



June Board Meeting

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

Tuesday, June 16, 2026
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**

**June 16, 2026
10:30 A.M.**

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

Lemuel Williams, 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, President

Tab A: Monthly Financial Reports
Tab B: Homeownership Finance Report
Tab C: Development Finance Report
Tab D: Texas Foundations Fund (TFF) Report

ACTION ITEMS IN OPEN MEETING:

Tab 1	Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on April 21, 2026
Tab 2	Presentation, Discussion and Possible Approval of the Housing Revitalization Plan to support the administration of grant funding provided by the Texas Department of Transportation to support affordable housing initiatives in communities affected by the Texas Department of Transportation’s North Houston Highway Improvement Project.
Tab 3	Presentation, Discussion and Possible Approval of a Resolution Approving a General Indenture of Trust Relating to Bond-Financed Single Family Loan Programs; and Containing Other Matters Incident and Related Thereto.
Tab 4	Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance, Sale and Delivery of Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) and Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable); Authorizing a Series 2026A/B Indenture, Official Statement, Bond Purchase Contract and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Homeownership Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto.

- Tab 5 Presentation, Discussion and Possible Approval of a Resolution Regarding Application for Allocation of Private Activity Bonds Associated with 2025 Carryforward Volume Allocation, Notice of Intention to Issue Bonds and State Debt Application to the Texas Bond Review Board for 2026 Qualified Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto.
- Tab 6 Presentation, Discussion and Possible Approval of a Resolution approving a 90-day extension of the maturity date for an existing Texas Housing Impact Fund (THIF) loan to National Church Residences (Borrower) for Live Oak Village, a 76-unit multi-family community in Aransas Pass, Texas.
- Tab 7 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 Volume Cap under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2027.
- Tab 8 Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund: FY2027 Draft Disaster Recovery Guidelines.

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 an open meeting may also be discussed by the Board (and any other authorized persons) in closed meeting.

President's Report

Tab A

Monthly Financial Reports

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of April 30, 2026

Assets

Current assets:

Cash and cash equivalents	\$ 3,572,953
Pooled investments	29,179,884
Restricted assets:	
Cash and cash equivalents	4,889,928
Accrued interest	235,125
Investments, at fair value	5,496,412
Accounts receivable and accrued revenue	165,112
Accrued interest receivable	226,327
Loans receivable, current portion	32,645
Notes receivable, current portion	73,148,876
Lease Receivable, Current Portion	75,750
Downpayment assistance, current portion	643,869
Prepaid expenses	282,425
Total current assets	117,949,306

Noncurrent assets:

Loans receivable, net of uncollectible amounts of \$3,629	103,415
Notes receivable, net of allowance for loss \$540,032	177,180,196
Lease Receivable	136,237
Investments, at fair market value	19,845,867
Mortgage servicing rights, net of accumulated amortization of \$2,696,872	31,189
Capital assets, net of accumulated depreciation of \$1,688,257	5,458,275
Owned real estate, net of depreciation of \$3,515,183	26,309,833
Downpayment assistance	3,527,964
Restricted investments held by bond trustee, at fair market value	139,927,516
Total noncurrent assets	372,520,492

Total assets	\$ 490,469,798

(continued)

Texas State Affordable Housing Corporation

Statement of Net Position (unaudited)

As of April 30, 2026

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 584,363
Notes payable, current portion	-
Custodial reserve funds	165,442
Other current liabilities	148,547
Payable from restricted assets held by bond trustee:	
Revenue bonds payable, current portion	2,295,000
Accrued interest on revenue bonds	1,152,739

Total current liabilities	<u>4,346,091</u>

Noncurrent liabilities:

Notes payable	750,000
Revenue bonds payable	140,569,855
Unearned revenue	<u>1,926,536</u>

Total noncurrent liabilities	<u>143,246,391</u>

Total liabilities	<u>147,592,482</u>

Deferred Inflows of Resources

Deferred revenue	<u>302,395</u>

Total deferred inflows of resources	<u>302,395</u>

Net Position

Invested in capital assets	5,458,275
Restricted for:	
Debt service	3,558,292
Other purposes	1,593,047
Unrestricted	<u>331,965,307</u>

Total net position	<u>342,574,921</u>

Total liabilities and net position	<u><u>\$ 490,469,798</u></u>

Texas State Affordable Housing Corporation

Statement of Revenues, Expenses and Changes in Net Position (unaudited) For the 8 Months Ending April 30, 2026

Operating Revenues:	
Interest and investment income	\$ 6,941,144
Net increase (decrease) in fair value of investments	973,080
Single family income	59,604,696
Asset oversight and compliance fees	245,867
Rental program income	1,092,133
Multifamily income	268,631
Land bank income	106,807
Public support:	
Federal & state grants	177,669
Contributions	3,125,904
Other operating revenue	28,128
Total operating revenues	<u>\$ 72,564,059</u>
Operating Expenses:	
Interest expense on bonds and notes payable	\$ 4,349,733
Program and loan administration	268,448
Texas Foundation Fund & miscellaneous grants	3,528,276
Salaries, wages and payroll related costs	3,427,483
Professional fees and services	429,716
Depreciation and amortization	37,690,636
Office expense and maintenance	128,088
Travel and meals	108,903
Other operating expenses	804,701
Total operating expenses	<u>50,735,984</u>
Net income/(Net loss)	21,828,075
Total net position, beginning	<u>320,746,846</u>
Total net position, ending	<u><u>\$ 342,574,921</u></u>

Texas State Affordable Housing Corporation
Budget Report
April 2026

	Annual Budget	Actual	Percent of Annual Budget
Revenue			
Single Family Program Revenue	6,369,000	4,817,799	75.64%
Lending Program Revenue	6,262,000	4,671,922	74.61%
Multifamily Program Revenue	1,022,000	951,459	93.10% ①
Rental Program Revenue	1,719,000	1,253,732	72.93%
Federal & State Grants	2,525,000	270,932	10.73% ②
Grants, Donations & Other Awards	535,000	3,140,150	586.94% ③
Land Bank Revenue	3,100,000	307,048	9.90% ④
Servicing Revenue	42,000	20,373	48.51%
Investment Revenue	2,400,000	2,077,843	86.58%
Unrestricted Reserves	1,520,000	-	0.00% ②
Total Revenue	25,494,000	17,511,258	68.69%
Expenditures			
Texas Housing Impact Fund	8,040,000	7,789,003	96.88% ⑤
Affordable Communities of Texas	4,618,000	341,944	7.40%
Other Program Expenditures	3,273,000	652,156	19.93%
Salaries & Payroll Related Expenditures	5,053,000	3,427,483	67.83%
Grants	1,616,000	3,503,644	216.81% ⑥
Principal & Interest on Notes Payable	783,000	757,500	96.74% ⑦
Professional Services	841,000	553,241	65.78%
Marketing	354,000	175,676	49.63%
Insurance	488,000	314,629	64.47%
Travel & Meals	154,000	108,643	70.55%
Furniture, Equipment, & Software	52,000	16,003	30.78%
Building Maintenance	79,000	50,050	63.35%
Professional Dues, Conferences & Training	51,000	34,170	67.00%
Sponsorships	30,000	18,125	60.42%
Communication	20,000	13,396	66.98%
Publications, Subscriptions & Other Office Expen	29,000	25,808	88.99%
Freight, Delivery, Postage	9,000	5,743	63.81%
Printing & Office Supplies	4,000	1,990	49.75%
Total Expenditures	25,494,000	17,789,204	69.78%
Excess Expenditures over Revenues	-	(277,946)	

