,523.39	48,361.94	01/01/2038	6.100	0.017	736.80	0.00	736.80
31321XDG6	225	GENERAL	GN3	91,838.72	92,495.52	92,155.89	05/01/2038	6.000	0.016	1,380.87	0.00	1,380.87
31321XJH8	226	GENERAL	GN3	79,013.58	79,520.60	79,258.51	05/01/2038	6.000	0.016	1,187.75	0.00	1,187.75
31321XML5	227	GENERAL	GN3	66,504.40	67,117.83	66,800.39	05/01/2038	6.000	0.016	1,000.64	0.00	1,000.64
31335YZ41	228	GENERAL	GN3	77,944.66	78,453.99	78,190.59	12/01/2037	6.100	0.017	1,191.25	0.00	1,191.25
36295UGS4	229	GENERAL	GN1	77,133.03	77,809.36	77,496.51	12/20/2037	6.000	0.016	1,160.40	0.00	1,160.40
36295USM4	231	GENERAL	GN1	111,317.74	112,050.99	111,724.48	11/20/2037	6.100	0.017	1,701.53	0.00	1,701.53
36295WNR4	232	GENERAL	GN1	43,757.44	44,121.76	43,926.87	01/20/2038	6.000	0.016	657.79	0.00	657.79
36295WR74	233	GENERAL	GN1	32,617.99	32,826.89	32,730.26	01/20/2038	6.000	0.016	490.32	0.00	490.32
36295WR82	234	GENERAL	GN1	108,184.04	108,871.14	108,553.32	12/20/2037	6.100	0.017	1,653.32	0.00	1,653.32
36295X3J2	236	GENERAL	GN1	74,298.51	74,788.07	74,571.49	02/20/2038	6.000	0.016	1,117.08	0.00	1,117.08
36295YLC5	239	GENERAL	GN1	85,962.95	86,534.25	86,269.99	12/20/2037	6.100	0.017	1,313.85	0.00	1,313.85
36296BWF5	241	GENERAL	GN1	73,837.11	74,303.07	74,087.53	04/20/2038	6.000	0.016	1,109.90	0.00	1,109.90
36296BYN6	242	GENERAL	GN1	57,354.00	57,714.33	57,547.65	03/20/2038	6.000	0.016	862.11	0.00	862.11
36296DVK1	243	GENERAL	GN1	42,228.09	42,703.15	42,483.40	05/20/2038	6.000	0.016	635.81	0.00	635.81
36296DWX2	245	GENERAL	GN1	84,793.42	85,428.38	85,134.68	05/20/2038	6.100	0.017	1,296.34	0.00	1,296.34
36296GL74	246	GENERAL	GN1	26,165.72	26,327.93	26,252.89	05/20/2038	6.000	0.016	393.30	0.00	393.30
36296K7L0	247	GENERAL	GN1	73,715.94	74,203.20	73,977.81	07/20/2038	6.100	0.017	1,126.65	0.00	1,126.65
36296N4B9	248	GENERAL	GN1	90,224.95	90,786.37	90,526.67	08/20/2038	6.000	0.016	1,356.19	0.00	1,356.19
36296TKE2	250	GENERAL	GN1	83,518.34	84,013.26	83,784.33	10/20/2038	6.100	0.017	1,276.17	0.00	1,276.17

Texas St Aff Housing - Surplus
 Interest Earnings
 June 1, 2018 - August 31, 2018

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
			Subtotal	4,585,306.44	4,631,991.91	4,610,043.24			0.016	66,631.28	0.00	66,631.28
			Total	4,585,306.44	4,631,991.91	4,610,043.24			0.016	66,631.28	0.00	66,631.28



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Texas Compliance Change in Val Report
Sorted by Fund
June 1, 2018 - August 31, 2018

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

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: General Investments									
160	FGMTGE	GENERAL	08/27/2015	502.64	36,937.47	0.00	473.35	-473.35	36,464.12
31335YKU9	36,464.12	5.451	12/01/2036	504.81	39,594.93	0.00	473.35	-660.02	38,934.91
161	FN8815	GENERAL	08/27/2015	602.85	44,155.08	0.00	346.67	-346.67	43,808.41
31409XNJ4	43,808.41	5.424	04/01/2036	604.44	44,883.23	0.00	346.67	-436.66	44,446.57
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	1,711.85	125,380.27	0.00	984.40	-984.40	124,395.87
31410MW89	124,395.87	5.425	05/01/2036	1,716.35	129,964.51	0.00	984.40	-1,537.84	128,426.67
164	FN8956	GENERAL	08/27/2015	774.93	56,787.14	0.00	490.63	-490.63	56,296.51
31410SAG2	56,296.51	5.425	05/01/2036	777.17	58,195.10	0.00	490.63	-663.97	57,531.13
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	1,261.44	92,401.58	0.00	740.62	-740.62	91,660.96
31410UYS5	91,660.96	5.425	07/01/2036	1,264.83	94,958.01	0.00	740.62	-1,052.11	93,905.90
168	FN8989	GENERAL	08/27/2015	583.74	42,749.35	0.00	328.09	-328.09	42,421.26
31410VW71	42,421.26	5.425	07/01/2036	585.24	43,454.84	0.00	328.09	-415.16	43,039.68
169	FN9040	GENERAL	08/27/2015	716.66	52,992.67	0.00	1,166.74	-1,166.74	51,825.93
31411CMA6	51,825.93	5.425	08/01/2036	722.00	54,247.19	0.00	1,166.74	-1,339.85	52,907.34
170	FN9116	GENERAL	08/27/2015	1,007.76	73,827.51	0.00	604.32	-604.32	73,223.19
31411LYY1	73,223.19	5.423	11/01/2035	1,010.52	75,662.91	0.00	604.32	-829.37	74,833.54

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in 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	1,494.51	109,477.91	0.00	883.06	-883.06	108,594.85
36201XTW8	108,594.85	5.437	05/20/2036	1,498.55	116,020.92	0.00	883.06	-755.63	115,265.29
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	859.50	62,954.41	0.00	497.12	-497.12	62,457.29
31410VWZ9	62,457.29	5.420	09/01/2036	861.78	64,522.33	0.00	497.12	-688.87	63,833.46
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	1,116.65	81,767.46	0.00	614.10	-614.10	81,153.36
36202TUK0	81,153.36	5.434	11/20/2036	1,119.46	86,654.26	0.00	614.10	-515.52	86,138.74
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	FGU303	GENERAL	06/28/2016	892.04	62,383.67	0.00	494.13	-494.13	61,889.54
31335YNQ5	61,889.54	5.708	06/01/2037	894.41	67,253.08	0.00	494.13	-1,236.09	66,016.99
181	FGU308	GENERAL	06/28/2016	924.89	64,640.87	0.00	451.59	-451.59	64,189.28
31335YNA0	64,189.28	5.707	04/01/2037	927.06	69,694.72	0.00	451.59	-1,204.19	68,490.53
182	FGU306	GENERAL	06/28/2016	1,509.57	107,437.37	0.00	849.18	-849.18	106,588.19
31335YUZ7	106,588.19	5.609	11/01/2037	1,513.57	116,099.21	0.00	849.18	-1,822.02	114,277.19
183	FN8122	GENERAL	06/28/2016	938.44	67,121.51	0.00	2,563.12	-2,563.12	64,558.39
31410UYT3	64,558.39	5.679	09/01/2036	950.72	68,841.27	0.00	2,563.12	-2,815.89	66,025.38

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
184	G26217	GENERAL	06/28/2016	1,826.93	127,717.81	0.00	941.98	-941.98	126,775.83
36290YCF3	126,775.83	5.693	01/20/2037	1,831.44	137,001.83	0.00	941.98	-1,966.04	135,035.79
185	FN8965	GENERAL	06/28/2016	1,209.54	84,677.58	0.00	805.29	-805.29	83,872.29
31410VW22	83,872.29	5.680	11/01/2036	1,213.40	87,198.89	0.00	805.29	-1,095.27	86,103.62
186	FN9672	GENERAL	06/28/2016	1,405.06	100,103.37	0.00	996.81	-996.81	99,106.56
31414JA60	99,106.56	5.583	11/01/2037	1,409.75	103,152.32	0.00	996.81	-1,498.48	101,653.84
187	G26215	GENERAL	06/28/2016	692.28	48,393.01	0.00	351.84	-351.84	48,041.17
36290YB23	48,041.17	5.693	12/20/2036	693.96	51,978.12	0.00	351.84	-740.09	51,238.03
188	G26212	GENERAL	06/28/2016	429.04	30,303.13	0.00	693.96	-693.96	29,609.17
36290YDR6	29,609.17	5.694	04/20/2037	432.36	32,546.41	0.00	693.96	-968.90	31,577.51
189	FGT300	GENERAL	09/28/2016	497.03	34,783.96	0.00	332.64	-332.64	34,451.32
31286DB59	34,451.32	5.706	02/01/2037	498.62	37,776.91	0.00	332.64	-734.62	37,042.29
190	FGT068	GENERAL	09/28/2016	1,121.72	78,407.42	0.00	563.63	-563.63	77,843.79
31286DCD1	77,843.79	5.707	03/01/2037	1,124.42	85,157.70	0.00	563.63	-1,460.61	83,697.09
191	FGU325	GENERAL	09/28/2016	882.62	61,700.08	0.00	451.38	-451.38	61,248.70
31335YLE4	61,248.70	5.707	03/01/2037	884.79	66,522.76	0.00	451.38	-1,136.39	65,386.37
192	FGU304	GENERAL	09/28/2016	1,235.48	86,770.74	0.00	1,238.44	-1,238.44	85,532.30
31335YPK6	85,532.30	5.707	07/01/2037	1,241.42	93,564.55	0.00	1,238.44	-2,249.18	91,315.37
193	G22240	GENERAL	09/28/2016	913.98	63,891.90	0.00	467.99	-467.99	63,423.91
36202XEM5	63,423.91	5.692	11/20/2036	916.22	68,625.13	0.00	467.99	-980.35	67,644.78
194	G26724	GENERAL	09/28/2016	1,425.59	99,614.33	0.00	664.49	-664.49	98,949.84
36295KCH4	98,949.84	5.695	12/20/2037	1,428.78	106,995.50	0.00	664.49	-1,459.12	105,536.38
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	84.10	9,531.69	0.00	5,462.57	-5,462.57	4,069.12
31286DLC3	4,069.12	5.602	10/01/2037	109.82	10,276.50	0.00	5,462.57	-5,935.67	4,340.83

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
197	FGA677	GENERAL	01/30/2017	1,097.93	78,099.65	0.00	555.69	-555.69	77,543.96
3128KYSL4	77,543.96	5.601	05/01/2037	1,100.55	84,447.35	0.00	555.69	-1,196.03	83,251.32
198	FGU318	GENERAL	01/30/2017	910.86	63,701.65	0.00	506.81	-506.81	63,194.84
31321XAV6	63,194.84	5.703	04/01/2038	913.29	68,690.87	0.00	506.81	-1,235.27	67,455.60
199	FGU842	GENERAL	01/30/2017	1,019.93	72,525.45	0.00	478.67	-478.67	72,046.78
31321XBK9	72,046.78	5.603	03/01/2038	1,022.18	78,373.61	0.00	478.67	-1,136.91	77,236.70
200	FGU319	GENERAL	01/30/2017	820.71	58,366.95	0.00	394.98	-394.98	57,971.97
31321XE59	57,971.97	5.603	04/01/2038	822.57	63,072.37	0.00	394.98	-899.05	62,173.32
201	FGU957	GENERAL	01/30/2017	981.54	68,572.83	0.00	437.64	-437.64	68,135.19
31321XE67	68,135.19	5.703	04/01/2038	983.64	73,942.55	0.00	437.64	-1,188.09	72,754.46
202	FGU321	GENERAL	01/30/2017	427.48	30,548.57	0.00	427.04	-427.04	30,121.53
31321XMM3	30,121.53	5.604	07/01/2038	429.49	32,998.83	0.00	427.04	-725.59	32,273.24
203	FGU616	GENERAL	01/30/2017	0.00	0.00	0.00	0.00	0.00	0.00
31335YVH6	0.00	0.000	10/01/2037	0.00	0.00	0.00	0.00	0.00	0.00
204	G26747	GENERAL	01/30/2017	828.21	59,211.58	0.00	2,749.77	-2,749.77	56,461.81
36295MS34	56,461.81	5.688	08/20/2037	841.38	63,588.77	0.00	2,749.77	-3,403.39	60,185.38
205	G26907	GENERAL	01/30/2017	781.80	54,618.77	0.00	348.66	-348.66	54,270.11
36296GK42	54,270.11	5.691	06/20/2038	783.47	58,666.27	0.00	348.66	-783.34	57,882.93
206	G26966	GENERAL	01/30/2017	0.00	0.00	0.00	0.00	0.00	0.00
36296N4X1	0.00	0.000	08/20/2038	0.00	0.00	0.00	0.00	0.00	0.00
207	G26967	GENERAL	01/30/2017	871.31	61,946.01	0.00	391.48	-391.48	61,554.53
36296PBA8	61,554.53	5.591	07/20/2038	873.15	66,185.54	0.00	391.48	-656.84	65,528.70
208	G26988	GENERAL	01/30/2017	959.94	67,095.01	0.00	474.60	-474.60	66,620.41
36296RNP8	66,620.41	5.691	08/20/2038	962.22	72,067.39	0.00	474.60	-1,013.78	71,053.61
209	FGT311	GENERAL	04/27/2017	801.96	57,680.44	0.00	1,318.11	-1,318.11	56,362.33
31286DKY6	56,362.33	5.609	10/01/2037	808.17	62,352.85	0.00	1,318.11	-1,863.61	60,489.24

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
210	FGU958	GENERAL	04/27/2017	1,460.81	103,879.29	0.00	690.64	-690.64	103,188.65
31321XE75	103,188.65	5.610	02/01/2038	1,464.06	112,249.30	0.00	690.64	-1,648.02	110,601.28
211	FGU116	GENERAL	04/27/2017	759.60	54,006.13	0.00	344.85	-344.85	53,661.28
31321XK52	53,661.28	5.611	06/01/2038	761.22	58,348.51	0.00	344.85	-807.11	57,541.40
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	439.69	31,274.32	0.00	219.64	-219.64	31,054.68
36295MNM7	31,054.68	5.596	09/20/2037	440.72	33,414.22	0.00	219.64	-354.31	33,059.91
214	G26774	GENERAL	04/27/2017	975.22	69,374.21	0.00	499.02	-499.02	68,875.19
36295QT26	68,875.19	5.596	10/20/2037	977.57	74,120.50	0.00	499.02	-798.25	73,322.25
215	G26839	GENERAL	04/27/2017	457.90	32,560.78	0.00	214.90	-214.90	32,345.88
36295X3E3	32,345.88	5.597	01/20/2038	458.91	34,789.00	0.00	214.90	-354.86	34,434.14
216	G26844	GENERAL	04/27/2017	1,294.57	92,052.46	0.00	603.15	-603.15	91,449.31
36295YLM3	91,449.31	5.597	02/20/2038	1,297.41	98,351.95	0.00	603.15	-994.16	97,357.79
217	G26855	GENERAL	04/27/2017	0.00	0.00	0.00	0.00	0.00	0.00
36296AUJ1	0.00	0.000	03/20/2038	0.00	0.00	0.00	0.00	0.00	0.00
218	G26866	GENERAL	04/27/2017	0.00	0.00	0.00	0.00	0.00	0.00
36296BYJ5	0.00	0.000	04/20/2038	0.00	0.00	0.00	0.00	0.00	0.00
219	G26883	GENERAL	04/27/2017	420.84	44,880.46	0.00	44,880.46	-44,880.46	0.00
36296DVF2	0.00	0.000	05/20/2038	632.15	47,731.73	0.00	44,880.46	-47,731.73	0.00
220	G20716	GENERAL	04/27/2017	412.51	43,958.22	0.00	43,958.22	-43,958.22	0.00
36296GK59	0.00	0.000	06/20/2038	619.48	46,966.36	0.00	43,958.22	-46,966.36	0.00
221	FGU317	GENERAL	09/28/2017	1,034.60	69,348.22	0.00	552.28	-552.28	68,795.94
31321W5E2	68,795.94	5.957	03/01/2038	1,037.36	76,318.34	0.00	552.28	-1,771.73	74,546.61
222	FGU309	GENERAL	09/28/2017	736.80	48,523.39	0.00	312.34	-312.34	48,211.05
31321WAL0	48,211.05	6.056	01/01/2038	738.39	53,618.88	0.00	312.34	-1,232.26	52,386.62

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Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending 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	952.90	63,803.29	0.00	416.02	-416.02	63,387.27
31321XAX2	63,387.27	5.957	04/01/2038	954.98	70,209.76	0.00	416.02	-1,539.38	68,670.38
225	FGU903	GENERAL	09/28/2017	1,380.87	92,495.52	0.00	656.80	-656.80	91,838.72
31321XDG6	91,838.72	5.957	05/01/2038	1,384.16	101,803.74	0.00	656.80	-2,286.62	99,517.12
226	FGU320	GENERAL	09/28/2017	1,187.75	79,520.60	0.00	507.02	-507.02	79,013.58
31321XJH8	79,013.58	5.957	05/01/2038	1,190.28	87,546.94	0.00	507.02	-1,871.93	85,675.01
227	FGU163	GENERAL	09/28/2017	1,000.64	67,117.83	0.00	613.43	-613.43	66,504.40
31321XML5	66,504.40	5.957	05/01/2038	1,003.71	73,851.71	0.00	613.43	-1,853.24	71,998.47
228	FGU307	GENERAL	09/28/2017	1,191.25	78,453.99	0.00	509.33	-509.33	77,944.66
31335YZ41	77,944.66	6.056	12/01/2037	1,193.84	86,681.72	0.00	509.33	-2,024.20	84,657.52
229	G26807	GENERAL	09/28/2017	1,160.40	77,809.36	0.00	676.33	-676.33	77,133.03
36295UGS4	77,133.03	5.942	12/20/2037	1,163.78	84,676.12	0.00	676.33	-2,032.80	82,643.32
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	1,701.53	112,050.99	0.00	733.25	-733.25	111,317.74
36295USM4	111,317.74	6.041	11/20/2037	1,705.25	123,332.51	0.00	733.25	-2,840.38	120,492.13
232	G26827	GENERAL	09/28/2017	657.79	44,121.76	0.00	364.32	-364.32	43,757.44
36295WNR4	43,757.44	5.942	01/20/2038	659.61	48,016.41	0.00	364.32	-1,131.36	46,885.05
233	G26828	GENERAL	09/28/2017	490.32	32,826.89	0.00	208.90	-208.90	32,617.99
36295WR74	32,617.99	5.942	01/20/2038	491.36	35,724.58	0.00	208.90	-775.52	34,949.06
234	G22811	GENERAL	09/28/2017	1,653.32	108,871.14	0.00	687.10	-687.10	108,184.04
36295WR82	108,184.04	6.042	12/20/2037	1,656.81	119,832.72	0.00	687.10	-2,732.19	117,100.53
235	G26839	GENERAL	09/28/2017	1,485.41	97,823.53	0.00	631.58	-631.58	97,191.95
36295X3F0	97,191.95	6.042	01/20/2038	1,488.62	107,672.31	0.00	631.58	-2,470.24	105,202.07

