



**October Board Meeting**

To be held at the offices of  
Texas State Affordable Housing Corporation  
6701 Shirley Avenue  
Austin, TX 78752

Tuesday, October 18, 2022  
10:30 a.m.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION  
BOARD MEETING  
AGENDA**

**To be held at the offices of  
Texas State Affordable Housing Corporation  
6701 Shirley Avenue  
Austin, Texas 78752**

**October 18, 2022  
10:30 A.M.**

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

**Bill Dietz, Chair**

Pledge of Allegiance – **I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.**

Texas Allegiance – **Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.**

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: Monthly Financial Reports

**ACTION ITEMS IN OPEN MEETING:**

- |       |   |
|-------|---|
| Tab 1 | Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on September 27, 2022.  |
| Tab 2 | Presentation, Discussion and Possible Approval of a Resolution Authorizing the Development of a Program and the Preparation of Documents Relating to the Issuance and Sale of Single Family Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto. |
| Tab 3 | Presentation, Discussion and Possible Approval of a Resolution to Approve the Corporation’s Fiscal Year 2023 Investment Policy.   |
| Tab 4 | Presentation, Discussion and Possible Approval of the Corporation’s Fiscal Year 2023 Broker Listing.  |
| Tab 5 | Presentation and Discussion of the Texas State Affordable Housing Corporation’s Fiscal Year 2022 and 2023 Strategic Plans.  |

**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

**ANNOUNCEMENTS AND CLOSING COMMENTS****ADJOURN**

*A Board member of the Corporation may participate in a Board meeting by video conference pursuant to Section 551.127 of the Texas Government Code. A quorum of the Board will meet at the Texas State Affordable Housing Corporation's headquarters located at 6701 Shirley Avenue., Austin Texas, 78752.*

*Individuals who require auxiliary aids or services for this meeting should contact Rebecca DeLeon, 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.*

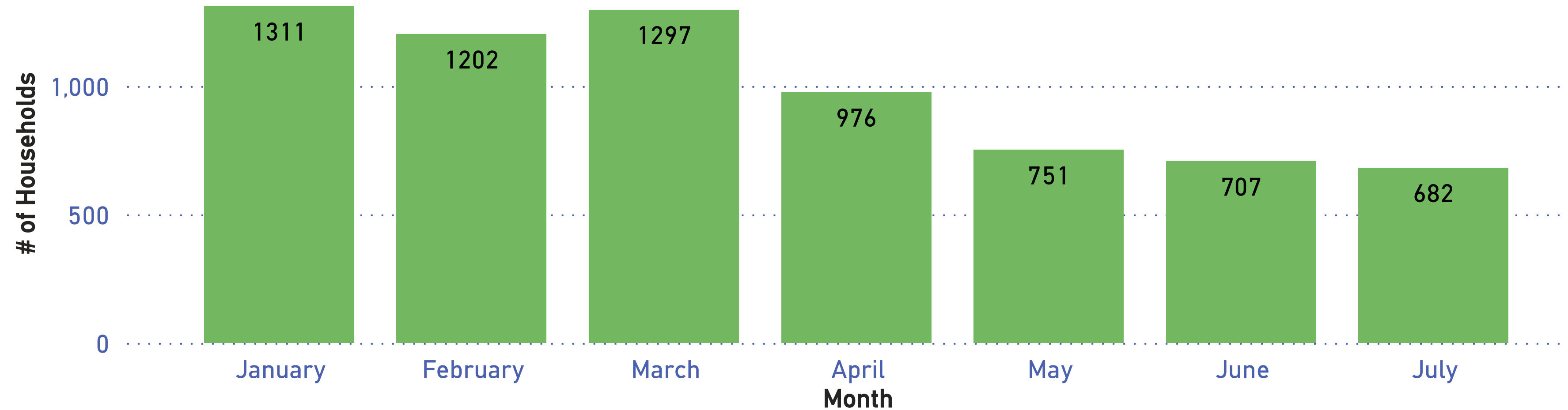
*Texas State Affordable Housing Corporation reserves the right to recess this meeting (without adjourning) and convene at a later stated time, if and to the extent allowed by law. If Texas State Affordable Housing Corporation adjourns this meeting and reconvenes at a later time, the later meeting will 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

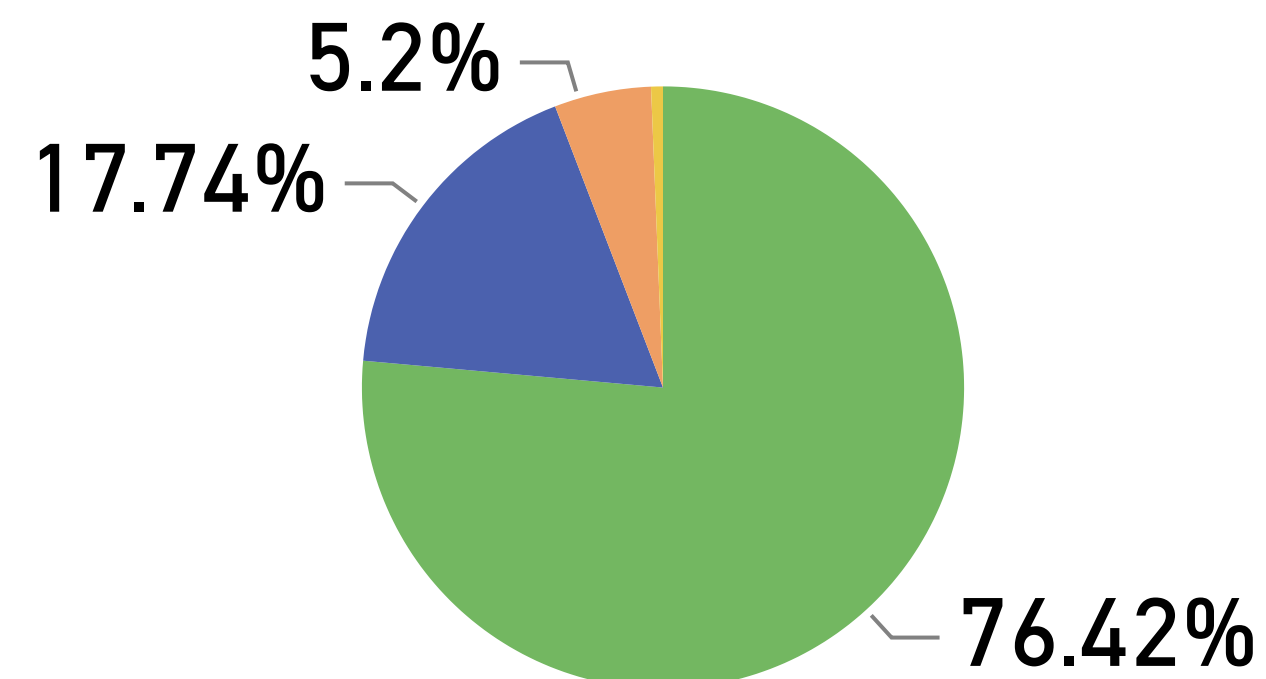
Homeownership Finance Report

## # of Households by Month



## Loan Type

- FHA - Purchase
- Conv. - Purch.
- VA - Purchase
- USDA-RHS Purch.