Average Expected Percent Received/Expended = 67%

Texas State Affordable Housing Corporation
Budget Report
April 2026

Explanations

- ① Multifamily Revenue represents issuer and asset oversight fees related to the Corporation's various multifamily bonds issuances. The budget line item appears to be over-budget because most of these fees are contracted for payment in January. We expect this line item to be on target by year end.
- ② The budget for Federal and State Grants included a \$2 million grant from the City of Austin to be used for the property to be constructed at 1910 MLK Jr. Blvd. Due to the cancellation of the building project at 1910 MLK Jr. Blvd., the Corporation has rescinded the \$2 million grant request.
Additionally the Corporation anticipated using \$1.52 million in unrestricted reserves for this project which will no longer be necessary.
- ③ Grants, Donations and Other Awards is significantly overbudget because the Corporation received an unexpected grant from Hill Country Community Foundation to provide down payment assistance to individuals and families affected by the July 4th disaster in Kerrville, Texas. As of the end of April the Corporation had received \$2.8 million from this grant and will receive an additional \$2.7 million.
- ④ Budgeted Land Bank income included \$2 million in funding from Federal Home Loan Bank. Due to the cancellation of the 1910 MLK building project, the Corporation will not receive this income.
- ⑤ Texas Housing Impact Fund appears overbudget because all of the loans budgeted to fund in fiscal year 2026 have closed. This line item will be on budget by year end.
- ⑥ Grant expenditures are overbudget because the Corporation funded \$2.8 million in down-payment assistance grants to victims of the July 4th disaster in Kerrville, Texas. These grants were funded by grants received from Hill Country Community Foundation.
- ⑦ Professional fees appear overbudget because of the timing of payments made to Texas Department of Transportation consultants. These contracts were budgeted and we expect professional fees to be on budget by year end.

Tab B

Homeownership Finance Report



Homeownership All Programs

January 1, 2026 to May 31, 2026

\$86.39K

Average Annual Income

\$253K

Average of Loan Amount

6.45

Average Interest Rate

696

Average Credit Score

4282

Households

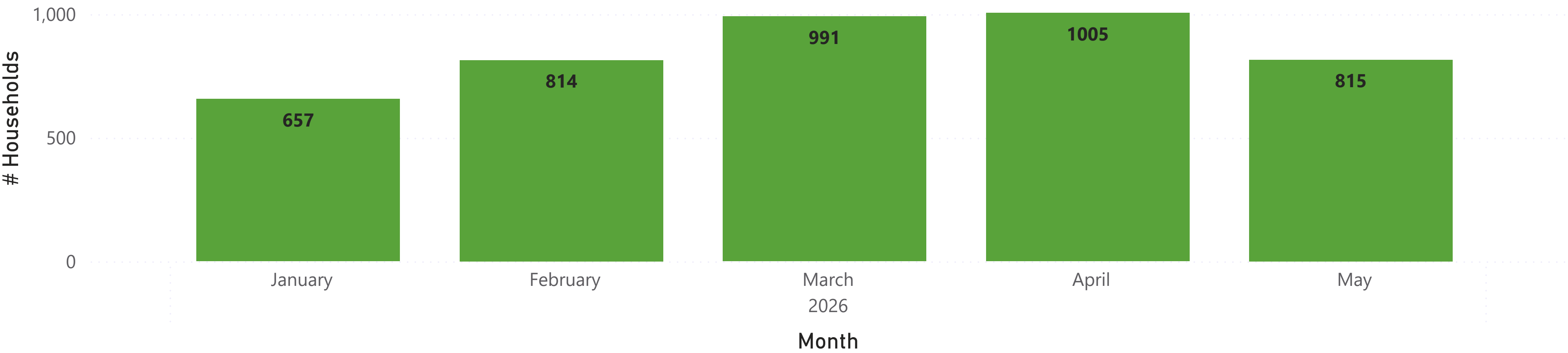
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Average Household Size