Portfolio TSSF

Texas St Aff Housing - Surplus
Texas Compliance Change in Val Report
June 1, 2018 - August 31, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrual	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
236	G26840	GENERAL	09/28/2017	1,117.08	74,788.07	0.00	489.56	-489.56	74,298.51
36295X3J2	74,298.51	5.942	02/20/2038	1,119.53	81,388.54	0.00	489.56	-1,781.44	79,607.10
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	1,177.79	116,211.11	0.00	116,211.11	-116,211.11	0.00
36295YHV8	0.00	0.000	02/20/2038	1,768.53	127,911.89	0.00	116,211.11	-127,911.89	0.00
239	G24423	GENERAL	09/28/2017	1,313.85	86,534.25	0.00	571.30	-571.30	85,962.95
36295YLC5	85,962.95	6.042	12/20/2037	1,316.75	95,245.99	0.00	571.30	-2,199.43	93,046.56
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	1,109.90	74,303.07	0.00	465.96	-465.96	73,837.11
36296BWF5	73,837.11	5.943	04/20/2038	1,112.23	80,862.15	0.00	465.96	-1,748.66	79,113.49
242	G26617	GENERAL	09/28/2017	862.11	57,714.33	0.00	360.33	-360.33	57,354.00
36296BYN6	57,354.00	5.943	03/20/2038	863.91	62,809.14	0.00	360.33	-1,356.07	61,453.07
243	G28318	GENERAL	09/28/2017	635.81	42,703.15	0.00	475.06	-475.06	42,228.09
36296DVK1	42,228.09	5.943	05/20/2038	638.19	46,466.59	0.00	475.06	-1,225.66	45,240.93
244	G28360	GENERAL	09/28/2017	0.00	0.00	0.00	0.00	0.00	0.00
36296DWW6	0.00	0.000	05/20/2038	0.00	0.00	0.00	0.00	0.00	0.00
245	G28362	GENERAL	09/28/2017	1,296.34	85,428.38	0.00	634.96	-634.96	84,793.42
36296DWX2	84,793.42	6.043	05/20/2038	1,299.57	94,025.77	0.00	634.96	-2,249.97	91,775.80
246	G20750	GENERAL	09/28/2017	393.30	26,327.93	0.00	162.21	-162.21	26,165.72
36296GL74	26,165.72	5.943	05/20/2038	394.11	28,652.14	0.00	162.21	-616.38	28,035.76
247	G26939	GENERAL	09/28/2017	1,126.65	74,203.20	0.00	487.26	-487.26	73,715.94
36296K7L0	73,715.94	6.044	07/20/2038	1,129.13	81,673.66	0.00	487.26	-1,893.50	79,780.16
248	G26618	GENERAL	09/28/2017	1,356.19	90,786.37	0.00	561.42	-561.42	90,224.95
36296N4B9	90,224.95	5.944	08/20/2038	1,359.00	98,800.77	0.00	561.42	-2,127.38	96,673.39

Portfolio TSSF

Texas St Aff Housing - Surplus
Texas Compliance Change in Val Report
June 1, 2018 - August 31, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
249	G27004	GENERAL	09/28/2017	1,032.55	101,865.91	0.00	101,865.91	-101,865.91	0.00
36296TFG3	0.00	0.000	10/20/2038	1,550.37	112,117.99	0.00	101,865.91	-112,117.99	0.00
250	G27005	GENERAL	09/28/2017	1,276.17	84,013.26	0.00	494.92	-494.92	83,518.34
36296TKE2	83,518.34	6.044	10/20/2038	1,278.69	92,473.21	0.00	494.92	-2,070.34	90,402.87
Sub Totals For: Fund: General Investments				69,674.97	4,938,907.61	0.00	353,601.17	-353,601.17	4,585,306.44
				71,425.68	5,312,914.68	0.00	353,601.17	-431,815.17	4,881,099.51
Report Grand Totals:				69,674.97	4,938,907.61	0.00	353,601.17	-353,601.17	4,585,306.44
				71,425.68	5,312,914.68	0.00	353,601.17	-431,815.17	4,881,099.51



**Quarterly Investment Report
Direct Lending**

May 31, 2018 – August 31, 2018



Trade, Tariffs and Turkey - Oh My!

Trade and its implications have dominated the news and the markets' focus this month. While the first quarter changes in tax policy have been universally hailed as a tailwind resulting in more robust household spending and business investment, trade policy was noted by Fed Chairman Powell as having potentially "significant negative effects" to domestic growth. This is particularly troubling amid an anticipated slowing pace of growth. Because of its impact, domestically the FOMC appears to be widening the pathway of uncertainty on policy rate hikes.

"For the second half of the year, [the FOMC] generally expected that GDP growth would likely slow from its second-quarter rate but would still exceed that of potential output." (FOMC Minutes)

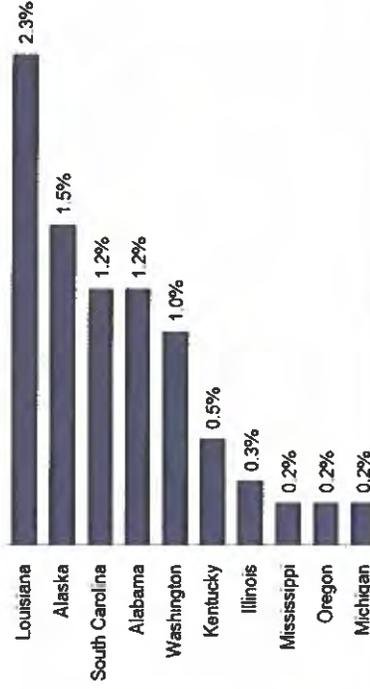
The month-end trade news is upbeat however. Mexico and the US have settled on a NAFTA preliminary rewrite. Mexico was anxious to complete the transaction before the new President takes office. The peso rallied on the news against a dollar that is battering other currencies. This news could be seen as a step towards more deals/compromises as the US moves to matters of trade with Canada, then Europe and finally on to China.

After the 1Q, the markets have generally ignored the daily trade kerfuffle but Turkey's currency collapse created significant turmoil globally hinting at hidden fears. The volatility created was extreme and has begun to stabilize but not the rout in Turkish assets and debt. Investors feared contagion from Turkey's financial crisis would spread to other emerging markets. Italian and Spanish bank stocks fell precipitously and stand precariously. Like many emerging markets, 50% of Turkey's debt is denominated in USD. The Turkish 10-year remains 2% higher on the risk. This same situation could easily spread to other emerging markets.

The US dollar's strength is built on our economic strength and our attractive rates. It challenges our exporters but even more directly challenges other currencies. China has been actively supporting its yuan by central bank positioning like lessening reserve rates but the yuan remains down 5.3% on the year. This may influence its willingness to compromise on trade and tariffs.



States that will be most affected by Chinese tariffs, by % of GDP



Domestically Strong but Moderating

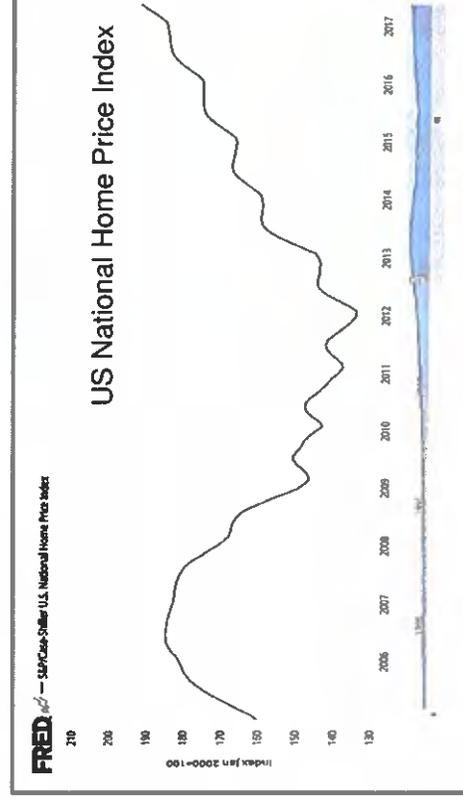
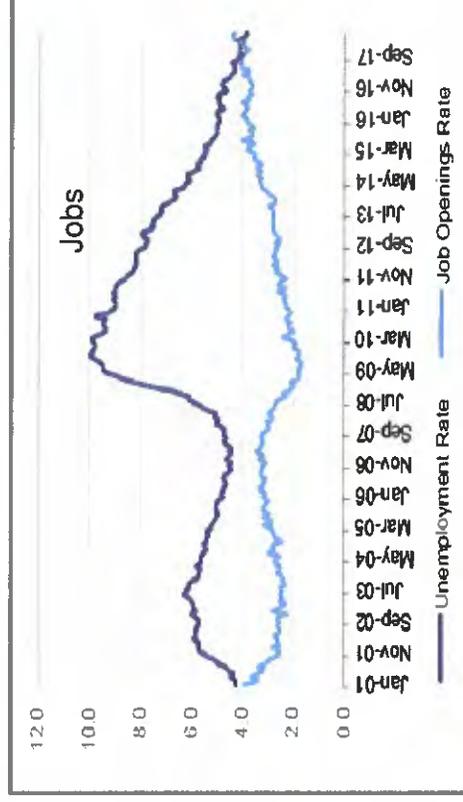
The trade situation and its uncertainty has definitely driven global funds on a flight to quality in Treasuries, however, there is a major divergence in the outlook between US equities and bonds. The stocks have hit all-time highs and continue to soar on strong earnings, tax cuts and economic growth. This month marked the start of the longest running bull market in stocks on record. Bonds on the other hand are range bound.

The view of the equities on the economy are based on a continuing growth, but the strength shown in 1Q has definitely moderated. It's not weak – just not strong. Even if the second half of 2018 has GDP reduced to 3% (from the latest 4.1%), it is still the best GDP since 2005 however.

Housing is the weakest sector of the economy and its has such a broad ripple effect it must be watched closely. Housing starts are down based on rising mortgage rates, home prices and a low inventory of homes. The raw material and worker costs for builders are up and reflected in the prices.

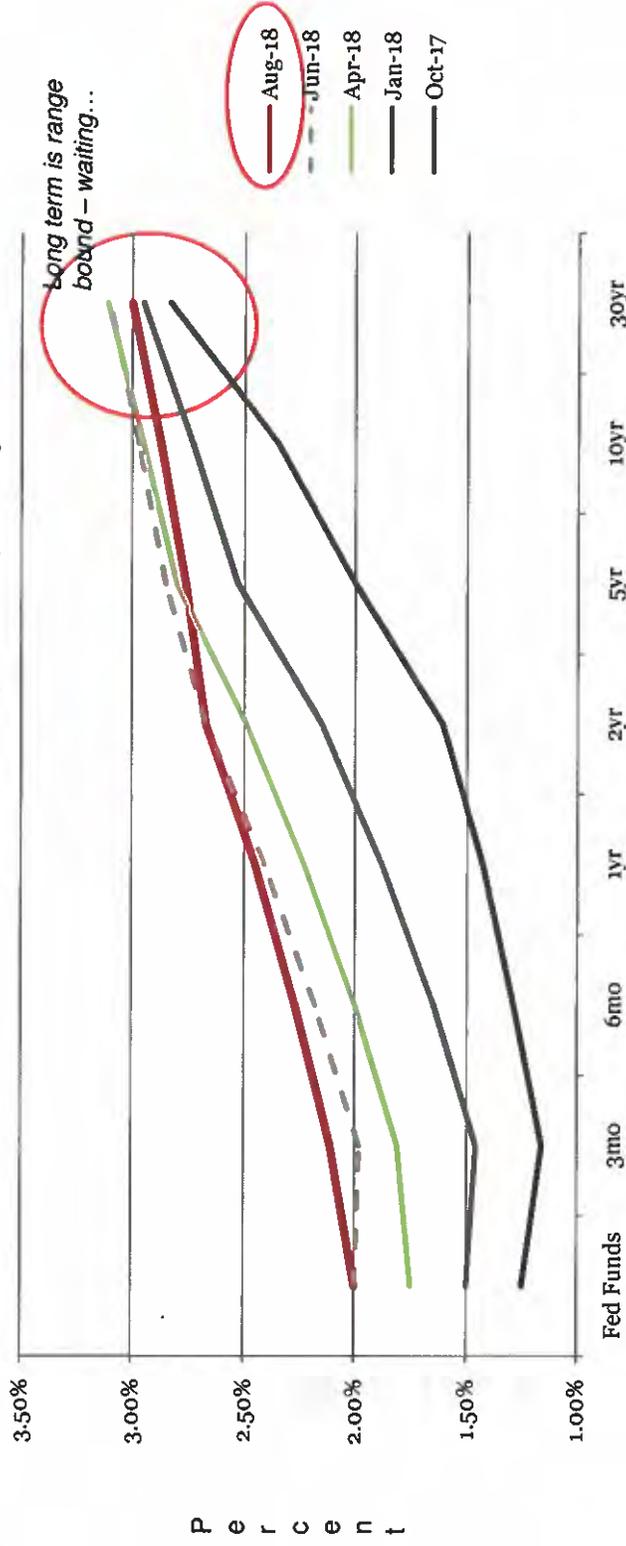
The consumer isn't slowing nonetheless. Retail sales have bounced above expectations up 6.4% YOY on apparel and food. She has also ramped up on cars and restaurant visits. This spending and confidence should continue with jobs and increased wages. A rebound in confidence has taken us to a 17-year high! Fortunately the consumer is also saving more. Savings have grown 6.7% (from 4.2%). Too continue these trends we need job growth and wage pressure, which is not currently in the picture. Expected slowdowns in manufacturing have not appeared, which could impact jobs.

At the Jackson Hole Economic Forum, Fed Chair Powell had confidence too and didn't point to a slowing economy but clearly the Committee is moving to a more "gradual" rate increase playbook, which will remain domestically data dependent.



The Flattening Curve

- Fears of an inverted curve remain. The multiyear flattening trend began as the Fed started to raise short-term rates in its pursuit of normalized monetary policy. Historically, when the yield curve has been flattening, it has often been an indicator of a weakening economy and in many cases portended an impending recession.
- This flattening however may not be foreshadowing a near-term recession risk, as it is being heavily influenced by global central bank actions and economic activity hasn't shown any indication of slowing.
- Other countries are keeping rates low – and bringing investors to the US. The ECB has held its short-term deposit rate at negative 0.40% for several years and will probably hold it there through the summer of 2019.
- Even though the 10-year U.S. Treasury is yielding only 2.82%, that yield appears quite attractive compared to Germany's 10-year bond at 0.34%. Until their rates increase and inflation kicks in demonstrably the shape is unlikely to change.



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

*Texas State Affordable Housing Corporation
Direct Lending Program*

Quarterly Investment Report
May 31, 2018 – August 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 May 31, 2018</u>	\$	\$	\$	\$	\$	\$
Beginning Book Value		291,546		129,712		129,712
Beginning Market Value	291,546		129,712		129,712	
Unrealized Gain/Loss	0		0		0	
WAM at Beginning Period Date ¹		1 day			1 day	

Portfolio as of August 31, 2018

Ending Book Value	\$ 129,712
Ending Market Value	\$ 129,712
Investment Income for the period	\$ 0
Unrealized Gain/Loss	\$ 0
Change in Unrealized Gain/Loss	\$ 0

WAM at Ending Period Date ¹	1 day
Change in Market Value	\$ (161,834)

Average Yield to Maturity for period	0.000%
Average Yield 3 month Treasury bill for period	2.000%
Average Yield 6 month Treasury bill for period	2.180%



Ms. Melinda Smith, CFO
Texas State Affordable Housing Corporation



Mr. Nick Lawrence, Controller
Texas State Affordable Housing Corporation



Mr. David Long, President
Texas State Affordable Housing Corporation



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

¹ WAM, represents weighted average maturity.

Your Portfolio

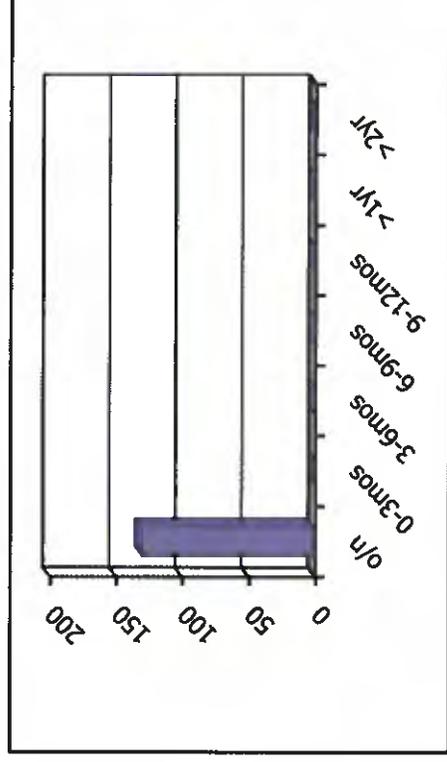
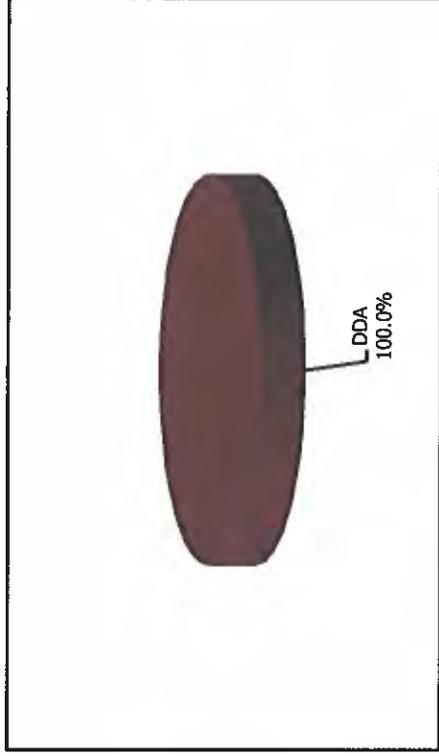
As of August 31, 2018

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 graphs below show asset allocations by market sector and by maturity. They do reflect our anticipation of another rate increase in September – and perhaps one in December – which keeps the portfolios slightly shorter overall.