**68.41K**

Average Annual Income

**235K**

Average of Loan Amount

**5.19%**

Average Interest Rate

**690**

Average Credit Score

**6926**

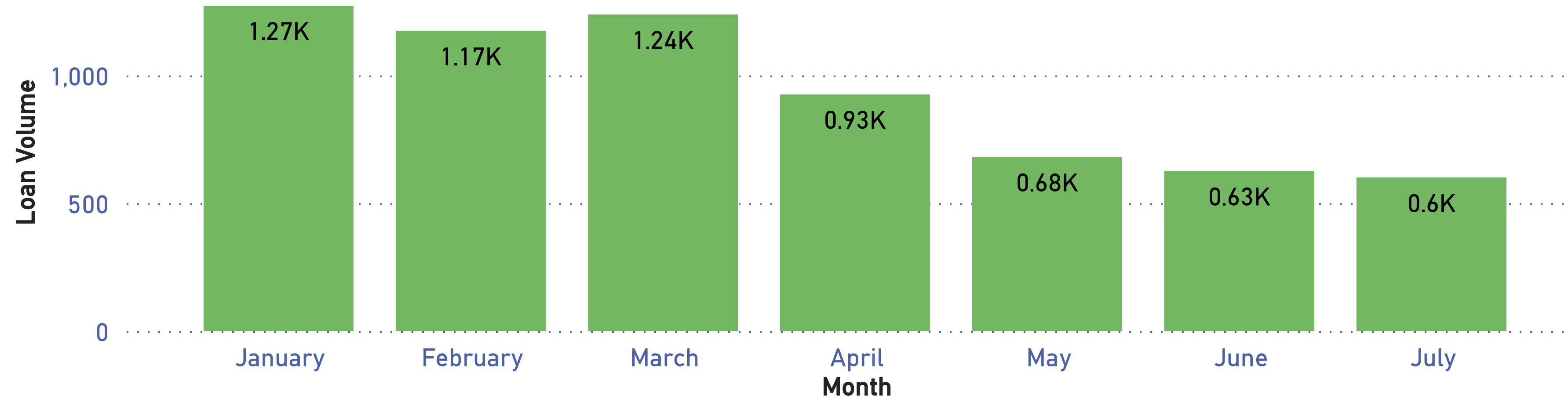
Households Served

**2**

Average Household Size

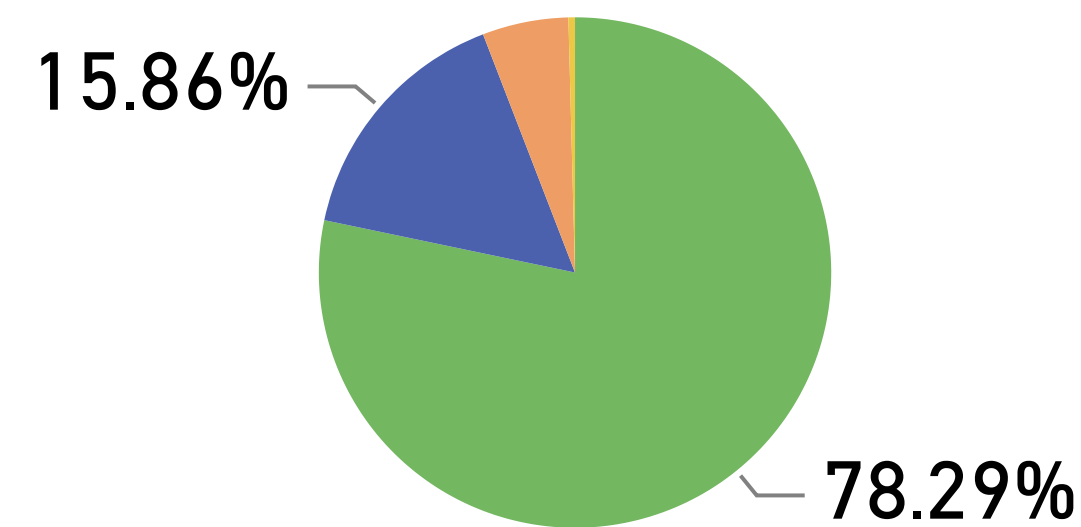
# Homeownership DPA Snapshot

## Loan Volume by Month



## Loan Type

- FHA - Purch...
- Conv. - Purch.
- VA - Purchase
- USDA-RHS ...