\$1,081,957,895

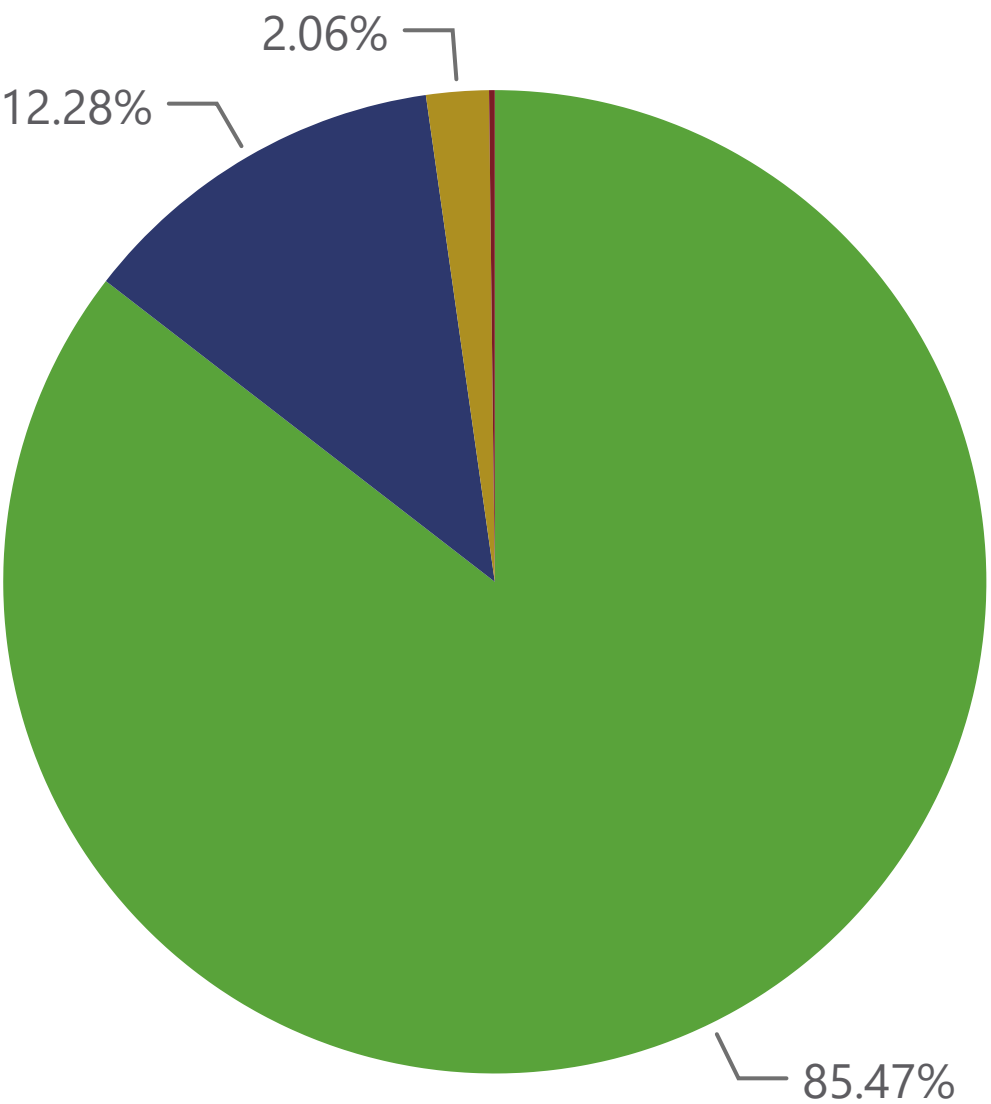
Total Loan Volume \$ Amount

of Households by month



Loan Type

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





Homeownership DPA Snapshot

January 1, 2026 to May 31, 2026

\$86.42K

Average Annual Income

\$252K

Average of Loan Amount

6.483

Average Interest Rate

694

Average Credit Score

4026

Households

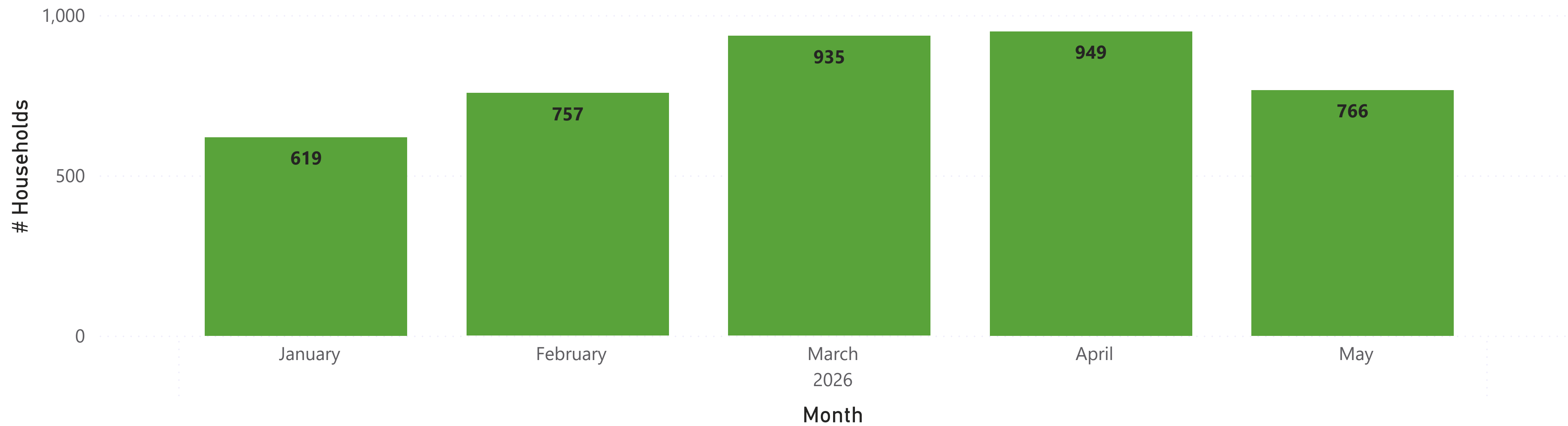
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Average Household Size

\$1,013,576,481

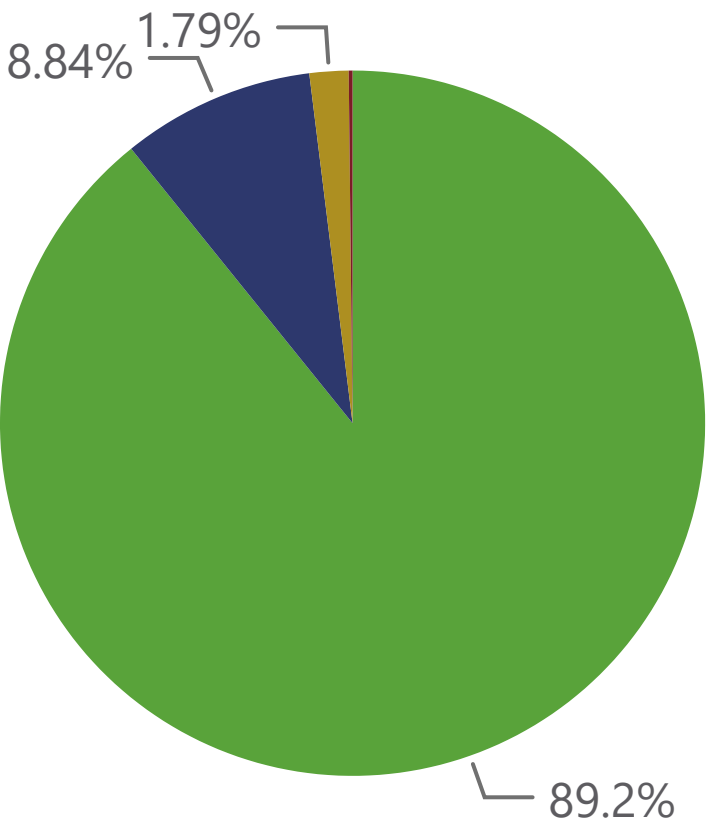
Total Loan Volume \$ Amount

of Households by month



Loan Type

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



\$9,829

Average DPA Awarded

\$39,314,466

Total DPA Awarded



Homeownership No DPA Snapshot

January 1, 2026 to May 31, 2026

\$85.79K

Average Annual Income

\$267K

Average of Loan Amount

5.900

Average Interest Rate

729

Average Credit Score

256

Households

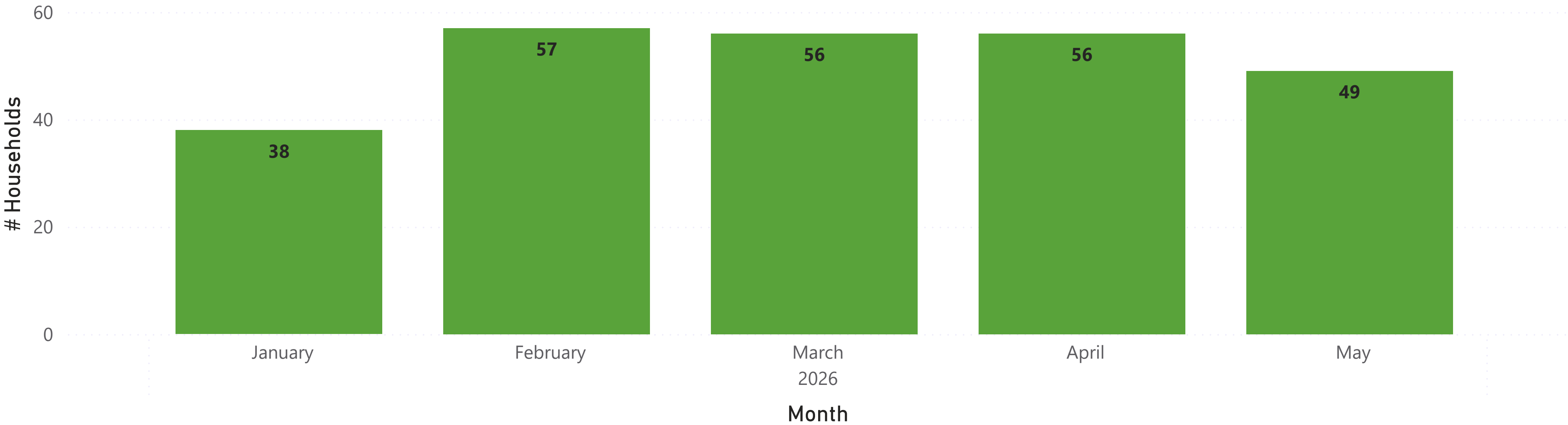
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Average Household Size