**TSAHC - Direct Lending Program
Portfolio Management
Portfolio Summary
August 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	129,711.57	129,711.57	129,711.57	100.00	1	1	0.000
Investments	129,711.57	129,711.57	129,711.57	100.00%	1	1	0.000
Total Earnings	August 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending			
Current Year	0.00	0.00	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 10/2018
Melinda Smith, Chief Financial Officer



TSAHC - Direct Lending Program
Summary by Type
August 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	2,960.19	2,960.19	2.28	0.000	1
Subtotal	1	2,960.19	2,960.19	2.28	0.000	1
Fund: Rita Blanca Reserve						
Bank Accounts	1	42,504.53	42,504.53	32.77	0.000	1
Subtotal	1	42,504.53	42,504.53	32.77	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	84,246.85	84,246.85	64.95	0.000	1
Subtotal	1	84,246.85	84,246.85	64.95	0.000	1
Total and Average	4	129,711.57	129,711.57	100.00	0.000	1



TSAHC - Direct Lending Program
Fund NSP - Neighborhood Stabilization Pro
Investments by Fund
August 31, 2018

Patterson & Associates
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 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	2,960.19	2,960.19	2,960.19				1
		Subtotal and Average		2,960.19	2,960.19	2,960.19	0.000	0.000	0.000	1
		Total Investments and Average		2,960.19	2,960.19	2,960.19	0.000	0.000	0.000	1

Fund RBRES - Rita Blanca Reserve
Investments by Fund
August 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	42,504.53	42,504.53	42,504.53				1
		Subtotal and Average		42,504.53	42,504.53	42,504.53		0.000	0.000	1
		Total Investments and Average		42,504.53	42,504.53	42,504.53		0.000	0.000	1

Fund WOPER - Willows Operating
Investments by Fund
August 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
August 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	84,246.85	84,246.85	84,246.85				1
		Subtotal and Average		84,246.85	84,246.85	84,246.85	0.000	0.000	0.000	1
		Total Investments and Average		84,246.85	84,246.85	84,246.85	0.000	0.000	0.000	1



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TSAHC - Direct Lending Program
Interest Earnings
 Sorted by Fund - Fund
 June 1, 2018 - August 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: Neighborhood Stabilization Pro												
591359932	71	NSP	RR5	2,960.19	171,629.92	74,461.49				0.00	0.00	0.00
			Subtotal	2,960.19	171,629.92	74,461.49				0.00	0.00	0.00
Fund: Rita Blanca Reserve												
591732447	150	RBRES	RR5	42,504.53	39,669.62	41,210.33				0.00	0.00	0.00
			Subtotal	42,504.53	39,669.62	41,210.33				0.00	0.00	0.00
Fund: Willows Replacement Reserve												
591501224	108	WRR	RR5	84,246.85	80,246.86	82,014.97				0.00	0.00	0.00
			Subtotal	84,246.85	80,246.86	82,014.97				0.00	0.00	0.00
			Total	129,711.57	291,546.40	197,686.79				0.00	0.00	0.00



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TSAHC - Direct Lending Program
Texas Compliance Change in Val Report
Sorted by Fund
June 1, 2018 - August 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									
				0.00	0.00	0.00	0.00	0.00	0.00
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									
				0.00	0.00	0.00	0.00	0.00	0.00
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									
				0.00	0.00	0.00	0.00	0.00	0.00
Fund: Neighborhood Stabili									
71	FBC	NSP	04/20/2010	0.00	171,629.92	0.00	168,669.73	-168,669.73	2,960.19
591359932	2,960.19	0.000	/ /	0.00	171,629.92	0.00	168,669.73	-168,669.73	2,960.19
Sub Totals For: Fund: Neighborhood Stabili									
				0.00	171,629.92	0.00	168,669.73	-168,669.73	2,960.19
Fund: Rita Bianca Reserve									
150	FBC	RBRES	01/28/2015	0.00	39,669.62	2,834.91	0.00	2,834.91	42,504.53
591732447	42,504.53	0.000	/ /	0.00	39,669.62	2,834.91	0.00	2,834.91	42,504.53

TSAHC - Direct Lending Program
 Texas Compliance Change in Val Report
 June 1, 2018 - August 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: Sagebrush Apartments									
					39,669.62	2,834.91	0.00	2,834.91	42,504.53
Sub Totals For: Fund: Rita Blanca Reserve									
				0.00	39,669.62	2,834.91	0.00	2,834.91	42,504.53
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	80,246.86	3,999.99	0.00	3,999.99	84,246.85
591501224	84,246.85	0.000	/ /	0.00	80,246.86	3,999.99	0.00	3,999.99	84,246.85

TSAHC - Direct Lending Program
 Texas Compliance Change in Val Report
 June 1, 2018 - August 31, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Market Value				Market Value
				0.00	80,246.86	3,999.99	0.00	3,999.99	84,246.85
				0.00	80,246.86	3,999.99	0.00	3,999.99	84,246.85
				0.00	291,546.40	6,834.90	168,669.73	-161,834.83	129,711.57
				0.00	291,546.40	6,834.90	168,669.73	-161,834.83	129,711.57

Sub Totals For: Fund: Willows Replacement

Report Grand Totals:

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
September 20, 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 Bill Dietz, Chair, at 10:30 a.m., on September 20, 2018, at the offices of Texas State Affordable Housing Corporation, 2200 E. Martin Luther King Jr. Blvd, Austin, TX 78702. Roll Call certified that a quorum was present.

Members Present

Bill Dietz, Chair
Jerry Romero, Vice Chair
Valerie Cardenas, Member
Lori Cobos, Member
Bob Jones, Member

Staff Present

Betsy Aldrich, Senior Accounting Manager
Cassandra Ramirez, Specialist, Development Finance
Cynthia Gonzales, Senior Office, & Loan Servicing Manager
Dave Danenfelzer, Senior Director, Development Finance
David Long, President
Frank Duplechain, Homeownership Programs Specialist
Janie Taylor, Executive Vice President
Joniel Crim, Director, Homeownership Programs
Katie Claflin, Director, Communications & Development
Lacy Brown, Corporate Secretary
Laura Ross, Manager, Communications & Development
Melinda Smith, Chief Financial Officer
Michael Wilt, Manager of External Relations
Nick Lawrence, Controller
Sarah Ellinor, Manager, Homeownership Programs

Guests

Karen Kennard, Greenberg Traurig, LLP
Robert Dransfield, Norton Rose Fulbright
Claire Merritt, Hilltop Securities
Sarah Andre, Structure Development
Dennis Hoover, Hamilton Valley Management

Public Comment

No Public Comment was given.

President's Report

Mr. Long informed the Board that program and financial reports were available under Tabs A through C in the board packet. Mr. Long stated that the Loan Committee had met the previous day; no new loan approvals were considered at the meeting, however the Committee did review reports and the existing loan portfolio and discussed items related to the loan portfolio. Mr. Romero stated the Committee discussed the program funding needs and capacity to expand the lending programs in an effort to further address housing affordability. He noted the benefits of the programs, referencing the Chicon Project, and that he encouraged staff to go out and look for other great opportunities.

Mr. Long provided an overview of the various trainings and events conducted by the Single Family Homeownership team since the last board meeting, including Overcoming Down Payment Hurdle classes and the 2018 Texas Realtors Annual Conference held in San Antonio. Mr. Long also noted staff had released the new conventional, second lien down payment assistance program.

Mr. Long stated the Corporation had submitted an application to the Capital Magnet Fund. Mr. Long thanked staff for all the hard work that went into the application process. He reminded the Board that the Capital Magnet Fund is administrated by the Community Development Financial Institutions Fund, also known as CDFI Fund. The Corporation requested \$5.25 million to support additional financing for rental houses provided as part of our Texas Housing Impact Fund program. We anticipate the CDFI Fund will be reviewing the applications and announcing awards in early 2019.

Mr. Long thanked Mr. Wilt for his participation in and hosting the fifth and final session of the Rural Rental Housing Preservation Academy held at the Corporation's offices.

Mr. Long introduced the Corporation's newest employee, Cassandra Ramirez. Ms. Ramirez previously worked at Guadalupe Neighborhood Development Corporation, which is a nonprofit serving central east Austin. Ms. Ramirez is a graduate of Cornell University with a degree in urban and regional planning, and has a master's degree of architecture from The University of Texas at Austin.

Mr. Long concluded his report acknowledging the professionals in attendance and noting the next board meeting is scheduled on October 18th.

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on August 16, 2018.

Ms. Cobos requested a few clarifications and changes to the minutes as presented. Ms. Cobos noted three changes to the minutes, including Tab Item 2 regarding the operating budget, Tab Item 3 adding clarification regarding the general counsel RFP and Tab Item 5 adding language regarding outreach efforts and developer interest in rural communities in west Texas. After further discussion by the Board and Mr. Long, the changes discussed were included.

Mr. Romero made a motion to approve the minutes of the board meeting held on August 16, 2018, as amended by Ms. Cobos. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 2 Presentation, Discussion and Possible Approval of a Resolution Regarding Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto.

Ms. Crim provided an overview of the two resolutions approved at the June 2018 board meeting and authorizing the Corporation to apply for additional 2018 volume cap. The first application was for \$225 million submitted to the Bond Review Board after August 6 and before August 15, 2018. The second resolution was approved for an amount up to \$925 Million, with the application to be submitted after August 14, 2018.

Ms. Crim noted the resolution under Tab 2 authorized the Corporation to convert the amended bond allocation in the amount of \$700 million from private activity bonds to Mortgage Credit Certificates (MCC's).

Mr. Dietz inquired regarding the Board's approval of the bond allocation at a prior board meeting. Mr. Crim concurred and noted that the Board approved a similar resolution at a previous board meeting in the amount up to \$925 million, however when the Corporation's initial application was approved by the Bond Review Board in the amount of \$225 million, staff was now recommending reducing this allocation request to \$700 million.

Ms. Cardenas requested some additional background on the MCC program; Ms. Crim provided a brief overview of the program and Mr. Romero provided further input on the benefits of the program to eligible homebuyers.

Mr. Romero made a motion to approve the Resolution regarding the Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and containing other matters incident and related thereto. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 3 Presentation, Discussion and Possible Approval of 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 Hamilton Valley TX Portfolio.

Mr. Danenfelzer provided an overview of the resolution and the proposed Hamilton Valley Portfolio transaction. He also noted this request was an inducement resolution that authorized staff to work with the developer and other professionals to complete financial feasibility, finalize the transaction structure and draft the necessary documentation in support of the future bond issuance. Mr. Danenfelzer explained that the portfolio consisted of 25 properties, 957 units and a total development cost of \$77.3 million to refinance and make improvements to the properties and preserve the affordability of the units. The Corporation's bond request was for \$39 million of the total development costs.

Mr. Dietz inquired about the location of the properties. Mr. Danenfelzer noted the properties were located in several communities across Texas, noting all the properties are qualified as USDA rural development properties. He referred the Board Members to the map included in the board book.

Ms. Cardenas asked for clarification regarding the affordability of the properties included in the portfolio. Mr. Danenfelzer explained that the 25 properties included in this transaction is actually just a subsection of the 91 properties Hamilton Valley has in its portfolio and that all the properties included in this transaction would provide affordable housing.

Mr. Danenfelzer introduced Mr. Hoover, President of Hamilton Valley Management and past president of the Rural Rental Housing Association; Mr. Hoover provided additional information regarding the portfolio of properties, noting the properties included in this transaction were originally funded under the USDA 515 Program as serve low, very low and extremely low-income households.

Ms. Cobos inquired regarding the consultant that Mr. Hoover worked with to identify the properties. Mr. Hoover noted that the Greystone Group had previous experience working with other USDA developers across the country in securing this type of financing.

Mr. Jones made a motion to approve the Resolution regarding the submission of One or More Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with proceeds of future debt for the Hamilton Valley Texas portfolio. Mr. Romero seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 4 Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) Series 2018, a Funding Loan Agreement, a Project Loan Agreement, an Asset Oversight, Compliance and Security Agreement and a Regulatory Agreement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the Note; and other provisions in connection therewith.

Mr. Danenfelzer explained the Board approved the inducement resolution for this transaction earlier this year; staff has been working with the development and finance professionals to underwrite the transaction and develop all of the necessary bond documents. Mr. Danenfelzer provided an overview of the transaction noting that Walnut Creek Apartments consisted of 98 units in Austin, Texas with an estimated cost of \$15 million. Mr. Danenfelzer noted that the developer received a commitment from HUD to extend the existing Section 8 contract for an additional 20 years, providing rental assistance to the units.

Mr. Danenfelzer then introduced Sarah Andre with Structure Development. Ms. Andre noted she represented the developer, Levy Affiliated. Ms. Andre provided comments regarding the need for maintaining affordability in a rapidly gentrifying part of Austin and noting this transaction would be preserving affordability for the next 30 years while providing much needed housing to working-class families.

Ms. Cardenas asked for clarification as to the type of transaction the Board was considering, a refinance or an acquisition and rehabilitation. Ms. Andre explained that this transaction would provide funding for the acquisition and rehabilitation of the existing units, including increasing the number of accessible units, as required by the City of Austin.

After further discussion, Mr. Jones made a motion to approve the Resolution Authorizing the Issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Note (Walnut Creek Apartments) series 2018, a Funding Loan Agreement, a Project Loan Agreement, an Asset Oversight, Compliance and Security Agreement and a Regulatory Agreement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the Note; and other provisions in connection therewith. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 5 Presentation, Discussion and Possible Approval of the 2018 Texas Foundations Fund Nonprofit Partners.

Mr. Wilt presented staff recommendation for the 2018 Texas Foundations Fund Nonprofit Partners. He noted that the 2018 funding round was consistent with the Fund's 2016 awards; approved partners are selected for a two-year term and are required to match the Corporation's grant funds with public or private funds. Staff reviewed all 24 applicants to ensure each organization met the threshold requirements. Mr. Wilt noted the recommended partners would provide various services; fourteen offer critical home repair and ten offer supportive services.

The Board approved \$348,000 for the program, noting each partner would receive \$14,500 for this funding year. Mr. Wilt provided a brief overview of the award process, which is a two-year award, including the reporting requirements and the timeframes for utilizing the matching grants.

Mr. Romero asked what the asterisks in the write-up referenced. Mr. Wilt stated the asterisks denoted partners that are new to this matching grant structure, noting some of the partners had applied previously to the Texas Foundations Fund when it was a competitive application process.

Mr. Jones asked if the amount awarded to each partner was based on need. Mr. Wilt explained that under the previous competitive process award amounts varied, however under the matching grant process the award amounts are the same for each partner, allowing the Corporation to expand the program to include additional eligible partners.

Ms. Cardenas asked how the amount of annual funding was determined. Mr. Wilt explained the annual funding amount was approved by the Corporation's Board and that the amount is included in the annual budget each year.

Mr. Romero requested staff present a summary of the projects awarded, including the activities and services provided through the Texas Foundation Fund to document the impact the program has had across the state since inception.

Ms. Cobos inquired about permanent supportive housing for the homeless; Mr. Wilt explained that the Corporation has previously funded partners that provide permanent supportive housing, Woman's Home of Houston and Bethany House in Laredo. He noted that HUD funding for homeless mitigation is increasingly focusing on permanent supportive housing not temporary or transitional housing.

After further discussion, Mr. Romero made a motion to approve the 2018 Texas Foundations Fund Nonprofit Partners. Ms. Cobos seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Tab 6 Closed Executive Session: Discussion of Real Estate Issues that Affect the Value of the Property to be Purchased as Corporation Headquarters located at 6701 Shirley Avenue, Austin Texas (Real Estate Matters – Section 551.072 Texas Government Code

Mr. Dietz called the Board into closed session in accordance with Government Code Section 551.072, Real Estate Matters. The time was 11:33 am.

The closed session concluded and Mr. Dietz called the Board came back into open session at 12:01pm. Mr. Dietz noted no action was taken during closed session.

Tab 7 Discussion and Possible Approval of a Resolution Approving the Purchase of Property located at 6701 Shirley Avenue, Austin Texas to be used as the Headquarters of the Corporation and Authorizing the Development of Plans and a Budget for the Renovation of the Property and other Matters Incident and Related Thereto.

Mr. Jones made a motion to approve the Resolution Approving the Purchase of Property located at 6701 Shirley Avenue, Austin Texas to be used as the Headquarters of the Corporation and Authorizing the Development of Plans and a Budget for the Renovation of the Property and other Matters Incident and Related Thereto. Mr. Romero seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken and the motion passed unanimously.

Adjournment

Mr. Dietz adjourned the meeting at 12:03PM.

Respectfully submitted by _____
Lacy Brown, Corporate Secretary

Tab 2

Tab 2

Presentation and Discussion of the Fiscal Year 2018 Annual
Financial Audit.

Tab 3



Development Finance Programs

October 18, 2018

Agenda Item

Presentation, Discussion and Possible Approval of Modifications to the Corporation's Affordable Communities of Texas program ("ACT") policies.

Summary

Staff is proposing several modifications to the ACT policies in order to clarify the Corporation's management and operations of the program. Here is a summary of significant changes being proposed.

- Section 4, Corporation's Role, would be amended to allow the Corporation to use a construction contract in place of a Local Partner MOU. This will provide greater flexibility to the Corporation when accepting properties where a Local Partner is not available.
- Section 4(b), TSAHC Land Trust, would be amended to clarify the Corporation's ability to acquire real property, accept mortgages, and manage real and improved properties in the Land Trust program.
- Section 6, Selection of Developers, would be amended to the policy to define how the Corporation will review and select potential Developers.
- Section 8, Local Partner Approvals, would be amended to grant authority to the Corporation's President and Executive Vice President to approve new Local Partners. This authority was previously granted by resolution, but the policy did not accurately represent this process.
- Section 9, Project Approvals, would be amended to clarify the process of approvals to acquire new properties.
- Section 11, Affordability Threshold, would be amended to clarify situations in which the Corporation may allow for the sale of a Land Bank property to a household up to the 120% area median income limit.
- Section 17, Disposition of Properties, would be amended to clarify that the Corporation does have authority to sell properties without the representation of a licensed real estate broker.

Numerous other "cleanup" changes have been made in the proposed policy for the sake of consistency and clarification. Counsel has reviewed and commented on the proposed changes. A black lined copy of the proposed policies is attached to this agenda item for the board's review and discussion. If approved, staff will accept all changes, as noted or amended by the board, and publish the amended policies to our website.

Recommendation

Staff recommends that the Board approve the proposed changes, with amendments if any, for immediate adoption and publication to the Corporation's website.