**\$8,313**

Average DPA Awarded

**\$54,186,726**

Total DPA Awarded

**69.08K**

Average Annual Income

**235K**

Average Loan Amount

**1529M**

Total Loan Volume

**6518**

Households Served

**5.22%**

Average Interest Rate

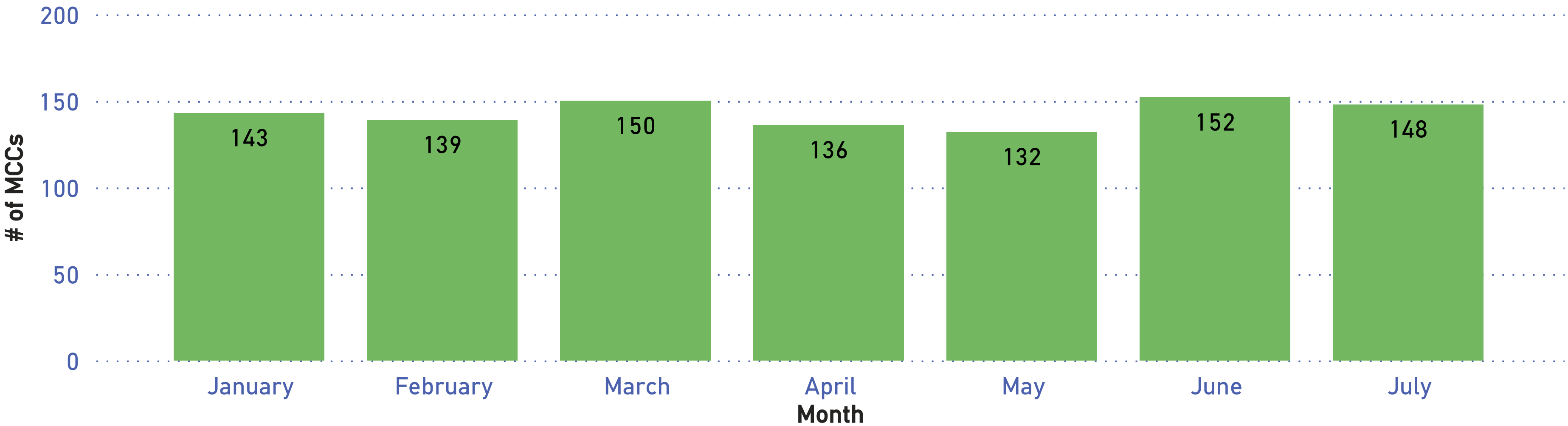
**689**

Average Credit Score

**2**

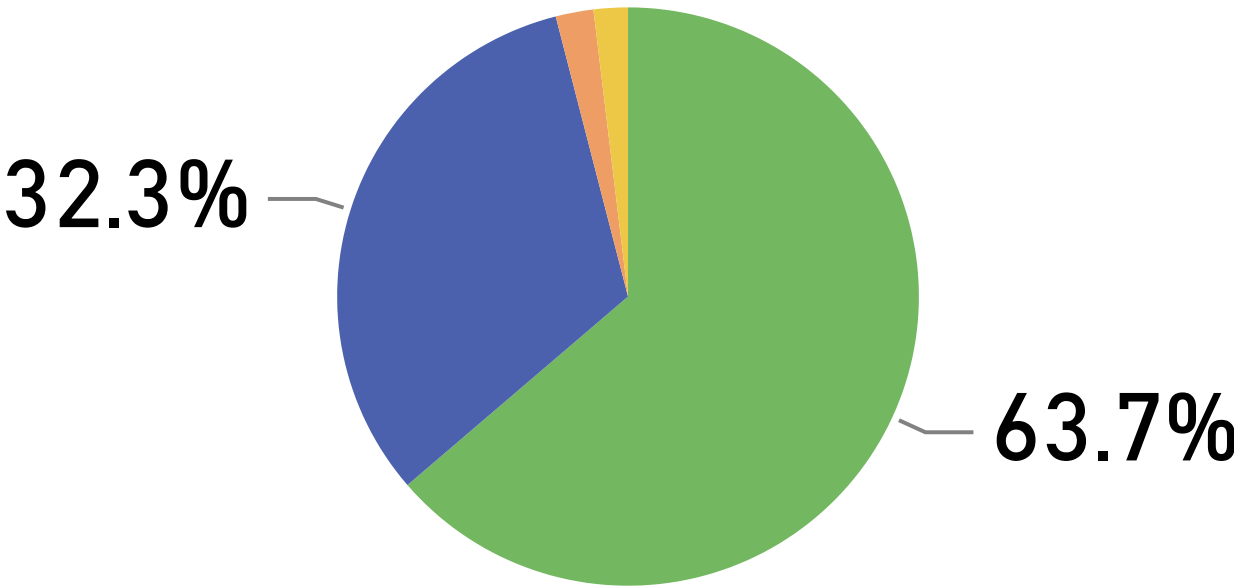
Average Household Size

### # of MCCs by Month



### Loan Type

- FHA - Purchase
- Conv. - Purch.
- VA - Purchase
- USDA-RHS Purch.