\$68,381,414

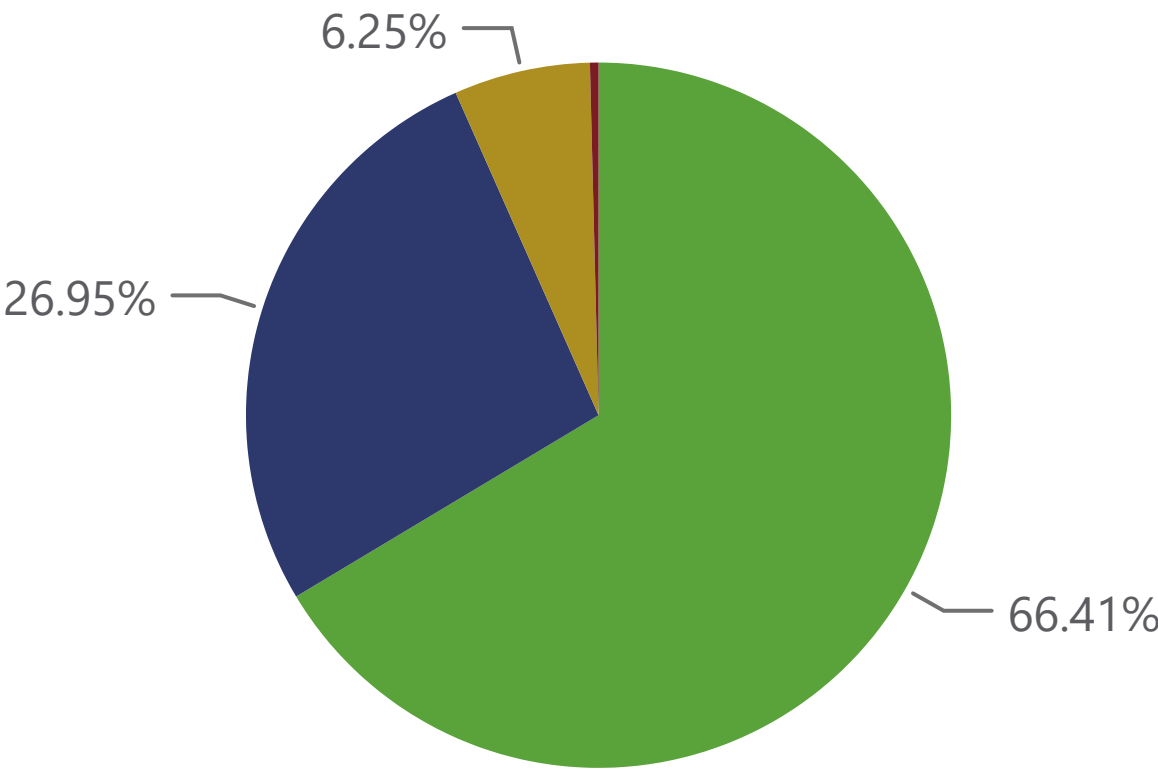
Total Loan Volume \$ Amount

of Households by month



Loan Type

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





Homeownership MCC Snapshot

January 1, 2026 to May 31, 2026

\$74.76K

Average Annual Income

\$247K

Average of Loan Amount

6.40

Average Interest Rate

703

Average Credit Score

560

Households

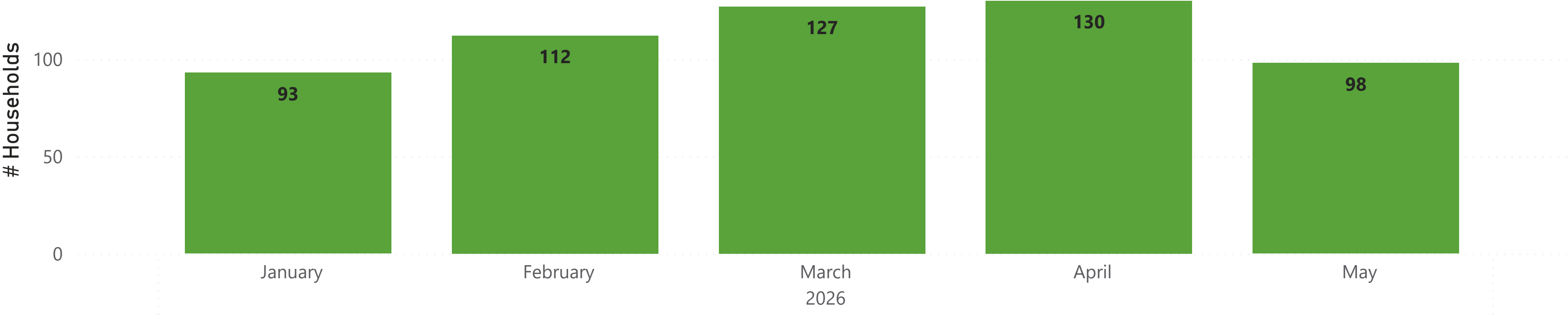
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Average Household Size