Texas State Affordable Housing Corporation

Affordable Communities of Texas Land Bank/Land Trust Policy and Guidelines

1. **Policy.** This policy (the “Policy”) has been adopted by the Texas State Affordable Housing Corporation (the “Corporation”) in order to organize and codify its administration of the Affordable Communities of Texas program (the “ACT” or “ACT program”). The ACT supports the Corporation’s public purpose of promoting 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~~mission to promote equal access to safe, decent, and affordable housing with an emphasis on serving rural and underserved markets~~. The ACT’s purpose is to create partnerships between the Corporation and local housing providers to acquire or accept donations of foreclosed housing assets, government properties and other real estate for the benefit of, or to create affordable housing for, low-income households.
2. **Source of Funds.** The primary sources of funds available to the ACT are loans, grants or other sources of funding (“investments”) made by public and private entities to the Corporation. The Corporation may also commit its own funds to the ACT, accept private donations and grants, or apply for funding from government agencies. The availability of funds is dependent upon the Corporation’s ability to find new investments and generate income revenue from the sale, lease or disposition of properties acquired.
3. **Eligible Activities.** The ACT ~~initiative program~~ focuses primarily on the acquisition of vacant or foreclosed housing units, land and other properties that may be used to provide safe, decent and affordable housing. Properties may be developed to preserve, rehabilitate, or construct housing for homeownership, rental, cooperative or any other form of affordable housing that advances is consistent with the Corporation’s ~~mission~~public purpose. The ACT program may also be used to clear vacant or blighted structures, maintain vacant lots, and manage land-banked properties owned by the Corporation or Local Partners (hereinafter defined). The use of ACT funds may be limited by local, state, federal or other contractual agreements ~~from between the Corporation and~~ the providers of such funding ~~and pursuant to any funding agreements executed by the Corporation~~.
4. **Corporation’s Role.** ~~In order~~ To carry out the eligible activities of the ACT ~~program~~, the Corporation ~~shall will~~ enter into memoranda of understanding with its Local Partners (“Local Partner MOU”). Each Local Partner MOU will detail the responsibilities and roles of both the Corporation and Local Partner. The Corporation may, at its discretion, enter into a construction contract (“Construction Contract”) with an approved developer (“Developer”) in lieu of a Local Partner MOU. The Corporation’s responsibilities may include any one or more of the following:
 - a. TSAHC Land Bank. In this capacity, the Corporation will acquire properties using ACT funds, hold properties in the Corporation’s name, and manage the redevelopment of properties with assistance from Local Partners or Developers. The Corporation may use ACT funds to cover the cost of option fees, title reports, due diligence activities, environmental reviews, purchase price and closing costs. A Local Partners or Developer will may be responsible for financing the redevelopment of acquired land bank properties, unless otherwise provided by the Corporation through an agreement separate from the Local Partner MOU or Construction Contract. The Corporation and the applicable Local Partner shall determine the appropriate end use of the property (for-sale or rental) and a timeline for completing redevelopment and occupancy by a qualified low-income household. The Corporation shall determine the final sales price or rental rates of all homes, in its sole determination, ensuring that Local Partners and Developers are reimbursed for reasonable rehabilitation costs from sales proceeds. The Corporation may also utilize a shared equity

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- agreement, in the form of a ground lease or other acceptable documentation, in order to recover its investment in a property and generate revenues for the ACT program.
- b. TSAHC Land Trust. In this capacity, the Corporation (or an affiliate) ~~will may~~ acquire ~~properties~~real property, provide or accept mortgages and ~~hold manage them~~real and improved property in perpetuity for the benefit of providing affordable housing. The Corporation will assist Local Partners or Developers with the planning and redevelopment of properties and may commit ACT funds to cover predevelopment activities. After redevelopment the Corporation may split the ~~real property estate land~~ from the improvements and sell the improvements to the Local Partner or qualified low-income households. The Corporation will continue to own the ~~ground estate land~~ and grant access to the Local Partner or qualified low-income households through a ground lease agreement, mortgage or other legal ~~documentation agreement~~ deemed appropriate in the sole determination of the Corporation. The Corporation may collect ground lease ~~fees payment or other payments~~ in order to cover its holding cost, monitoring and long-term expenses associated with a land trust property.
 - c. Buyer Agent. In this capacity, the Corporation will serve as a conduit for the acquisition of properties on behalf of Local Partners, using funding provided by Local Partners. The Corporation will be reimbursed by Local Partners for any option fees, title agreements or due diligence activities required to purchase the property and paid for by the Corporation. The Corporation will immediately transfer ownership of the property to the Local Partner, be reimbursed for any expenses incurred during the acquisition process, and collect a transaction fee prior to transfer in an amount no less than \$250500.00.
 - d. Land Bank Administrator. In this capacity, the Corporation will acquire properties using funding provided by Local Partners, hold properties in the Corporation's name, and manage the redevelopment of properties with assistance from Local Partners. The Corporation will be reimbursed by Local Partners for any option fees, title agreements or due diligence activities required to purchase the property and initially paid for by the Corporation. The Corporation will hold properties under its ownership until the Local Partner can complete redevelopment activities and place qualified low-income households into properties. The Corporation will collect an annual fee for overhead and administration, plus reimbursement for the actual cost of insurance premiums from the Local Partner. The Corporation shall transfer ownership of the property to the Local Partner within 60 days of written notice, and the Corporation will collect a reasonable transfer fee.
5. **Selection of Local Partners.** The Corporation intends to focus on developing partnerships with qualified nonprofit and local government entities as local partners (collectively the "Local Partners") that have clear relationships to the communities where properties are acquired. The Corporation will market the ACT program to Local Partners in targeted communities and/or may accept partnership applications from Local Partners. In either case, Local Partners must meet the following minimum qualifications:
- a. Nonprofit entities must be an active nonprofit 501(c)(3) or (c)(4) corporation as recognized by the U.S. Internal Revenue Service, and registered as a nonprofit corporation within the State of Texas;
 - b. Financial audits or statements of the Local Partner for a ~~two-~~year period must reflect the entity's ability to manage funds appropriately, as determined solely by the Corporation;
 - c. At least two years of experience in the planning, marketing, development or management of housing programs for moderate and low-income households; and
 - d. The ability to provide evidence of support from local government officials for their activities within the target community.

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e. The entity must not have an active exclusion cited within the Texas Comptroller's System for Award Management Database.

6. Selection of Developers. The Corporation may, in its sole determination, enter into a Construction Contract or a maintenance agreements with a Developer that is a for-profit entity if there is no nonprofit or government entity is present, capable, or interested in acting as a Local Partner with respect to the property. Each Developer must provide the Corporation with the following:

a. Proof of Construction Insurance;

b. Proof of Incorporation (and existing status) and at least two years' worth of experience in the construction or rehabilitation of residential housing;

c. The entity must not have an active exclusion cited within the Texas Comptroller's System for Award Management Database.

6.7. Competitive or Select Application Procedures. In the event the Corporation receives funding that requires the Corporation to utilize a competitive or other application process to disburse the funds, it shall publish ~~to on~~ its website a request for proposals (an "RFP") and application materials. The Corporation will only accept applications when there are available sources of funds and will include all guidelines, procedures, thresholds and scoring criteria in the relevant RFP.

7.8. Local Partner and Developer Approvals. The ~~Manager~~Director of Development Finance (the "~~Manager~~Director") is responsible for coordinating and overseeing the review of Local Partner or Developer applications. Local Partner or Developer applications that fulfill all of the threshold and selection criteria of this Policy and any applicable RFP will be recommended by the Director to the Corporation's President or Executive Vice President for approval and execution of a Local Partner MOU or Construction Contract, as applicable. Board of Directors (the "Board") for consideration and possible approval. The Board's approval may include the commitment of specific funding resources to the Local Partner to acquire properties and complete other activities (demolition, clearance, etc.) as detailed in the Manager's recommendation. If ~~the Local Partner's application is approved by the Board,~~ the Local Partner must enter into a Local Partner MOU with the Corporation prior to the commencement of land banking activities, as defined above, which will detail the roles and responsibilities of the Corporation and Local Partner.

8.9. Project Approvals. The selection of individual properties acquired by the ACT program will be completed by the ~~Manager~~Director ~~and then approved by the Corporation's President or Executive Vice President.~~ If a property is selected, ~~properties are approved by~~ the President or Executive Vice President, ~~the Manager~~ shall be authorized to execute purchase agreements on any specific property and pursue other due diligence requirements of this Policy and the ACT program's funding sources.

9.10. Qualified Projects. All housing units acquired by the Corporation must meet the following criteria in order to be considered a qualified project ("Qualified Project") for the purposes of this policy.

- a. A Qualified Project must ~~advance the mission~~be consistent with the purpose of the Corporation;
- b. A Qualified Project must be financially feasible and provide sufficient return on the Corporation's investment to sustain the ACT program;

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- c. A Qualified Project must be located in an area that provides access to good educational, employment, transportation and other community services; and
- d. A Qualified Project must have a plan to ensure the property will be redeveloped primarily for the benefit of low-income Texans.

In order to be considered for the TSAHC Land Trust a Qualified Project must also demonstrate a special circumstance or condition that justifies its inclusion in the Land Trust program. Such special circumstances may include the development of homes for persons with disabilities or other special needs, homes for extremely low-income households, and homes in areas considered to be high opportunity areas (such as areas experiencing gentrification or high income areas) that will affirmatively further fair housing choice.

10-11. Affordability Threshold.

- a. The Corporation's ~~statutory and charitable mission~~public purpose requires that ~~all properties held housing provided~~ by the Corporation be used primarily for the benefit of ~~qualified~~ low, very-low and extremely low-income households. To ensure adherence to these requirements, ~~all properties held by the Corporation~~Qualified Projects will be ~~held~~required to meet the following minimum qualifications:
 - i. ~~All units~~ Acquired and developed units for homeownership shall be primarily affordable made available to low, very low and extremely low-income households at eighty percent (80%) or below of the area median income (the "AMI") for the location of the property, or eighty percent (80%) or below of the statewide median income, whichever is greater;
 - ii. ~~All units~~ Acquired and developed units for rental shall be primarily affordable made available to for low, very low and extremely low-income households at or below 80% of the AMI for the location of the property;
 - iii. All multifamily properties (4 or more units) acquired and developed for rental shall be held to the following additional income and rent restrictions:
 - A. At least 20% of the total units in the development for persons or families earning 50% or less of the AMI, based on the size of the unit and number of persons occupying the unit; or
 - B. At least 40% of the total units in the development for persons or families earning 60% or less of the AMI, based on the size of the unit and number of persons occupying the unit.
 - iv. The Corporation may impose additional affordability requirements in accordance with funding limitations or on a case by case basis; ~~and~~
- b. Subject to the applicable limitation, the Corporation requires that all properties acquired, but not held, by the Corporation in the role of Buyer Agent be made affordable may permit the development of units for to qualified low or moderate income households, not to exceed 120% of the AMI for the location of the property or statewide median income, whichever is greater.-; and
- ~~b.c.~~ In the event the President or Executive Vice President determines that a property is not suitable for low or moderate income households, due to environmental or location conditions, feasibility concerns, or any other reason deemed appropriate by the President or Executive Vice President, the Corporation may remove a property from affordability restrictions and sell it to a private or

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public entity, and funds from such sale will be used by the Corporation for the acquisition or rehabilitation of other suitable ACT properties.

11.12. Construction Threshold. To ensure that working families have safe, decent, affordable housing, and to ensure long-term affordability and usability, all Qualified Projects ~~held by the Corporation~~ must meet the following standards:

- a. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall meet all local building codes for the jurisdiction where they are located. If the development is located in an area where no building codes are in place or have been adopted, the development shall meet the most recent International Residential Code or International Building Code;
- b. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall be compliant with the Federal Fair Housing Act Accessibility Standards, Titles II and III of the Americans with Disabilities Act of 1990, ~~the Texas Minimum Construction Standards~~ and §2306.514 (visitability guidelines) of the Texas Government Code. Borrowers must submit to the Corporation a certification from the project architect, engineer, or other third-party building inspector that the proposed Development will meet or exceed the above listed accessibility requirements;
- c. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall be compliant with the U.S. Department of Energy's Energy Star Program, as confirmed by a certified third-party Home Energy Rating System ("HERS") inspector or as certified to by the Development's architect or engineer; and
- d. All Qualified Projects, at the time of acquisition or completion of construction or rehabilitation, shall have sidewalks, driveways and streets that are compliant with the Americans with Disabilities Act and Fair Housing Accessibility Standards.

12.13. Location Threshold. The Corporation shall consider a variety of factors to determine if a project is located in an area that promotes safe, healthy and decent housing for low-income households. The Corporation will consider a project's proximity to grocery stores, pharmacies, financial services and other commercial services. All Qualified Projects ~~held by the Corporation~~ must meet the following minimum location standards:

- a. Qualified Projects may not be located within the 100-year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps; and
- b. Qualified Projects located within a County or City that is covered by the Texas Windstorm Insurance Association (TWIA) shall be required to secure windstorm insurance in accordance with the TWIA insurance policy requirements.

13.14. Additional Thresholds. All Qualified Projects ~~held by the Corporation~~ must meet the following additional threshold criteria:

- a. The Corporation requires a general review of environmental conditions at each Qualified Project location. The environmental review may include a review of city or county environmental records; an environmental notification process, as may be required by the Corporation's funding partners; or a Phase I Environmental Site Assessment and any necessary updates, based on the Corporation's sole determination of need;

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- b. The Corporation generally will not fund a project that may cause the displacement of a low-income household. Exceptions to this requirement may be considered on a case-by-case basis;
- c. The Corporation shall use minimum underwriting standards in evaluating all projects. The Corporation shall review such items as debt coverage ratio, cost of project maintenance and the Local Partner's or Developer's financial strength. The minimum underwriting standards shall reflect the nature of the project, its location and the AMI for ~~targeted-qualified~~ low-income households. The Corporation's ~~Manager~~Director shall be responsible for determining the feasibility of each project;
- d. The Corporation may require a third-party market analysis, or may conduct its own assessment of market conditions, to determine the feasibility of a proposal. Current information on demographics, population growth, employment trends, median home prices, zoning requirements, absorption rates, and any other indicators of the market capacity may be considered in the Corporation's review.

14.15. Security Interest. To ~~insure-ensure~~ the fulfillment of the applicable Affordability Threshold, a variety of agreements may be filed in the deed records of Qualified Projects ~~held by the Corporation~~. At a minimum the Corporation may consider the following security interests, or any combination thereof:

- a. Deed Restriction or LURA: The Corporation may file a deed restriction or Land Use Restriction Agreement (the "LURA") in the real property records that defines limitations on resale and occupancy of the Qualified Project. Deed restrictions may or may not be filed as non-foreclosable instruments.
- b. Shared Appreciation Agreement: A shared appreciation agreement (the "Shared Appreciation Agreement") ~~will be is-~~ filed either as a mortgage instrument, deed restriction, or other form of agreement or instrument acceptable to the Corporation, and ~~allows for-~~will allow the Corporation to recapture grant funds or equity transfers (or the equivalent thereof) to a Qualified Project upon any future sale or transfer of ownership. Generally, the Corporation shall seek to recapture 100% of such grant dollars and/or a percentage of such equity transfers. The total recapture amount will depend on the net proceeds available after repayment of superior liens.
- c. Ground Lease: The Corporation may also hold properties in perpetuity and sell or lease their improvements to Local Partners to operate affordable rental housing, or sell improvements to qualified low-income households. In either case, the Qualified Project will be restricted for occupancy in accordance with the applicable Affordability Threshold through a ground lease agreement.

15.16. Project Monitoring. The Corporation requires that all Qualified Projects ~~held by the Corporation~~ undergo a regular review to determine that the project continues to meet the threshold criteria and goals of the ACT initiative. The Corporation may require, especially in the case of rental developments, that an asset management or asset oversight review be completed on an annual, semi-annual or other periodic basis, as determined by the Corporation. The Corporation may charge an annual fee in order to cover the cost of reviews.

16.17. Disposition of Properties. To accomplish the sale or transfer of Qualified Projects, the Corporation may rely on its Local Partners to market, broker, or otherwise sell or lease Qualified Projects. In the absence of a Local Partner, or as otherwise determined necessary, the President or Executive Vice President of the Corporation shall be authorized to list properties for-sale as owner without

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representation, contract disposition activities to a licensed real estate broker or contract any other qualified third-party entity.

~~17.18.~~ **Insurance.** The Corporation shall be authorized to carry general liability, property, casualty and other necessary insurance coverage on Qualified Projects ~~held by the Corporation~~. The President, Executive Vice President, or Chief Financial Officer of the Corporation shall be authorized to contract for such insurance services.

~~18.19.~~ **Fees.** The Corporation may charge fees, penalties or other ~~monetary accruals~~ amounts in order to cover the cost of application review, professional fees, asset and compliance reviews, ground leases, maintenance or holding costs, and any other fee determined reasonable by the President or Executive Vice President of the Corporation.

Tab 4



Development Finance Programs October 18, 2018

Agenda Item

Presentation, Discussion and Possible Approval of the Publication for Public Comment of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bond Funds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2019.

Summary

In accordance with the Corporation's governing statute, we are required to release annually a Request for Proposals (the "RFP") and updated 501(c)(3) bond policies that comply with both state and federal requirements. The Corporation, pursuant to §2306.565 of the Texas Government Code, is also required to adopt targeted areas for the allocation of bonds, review relevant needs assessment information, adopt criteria regarding the solicitation of proposals, and set criteria for scoring and ranking of applications. The attached draft policies and RFP fulfill these statutory requirements.

Staff has conducted a review of several needs assessments including the State Low-Income Housing Plan, market research published by the Real Estate Center at Texas A&M University, and other resources. Additionally, staff monitored application procedures and public input during the past year and is recommending the following changes to the policies and RFP:

- References to 2018 dates have been updated to reflect the 2019 calendar year and a correction was made to the deadline for submission of reservations of private activity bond volume cap to the Texas Bond Review Board, Section 1(a).
- Section 12(e), Municipal Advisor Fees, was updated based on the Corporation's new agreement with Municipal Advisor. The base fee was reduced from \$20,000 to \$10,000.

If approved, staff will post the policies and RFP to the Corporation's website and give notice through the *Texas Register* that public comment will be accepted. Based on public comment and input from the Corporation's Bond Counsel and Issuer's Counsel, staff may update the draft policies and come back to the board for further discussion of the policies and to consider adoption of the policies and RFP.

Staff Recommendation:

Staff recommends that the Board approve the attached blacklined draft policy and RFP for publication for public comment.

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The Texas State Affordable Housing Corporation has approved these policies and request for proposals (“RFP”) for its multifamily tax-exempt bond programs for calendar year ~~2018~~2019. These policies and RFP are updated annually to inform the public of the Corporation’s process and guidelines for selecting residential rental properties to be financed with tax-exempt bonds issued by the Corporation. All submissions must be submitted for review of threshold and scoring criteria at least 35 days prior to any presentation to the Corporation’s Board for an Inducement Resolution.

1. Introduction.

- a. The Texas State Affordable Housing Corporation (the “Corporation”) is a public nonprofit corporation that serves the housing needs of low, very low and extremely low-income Texans and other underserved populations who do not have comparable housing options through conventional financial channels. The Corporation accepts applications from developers (“Developers”) to acquire and rehabilitate, or construct new affordable multifamily rental developments (“Developments”). Pursuant to §§2306.554, 564 and 565 of the Texas Government Code, the Corporation is authorized to issue multifamily 501(c)(3) bonds and to direct the Texas Bond Review Board on the issuance of the portion of the state’s private activity bonds ceiling set aside for the Corporation under §1372.0231(a) of the Texas Government Code. The Corporation’s available volume cap for private activity bonds is 10% of the State’s available volume cap for residential rental private activity bonds. For ~~2018~~2019 the amount is estimated to be approximately \$65 million. This volume cap is available for reservation until ~~August 1~~August 14, ~~2018~~2019. Thereafter the Corporation will be able to apply to reserve any additional available volume cap through the Texas Bond Review Board. There are no deadlines or limits on the amount of 501(c)(3) bonds that the Corporation may issue.
- b. These policies and RFP have been adopted by the Corporation’s Board of Directors (the “Board”) based on a review of the state’s strategic housing needs, the demonstration of local community support, and solicitation from local and regional housing organizations, pursuant to §2306.565 of the Texas Government Code. This RFP defines the methodology that staff will use to review applications and creates the criteria for scoring and ranking applications.
- c. This RFP will be extended month-to-month until such time as the Corporation chooses to close the RFP to further submissions, based on the amount of funds awarded or induced by the ~~Corporation’s~~ Board. A notice that the RFP has closed will be posted to the Corporation’s website, and written notice will be provided to any Developers who submit an application prior to the release of the closing notice. The Corporation reserves the right to re-open the RFP at any time.
- d. Contact Information. All questions about the RFP and application process can be directed in writing to:

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Development Finance Program
Texas State Affordable Housing Corporation
2200 E. Martin Luther King Jr. Blvd.
Austin, Texas 78702
Tel. 512-477-3555, Fax 512-477-3557
Email: ddanenfelzer@tsahc.org

2. **Targeted Housing Needs.** Pursuant to §2306.565(b) of the Texas Government Code, the ~~Corporation's~~ Board has identified target areas of housing need within the State of Texas ("Targeted Housing Needs") for the issuance of qualified residential rental project bond funds. The Targeted Housing Needs are based on research conducted by the Corporation, including a review of the State's strategic housing needs, relevant housing needs assessments and information from local and regional stakeholders. To this end, the ~~Corporation's~~ Board has adopted the following Targeted Housing Needs. The Corporation will only accept applications in response to this RFP that fulfill at least one of the Targeted Housing Needs.
- a. *At-Risk Preservation and Rehabilitation.* The preservation and rehabilitation of existing affordable rental housing is defined as existing housing in need of significant structural repairs and mechanical systems updates. The housing must currently have a recorded regulatory agreement or land use restriction agreement (the "LURA") placed on it by a public body. Rehabilitation activities must result in the housing units being brought up to current energy efficiency, housing quality, local building code and accessibility standards. Developments may include temporary tenant relocation expenses, but may not cause the permanent relocation of existing low-income tenants. Public housing developments participating in the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration program are eligible under this section;
 - b. *Rural and Smaller Urban Markets.* The Corporation is dedicated to expanding access to rental housing in rural and smaller urban markets that are not generally targeted for housing expansion. Rural rental housing developments must be located within an area that is: (a) outside the boundaries of a primary metropolitan statistical area (PMSA) or metropolitan statistical area (MSA); or (b) within the boundaries of a PMSA or MSA, if the area has a population of 20,000 or less and does not share a boundary with an urban area. Smaller Urban Markets rental housing developments must be located within a city of less than 150,000 persons, but not within or adjacent to a PMSA or MSA of more than 500,000 persons;
 - c. *Senior and Service Enriched Housing Developments.* Senior and Service Enriched Housing Developments must meet at least one of the following definitions in order to qualify under this Targeted Housing Need category.
 - i. A proposed Development that meets the requirements of the federal Fair Housing Act and: a) is intended for, and solely occupied by, individuals 62 years of age or

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older; or b) is intended and operated for occupancy by at least one individual 55 years of age or older per unit, where at least 80% of the total housing units are occupied by at least one individual who is 55 years of age or older; and where the owner publishes and adheres to policies and procedures which demonstrate an intent by the owner and manager to provide housing for individuals 55 years of age or older. (See 42 U.S.C. Section 3607(b));

- ii. A proposed Development that provides for integrated, affordable and accessible housing that offers the opportunity to link residents with on-site or off-site services and supports that foster independence for individuals with disabilities and persons who are elderly. Such Developments should also show a clear effort to coordinate housing and health services for residents; or
 - iii. A Development financed in accordance with limitations set by the Internal Revenue Service on Assisted Living Developments, and a) is affordable rental housing combined with minimal on-site medical or supportive services; b) is targeted to persons with disabilities, but with at least 75% of units open to any qualified renter; and c) has at least 10% of its units affordable to persons earning less than 30% of the area median income.
- d. *Disaster Relief Housing.* The Corporation will consider any eligible multifamily residential rental housing Development, including rehabilitation and new construction, located in any one or more Texas counties identified in a Federal Emergency Management Agency disaster declaration to be eligible for financing under this RFP.
3. **Housing Needs Set-Aside.** To ensure that bonds will be available for specific housing needs the Corporation has determined that until April 1, ~~2018~~2019, 20% of its annual available volume cap will be reserved for developments that:
- a. Include at least 50% of housing units located in a qualified Rural or Smaller Urban Market, as defined by this policy; or
 - b. Include at least 20% of housing units built to be accessible for persons with mobility impairments and special needs populations as defined by this policy.
4. **Application Submission.** The Corporation will publish an application package to its website. Developers should download and complete the application pursuant to the guidelines for completion included in the application instructions. The Corporation requires a nonrefundable application submission fee of \$1,500 for Private Activity Bonds or \$2,500 for 501(c)(3) bonds.
5. **Application Review.**
- a. The Corporation requires at least 28 days to review an application before presenting any recommendation for inducement to the ~~Corporation's~~ Board. The Corporation will bring before the Board only those applications that have completed the review process.