60.85K

Average Annual Income

230K

Average of Loan Amount

5.02%

Average Interest Rate

700

Average Credit Score

1000

Issued MCCs

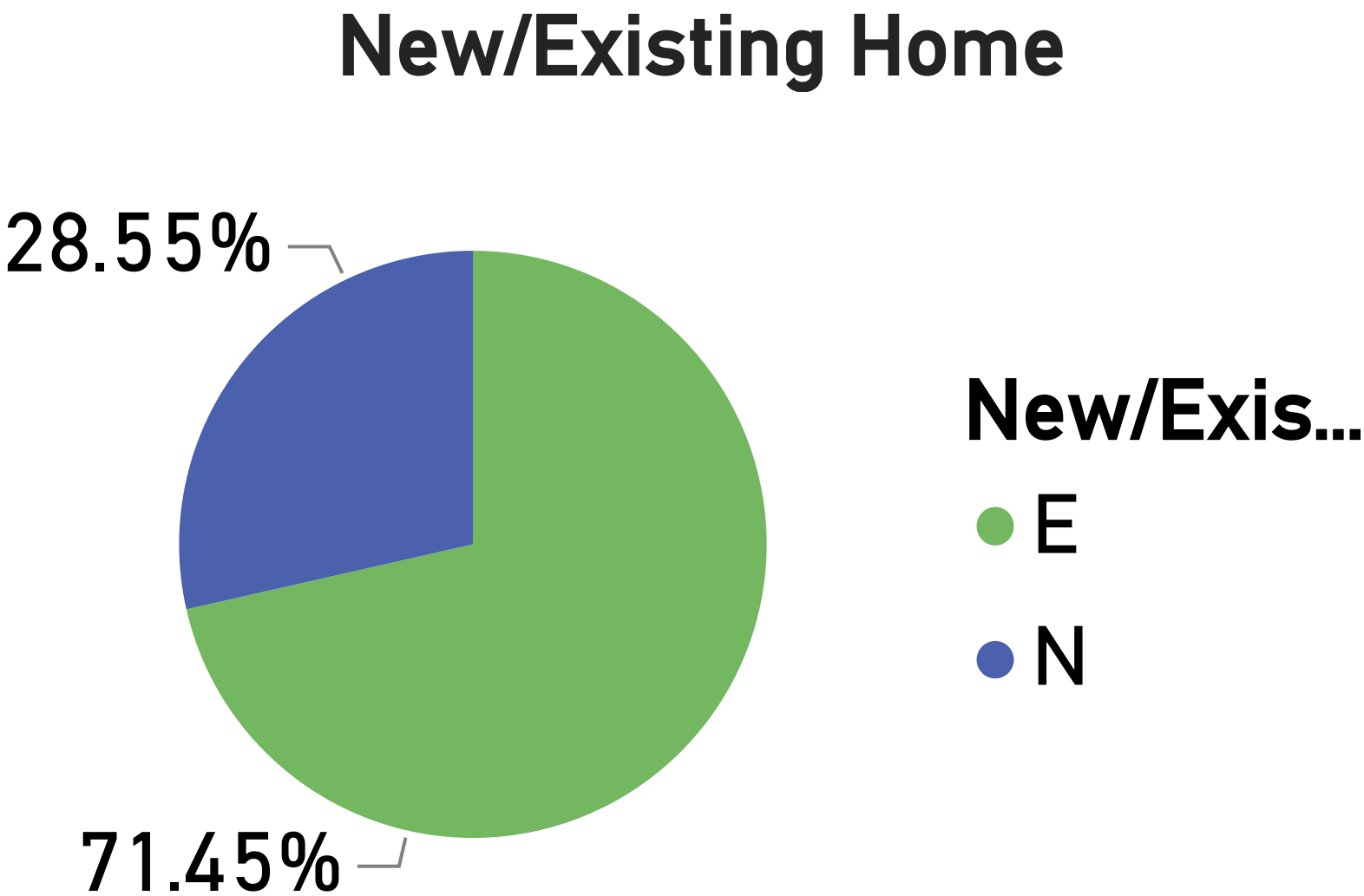
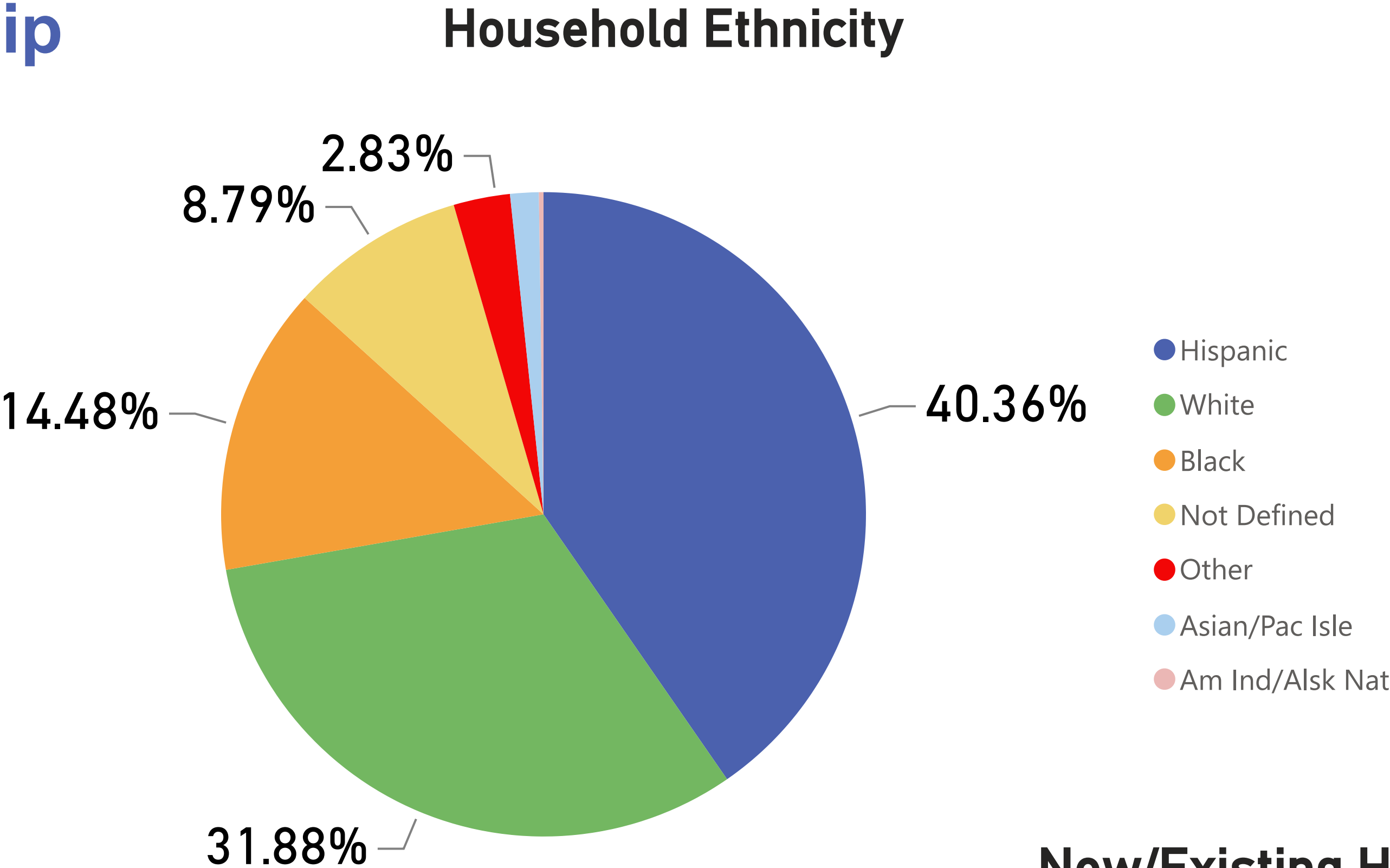
2

Average Household Size



Professions  
Occupation % of Total

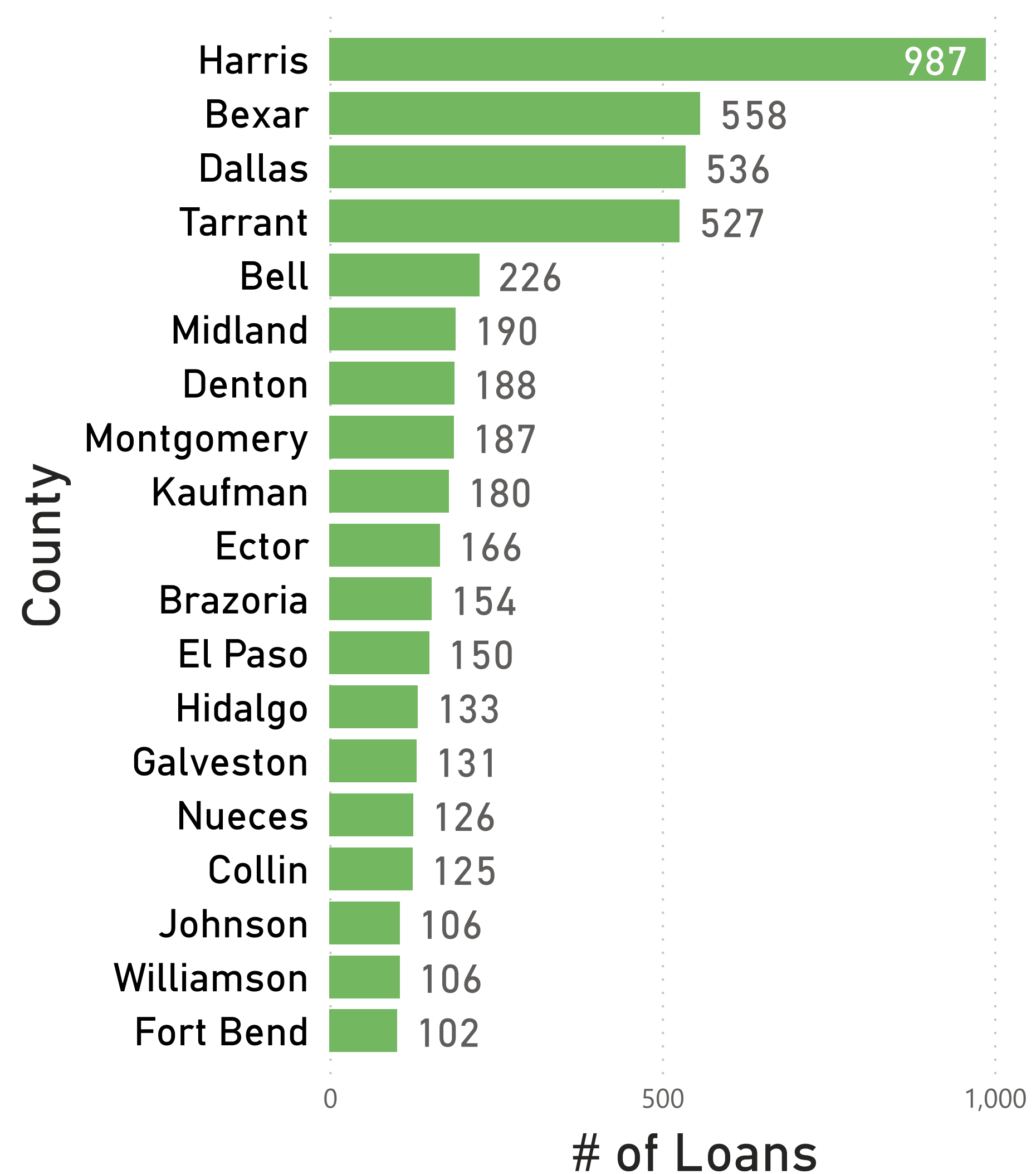
Other	85.59%
Teacher	5.72%
Veteran	2.68%
Active Military	1.20%
Peace Officer	0.99%
Prof Nurse Fac	0.83%
Fire Fighter	0.73%
Corrections Off	0.66%
Public Sec Off	0.29%
Allied Hlth Fac	0.28%
Sch Counselor	0.28%
Teacher Aide	0.27%
EMS Personnel	0.27%
County Jailer	0.13%
School Nurse	0.06%
Sch Librarian	0.02%
Total	100.00%