\$138,403,489

Total Loan Volume \$ Amount

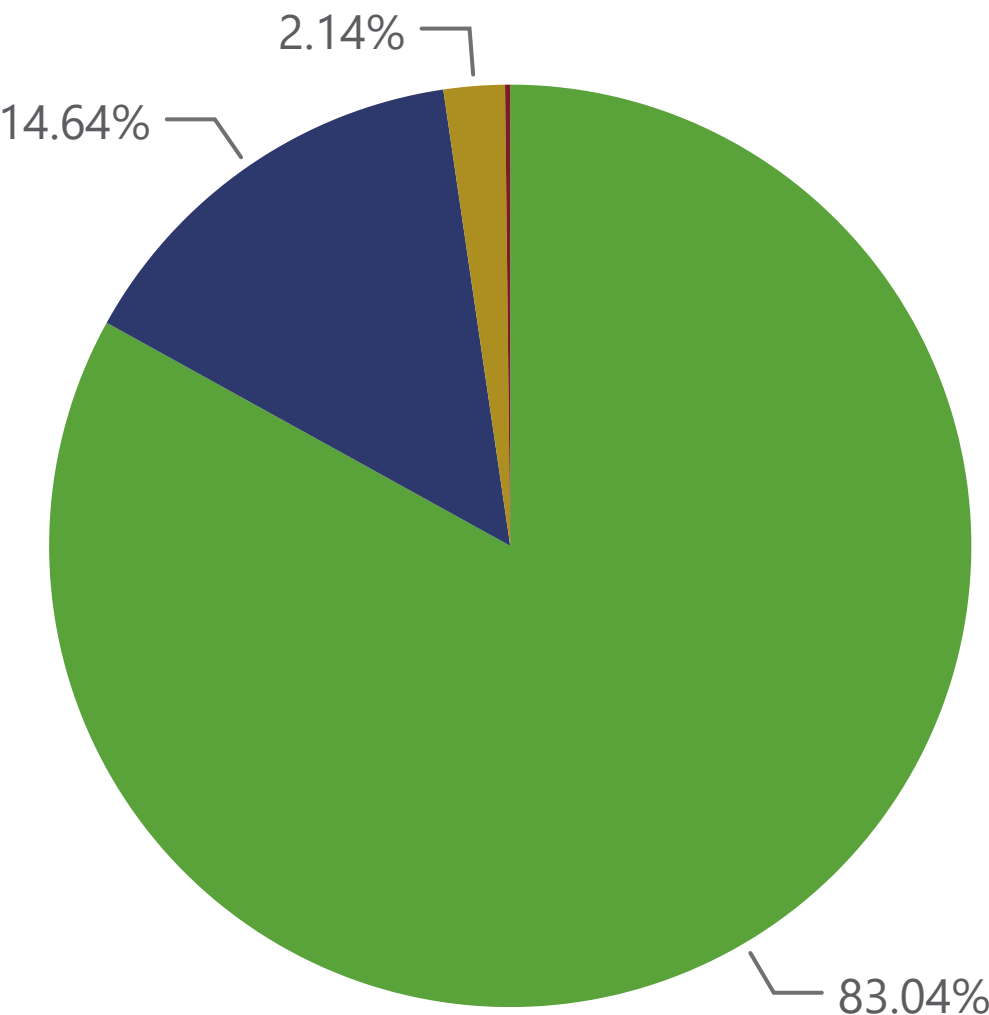
of MCC by Month



Month

Loan Type

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





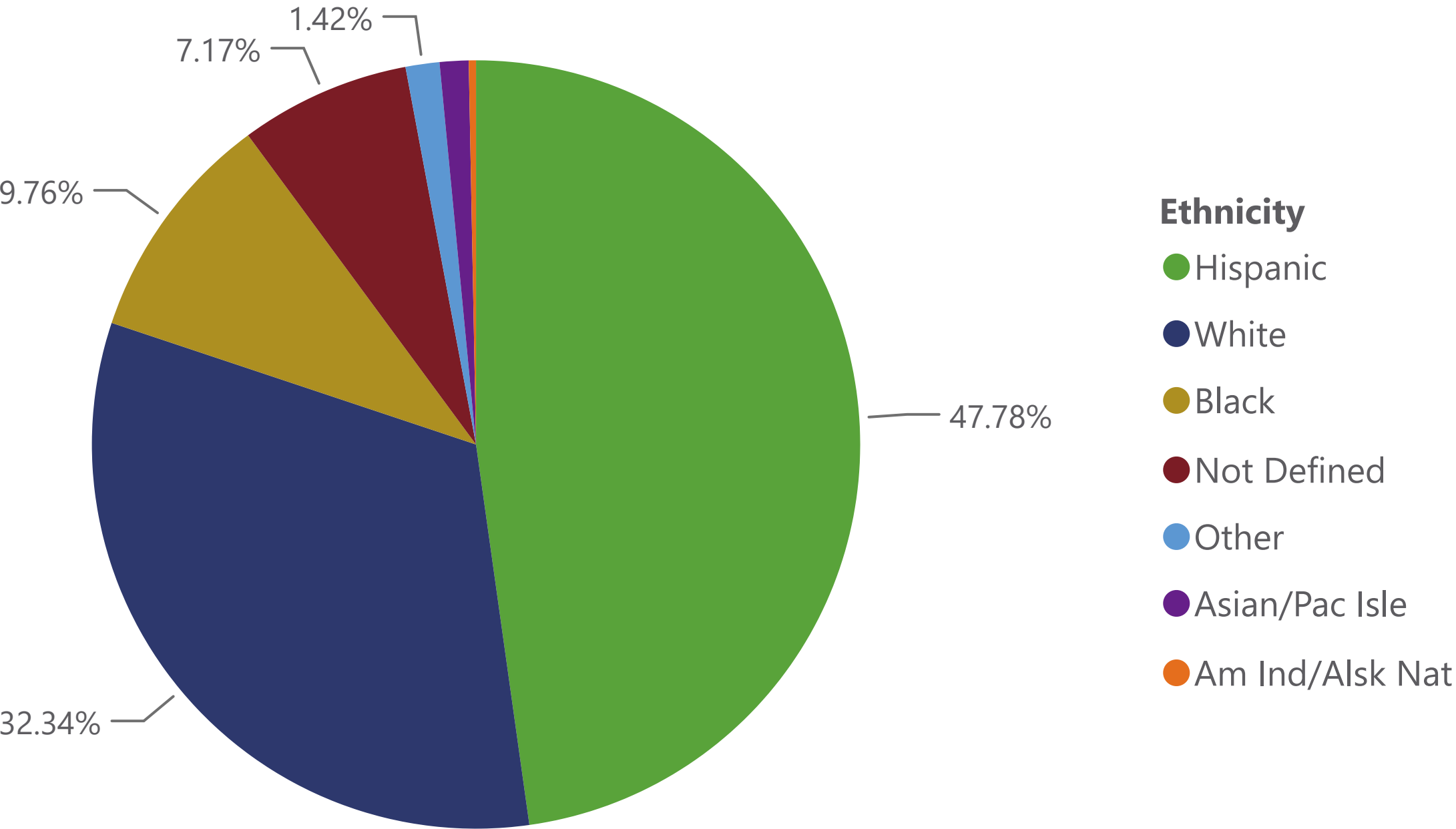
Homeownership All Programs

January 1, 2026 to May 31, 2026

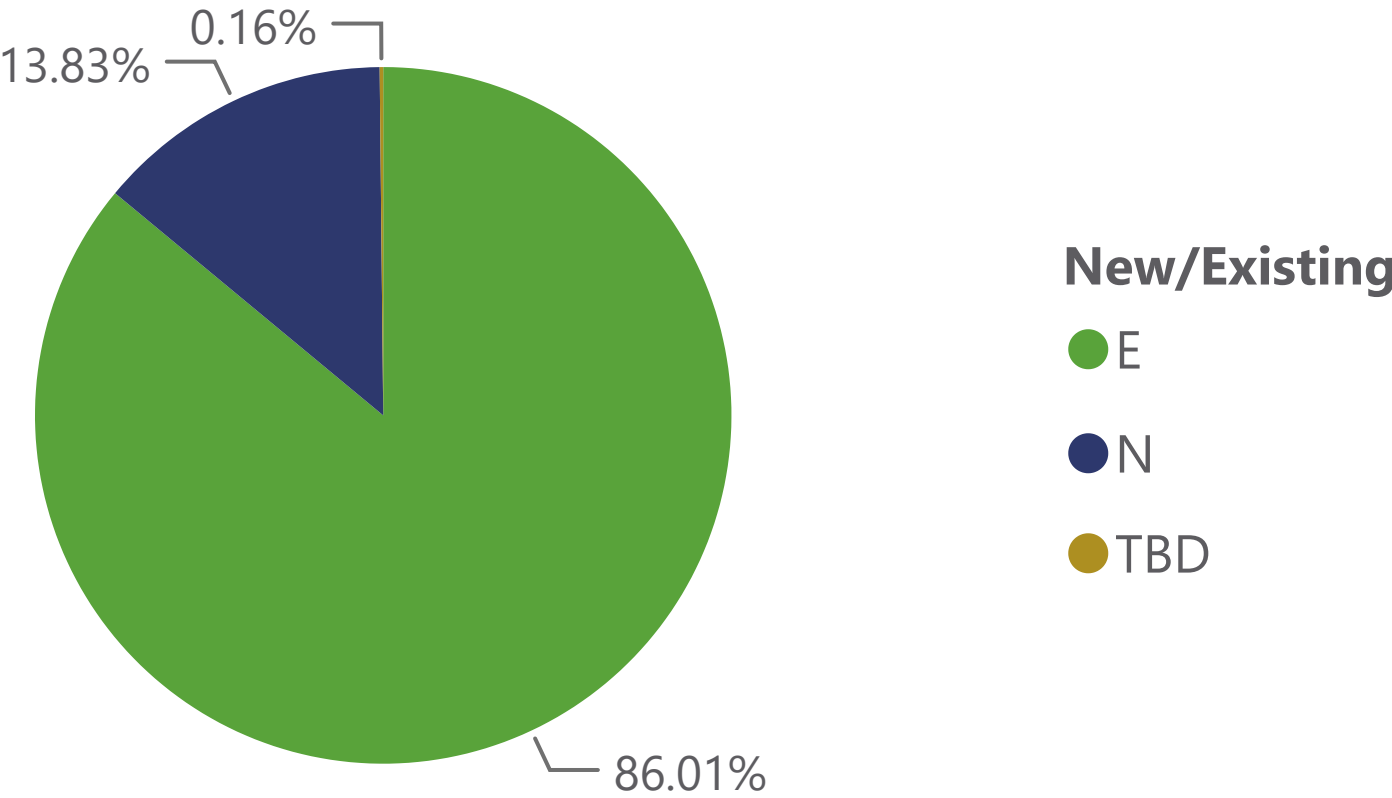
Professions

Occupation	# of Loans	% of Total
Other		89.77%
Teacher		4.76%
Prof Nurse Fac		2.69%
Peace Officer		1.26%
Fire Fighter		0.72%
EMS Personnel		0.28%
Corrections Off		0.21%
County Jailer		0.12%
Sch Counselor		0.12%
Librarian		0.05%
Public Sec Off		0.02%
Total		100.00%