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- b. The Corporation may delay the presentation of an application to the Board if there are errors, omissions or insufficient documentation that the Corporation deems necessary to complete its review. If an application fails to fulfill the minimum threshold criteria for the private activity bond (“PAB”) program, the application will not be accepted by the Corporation for further review.
 - c. All applications that have completed the review process will be presented, and recommendations for awards will be determined based on final scores and availability of funds. If the Corporation utilizes all of its volume cap prior to approving an application, the application will be held for a period of 120 days from its date of submission and may be considered for a future award, if volume cap becomes available.
6. **Threshold Criteria.** All applications submitted to the Corporation must meet the following minimum Threshold Criteria (“Threshold Criteria”) in order to be considered for an issuance of bonds by the Corporation. Applications not meeting the criteria listed below will be subject to termination by the Corporation.
- a. *Affordability Threshold.*
 - i. The Corporation seeks to provide housing to a mix of eligible households, including low, very-low and extremely-low income persons. Developers who are successful at receiving an award of PABs shall agree to the following minimum terms and conditions through a Regulatory Agreement. At a minimum, all Developments will be required to meet the following income and rent restrictions:
 - A. A minimum of twenty percent (20%) of the units in a Qualified Residential Rental Development must have Gross Rents that are restricted to households with incomes no greater than fifty percent (50%) of the Area Median Income (“AMI”), adjusted for family size, **or** at least forty percent (40%) of the units in the Development must be affordable to persons and families with incomes at or below sixty percent (60%) of the AMI, adjusted for family size.
 - B. Rent Restrictions. Gross monthly rent charged on an income restricted unit will not exceed 30% of the applicable AMI.
 - ii. Affordability Requirements shall be maintained for of the greater of 15 years or as long as the bonds are outstanding.
 - b. *Experience Threshold.* Developers must demonstrate sufficient experience in the development, ownership and/or management of affordable housing. Developers must submit evidence that they have been involved in the development or ownership of the greater of 75 units or 50% of the total proposed Development units. The Corporation may only give credit for projects that are determined to be successful examples of affordable housing development, which includes properties in continuing operation, historically and

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currently in compliance, and any other factors that the Corporation determines to be relevant.

- c. *Construction Threshold.* All Developments, new construction and rehabilitation, must adhere to local building codes and standards. If a Development is planned in an area or community that does not have local building codes, then the most recent and approved version of the International Building Code or International Residential Building Standards must be used. A certification from the Development's architect, engineer or other third-party construction supervisor must be submitted prior to closing of the bonds. For Developments requiring rehabilitation of existing housing units, the Corporation will require the submission of a physical conditions inspection report and may conduct an onsite inspection of the property in order to complete its underwriting process. The Corporation may also suggest reasonable changes to the rehabilitation scope of work based on its inspection.
- d. *Compliance Threshold.* All Developments must adhere to the Corporation's Compliance Policies, which can be viewed on our website at: www.tsahc.org. Developers and their affiliates will also be reviewed for compliance history with the Corporation's and any other state or federal affordable housing program. The Corporation will require the submission of compliance information and references in order to research a Developer's compliance history.
- e. *Resident Services Threshold.* The Corporation strives to maintain excellent resident services programs in the properties it finances. To meet this goal and better serve low income tenants, Developers must maintain a sustained resident services program that provides at least six (6) approved services to tenants per quarter. Developers must ensure a dedicated budget for services, free transportation to services if off-site, and preferably on-site staff to direct services. The six (6) services must be listed in the Corporation's Resident Services Program Guidelines, as attached in Appendix A, or as approved by the Corporation.
- f. *Energy Efficiency Threshold.* All Developments must adhere to the U.S. Department of Energy's Energy Star program standards, unless otherwise exempted by the Corporation. Developments including either new construction or rehabilitation shall meet these standards. Developers may obtain additional information regarding these standards directly from the Energy Star website: <http://www.energystar.gov>. This threshold must be certified to by the Development architect, consulting engineer, or other third party energy efficiency consultant, prior to closing and based upon a review of the construction specifications or scope of work provided by the Development's general contractor. Additional incentives for Green Building methods and energy efficiency are included as scoring items.

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- g. *Environmental Review Threshold.* Prior to closing, the Developer is required to conduct a Phase I Environmental Site Assessment. At bond closing, the Developer will be required to provide an environmental indemnity in the form satisfactory to the Corporation.
- h. *Relocation Threshold.* All Developments involving the rehabilitation, reconstruction or demolition of existing housing must provide evidence that all tenants, lease holders, property owners and/or residents have been notified at least 30 days prior to the submission of the bond reservation application to the Texas Bond Review Board, that:
 - i. The Developer intends to rehabilitate, reconstruct or demolish existing housing units; and
 - ii. The Developer must ensure that tenants' rights under all federal, state and local housing laws are upheld, including but not limited to extended lease agreements, rental assistance, and relocation assistance.
- i. *Accessibility Threshold.* All Developments must be designed, built and rehabilitated to adhere with the Fair Housing Accessibility Standards, Title II and III of the Americans with Disabilities Act, and §2306.514 of the Texas Government Code. Developers are encouraged to review these guidelines with their architects and/or construction teams prior to application submission. All Developments will be required to obtain a certification from the project architect, engineer or contractor that the final construction plans and/or rehab plan will meet or exceed the above listed federal and state accessibility standards.
- j. *Community Support Threshold.* Developers are encouraged to collect community input on their Development proposals. All letters of support or opposition must be provided to the Corporation as they are received. Developers must submit with their response to the RFP two (2) of the following documents in order to demonstrate community support for the proposed development:
 - i. A letter of Support from one or more of the following: Mayor; City Manager; City Administrator; Director of the Local Housing Finance Agency; Director of the Local Public Housing Agency; School District Superintendent; or County Judge, in the jurisdiction in which the development is located;
 - ii. A resolution of support from the City Council, Local School Board or County Commissioner's Court. A resolution fulfilling the requirements for housing tax credits pursuant to section 2306.67021 of the Texas Government Code will be acceptable for this item;
 - iii. A letter of support from an affected neighborhood association; Chamber of Commerce or tenant council of a Development to be acquired;
 - iv. Evidence that a local government (city or county) entity is providing funding for the development; and/or

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- v. A letter of support from the State Representative or Senator representing the district in which the proposed development is located.
- k. *Underwriting Threshold.* The Corporation generally applies the same underwriting standards as required by the Texas Department of Housing and Community Affairs (“TDHCA”), to ensure consistency with the low-income housing tax credit underwriting process. The Corporation must receive all third party reports, including but not limited to property condition assessments, environmental reports, market analysis and appraisals, that are required to be submitted to TDHCA. Additional minimum underwriting standards include:
 - i. All Developments, and each property within a pooled transaction, must maintain a minimum Debt Coverage Ratio (“DCR”) of 1.15 for a period of no less than 15 years as underwritten by the Corporation;
 - ii. The Corporation generally does not permit amortization periods of more than 40 years. The Corporation may consider longer amortization schedules for service enriched and extremely low-income housing developments;
 - iii. The Corporation will include a reserve of replacement expense of not less than \$250 per unit annually for new construction developments and \$300 per unit annually for rehabilitation developments in the operating expenses for each Development. The Corporation may require a higher reserve amount based on information provided in the Property Condition Assessment (the “PCA”);
 - iv. Compliance fees will be included in the estimate of operating expenses and will include, at a minimum, the Corporation’s Asset Oversight and Compliance Fee, as well as any fees required by TDHCA or other financial sources; and
 - v. The Corporation will include other reasonable and documented expenses, including, but not limited to, depreciation, interest expense, lender or syndicator’s asset management fees, or other ongoing partnership fees in its underwriting analysis. Lender or syndicator’s asset management fees or other ongoing partnership fees will not be considered in the calculation of debt coverage.
- l. *Property Tax Exemption.* Developers must certify that they will, or will not, apply for a property tax exemption or payment in lieu of taxes (“PILOT”) agreement to reduce the property taxes due to local taxing entities. If a Developer agrees not to apply for a tax exemption or PILOT agreement, the Corporation will require a restriction to be added to the bond documents that prohibits any future application for exemption. If a Developer states that they will or may apply for a tax exemption or PILOT agreement, the Corporation will require a notification to the local tax appraisal district, school district superintendent and the County Judge where the Development is located that such an exemption or agreement will be requested. Developers will also be required to submit confirmation of any exemptions or final agreements to the Corporation.

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m. *Public Benefit Threshold for 501(c)(3) Bonds Only.* Pursuant to §2306.563 of the Texas Government Code and this Policy, the Corporation requires that all nonprofit organizations that receive an issuance of qualified 501(c)(3) bonds must invest at least one dollar in projects and services that benefit income-eligible persons for each dollar of property taxes that is not imposed on the Development as a result of a property tax exemption received under §§11.182 and 11.1825 of the Texas Tax Code. Projects and services must benefit income-eligible persons in the county in which the Development supported with the tax exemption is located and must consist of: (1) rent reduction; (2) capital improvement projects; or (3) social, educational, or economic development services, referred to hereafter as qualified public benefits (“QPB”). The Corporation has determined that the following guidelines are reasonable for the calculation and accounting of QPB:

- i. The Corporation shall require the value of any property tax exemption to be included in the operating budget of the Development and escrowed with the Trustee in an account (the “QPB Account”) prior to the repayment of any debt, management fees, performance fee, or any other fees that the Corporation determines relevant. The QPB account may be funded in advance with funds withdrawn for repayment of QPB activities, or may be included on the operating ledger as an account payable with QPB expenditures credited against the balance. On or before January 1st of each calendar year starting after the closing of the bonds, the Developer shall provide to the Corporation an estimate of the value of property tax exemption for that calendar year based on the appraised value provided to the Development by the county tax appraiser where the Development is located. The balance of funds to be escrowed or credited in the QPB Account may be reduced each month in an amount equal to the value of QPB expended by the Development each month. In the event that the QPB Account has a balance of funds existing, or owed as an account payable, if applicable, at the end of the calendar year the Developer or its guarantors shall advance the balance to the appropriate taxing entities on a pro rata basis. The QPB Account imposed by this section will be reduced by an amount equal to each dollar that, in lieu of taxes, a Developer pays to a taxing unit for which the Development receives an exemption prior to the end of the calendar year.
- ii. The Corporation has determined that the value of QPBs will be calculated in the following manner:
 - A. The value of rent reductions will be calculated using the difference between the most recent fair market rent (the “FMR”) published by the U.S. Department of Housing and Urban Development (the “HUD”) and the actual rent collected in each lease agreement. This includes rent concessions granted to households upon move-in, but not the absence or forgiveness of deposits. Rent reductions must be accounted for on a

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monthly basis, documented in each individual lease agreement that receives the benefit, and a notice given to each resident of the annual value of their rent reduction. Units that receive rental assistance payments of any kind are excluded from rent reduction calculations.

- B. The value of capital improvements will be determined on a case-by-case basis for each Development and be specific to each Development or property within a pooled transaction. Capital improvement costs will not include regular maintenance, general repairs, or make ready costs associated with the daily operations of the Development. The Development may include the cost of rehabilitation to be completed as part of the issuance of new 501(c)(3) bonds or approved capital improvements paid for with proceeds from grants, tax credit equity, bond proceeds, loans or other forms of taxable debt, and may amortize the cost of those capital improvements over a five (5) year period. The repayment of taxable debt for capital improvements pursuant to this section B that actually reduces the equivalent amount of such taxable debt payable will be paid out of escrowed funds or credited against the QPB Account. Capital improvements may not account for more than 75% of the total annual QPB requirement.
 - C. The value of social, educational, or economic development services may be based on (1) the actual dollar amount expended by the Development towards such services at the time such services are provided to residents; (2) the value of volunteer services provided and coordinated by the Developer or its affiliates; and (3) the cost saving provided to tenants through services such as free on-site day care, free after school care and free lunch programs. The Development may only include the cost of services approved by the Corporation and must not include the value or cost of services provided to residents free of cost by third party entities.
- iii. The Corporation will require each Developer to certify that the Public Benefit Threshold has been met in accordance with this policy, and any future revisions of this policy, in their annual audit, to be filed with the Corporation within 120 days of the beginning of each fiscal year of the Development.

7. **Scoring.** Pursuant to §2306.565(e) of the Texas Government Code, the Corporation's Board has adopted the following criteria to score and rank applications to the PAB program. The first three scoring criteria are required by state statute. The remaining criteria support the Corporation's goals to target specific housing needs and underserved areas in the state. Applicants must achieve a minimum score of 50 points.

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- a. *Cost Per Unit of Housing.* Applications may receive up to 15 points for proposing housing developments with total residential costs within the following ranges:
- i. 15 points for:
 - A. Acquisition ~~&-and~~ rehabilitation costs equal to or less than \$100,000 per unit
 - B. New construction costs equal to or less than \$130,000 per unit; or
 - ii. 8 points for:
 - A. Acquisition ~~&-and~~ rehabilitation costs equal to or less than \$115,000 per unit
 - B. New construction costs equal to or less than \$150,000 per unit: or
 - iii. 15 Points for ~~acquisition and~~ rehabilitation costs ~~Developments~~ that exceed \$30,000 per unit in projects that meet the At-Risk Preservation and Rehabilitation Targeted Housing Need. rehabilitation expenses.
- b. *Proposed Rents.* Applications may receive up to 15 points for proposing Developments that ensure a percentage of rents are affordable to very low and extremely low-income households. Developments supported by project based rental contracts may not include units supported by project based subsidies in the calculation of the following set-aside selections:
- i. 15 points – at least 5% of units will be reserved for families who earn 30% or less of the area median income; or
 - ii. 10 points – at least 40% of units will be reserved for families who earn 50% or less of the area median income.
- c. *Income Range for Residents.* The Corporation is interested in promoting mixed income housing as a means to improve the lives of residents and build stronger communities. Applications that propose to ensure the following mixed income guidelines will receive 15 points:
- i. Not more than 80% of the housing units will be reserved for persons earning 60% or less than the area median income; or
 - ii. At least 15% of the housing units will be reserved for persons earning between 80% and 120% of the area median income.
- d. *Small and Mid-sized Cities.* Applications will receive 10 points for Developments located in communities with populations less than 150,000 but not located adjacent to a PMSA or MSA with a total population of more than 500,000; or within the boundaries of a PMSA or MSA, if the area has a population of 20,000 or less and does not share a boundary with an urban area.

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- e. *At-Risk Preservation.* Applications will receive 10 points for the acquisition and rehabilitation of Developments with current affordable housing rental contracts or land use restrictions. Applicants must demonstrate that the current rental voucher contract or land use restriction agreement (“LURA”) will be extended for at least 15 years from the date of closing.
- f. *Green Building Features.* Applications will receive 10 points for obtaining a certification from a qualified third party that the Development meets either:
 - i. The minimum certification requirement of the U.S. Green Building Council’s LEED (“LEED”) program: or
 - ii. The Development achieves an Energy Star score for multifamily developments of 70 or higher.

Applications will receive an additional 5 points (maximum of 15 points for this criterion) for meeting the Gold or Platinum certification standards for the LEED program, or an Energy Star score for multifamily development of 80 or higher. Certification may be based on the proposed construction plans, and the Development must obtain an official certification after completion of construction or rehabilitation.

- g. *Accessible Housing Features.* Applications, including those for rehabilitation developments, will receive 10 points for certifying that the Development will meet the following housing accessibility standards:
 - i. All housing units accessible through a ground floor entrance must have at least one no-step entry with a 36” entrance door;
 - ii. All housing and community spaces will be accessible via pathways that meet ADA and Fair Housing accessibility standards;
 - iii. All doorways in ground floor units (including closets, bathrooms, storage areas, etc.) must have doors with at least a 32 inch clear opening;
 - iv. All doors must have lever handles and windows shall have accessible release and opening mechanisms;
 - v. All ground floor units must have at least one ground floor bathroom with an accessible bath tub or roll-in shower, and at least one ground floor bedroom;
 - vi. All electrical outlets, switches and control panels must be no higher than 48 inches and no lower than 15 inches; and
 - vii. All ground floor units must have kitchens that are accessible pursuant to the Fair Housing Accessibility Guidelines.
- h. *Local Public Funding.* Applications will receive 10 points for providing evidence that a commitment of financial support of at least \$250 per unit has been made by a unit of

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government to the proposed development. The only qualifying units of government will be Counties, Cities, Municipal Utility Districts, and Councils of Government. The Corporation considers fee waivers, grants and loans as financial support.