## Top Lenders

Top Lenders	# of Loans
Fairway Independent Mortgage Corporation	554
Everett Financial, dba Supreme Lending	494
Gateway Mortgage, a division of Gateway	412
Amcap Mortgage, LTD	284
DHI Mortgage Company, Ltd.	243
PrimeLending	243
SFMC, LP dba Service First Mortgage Comp	222
Cardinal Financial Company	207
loanDepot.com LLC	191
Guild Mortgage Corporation	175
Guaranteed Rate	160
CMG Mortgage, Inc. dba CMG Financial	154
American Pacific Mortgage Corporation	139
Security National Mortgage Company	132
KBHS Home Loan, LLC	127
Academy Mortgage Corporation	111
T2 Financial dba Revolution Mortgage	106
Thrive Mortgage, LLC	93
Ark-La-Tex Financial (Benchmark Mtg.)	91
Movement Mortgage, LLC	88
<b>Total</b>	<b>4226</b>

## Top Originating Counties



Tab B

Development Finance Report

# Texas State Affordable Housing Corporation

## Development Finance Programs Report October 2022

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

This past month, TSAHC acquired a single-family home in Laredo, through the National Community Stabilization Trust (NCST). TSAHC utilized Texas Community Bank EQ2 Investment funds for this acquisition and intends to hold the property short-term and sell it to an income eligible household at 80% AMI or below.

Staff is receiving several offerings through NCST's programs for ACT Land Bank consideration. We aim to acquire new properties, especially targeting Texas Community Bank's south Texas service area, and connect these homes to local affordable housing providers that can assist with the redevelopment and affordable home sale, when possible.

In September, staff met with its Greenville development partner, KH Solutions, to monitor construction progress on three single family homes under construction and available for sale to households at or below 80% AMI or below. Certificates of occupancy are anticipated in October.

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

Program	Portfolio as of September 1, 2022	Transferred	Sold	Portfolio as of October 1, 2022	Current Portfolio Value
ACT Land Bank	16			17	\$561,341.17
ACT Land Trust	1			1	\$650,000.00
Totals	17			18	\$1,083,381.60

Our current pipeline report:

- 2 properties listed for sale
- 7 homes under construction
- 2 properties leased to Local Partner
- 4 properties in predevelopment
- 3 properties searching for a Local Partner

### **Texas Housing Impact Fund**

In September, TSAHC received full repayment of its short-term loan to Saigebrook Development, LLC that assisted with the site acquisition for the Kiva East Apartments project in Dallas. Construction is now underway.

OSDA Industries anticipates closing on the construction financing for the Saison North Apartments project (located in Austin) by the end of October. Loan proceeds will repay TSAHC's short-term bridge loan that assisted with site acquisition. The construction financing closing will also include TSAHC's \$375, 000 AHP loan that will provide deferred forgivable construction financing in exchange for a five-unit set aside to serve persons with disabilities.

# Texas State Affordable Housing Corporation

---

## Development Finance Programs Report October 2022

### **Multifamily Bond Program**

The Bluff View Apartments project, approved by the board in September, has been submitted for final approval to the Texas Bond Review Board (TBRB). The process is considered to be an “exempt” transaction meaning that it requires a 6-day review process by TBRB staff and then can be approved administratively, or without a vote from the TBRB.

We are also wrapping up final details for the La Vista de Lopez project in Austin. The project needs final approval at the local and state level before we can submit a notice of intent to issue bonds to the TBRB. Staff is hoping to submit to the TBRB before the end of October and receive approval in November.

Tab C

Monthly Financial Reports

# Texas State Affordable Housing Corporation

## Statement of Net Position (unaudited)

As of August 31, 2022

---

### Assets

#### Current assets:

Cash and cash equivalents	\$ 2,463,991
Pooled investments	4,334,724
Restricted assets:	
Cash and cash equivalents	5,677,330
Accrued interest	22,744
Investments, at fair value	8,675,165
Accounts receivable and accrued revenue	854,591
Accrued interest receivable	264,072
Loans receivable, current portion	72,549
Notes receivable, current portion	28,685,672
Downpayment assistance, current portion	343,492
Prepaid expenses	393,691

Total current assets	<u>51,788,021</u>
----------------------	-------------------

#### Noncurrent assets:

Loans receivable	211,164
Notes receivable, net of allowance for loss \$413,326	200,215,664
Investments, at fair market value	37,397,010
Mortgage servicing rights, net of accumulated amortization of \$2,625,774	102,287
Capital assets, net of accumulated depreciation of \$835,407	5,798,756
Owned real estate, federal & other programs, net of amortization of \$1,840,638	13,120,950
Downpayment assistance	142,422
Restricted investments held by bond trustee, at fair market value	18,942,149

Total noncurrent assets	<u>275,930,402</u>
-------------------------	--------------------