Household Ethnicity



New/Existing Home





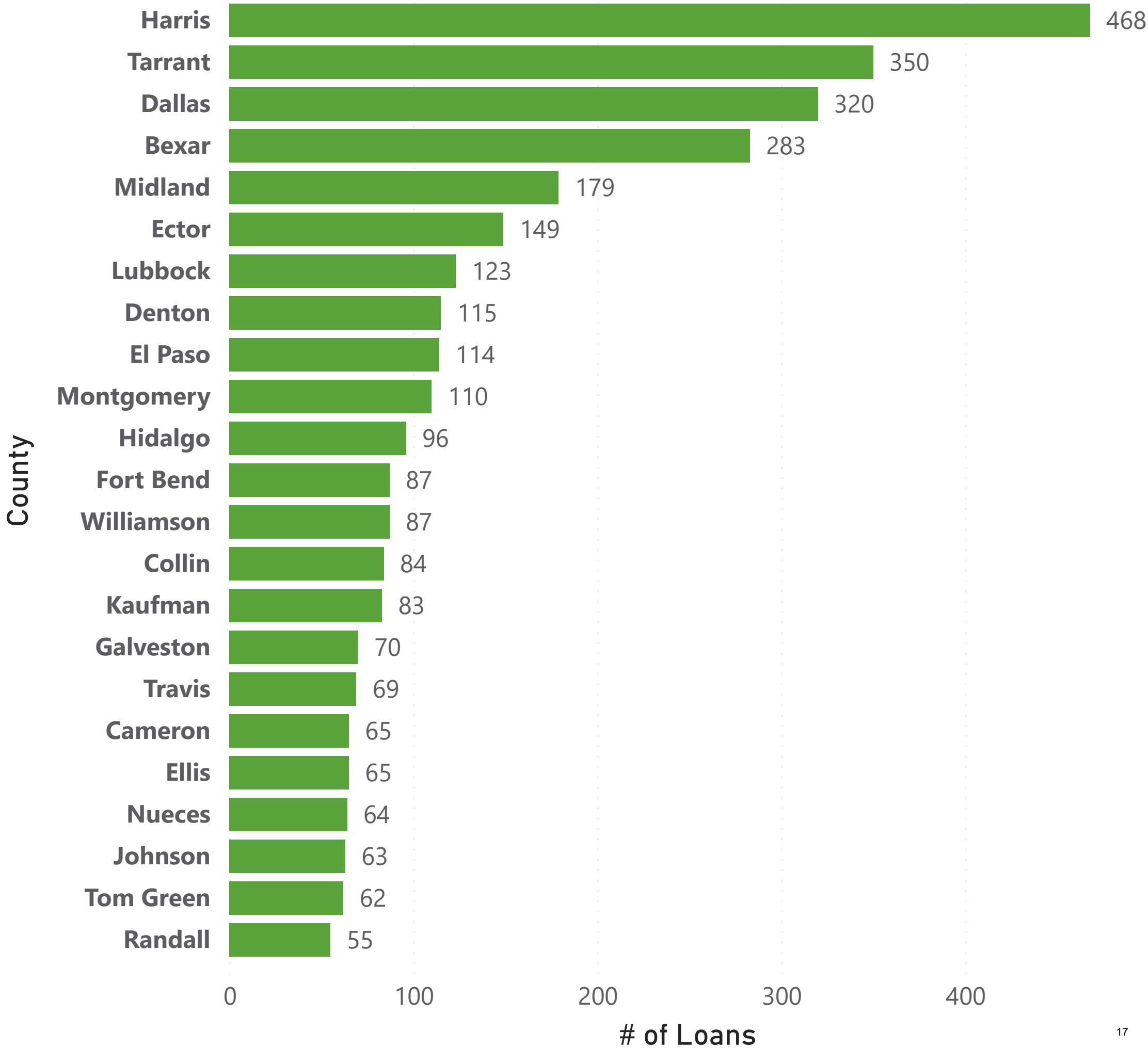
Homeownership All Programs

January 1, 2026 to May 31, 2026

Top Lenders

Top Lenders	# of Loans
Fairway Independent Mortgage Corporation	237
CMG Mortgage, Inc.	233
Everett Financial, Inc.	218
CrossCountry Mortgage, LLC	202
New American Funding, LLC	177
loanDepot.com, LLC	165
Guild Mortgage Company LLC	146
PrimeLending, A PlainsCapital Company	138
Highlands Residential Mortgage, Ltd.	121
Right Start Mortgage, Inc.	119
Plains Commerce Bank	109
Kind Lending, LLC	88
KBHS Home Loans, LLC	87
Mortgage Financial Services, LLC	80
The Mortgage Link, Inc.	77
American Pacific Mortgage Corporation	76
Gateway First Bank	76
SecurityNational Mortgage Company	72
Total	4,282

Top Originating Counties



Tab C

Development Finance Report

Texas State Affordable Housing Corporation

Development Finance Programs Report June 2026

Affordable Communities of Texas Program (ACT)

Construction at Boulevard 61 apartments (Houston) is complete, and the property received a temporary certificate of occupancy at the end of May. Leasing and move-ins are already in progress.

Construction at Cairn Point Montopolis apartments (Austin) is 38% complete and remains on schedule. Site infrastructure and utility work are complete, including detention walls, paving, and all major utility connections, with minor electrical scope remaining. Building structural steel, masonry, and select stairs are complete, while framing, truss installation, roof and exterior sheathing, and MEP rough-ins are ongoing across all areas.

Another of TSAHC's joint venture projects, Juniper Creek (Austin), has reached 100% occupancy. The development team is working to convert to the permanent loan by the end of June.

Here is the updated portfolio summary:

Program	Portfolio as of May 1, 2026	Acquired	Sold	Portfolio as of June 1, 2026	Current Portfolio Value
ACT Land Bank Units	58	0	0	58	\$2,554,815
ACT Joint Venture (MF Unit Count)	422	0	0	422	\$21,370,000
Totals	480	0	0	480	\$23,924,815.20

Our current pipeline report:

- 11 properties listed for sale
- 4 properties under construction
- 2 properties operating as joint venture rentals
- 23 properties in predevelopment

Texas Housing Impact Fund (THIF)

Staff is building a pipeline of potential applications for the 2027 THIF budget cycle. In late May, we received a loan application from the Overland Property Group (OPG) for the Lucas Loft senior project in Wichita Falls. The project scores competitively in the 2026 9% Low Income Housing Tax Credit program. OPG is seeking \$450,000 in financing to assist with site acquisition costs.

Multifamily Bond Program

Draft updates to TSAHC's RFP and Policies for Multifamily Bonds will be presented to the board for approval to post for public comment. A full write-up and presentation will be provided during this month's board meeting.

The Bloom at Lamar Square project was approved by the Texas Bond Review Board on May 21st. This approval is the last step before the bonds can be priced and closed. The anticipated closing date for the bonds is June 26th.