- i. *Letters of Local Support.* Applications will receive 10 points for submitting at least four letters of support from any combination of the following persons: Mayor; City Manager; County Judge; School District Superintendent; State Representative; or State Senator, whose district includes the Development site.
 - j. *Developer Experience.* Applications will receive 5 points for providing evidence that the Developer currently owns, and maintains in compliance, a number of multifamily housing units at least twice the amount proposed in the Application.
 - k. *Resident Services.* Applications will receive 10 points for agreeing to provide at least four (4) approved services to tenants on a monthly basis. This scoring criterion is a higher standard than the Corporation's threshold criteria for resident services.
 - l. *Tie Breaker.* The Corporation will break all scoring ties by dividing the estimated total development cost per unit by the number of very low and extremely low-income units. The application with the lowest ratio will be determined the winner of the tie break.
8. **Subsequent Filing Requirements.** Prior to final approval of the bonds by the Corporation's Board or the Texas Bond Review Board, Developers may be required to file such additional documents or statements in support of their Development as may be considered relevant and appropriate by the Corporation, which may include but are not limited to:
- a. Such additional information as requested by the Corporation's Municipal Advisor, Bond Counsel, or Issuer's Counsel;
 - b. A draft of any official statement, prospectus, or other offering memoranda through the use of which the proposed obligations are to be offered, sold or placed with a lender, purchaser, or investor, which offering, sale or placement materials must contain prominent disclosure substantially to the effect that:
 - i. Neither the Corporation nor the State has undertaken to review or has assumed any responsibility for the matters contained therein except solely as to matters relating to the Corporation and to a description of the obligations being offered thereby;
 - ii. All findings and determinations by the Corporation and the State, respectively, are and have been made by each for its own internal uses and purposes in performing its duties under the legislation enabling the Corporation and this RFP;
 - iii. Notwithstanding its approval of the obligations and the Development, neither the State nor the Corporation endorses or in any manner, directly or indirectly, guarantees or promises to pay such obligations from any source of funds of either entity or guarantees, warrants, or endorses the creditworthiness or credit

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standing of the Developer or of any Guarantor of such obligations, or in any manner guarantees, warrants, or endorses the investment quality or value of such obligations; and

- iv. Such obligations are payable solely from funds and secured solely by property furnished and to be furnished and provided by the Developer and any Guarantor and are not in any manner payable wholly or partially from any funds or properties otherwise belonging to the Corporation or the State.

9. Public Hearings and Meetings.

- a. The Corporation's Board, at its own discretion, may call any Developer to a scheduled meeting to review the Developer's experience, qualifications, and/or the characteristics of a Development.
- b. The Corporation requires Developers to attend a public hearing in each of the communities where a Development is proposed. If the Development includes multiple sites in several cities, the Corporation may require an additional hearing to be conducted at a location central to all development sites. All public hearings must be held prior to the final approval of the Bond Resolution by the Corporation's Board.
- c. With respect to public hearings required by the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), the Corporation will plan and publish notice, at the expense of the Developer, of the hearing in the *Texas Register* and the local newspapers of general circulation in the participating jurisdictions at least fifteen (15) days prior to the planned TEFRA hearing. The *Texas Register* is published only on Fridays and such notice must be provided in advance pursuant to the requirements of the *Texas Register* guidelines. The Corporation will schedule an appropriate date, time and location for TEFRA hearings based on the schedule of publication.
- d. The TEFRA Hearing may not be held (and notice of such Hearing may not be published) prior to the date the Corporation approves the Inducement Resolution; provided, however, that such hearings may be scheduled and publication of the hearing notice may be prepared prior to selection as long as (a) the Corporation's staff determines that such action is appropriate, (b) the hearing and publication of notice do not actually occur until after selection by the Corporation, and (c) the Borrower provides the deposit to the Corporation set forth herein.

10. Awards.

- a. The Corporation's Board may select Developers and alternate Developers for an inducement of volume cap based on the results of threshold and scoring criteria review from a response to the RFP and oral presentations. The Corporation reserves the right not to approve any inducement of volume cap to any Developer(s), even one that is awarded the most points during the scoring review.

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- b. The Corporation reserves the right to retract an award if a Developer is unable to receive a reservation of private activity bonds prior to July 1, ~~2018~~2019. The Corporation reserves this right in order to allow alternate Developers or other applications to proceed with an inducement and reservation, and to ensure the maximum utilization of the Corporation's allocation of bond volume cap.
- c. The Corporation reserves the right in its sole discretion to modify, suspend or amend this program at any time, with or without further notice to any interested party. All costs incurred in the response or application process are the sole responsibility of the Developer. All decisions of the Corporation are subject to such additional conditions, restrictions and requirements as determined by the Corporation in its sole discretion. In addition, the Corporation's selection of proposed Developments for possible issuance of private activity bond cap is subject to final approval by the Texas Bond Review Board.

11. Bond Review Board Approval.

- a. Bonds or similar obligations issued by the Corporation are subject to approval by the Texas Bond Review Board (the "TBRB"). TBRB rules provide an optional exemption from the formal approval process for Texas State Affordable Housing Corporation multifamily conduit transactions unless such transactions involve an ad valorem tax reduction or exemption. If no ad valorem tax exemption or reduction is requested with respect to the Development, the formal TBRB approval process may not be required. However, if one or more TBRB members request it, the formal TBRB approval process must be followed. If so, representatives of the Developer are expected to attend the TBRB planning session and the TBRB meeting at which the Development will be considered for approval. Additional information may be requested by TBRB members, and the Developer's cooperation in providing this information is required.
- b. If the formal TBRB approval process is required, the Corporation, with the assistance of its Bond Counsel, will prepare and file the notice of intent and the TBRB Application for the Development. The Corporation will file the notice of intent and the TBRB Application with the TBRB only if it has timely received all required information and documentation for the completion of the TBRB Application from the Developer and/or its consultants.

12. **Fees.** Developers shall be responsible for fees and expenses incurred as a result of bonds issued on their behalf (the "Cost of Issuance"). Up to two percent (2%) of the Cost of Issuance may be financed through bond proceeds and will be considered part of the obligations authorized for issuance by the Corporation, where eligible under the Code. Developers shall commit to pay from other sources any Costs of Issuance not payable from tax-exempt bond proceeds. The following fees are payable at the times and in the amounts as described below. ALL FEES ARE NONREFUNDABLE, EXCEPT AS OTHERWISE PROVIDED HEREIN.

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- a. *Application Fee.* Developers shall submit a nonrefundable fee of \$1,500 for Private Activity Bonds or \$2,500 for 501(c)(3) bonds, made payable to the Corporation, upon submission of the Application.
- b. *Inducement Fee.* Developers shall pay a deposit of \$7,500, and an additional \$1,000 for each property for Developments involving more than one (1) site, to cover expenses related to public hearings and the application for PAB allocation to the Texas Bond Review Board, within five (5) business days of the date the Inducement Resolution is approved by the Corporation's Board. Additional reimbursements for expenses related to public hearings and application for private activity bonds may be requested by the Corporation.
- c. *Professional Fee Deposit.* Following the issuance of a reservation for volume cap from the Bond Review Board, Developers shall make a deposit with the Corporation which will be credited against fees and expenses incurred by Bond Counsel, the Municipal Advisor and Issuer's Counsel in connection with the proposed financing. Such deposit shall be \$30,000, which represents a \$20,000 deposit for Bond Counsel fees, a \$5,000 deposit for Financial Advisor's fees, and a \$5,000 deposit for Issuer's Counsel fees. Two additional deposits, each equal to 20% of Bond Counsel Fee, based on the projected issuance amount, will be due, the first at the submission of the reservation application to the Texas Bond Review Board and the second upon approval of the final bond resolution by the Corporation's Board. All fees and expenses incurred by Bond Counsel, the Municipal Advisor and Issuer's Counsel in connection with the Developer's transaction will be deducted from such deposit whether or not the obligations are issued. If the accrued fees and expenses of Bond Counsel, the Municipal Advisor and/or Issuer's Counsel exceed the amount of such initial deposit, the Corporation may require the Developer to submit an additional deposit payment.
- d. *Corporation Expenses.* Developers shall reimburse the Corporation for all costs and expenditures incurred by the Corporation that exceed the Corporation's application and inducement fees paid to the Corporation by the Developer during the review, issuance and closing of a Development. Such expenditures include but are not limited to (i) on-site visitation of multifamily residential developments to be financed (or the site[s] therefore), (ii) any reports deemed necessary or appropriate by the Corporation and not otherwise provided by the Developer, (iii) all costs and expenses (including travel and related expenses) of conducting public hearings and related meetings [described herein] and (iv) such other activities, inspections and investigations as are deemed necessary or appropriate by the Corporation in connection with its determination of the suitability of the proposed Development for financing assistance to be offered by the Corporation. The Corporation will include any of the above expenditures in its closing fees estimate prior to the closing date.
- e. *Municipal Advisor Fees.* The fee to be paid to the Corporation's Financial Advisor, acting in a standard Municipal Advisor role, will be ~~\$20,000~~\$10,000 plus \$2.00 per \$1,000 of

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bonds issued, plus actual expenses, unless otherwise agreed to by the Corporation's Financial Advisor. In addition, for an additional fee the Corporation's Financial Adviser will also serve as the bidding agent with respect to all investment contracts to be entered into in connection with the investment of bond proceeds and revenues of the Developments. If the financing structure proposed by the Developer requires non-standard services to be performed by Municipal Advisor or involves unique financing features including, but not limited to, multiple sites or complexes in a project, extreme credit quality concerns, hedge agreements, swap agreements, or trust structures the fees to be charged by the Municipal Advisor will be subject to adjustment. Any such adjustment must be agreed to in writing by the Developer before the submission of the Reservation Application to the Bond Review Board.

- f. *Bond Counsel Fees.* Developer shall pay for the actual hourly costs of Bond Counsel, plus all expenses incurred by Bond Counsel in connection with the Development. Bond Counsel shall receive an initial payment of \$20,000 in advance upon submission of the Development's Reservation Application to the Texas Bond Review Board. Bond Counsel may request additional reimbursement of actual hourly costs or expenses from time to time directly from the Developer. Expenses include TEFRA notice publication, print or document publication, public hearing notices, Attorney General filing fees, and the preparation and filing of the TBRB Applications, printing and supplements thereto.
- g. *Issuer's Counsel Fees.* The fee to be paid to Issuer's Counsel will be .1% (\$.100/\$1000 of bonds) on the first \$20 million of the principal amount of the bonds, and .075% (\$.75/\$1000 of bonds) on the principal amount above \$20 million, with the minimum fee being \$15,000 plus \$5,000 for expenses (unless otherwise agreed to by Issuer's Counsel). If the financing structure proposed by the Developer requires non-standard services to be performed by Issuer's Counsel or involves unique financing features including, but not limited to, multiple sites or complexes in a project, extreme credit quality concerns, hedge agreements, swap agreements, or trust structures, the fees to be charged by Issuer's Counsel will be subject to adjustment. Any such adjustment must be agreed to in writing by the Developer before the submission of the Reservation Application to the Bond Review Board.
- h. *Closing Fees.* Concurrently with the closing of the financing, the Developer shall pay or cause to be paid all fees and expenses in connection with the issuance of the obligations including Bond Counsel Fees, Municipal Advisor Fees, Issuer's Counsel Fees, Texas Bond Review Board Fees, and the actual amount of any closing or acceptance fees of any trustee for the obligations, any fees and premiums for casualty and title insurance, any security filing costs, any fees for placing the obligations, any fees and expenses of any compliance agent appointed in connection with the review of any property, any out-of-pocket expenses incurred by professionals acting on behalf of the Corporation, and any other costs and expenses, including issuance expenses, relating to the obligations, their security, and the Development. Additionally, the Corporation will receive a Closing Fee of

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fifteen basis points (0.15%) of the principal amount of obligations issued, with a minimum closing fee of \$20,000.

- i. *Administrative Fee.* Until the final maturity of the obligations, the Developer will pay an annual Administrative Fee, remitted through the respective bond trustee to the Corporation as designated by the Corporation, equal to ten (10) basis points (.10%) of the aggregate principal amount of the obligations outstanding, with a minimum annual fee of \$5,000. The first annual payment of the Administrative Fee must be paid at closing. The Administrative Fee is exclusive of the trustee's fee, compliance agent fee, rebate analysts' fee, asset-oversight management fee, audit fee, independent analyst fee, and any other costs or extraordinary costs as permitted under the respective bond documents. Payment of the Administrative Fee is to be covered by the bond credit enhancement and/or secured under the first mortgage on the property assigned to the bond trustee. The Corporation may require the payment of the Administrative Fee to be guaranteed by the Development owner and/or general partner(s).
- j. *Trustee's Fees.* The Developer shall select a bond trustee from a list of bond trustees approved by the Corporation to administer the funds and accounts pursuant to the trust indenture between the Corporation and the trustee bank. All trustee fees and expenses, including fees of trustee's counsel, will be approved by the Corporation and must be paid by the Developer.
- k. *Auditor's Fees.* The Corporation may at any time over the life of the Development appoint an auditor to review the financial transactions under the bond documents, a compliance agent, and a rebate analyst to perform an analysis of rebate requirements with respect to the issue. Such fees and costs must be paid by the Developer.
- l. *Continuing Costs.* Developers shall pay to the Corporation, in the manner described in the Development documents, the following amounts:
 - i. An annual asset oversight and compliance fee equal to the greater of \$45 per unit or \$2,500 for each property included in the Development (as such fee may be adjusted in accordance with the Asset Oversight and Compliance Agreement). The Corporation may require the owner of the Development and/or related entities or persons to guarantee the payment of these fees;
 - ii. Any amounts payable pursuant to any indemnity contract or agreement executed in connection with any financing by the Corporation completed as herein contemplated, and
 - iii. The amount allocable to each Developer (whose financing has been completed) of costs and expenses incurred by the Corporation in the administration of the indemnity contract or agreement, any program established in connection with the financing of a Development, and any obligations of the Corporation, including an annual accounting and/or audit of the financial records and affairs of the

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Corporation. The amount of costs or expenses paid or incurred by the Corporation under this clause will be divided and allocated equally among all Developers whose financings have been completed.

- m. *Changes in Fees.* The Corporation reserves the right at any time to change, increase or reduce the fees payable under this RFP. All fees imposed subsequent to closing by the Corporation under this RFP will be imposed in such amounts as will provide funds, as nearly as may be practical, equal to that amount necessary to pay the administrative costs of conducting the business and affairs of the Corporation, plus reasonable reserves therefore.
 - n. *Failure to Timely Pay Fees and Costs.* The Corporation will not consider submissions for future transactions proposed by Developers who are delinquent in the payment of any fees described herein.
13. **Document Preparation.** Bond Counsel will have the primary responsibility for the preparation of the legal instruments and documents to be utilized in connection with the financing of the Development by the Corporation. No bonds or other obligations will be sold or delivered unless the legality and validity thereof have been approved by Bond Counsel. The Developer and its legal counsel shall cooperate fully with Bond Counsel, the Financial Advisor, the Issuer's Counsel and the Corporation's agents in the preparation of such materials.
14. **Material Changes to Financing Structure.** Any and all material proposed changes to the financing structure, ownership of the Development, or scope or materials of or for the Proposed Development, from that set forth in the application must be disclosed to the Corporation immediately in writing and approved by the Corporation.
15. **Time Limits.** In the event that the Development does not close within the time frame established by the Corporation, the Corporation reserves the right to terminate its participation in the financing.
16. **Final Approval by the Corporation.** The Corporation's Board will consider final action on the Bonds after the completion of the public hearings and upon recommendation by the Corporation's staff. If approved, the Board will adopt a resolution, in such form as is recommended by Bond Counsel, authorizing the issuance of obligations to provide financing for the Development. Final approval will be granted only upon:
- a. Receipt by the Board of evidence satisfactory to it that the Developer has complied in all material respects with this RFP not otherwise waived by the Board; and
 - b. An affirmative determination of the Board that:
 - i. All requirements for and prerequisites to final approval under this RFP have either been satisfied or waived and are in form and substance satisfactory to the Board; and

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- ii. The operation of the Development(s) will constitute a lawful activity, is qualified for approval by the State, complies with and promotes the purposes of the Corporation and satisfies the requirements of the Corporation.
17. **Closing of the Development.** Following the public hearing(s) and final approval by the Corporation and the TBRB, if necessary, the Corporation will proceed to close the financing in accordance with the documents approved by the Corporation and when finally approved by the Texas Attorney General and Bond Counsel in accordance with the terms of the sale or placement.
 - a. *Structure of Bond Sale.* Developers shall be responsible for determining the structures of the sale of bonds, but are encouraged to contact the Corporation's Municipal Advisor for information regarding Bond transactions in Texas. Developers are required to execute an agreement in connection with awarding the sale of the Corporation's obligations to an underwriter or to an institutional purchaser through a private placement that obligates the Developer to the payment of the costs of issuing such obligations as more fully described herein.
 - b. *Public and Limited Offering Requirements.*
 - i. All bonds to be sold publicly, whether by competitive bid or negotiated sale, must have a debt rating the equivalent of at least an "A" rating assigned to long-term obligations by a nationally recognized rating agency acceptable to the Corporation. Bonds with an investment grade of "A" or higher may be sold in minimum denominations of \$5,000,
 - ii. The Corporation will consider any bonds that do not have a debt rating of at least "A" or higher as non-rated obligations. Non-rated obligations must be sold in minimum denominations of at least \$25,000 and in integrated multiples of any amounts in excess of \$25,000.
 - iii. All non-rated obligations must be privately placed or offered on a limited basis with transfer and other restrictions. In order for a non-rated transaction to be considered by the Corporation, the placement must comply with the following minimum requirements: (i) the sale must be made to a "qualified institutional buyer" as defined in Rule 144A of the Securities Act of 1933 (a "QIB") or an "institutional accredited investor" as defined in Rule 501(a)(1), (2), or (3) of Regulation D under such act (an "Institutional Accredited Investor") and cannot be an underwriting or purchase with an intent to resell any portion of the obligations, (ii) the obligations must be issued in minimum denominations of not less than ~~\$250,000~~\$25,000 and integral multiples of any amount in excess thereof, and (iii) at such time as the bond financing is presented to the Corporation for final approval, (a) the Developer (or placement agent, if applicable) must identify the Purchaser of the obligations, (b) the Developer (or placement agent, if applicable)

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must provide a written commitment from the Purchaser in form and content customarily used by real estate lending institutions outlining the terms and conditions of such commitment to purchase the obligations, (c) the Purchaser must represent that it is in the business of originating, or acquiring and owning for its account, tax-exempt bonds or mortgage loans on multifamily rental housing properties, (d) when a placement agent is involved in the sale of the obligations, there may be a placement memorandum prepared by the agent for the Purchaser, but there will be no offering statement by the Corporation, and (e) the Corporation may require that one physical obligation be issued with a legend stating that the initial and any subsequent purchaser(s) of such bond shall be a QIB or an Institutional Accredited Investor, as applicable. In the case of a private placement transaction, the Developer or placement agent, upon delivery of the obligations, shall provide the Corporation with an executed investment letter from the investor purchasing the obligations substantially to the effect that: (1) it is engaged in the business, among others, of investing in tax-exempt securities and is a QIB or an Institutional Accredited Investor, as applicable; (2) it has made an independent investigation into the financial position and business condition of the Developer and therefore waives any right to receive such information; (3) it has received copies of the financing documents pursuant to which such obligations are issued, and (4) that it has purchased the obligations for its own account and not with the intent to sell them. A complete form of such investment letter will be provided by the Corporation.