Total assets	<u>\$ 327,718,423</u>
--------------	-----------------------

(continued)

# Texas State Affordable Housing Corporation

## Statement of Net Position (unaudited)

As of August 31, 2022

---

### Liabilities

#### Current liabilities:

Accounts payable and accrued expenses	\$ 612,781
Notes payable, current portion	64,620
Custodial reserve funds	241,129
Other current liabilities	251,998
Payable from restricted assets held by bond trustee:	
Revenue bonds payable, current portion	385,000
Accrued interest on revenue bonds	336,275

Total current liabilities	<u>1,891,803</u>
---------------------------	------------------

#### Noncurrent liabilities:

Notes payable	2,070,133
Revenue bonds payable	18,400,154
Unearned revenue	<u>1,191,397</u>

Total noncurrent liabilities	<u>21,661,684</u>
------------------------------	-------------------

Total liabilities	<u>23,553,487</u>
-------------------	-------------------

### Deferred Inflows of Resources

Deferred revenue	<u>134,018</u>
------------------	----------------

Total deferred inflows of resources	<u>134,018</u>
-------------------------------------	----------------

### Net Position

Invested in capital assets	5,798,756
Restricted for:	
Debt service	1,480,033
Other purposes	4,285,474
Unrestricted	<u>292,466,655</u>

Total net position	<u>304,030,918</u>
--------------------	--------------------

Total liabilities and net position	<u><u>\$ 327,718,423</u></u>
------------------------------------	------------------------------



## Texas State Affordable Housing Corporation

### Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the Year Ending August 31, 2022

---

Operating Revenues:	
Interest and investment income	\$ 2,187,617
Net increase (decrease) in fair value of investments	(4,219,177)
Single family income	106,192,067
Asset oversight and compliance fees	377,957
Rental program income	712,457
Multifamily income	674,837
Land bank income	93,530
Public support:	
Federal & state grants	1,713,131
Contributions	208,031
Other operating revenue	<u>101,640</u>
Total operating revenues	\$ <u>108,042,090</u>
Operating Expenses:	
Interest expense on bonds and notes payable	\$ 339,729
Program and loan administration	194,507
Texas Foundation Fund & Misc Grants	1,960,000
Salaries, wages and payroll related costs	4,618,078
Professional fees and services	511,987
Depreciation and amortization	752,272
Office expense and maintenance	139,885
Travel and meals	82,549
Other operating expenses	<u>705,300</u>
Total operating expenses	<u>9,304,307</u>
Net income	98,737,783
Total net position, beginning	<u>205,293,135</u>
Total net position, ending	\$ <u><u>304,030,918</u></u>

## Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on September 27, 2022.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION  
BOARD MEETING**

**The Governing Board of the Texas State Affordable Housing Corporation (TSAHC)**

**September 27, 2022  
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 10:33 a.m., on September 27, 2022, at the offices of Texas State Affordable Housing Corporation, 6701 Shirley Avenue, Austin, TX 78752. Roll Call certified that a quorum was present.**

**Members Present:**

Bill Dietz, Chair  
Valerie Cardenas, Vice Chair  
Lemuel Williams, Member  
Andy Williams, Member

**Guests Present:**

Blake Roberts, PFM  
Routt Thornhill, Coats Rose

**President’s Report**

**David Long, President**

**Tab 1            Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on August 16, 2022.**

Mr. Lemuel Williams made a motion to approve the minutes of the Board meeting held August 16, 2022. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 14 in the official transcript.

**Tab 2            Presentation, Discussion and Possible Approval of a Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2020 and 2021 carryforward and 2022 annual allocation).**

Presented by Joniel LeVecque, Senior Director of Single Family Programs

Ms. Cardenas made a motion to approve the Resolution Regarding the Application for and Conversion of Reservation for Allocation of Private Activity Bonds to Mortgage Credit Certificates and Containing Other Matters Incident and Related Thereto (2020 and 2021 carryforward and 2022 annual allocation). Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 15 in the official transcript.

**Tab 3                    Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Bluff View Apartments), Series 2022A and Series 2022B, an Indenture of Trust, a Loan Agreement, a Bond Purchase 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 bonds; and other provisions in connection therewith.**

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Andy Williams made a motion to approve the Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Bluff View Apartments), Series 2022A and Series 2022B, an Indenture of Trust, a Loan Agreement, a Bond Purchase 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 bonds; and other provisions in connection therewith. Mr. Lemuel Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 18 in the official transcript.

**Tab 4                    Presentation, Discussion and Possible Approval of the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bonds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2023.**

Presented by David Danenfelzer, Senior Director, Development Finance

Mr. Andy Williams made a motion to approve the Guidelines, Scoring Criteria and Targeted Housing Needs for the Allocation of Qualified Residential Rental Project Tax Exempt Bonds under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2023. Ms. Cardenas seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 22 in the official transcript.

**Tab 5                    Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund: Disaster Recovery Guidelines.**

Presented by Michael Wilt, Senior Manager, External Relations

Mr. Lemuel Williams made a motion to approve to Publish for Public Comment, the Texas Foundations Fund: Disaster Recovery Guidelines. Mr. Andy Williams seconded the motion. Mr. Dietz asked for public comment and none was given. A vote was taken, and the motion passed unanimously.

See page 29 in the official transcript.

**Tab 6                    Presentation and Discussion of the Texas State Affordable Housing Corporation's Fiscal Year 2022 and 2023 Strategic Plans.**

Presented by Janie Taylor, Executive Vice President; David Danenfelzer, Senior Director, Development Finance; Celina Stubbs, Senior Manager, Asset Oversight and Compliance; James Matias, Senior Manager, Asset Oversight and Compliance

No action taken.

See page 38 in the official transcript.

**Announcements and Closing Comments**

Mr. Long and Board Members tentatively scheduled the next Board Meeting for October 18, 2022, at 10:30 am.

**Adjournment**

Mr. Dietz adjourned the meeting at 11:51 pm.

Respectfully submitted by \_\_\_\_\_  
Rebecca DeLeon, Corporate Secretary

## Tab 2

Presentation, Discussion and Possible Approval of a Resolution Authorizing the Development of a Program and the Preparation of Documents Relating to the Issuance and Sale of Single Family Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto.

## MINUTES AND CERTIFICATION

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

The Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") convened on October 18, 2022, at the designated meeting place in Austin, Texas, and roll was called of the duly constituted members of said Board of Directors, to-wit:

<u>Name</u>	<u>Office</u>
William H. Dietz	Chairperson
Valerie Vargas Cardenas	Vice Chairperson
Courtney Johnson-Rose	Director
Lemuel Williams	Director
Andy Williams	Director

and all of said persons were present during the meeting except Lemuel Williams, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: a written resolution (the "Resolution") bearing the following caption was introduced for the consideration of said Board:

### "RESOLUTION NO. 22-14

RESOLUTION Authorizing the Development of a Program and the Preparation of Documents Relating to the Issuance and Sale of Single Family Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto"

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

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

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

SIGNED this October 18, 2022.