Tab D

Texas Foundations Fund (TFF) Report

All Approved 2026 Grantees to Date - TFF Annual Grants				
Applicant	Program Type	Location	Counties	Award
Adult and Teen Challenge Dallas*	Supportive Services	Desoto	Collin, Dallas, Denton, Ellis, Hopkins, Kaufman, Parker, Rockwall, Smith, Tarrant, Tyler, Van Zandt	\$10,000
Adult and Youth United Development Association, Inc. (AYUDA)	Critical Repair	San Elizario	El Paso, Hudspeth	\$10,000
Advocacy Outreach	Housing Counseling	Elgin	Bastrop	\$10,000
Agape Resource and Assistance Center	Supportive Services	Plano	Collin	\$10,000
Amarillo Habitat for Humanity*	Housing Counseling	Amarillo	Potter	\$10,000
Anna Dunn Affordable Housing Corporation*	Critical Repair	San Antonio	Winkler, Wise, Wood, Yoakum, Young, Zapata, Zavala	\$10,000
Blanco River Regional Recovery Team*	Supportive Services	San Marcos	Hays	\$10,000
Community Outreach Housing	Critical Repair	Whitney	Erath, Hill	\$10,000
Denton Affordable Housing Corporation	Supportive Services	Denton	Denton	\$10,000
East Texas Alliance of Hope	Supportive Services	Lufkin	Angelina	\$10,000
Fort Hood Area Habitat for Humanity	Critical Repair	Killeen	Bell, Coryell, Falls, Lampasas, Milam	\$10,000
Genesis Affordable Housing*	Supportive Services	Houston	Harris	\$10,000
God Order My Steps Ministries*	Critical Repair	Rosharon	Harris	\$10,000
Habitat for Humanity of Grayson County	Critical Repair	Sherman	Grayson	\$10,000
Habitat for Humanity of Jefferson County	Critical Repair	Beaumont	Jefferson, Orange	\$10,000
Hearts and Hammers*	Critical Repair	Dallas	Collin, Dallas	\$10,000
Hispanic Real Estate Brokers Association (HREBA)	Housing Counseling	Arlington	Dallas, Tarrant	\$10,000
Katy Responds	Critical Repair	Katy	Fort Bend, Harris, Waller	\$10,000
Life, Hope, & Change Inc.	Supportive Services	Houston	Harris, Houston	\$10,000
Lufkin Neighborhood Strong	Critical Repair	Lufkin	Angelina, Cherokee, Crockett, Houston, Jasper, Nacogdoches, Polk, San Augustine, Trinity, Tyler	\$10,000
NeighborWorks Laredo	Critical Repair	Laredo	Webb, Zapata	\$10,000
Rebuilding Together El Paso	Critical Repair	El Paso	El Paso	\$10,000
Rebuilding Together Greater Dallas. Inc.	Critical Repair	Plano	Collin, Dallas, Denton, Rockwall, Tarrant	\$10,000
Santa Fe Family Services*	Supportive Services	Santa Fe	Galveston	\$10,000
Shared Housing Center*	Supportive Services	Dallas	Collin, Dallas	\$10,000
Shelby's Bridge*	Supportive Services	Sudan	Bailey, Cochran, Hale, Lamb, Lubbock, Parmer	\$10,000
United for College and Career Success	Supportive Services	Sugar Land	Brazoria, Fort Bend, Galveston, Harris, Montgomery	\$10,000
Waco Community Development dba Grassroots Community Development	Critical Repair	Waco	McLennan	\$10,000
6 Stones	Critical Repair	Eules	Tarrant	\$13,000
Affordable Homes Of South Texas	Critical Repair	McAllen	Hidalgo	\$13,000
Alliance of Community Assistance Ministries, Inc. (ACAM)	Supportive Services	Houston	Brazoria, Fort Bend, Galveston, Harris, Montgomery, Waller	\$13,000
Angel Reach	Supportive Services	Conroe	Harris, Montgomery	\$13,000

Brazos Valley Affordable Housing Corporation	Housing Counseling	Bryan	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Washington	\$13,000
Coastal Bend Center for Independent Living	Critical Repair	Corpus Christi	Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, Nueces, Refugio, San Patricio	\$13,000
Habitat for Humanity of Smith County	Critical Repair	Tyler	Smith	\$13,000
Housing First Community Coalition*	Supportive Services	San Antonio	Bexar	\$13,000
Jeremiah Program	Supportive Services	Austin	Travis	\$13,000
Mosaic Family Services, Inc.*	Supportive Services	Dallas	Dallas	\$13,000
NeighborWorks Waco	Housing Counseling	Waco	Bell, Bosque, Coryell, Falls, Freestone, Hill, Limestone, McLennan	\$13,000
Operation Pathways	Housing Counseling	Washington DC	Harris	\$13,000
Rebuilding Together Austin San Antonio	Critical Repair	Austin	Bexar, Hays, Travis, Williamson	\$13,000
Rebuilding Together Houston	Critical Repair	Houston	Harris	\$13,000
Saint Louise House	Supportive Services	Austin	Travis	\$13,000
Samaritan House	Supportive Services	Fort Worth	Tarrant	\$13,000
Sewa International, Inc.	Supportive Services	Houston	Harris	\$13,000
			Anderson, Angelina, Archer, Armstrong, Austin, Bandera, Bastrop, Baylor, Bell, Bexar, Blanco, Bosque, Bowie, Brazoria, Brazos, Brown, Burleson, Burnet, Caldwell, Callahan, Cameron, Camp, Carson, Case, Castro, Cherokee, Childress, Clay, Coke, Collin, Collingsworth, Comal, Comanche, Concho, Cooke, Coryell, Crockett, Culberson, Dallam, Dallas, Deaf Smith, Delta, Denton, Dewitt, Donley, Eastland, El Paso, Ellis, Erath, Falls, Fannin, Fayette, Fisher, Foard, Fort Bend, Franklin, Freestone, Gillespie, Gonzales, Gray, Grayson, Gregg, Grimes, Guadalupe, Hall, Hansford, Hardeman, Hardin, Harris, Harrison, Hartley, Hays, Henderson, Hidalgo, Hill, Hopkins, Hudspeth, Hunt, Hutchinson, Irion, Jack, Jasper, Jefferson, Jones, Kaufman, Kendall, Kerr, Kimble, Lamar, Lavaca, Lee, Leon, Limestone, Llano, Madison, Mason, McCulloch, McLennan, Menard, Mitchell, Montague, Montgomery, Moore, Morris, Nacogdoches, Newton, Ochiltree, Oldham, Orange, Panola, Parker, Parmer, Potter, Presidio, Rains, Randall, Red River, Regan, Roberts, Robertson, Rusk, Schleicher, Scurry, Smith, Stephens, Sterling, Stonewall, Sutton, Tarrant, Taylor, Titus, Tom Green, Travis, Upshur, Van Zandt, Victoria, Waller, Washington, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wilson, Wise, Wood, Young	\$13,000
Texas Ramp Project	Critical Repair	Richardson		\$13,000
The Samaritan Inn	Supportive Services	McKinney	Collin, Dallas	\$13,000
The Women's Home	Supportive Services	Houston	Harris	\$13,000
Thrive Youth Center*	Supportive Services	San Antonio	Bexar	\$13,000
Waco Habitat for Humanity, Inc.	Critical Repair	Waco	McLennan	\$13,000
Austin Habitat for Humanity	Critical Repair	Austin	Bastrop, Blanco, Caldwell, Hays, Travis	\$25,000
Avenue Community Development Corporation	Housing Counseling	Houston	Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller	\$25,000
Catholic Charities Archdiocese Galveston-Houston	Supportive Services	Houston	Fort Bend, Harris	\$25,000
Catholic Charities of Dallas, Inc.	Housing Counseling	Dallas	Collin, Dallas, Ellis, Fannin, Grayson, Hunt, Kaufman, Navarro, Rockwall	\$25,000

Community Council of Greater Dallas	Critical Repair	Dallas	Dallas	\$25,000
Community Options, Inc.*	Supportive Services	San Antonio	Atascosa, Bandera, Bexar, Comal, Frio, Guadalupe, Hays, Karnes, Kendall, Kerr, Medina, Wilson	\$25,000
Easter Seals of Greater Houston, Inc.	Housing Counseling	Houston	Fort Bend, Harris, Liberty, Montgomery	\$25,000
El Paso Community Action Program/Project BRAVO	Housing Counseling	El Paso	El Paso	\$25,000
Family ElderCare	Supportive Services	Austin	Travis, Williamson	\$25,000
Fort Bend County Women's Center	Supportive Services	Richmond	Fort Bend	\$25,000
Foundation Communities Inc.	Supportive Services	Austin	Travis	\$25,000
Habitat for Humanity of San Antonio, Inc.	Housing Counseling	San Antonio	Bexar, Guadalupe	\$25,000
Haven for Hope*	Supportive Services	San Antonio	Bexar	\$25,000
Hope through Housing Foundation	Supportive Services	Humble	Brazoria, Harris, Tarrant	\$25,000
LifeWorks Austin	Supportive Services	Austin	Travis	\$25,000
Meals on Wheels of Tarrant County	Critical Repair	Fort Worth	Tarrant	\$25,000
Merced Housing Texas	Critical Repair	San Antonio	Bexar	\$25,000
Motivation, Education, & Training, Inc. (MET)	Critical Repair	New Caney	Cameron, Dimmit, Hidalgo, Maverick, Starr, Willacy, Zavala	\$25,000
Navicore Solutions	Housing Counseling	Manalapan, NJ	Collin, Dallas, Denton, Harris, Tarrant, Travis	\$25,000
Northwest Assistance Ministries	Supportive Services	Houston	Harris	\$25,000
Presbyterian Night Shelter of Tarrant County	Supportive Services	Fort Worth	Tarrant	\$25,000
Recovery Resource Council	Supportive Services	Fort Worth	Tarrant	\$25,000
The Bridge Homeless Recovery Center	Supportive Services	Dallas	Dallas	\$25,000
The SAFE Alliance*	Supportive Services	Austin	Travis	\$25,000
Trinity Habitat	Critical Repair	Fort Worth	Parker, Tarrant	\$25,000
Union Gospel Mission of Tarrant County	Supportive Services	Fort Worth	Tarrant	\$25,000