- c. Any variation to the requirements set forth above must be requested in writing by the Developer and must be approved by the Corporation and be acceptable to the Bond Counsel, Financial Advisor, and Issuer's Counsel.
- d. *Required Approvals.* No Developer, or any representative of any Developer or the Corporation, shall represent, directly or indirectly, to any lender (interim or otherwise) supplier, contractor, or other person, firm, or entity that the Corporation has agreed or is firmly committed to issue any obligations in relation to any Development or Response or Reservation Detail until the Board has given final approvals for the issuance thereof under this RFP, and then subject to the governmental approvals required by this RFP and the approval of the Attorney General of the State of Texas, the approval of Bond Counsel and subject to any requirements imposed by the Corporation's Articles of Incorporation.
- e. *Offering Statement.* No Developer, or any representative of the Developer or the Corporation, shall make any representation, directly or indirectly, express or implied, of any fact contrary to the disclosures required to be made by this RFP.
- f. *Registration.* Neither the Developer nor any securities firm, underwriter, broker, dealer, salesman, or other person, firm, or entity shall offer, sell, distribute, or place any obligations authorized by the Corporation by any process, method, or technique or in any

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manner, transaction, or circumstances or to any person or persons, the effect of which would be to require such obligations to be registered or would require filings to be made with regard thereto under the laws of the state or jurisdiction where such offer, sale, distribution, or placement is made without first registering the same or making the filings regarding the same required by such laws.

- g. The Developer will provide and be responsible for filing so long as it is obligated to make payment to the Corporation in support of the bonds, notes or other obligations issued by the Corporation for a project being financed for the Developer, all information required to satisfy the requirements of Rule 15c(2-12) of the United States Securities and Exchange Commission as that rule is applicable to the financing.

18. Failure to Comply with this RFP. The Corporation will not consider submissions from Developers for a potential Development if the Developer is a borrower (or a related party thereto) in connection with obligations previously issued by the Corporation and such borrower (or related party) is not in compliance with the requirements set forth in this RFP or is delinquent in the payment of any fees or costs set forth in this RFP with respect to such prior issued obligations of the Corporation.

19. OTHER REQUIREMENTS. THE CORPORATION MAY IMPOSE ADDITIONAL OR DIFFERENT REQUIREMENTS ON A DEVELOPER THAN THOSE PROVIDED IN THESE GUIDELINES IF ADDITIONAL OR DIFFERENT REQUIREMENTS BECOME NECESSARY (AS DETERMINED BY THE CORPORATION IN ITS SOLE DISCRETION) TO PROVIDE THE BEST OPPORTUNITY FOR APPROVAL BY THE CORPORATION'S BOARD OF DIRECTORS AND/OR THE TEXAS BOND REVIEW BOARD.

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APPENDIX A

TSAHC Resident Services Program Guidelines

It is the Texas State Affordable Housing Corporation's goal to support Developers in the creation of high quality Resident Service Programs. TSAHC has created basic guidelines and a reporting system to help with this process.

The following is a list of activities/courses that can be implemented. In order to fulfill the Resident Service requirement, at least six resident service activities per quarter must be provided from the following list. Developers must ensure services are provided onsite or provide free transportation to services if off-site. If the applicant received additional points under the Resident Service scoring criteria, an average of at least four resident service activities per month must be provided from the following list. If you are interested in starting an activity or course that is not on the list, please propose the new activity to the Multifamily Oversight Department for approval. Activities that are provided daily, such as after school programs and educational/scholastic tutoring, can be counted as two services for the quarter. Please make sure that services offered will encourage economic self-sufficiency and/or promote homeownership opportunities.

- Career Services
 1. Computer Literacy Class
 2. GED Classes
 3. Job Skills/Training
 4. Resume/ Job Search Workshop
 5. Job Fair
 6. College Preparation Class
 7. Military Recruiting

- Children's Services
 1. After School Care (Counts as 2 Services When Provided Daily)
 2. Swimming Lessons
 3. Free On-site Daycare (Counts as 2 Services When Provided Daily)
 4. Free On-site Tutoring Sessions (Counts as 2 Services When Provided Daily)
 5. Performing Arts Classes
 6. Holiday Safety Classes
 7. On-Site Library
 8. Free Lunch Program (Counts as 2 Services When Provided Daily)

- Community Awareness
 1. Crime Watch Meeting
 2. Self Defense Course

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3. Child ID/Fingerprinting Program
 4. Fire Safety Class
 5. Hurricane Safety Class
 6. Domestic Violence Awareness Workshop
 7. Drug Awareness Workshop
 8. Host Support Groups Such as AA, Anger Management, etc.
 9. Community Gardens
 10. Community Service Activities (i.e. Habitat for Humanity)
 11. Green Living/Environmental Workshop
- Financial Skills
 1. Household Budgeting Workshop
 2. Financial Planning/Credit Counseling Workshop
 3. Asset Building Workshop
 4. Tax Preparation Courses
 5. Student Financial Aid Workshop
 6. Personal Insurance Workshop (Medical, Renters, Life, Disability, Car)
 - Medical and Health Services
 1. Basic First Aid and CPR Class
 2. Caring for the Disabled Class
 3. Health and Screening Services
 4. HIV/AIDS Classes
 5. Vaccinations/ Flu Shots Services
 6. Fitness and Exercise Classes
 7. Diabetes/ Heart Disease Courses
 8. Babysitting Safety Courses
 9. Health and Nutritional Courses
 10. Low Cost Healthy Cooking Courses
 11. Cancer Awareness Workshop/Cancer Screening Services
 12. Free Dental Services
 - Personal Development
 1. Counseling Services
 2. English as a Second Language Courses
 3. Home Ownership Counseling
 4. Parenting Classes
 5. Anger Management Courses
 6. Family Counseling
 7. Cleaning Supply Safety Class / Housekeeping Education
 8. Book Club

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- Free Transportation Services
 1. Grocery Store
 2. Library
 3. Medical Visits
 4. Cultural Community Events
 5. Free/Discounted Public Transportation Tickets

Activities that will not be counted towards the six resident services per quarter requirement include, but are not limited to, children's movie time, patio decorating contests, gambling trips, resident parties, Easter Egg Hunts or other activities along these lines. Properties are welcome to offer these activities, but they will not count towards fulfilling the Resident Services obligation.

Tab 5

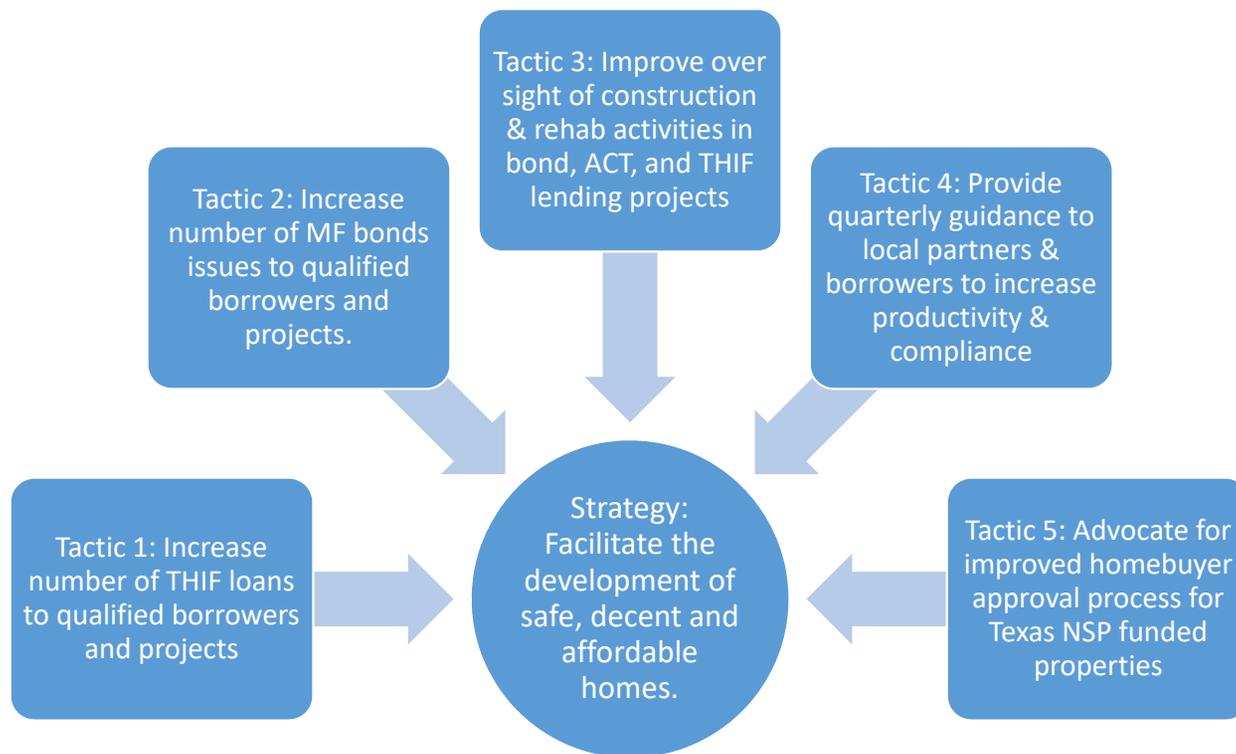
TSAHC Strategic Plan

Fiscal Year 2019

Development Finance

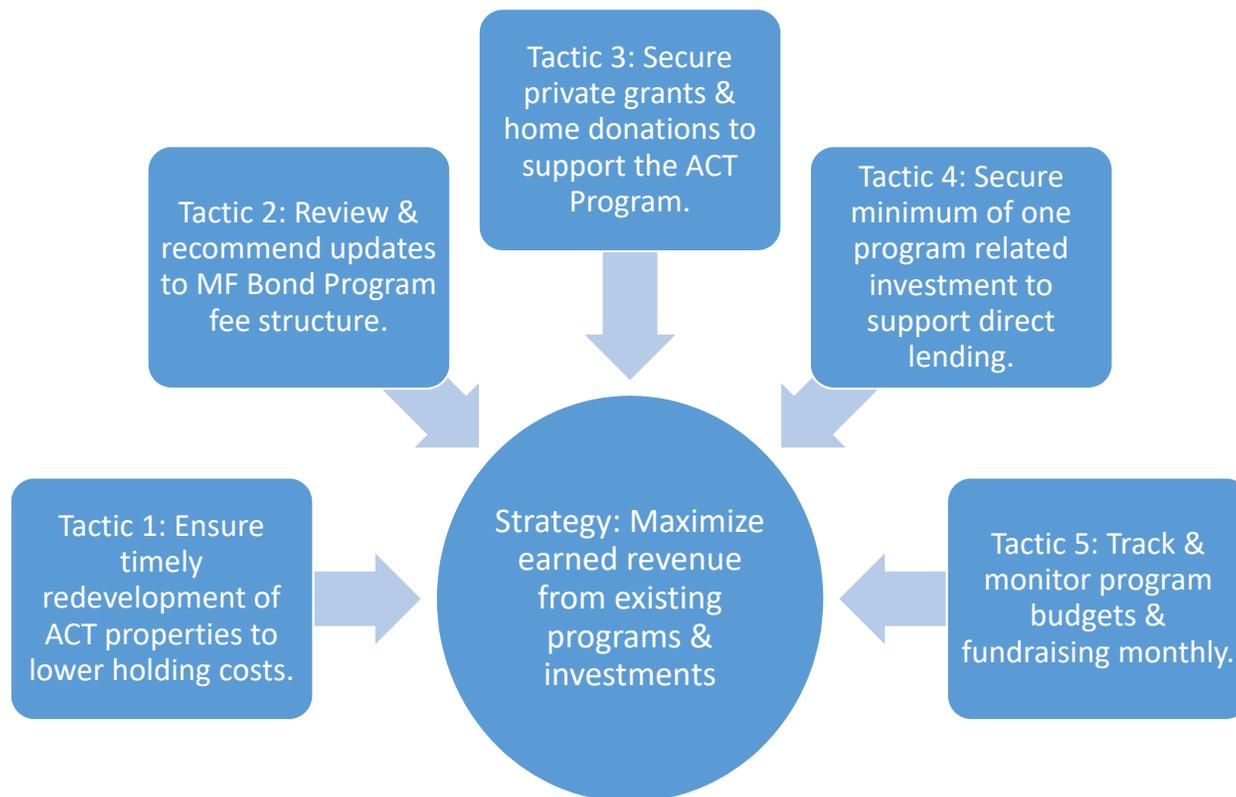
Development Finance

Goal: Establish, manage and expand effective programs to serve the housing needs of low-income Texans and other underserved populations.



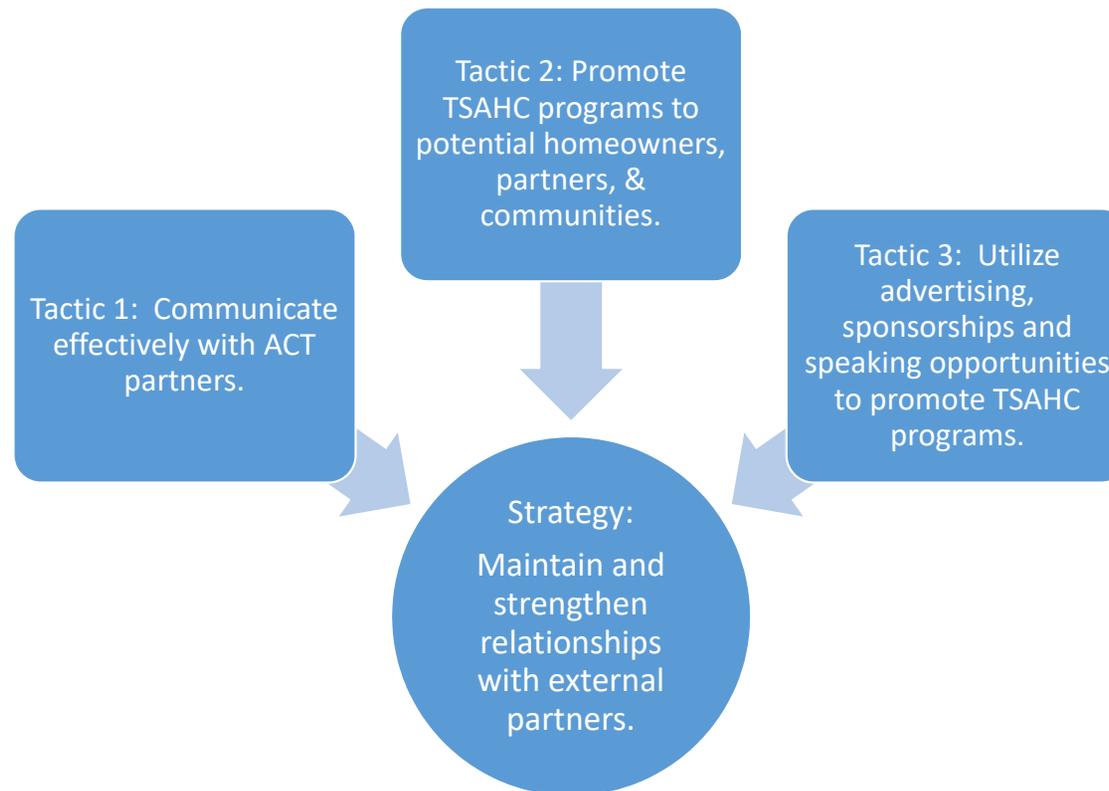
Development Finance

Goal: Ensure the Corporation's financial sustainability.



Development Finance

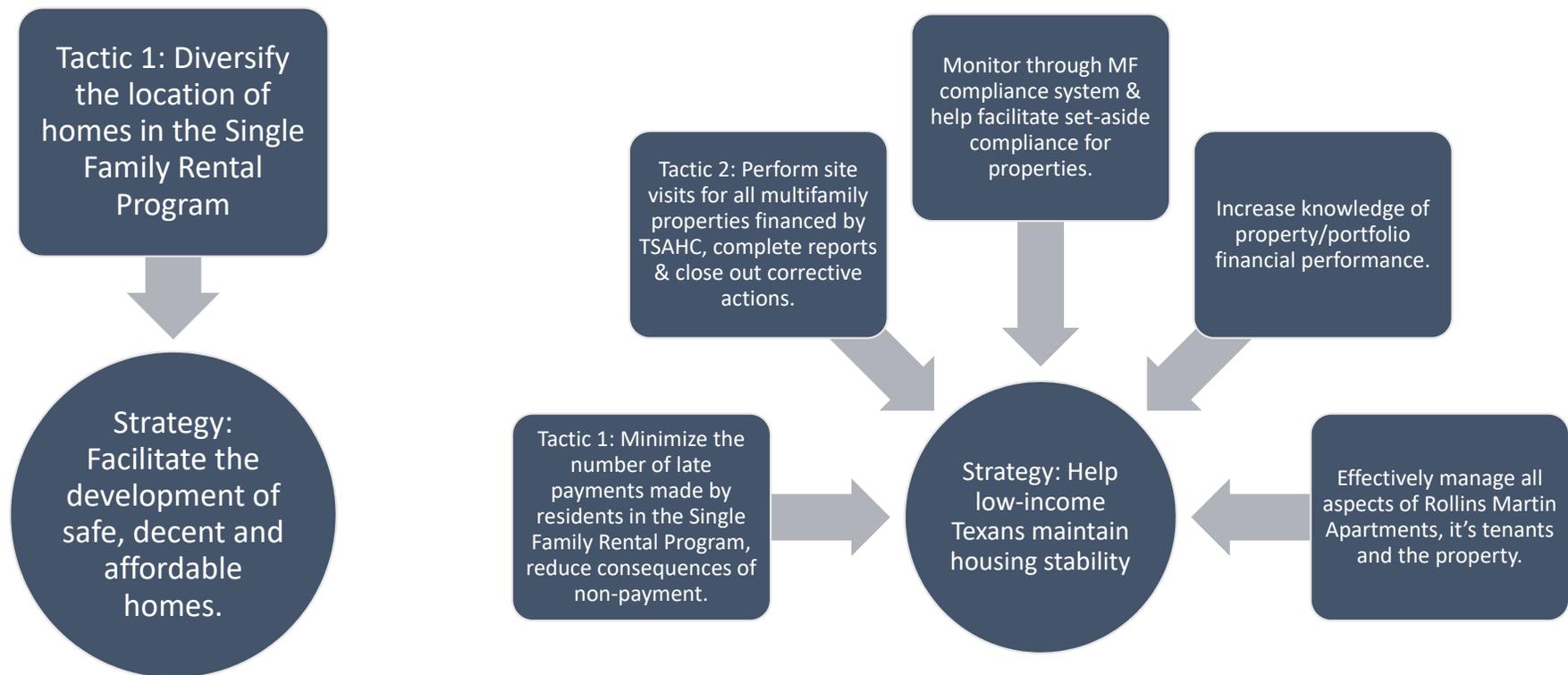
Goal: Implement marketing, communications, and outreach strategies to increase awareness and promotion of the Corporation and its programs.