---

Secretary, Texas State Affordable Housing  
Corporation



RESOLUTION NO. 22-14

RESOLUTION Authorizing the Development of a Program and the Preparation of Documents Relating to the Issuance and Sale of Single Family Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto

WHEREAS, the Texas State Affordable Housing Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq. Vernon's Annotated Texas Civil Statutes, as amended and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the "Act"), and the Corporation is authorized to establish one or more single family home loan programs (the "Program") to provide eligible individuals and families of low income meeting the requirements of the Act with home mortgage loans with low interest rates and/or down payment and closing cost assistance; and

WHEREAS, the Corporation desires to proceed with the development of a Program for 2023 and with the issuance and sale of single family mortgage revenue bonds (the "Bonds") to carry out the Program; and

WHEREAS, the Board of Directors of the Corporation hereby finds and determines that the staff and officers of the Corporation should be directed to proceed with the development of the Program and the issuance and sale of the Bonds \_\_\_\_\_;

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

1. That the Corporation's officers and staff, together with the Corporation's financial and legal consultants, are hereby authorized and directed to develop the Program and to proceed with the preparation of documents associated with the Program and the issuance of the Bonds relating to the Program.
2. That the President or Executive Vice President of the Corporation or any officer of the Corporation is hereby authorized and directed to assist and furnish said consultants with information and data necessary to effect the issuance of the Bonds, including the preparation of documents related to the issuance of the Bonds.
3. That the President or Executive Vice President of the Corporation or any officer of the Corporation is hereby authorized and directed to proceed with making the appropriate filings with the Texas Bond Review Board to enable the Corporation to issue the Bonds, including preparing, executing and delivering to the Texas Bond Review Board a notice of intent and a state debt application, together with any certificates and documents relating to the application required by the Texas Bond Review Board.
4. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Corporation in conflict herewith are hereby expressly repealed to the extent of any such conflict.
5. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND EFFECTIVE this October 18, 2022.

TEXAS STATE AFFORDABLE  
HOUSING CORPORATION

\*\*\*\*\*

## Tab 3

Presentation, Discussion and Possible Approval of a Resolution to Approve the Corporation's Fiscal Year 2023 Investment Policy.

## Exhibit A



## INVESTMENT POLICY

**TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**INVESTMENT POLICY**

**TABLE OF CONTENTS**

<b>I.</b>	<b>POLICY</b>
<b>II.</b>	<b>SCOPE</b>
<b>III.</b>	<b>PRUDENCE</b>
<b>IV.</b>	<b>OBJECTIVES</b>
<b>V.</b>	<b>INVESTMENT STRATEGY</b>
<b>VI.</b>	<b>DELEGATION OF AUTHORITY AND RESPONSIBILITY</b>
<b>VII.</b>	<b>ETHICS AND CONFLICTS OF INTEREST</b>
<b>VIII.</b>	<b>AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS</b>
<b>IX.</b>	<b>AUTHORIZED INVESTMENTS</b>
<b>X.</b>	<b>OTHER INVESTMENT POWERS</b>
<b>XI.</b>	<b>UNAUTHORIZED INVESTMENTS</b>
<b>XII.</b>	<b>DIVERSIFICATION</b>
<b>XIII.</b>	<b>EFFECT OF LOSS OF REQUIRED RATING</b>
<b>XIV.</b>	<b>COLLATERALIZATION</b>
<b>XV.</b>	<b>SAFEKEEPING AND CUSTODY</b>
<b>XVI.</b>	<b>INTERNAL CONTROLS</b>
<b>XVII.</b>	<b>REPORTING</b>
<b>XVIII.</b>	<b>INVESTMENT POLICY ADOPTION</b>

# **TEXAS STATE AFFORDABLE HOUSING CORPORATION**

## **INVESTMENT POLICY**

### **I. POLICY**

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

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

### **II. SCOPE**

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

### **III. PRUDENCE**

- A.** Prudent Person Standard - Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety and liquidity of their capital as well as the probable income to be derived.
- B.** The standard of prudence to be used by the Investment Officer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment Officers (hereinafter defined) acting in accordance with the Policy and written procedures and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided that

deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **IV. OBJECTIVES**

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

##### **A. Safety of Principal**

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

##### **B. Liquidity**

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

##### **C. Diversification**

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

##### **D. Yield**

The Corporation's investment portfolio shall be designed with the objective of attaining a reasonable market yield throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow needs of the Corporation. Return on investment is of less importance than the safety and liquidity of the investments. Reasonable yield shall be obtained through competitive bidding on all transactions and comparative analysis of all market alternatives available within the parameters of this Policy.

## **V. INVESTMENT STRATEGY**

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

## **VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY**

### **A. Board of Directors**

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

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

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

#### **B. Investment Officer(s)**

1. The authority to manage the Corporation's investment program is granted to the President. The President may delegate the responsibility for the operation of the investment program to the Chief Financial Officer and Controller as the Corporation's designated "Investment Officers".
2. The Investment Officer shall be responsible for all transactions undertaken and shall establish internal controls to regulate the activities of subordinate officials. Procedures should include reference to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures may include explicit temporary delegation of authority to persons responsible for investment transactions.
3. The Investment Officer shall establish written procedures for the operation of the investment program consistent with this Policy.
4. The Investment Officer shall attend ten (10) hours of training within twelve (12) months of assuming the position and every two fiscal years thereafter. Training is to include investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.
5. The Investment Officer may temporarily delegate investment responsibilities to subordinate staff. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions.
6. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officer.

### **VII. ETHICS AND CONFLICT OF INTEREST**

- A. If an Investment Officer of the Corporation has a personal or business relationship with a business organization offering to engage in an investment transaction with the Corporation (as described in Section 2256.005(i) of the Act), the Investment Officer



shall file a statement disclosing that personal business interest with the Board and the Texas Ethics Commission.

- B. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing that relationship with the Board and the Texas Ethics Commission.

## **VIII. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS**

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

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

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

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

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

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

## **IX. AUTHORIZED INVESTMENTS**

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

1. **Obligations of the U.S. Government, its agencies and instrumentalities** including pass-through mortgage-backed and collateralized mortgage obligations (CMOs). In all but the Surplus Funds:

- a. Debentures shall have a stated maturity not to exceed three (3) years and
- b. Pass-through mortgage-backs and CMOs shall have a stated maturity (i) not to exceed ten (10) years and (ii) pass the Federal Reserve's *bank shocktest*.

Surplus funds are authorized to be invested in pass-through mortgage-backed securities (not CMOs) with a maximum maturity of 30 years as described in Section V.C. above.

2. **Depository Certificates of Deposit** issued by any state or national bank doing business in the State of Texas or a credit union doing business in the State of Texas to include the CDARS program as defined by the Act and are:

- a. Guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor or the National Credit Union Insurance Fund or its successor.
- b. Secured by obligations of the US Government, its agencies and instrumentalities as further defined in this Policy; and
- c. Have a stated maturity not to exceed one year.

3. **Fully collateralized repurchase agreements** and reverse repurchase agreements which:

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

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

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

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

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

- a. Has a stated maturity of two hundred-seventy (270) days or fewer; and
- b. Is rated not less than A-1/P-1 or equivalent by at least two nationally recognized credit rating agencies,

**6. Uncollateralized Guaranteed Investment Contracts.** For funds that are pledged under a trust indenture for bonds issued by the Corporation, investment securities that are permitted under the terms of such trust indenture, including, but not limited to, uncollateralized investment agreements.

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

## **X. OTHER INVESTMENT POWERS.**

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

## **XI. UNAUTHORIZED INVESTMENTS**

The following are not authorized investments:

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

## **XII. DIVERSIFICATION**

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

General diversification parameters will include:

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

### **XIII. EFFECT OF LOSS OF REQUIRED RATING**

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

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

### **XIV. COLLATERALIZATION**

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

- A.** For time and demand deposits the following securities are authorized as pledged collateral. Preference to be given to pledged securities over letters of credit:
  - 1. Obligations of the United States or its agencies and instrumentalities including mortgage-backed securities meeting the bank test.
  - 2. Direct obligations of the State of Texas or its agencies and instrumentalities.
  - 3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of Texas or the United States or their respective agencies and instrumentalities; and
  - 4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
  - 5. FHLB Letters of Credit
- B.** For repurchase agreements, obligations of the U.S. Government, its agencies and instrumentalities including mortgage-backed securities are authorized as collateral owned under the transaction. A letter of credit is not authorized for repurchase agreements.
- C.** Collateral for time and demand accounts shall always be held in safekeeping by an independent third party with whom the Corporation has a current custodial agreement executed under the terms of FIRREA (time and demand deposits). A clearly marked

evidence of pledge or ownership must be supplied to the Corporation and retained. The Corporation shall grant the right of collateral substitution, subject to receiving prior approval from the Investment Officer.

- D.** It shall be the contractual liability of the counterparty pledging or selling the securities to monitor and maintain the appropriate 102% margin daily.
- E.** The custodian of the collateral shall provide an independent, detailed listing of the collateral on a monthly basis directly to the Corporation.
- F.** Any pooled collateral program proposed to the Corporation shall be reviewed by the Investment Officer(s) for risk/reward, but approval of the collateral pool will be by the Board.

## **XV. SAFEKEEPING AND CUSTODY**

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

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

## **XVI. INTERNAL CONTROLS**

### **A. Internal Controls**

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

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

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

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

## **B. Compliance Audit**

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

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

## **C. Wire Transfers**

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

## **D. Monitoring FDIC Insurance**

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

# **XVII. REPORTING**

## **A. Quarterly Reports**

At least quarterly, the Investment Officer shall prepare and present to the Board an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This investment report will be prepared in a manner, which will allow the Board to ascertain whether investment activities during the reporting period have conformed to the Policy. The report must:

1. Describe in detail the investment position on the date of the report.



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

## **B. Audit Report**

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

## **C. Performance Standards**

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

## **D. Market Value**

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

## **E. Changes to Public Funds Investment Act**

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

## **XVIII. INVESTMENT POLICY ADOPTION**

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

**RESOLUTION NO. 22- 15**  
**TEXAS STATE AFFORDABLE HOUSING CORPORATION**

**RESOLUTION TO APPROVE THE CORPORATION'S FISCAL  
YEAR 2023 INVESTMENT POLICY**

WHEREAS, the Texas State Affordable Housing Corporation (“the Corporation”) has been duly created pursuant to the provisions of the Texas Business Organizations Code, as amended, Chapter 22 Non-Profit Corporations and under the authority of Subchapter Y, Chapter 2306 Texas Government Code, as amended (“the Act”), and the investment funds and bond proceeds of the Corporation are currently governed by the Investment Policy of the Corporation, adopted on September 15, 2021 (the “Current Investment Policy”); and

WHEREAS, the Corporation desires to approve the Fiscal Year 2023 Investment Policy of the Corporation, to be adopted on October 18, 2022 (the “Revised Investment Policy”), to make certain modifications to the Current Investment Policy;

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

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

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

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

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

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

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

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

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

APPROVED AND EFFECTIVE this 18th day of October 2022.

TEXAS STATE AFFORDABLE HOUSING  
CORPORATION

---

William Dietz, Jr., Chair  
Texas State Affordable Housing Corporation

ATTEST:

---

Rebecca DeLeon, Secretary  
Texas State Affordable Housing Corporation

## Tab 4

Presentation, Discussion and Possible Approval of the Corporation's  
Fiscal Year 2023 Broker Listing.

**Texas State Affordable Housing Corporation  
Draft Broker/Dealer List  
Fiscal Year 2023**

The authorized broker/dealer list for Texas State Affordable Housing Corporation is shown below. Each of these firms, and the individual broker/dealer covering the account, has been or will be sent the Investment Policy.

The Corporation's Investment Policy establishes specific criteria for the broker/dealers and requires that the list of broker/dealers be approved annually by the Board. Meeder Public Funds maintains the brokerage compliance files for the Corporation.

When any material changes are made to the Investment Policy the new Policy will be sent to each individual broker on the authorized broker/dealer list.

Academy Securities	Mizuho Securities
Amherst Pierpont Securities	Moreton Capital Markets
Bank of America/Merrill Lynch	Morgan Stanley
BMO Capital Markets	Multi-Bank Securities
BNY Capital Markets	Mutual Securities
BOK Financial	Oppenheimer
Brean Capital	Piper Sandler
Cantor Fitzgerald	Raymond James
CastleOak Securities	RBC <del>Securities</del> Capital
D.A. Davidson	Rice Financial
FHN Financial	Robert W. Baird
FNC	Siebert Williams Shank & Co.
Goldman Sachs	Stephens Inc.
Great Pacific Securities	Stifel Nicolaus
Huntington Bank	StoneX Group
<del>InspereX</del> Incapital	SunTrust Robinson Humphrey
Jefferies	TD Securities
JP Morgan	UBS <del>Financial</del>
Keybank Capital Markets	UMB Financial Services
Loop Capital Markets	Well Fargo
MarketAxess Corporation	

## Tab 5

Presentation and Discussion of the Texas State Affordable Housing Corporation's Fiscal Year 2022 and 2023 Strategic Plans.