Multifamily Oversight

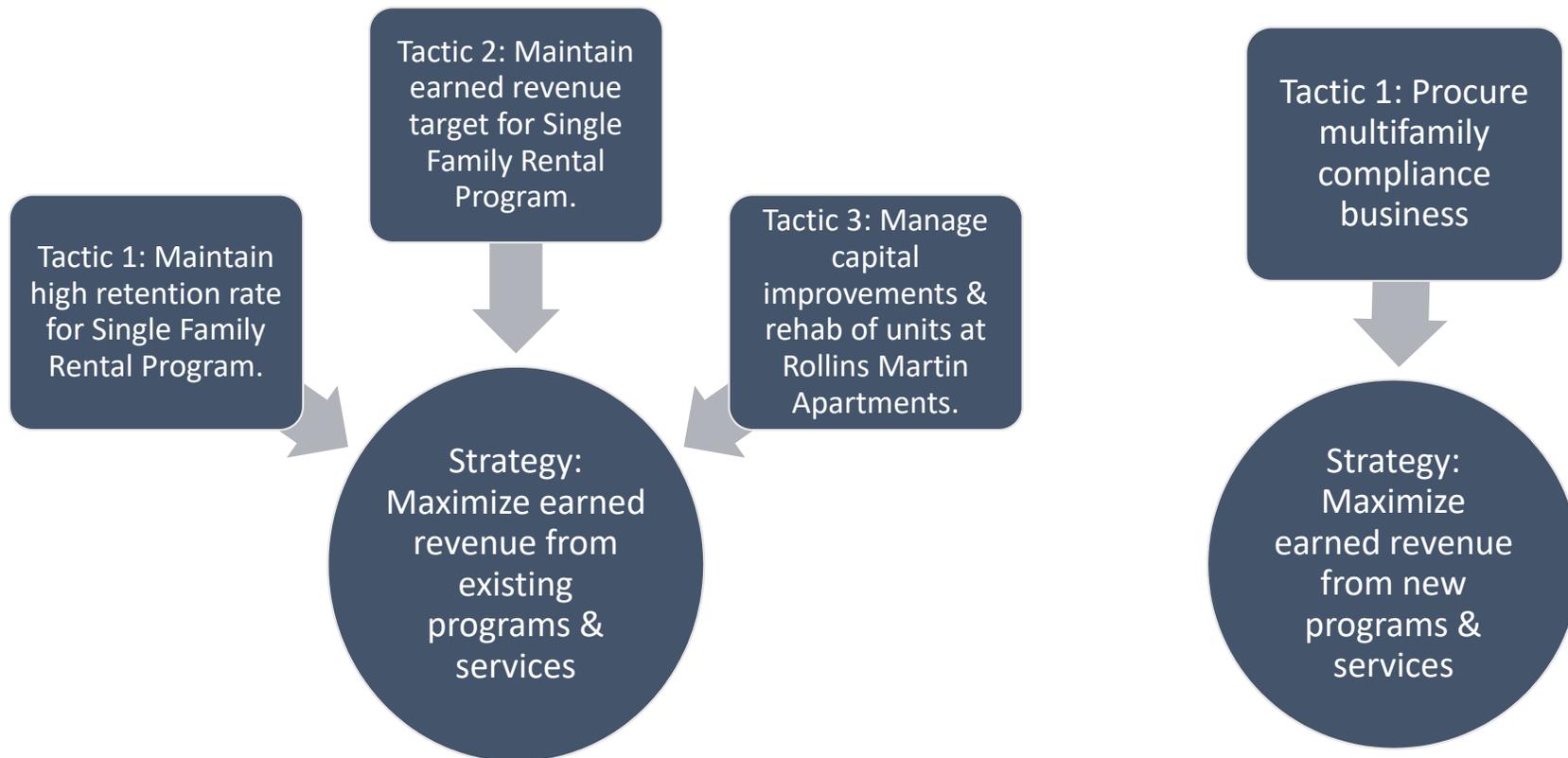
Multifamily Oversight

Goal: Establish, manage and expand effective programs to serve the housing needs of low-income Texans and other underserved populations.



Multifamily Oversight

Goal: Ensure the Corporation's financial sustainability.



Homeownership

Homeownership

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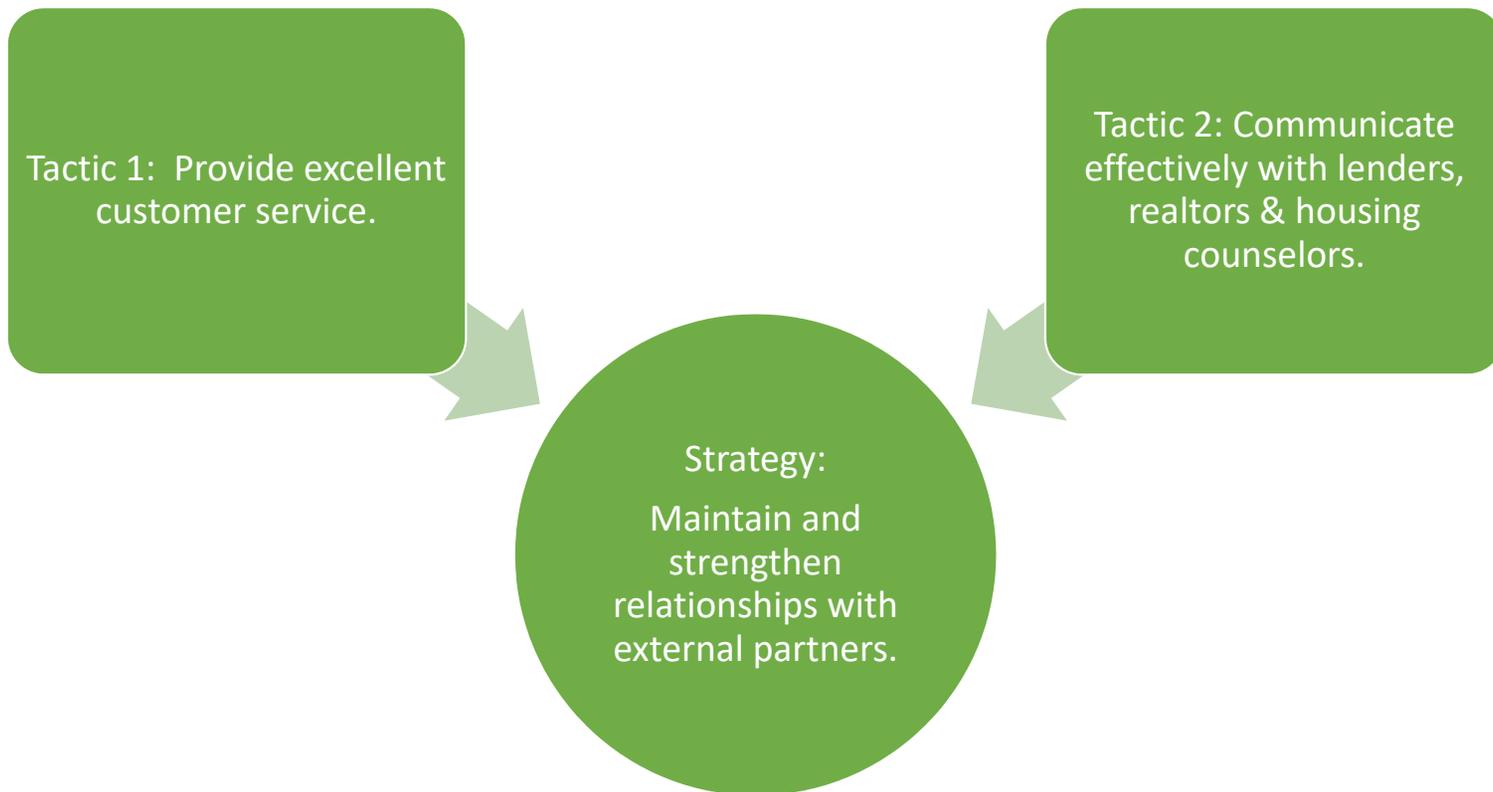
Homeownership

Goal: Ensure the Corporation's financial sustainability.



Homeownership

Goal: Implement marketing, communications, and outreach strategies to increase awareness and promotion of the Corporation and its programs.



Marketing, Fundraising & Government Relations

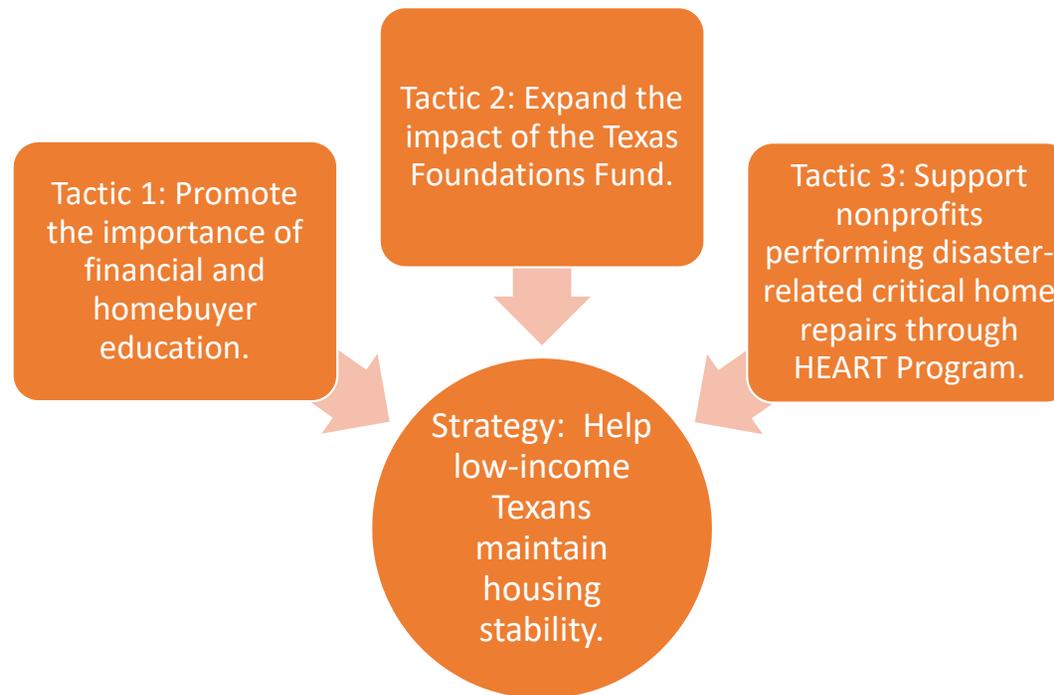
Marketing, Development & Government Relations

Goal: Establish, manage and expand effective programs to serve the housing needs of low-income Texans and other underserved populations.



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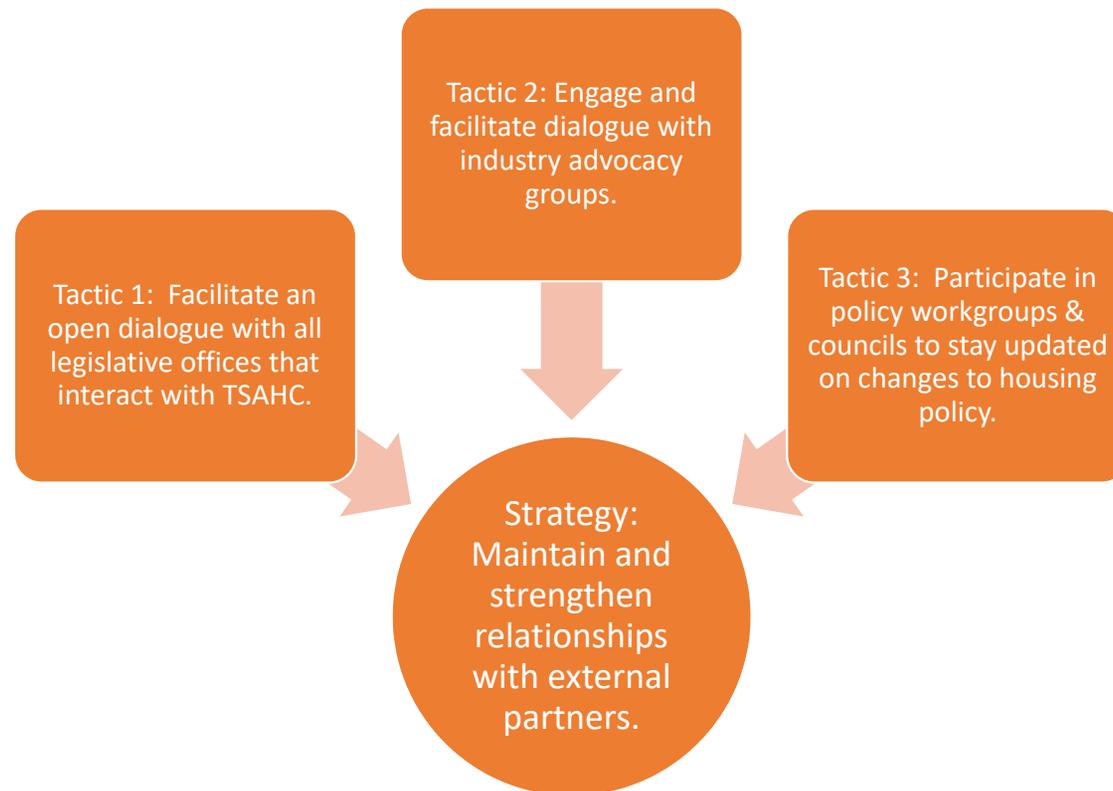
Marketing, Development & Government Relations

Goal: Ensure the Corporation's financial sustainability.



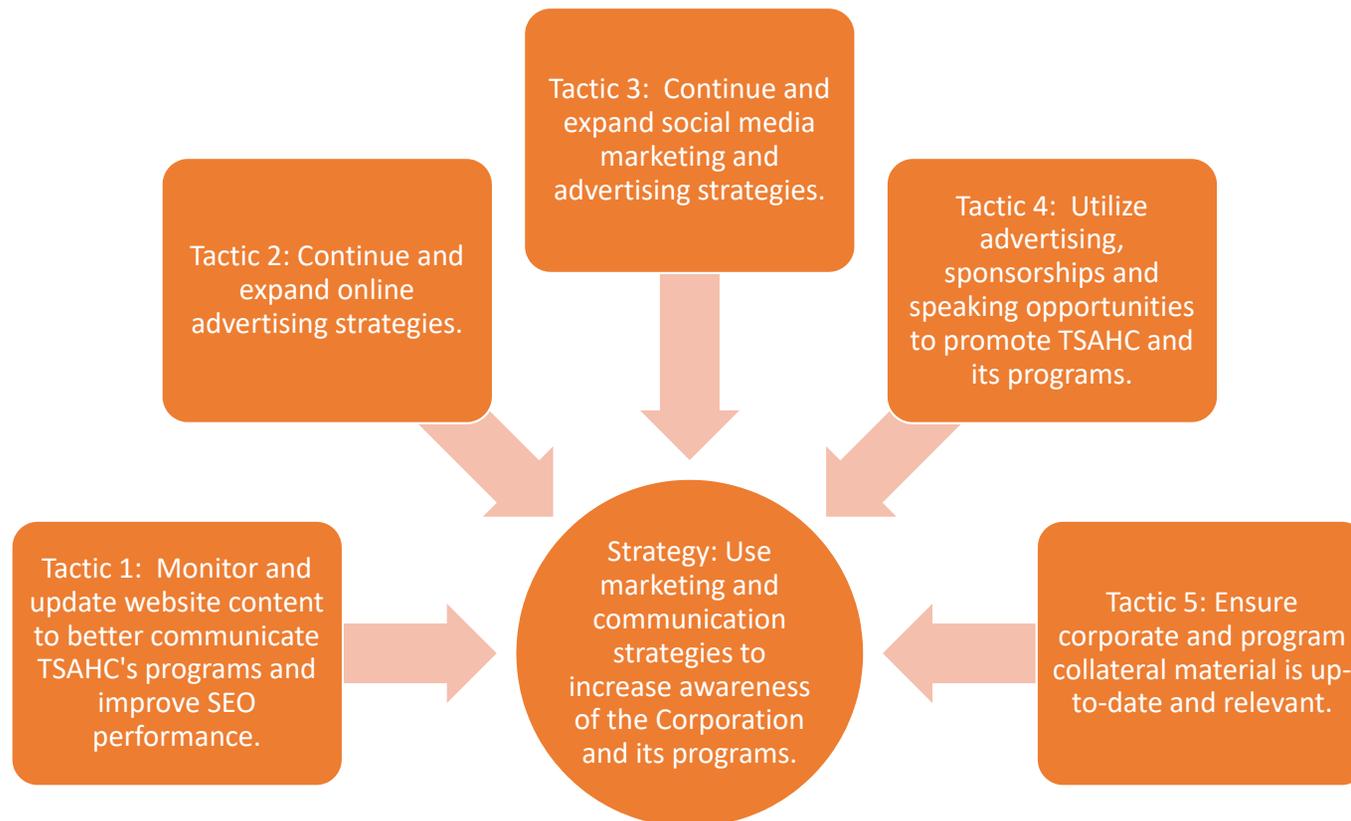
Marketing, Development & Government Relations

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Marketing, Development & Government Relations

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Marketing, Development & Government Relations

Goal: Ensure effective direction and control of the Corporation.

Tactic 1: Explore opportunities for new activities or program enhancements that may be available under our enabling legislation.

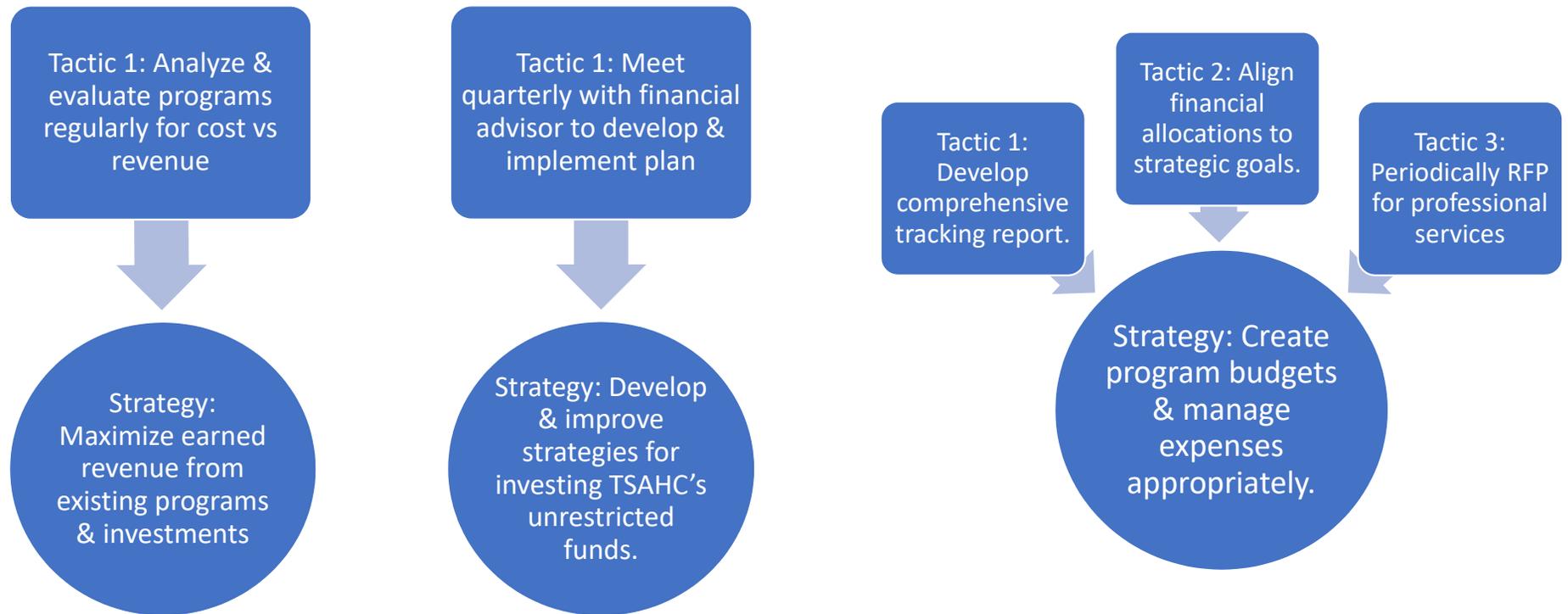


Strategy:
Establish and adhere to good corporate governance practices.

Accounting, Executive & Management

Accounting, Executive & Management

Goal: Ensure the Corporation's financial sustainability.



Accounting, Executive & Management

Goal: Ensure effective direction and control of the Corporation.



Accounting, Executive & Management

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