Organization Name* = New

Applicant

Organization Name =

Returning Grantee

Funding by Operational Budget Size

Small Organizations (Budget less than \$2 million)	\$280,000
Mid-Size Organizations (Budget size \$2 million - \$10 million)	\$286,000
Large Organizations (Budget greater than \$10 million)	\$650,000

Funding by Program Type

Supportive Services Grantees	\$603,000
Housing Counseling Grantees	\$219,000
Critical Repair Grantees	\$394,000

Total Amount of Funding Awarded for 2026 **\$1,216,000**

Funds Remaining for 2026
(Out of \$1.25 Million)

\$34,000

TFF Grantees Approved as of April 2026				
Applicant	Program Type	Location	Counties	Award
Blanco River Regional Recovery Team*	Supportive Services	San Marcos	Hays	\$10,000
Community Outreach Housing	Critical Repair	Whitney	Erath, Hill	\$10,000
Denton Affordable Housing Corporation	Supportive Services	Denton	Denton	\$10,000
Fort Hood Area Habitat for Humanity	Critical Repair	Killeen	Bell, Coryell, Falls, Lampasas, Milam	\$10,000
God Order My Steps Ministries*	Critical Repair	Rosharon	Harris	\$10,000
Hearts and Hammers*	Critical Repair	Dallas	Collin, Dallas	\$10,000
Katy Responds	Critical Repair	Katy	Fort Bend, Harris, Waller	\$10,000
Life, Hope, & Change Inc.	Supportive Services	Houston	Harris, Houston	\$10,000
Lufkin Neighborhood Strong	Critical Repair	Lufkin	Angelina, Cherokee, Crockett, Houston, Jasper, Nacogdoches, Polk, San Augustine, Trinity, Tyler	\$10,000
NeighborWorks Laredo	Critical Repair	Laredo	Webb, Zapata	\$10,000
Rebuilding Together El Paso	Critical Repair	El Paso	El Paso	\$10,000
Shared Housing Center*	Supportive Services	Dallas	Collin, Dallas	\$10,000
Waco Community Development dba Grassroots Community Development	Critical Repair	Waco	McLennan	\$10,000
6 Stones	Critical Repair	Eules	Tarrant	\$13,000
Angel Reach	Supportive Services	Conroe	Harris, Montgomery	\$13,000
Brazos Valley Affordable Housing Corporation	Housing Counseling	Bryan	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Washington	\$13,000
NeighborWorks Waco	Housing Counseling	Waco	Bell, Bosque, Coryell, Falls, Freestone, Hill, Limestone, McLennan	\$13,000
Operation Pathways	Housing Counseling	Washington DC	Harris	\$13,000
Rebuilding Together Austin San Antonio	Critical Repair	Austin	Bexar, Hays, Travis, Williamson	\$13,000
Rebuilding Together Houston	Critical Repair	Houston	Harris	\$13,000
Samaritan House	Supportive Services	Fort Worth	Tarrant	\$13,000
Thrive Youth Center*	Supportive Services	San Antonio	Bexar	\$13,000
Austin Habitat for Humanity	Critical Repair	Austin	Bastrop, Blanco, Caldwell, Hays, Travis	\$25,000
Community Options, Inc.*	Supportive Services	San Antonio	Atascosa, Bandera, Bexar, Comal, Frio, Guadalupe, Hays, Karnes, Kendall, Kerr, Medina, Wilson	\$25,000
Easter Seals of Greater Houston, Inc.	Housing Counseling	Houston	Fort Bend, Harris, Liberty, Montgomery	\$25,000
El Paso Community Action Program/Project BRAVO	Housing Counseling	El Paso	El Paso	\$25,000
Family Eldercare	Supportive Services	Austin	Travis, Williamson	\$25,000
Fort Bend County Women's Center	Supportive Services	Richmond	Fort Bend	\$25,000
Habitat for Humanity of San Antonio, Inc.	Housing Counseling	San Antonio	Bexar, Guadalupe	\$25,000
LifeWorks Austin	Supportive Services	Austin	Travis	\$25,000
Meals on Wheels of Tarrant County	Critical Repair	Fort Worth	Tarrant	\$25,000
Merced Housing Texas	Critical Repair	San Antonio	Bexar	\$25,000
Motivation, Education, & Training, Inc. (MET)	Critical Repair	New Caney	Cameron, Dimmit, Hidalgo, Maverick, Starr, Willacy, Zavala	\$25,000
Northwest Assistance Ministries	Supportive Services	Houston	Harris	\$25,000
The Bridge Homeless Recovery Center	Supportive Services	Dallas	Dallas	\$25,000
Trinity Habitat	Critical Repair	Fort Worth	Parker, Tarrant	\$25,000

Union Gospel Mission of Tarrant County	Supportive Services	Fort Worth	Tarrant	\$25,000

Organization Name* = New Applicant
Organization Name = Returning Grantee

Funding by Operational Budget Size	
Small Organizations (Budget less than \$2 million)	\$130,000
Mid-Size Organizations (Budget size \$2 million - \$10 million)	\$117,000
Large Organizations (Budget greater than \$10 million)	\$375,000
Funding by Program Type	
Supportive Services Grantees	\$254,000
Housing Counseling Grantees	\$114,000
Critical Repair Grantees	\$254,000
Total Approved Funds for this Round of Applications	\$622,000
Funds Remaining for 2026 (Out of \$1.25 Million)	\$628,000

TFF Grantees Approved as of May 2026				
Applicant	Program Type	Location	Counties	Award
Adult and Teen Challenge Dallas*	Supportive Services	Desoto	Collin, Dallas, Denton, Ellis, Hopkins, Kaufman, Parker, Rockwall, Smith, Tarrant, Tyler, Van Zandt	\$10,000
Advocacy Outreach	Housing Counseling	Elgin	Bastrop	\$10,000
Agape Resource and Assistance Center	Supportive Services	Plano	Collin	\$10,000
East Texas Alliance of Hope	Supportive Services	Lufkin	Angelina	\$10,000
Habitat for Humanity of Grayson County	Critical Repair	Sherman	Grayson	\$10,000
Habitat for Humanity of Jefferson County	Critical Repair	Beaumont	Jefferson, Orange	\$10,000
Shelby's Bridge*	Supportive Services	Sudan	Bailey, Cochran, Hale, Lamb, Lubbock, Parmer	\$10,000
United for College and Career Success	Supportive Services	Sugar Land	Brazoria, Fort Bend, Galveston, Harris, Montgomery	\$10,000
Affordable Homes Of South Texas	Critical Repair	McAllen	Hidalgo	\$13,000
Alliance of Community Assistance Ministries, Inc. (ACAM)	Supportive Services	Houston	Brazoria, Fort Bend, Galveston, Harris, Montgomery, Waller	\$13,000
Coastal Bend Center for Independent Living	Critical Repair	Corpus Christi	Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, Nueces, Refugio, San Patricio	\$13,000
Housing First Community Coalition*	Supportive Services	San Antonio	Bexar	\$13,000
Mosaic Family Services, Inc.*	Supportive Services	Dallas	Dallas	\$13,000
Sewa International, Inc.	Supportive Services	Houston	Harris	\$13,000
Texas Ramp Project	Critical Repair	Richardson	Anderson, Angelina, Archer, Armstrong, Austin, Bandera, Bastrop, Baylor, Bell, Bexar, Blanco, Bosque, Bowie, Brazoria, Brazos, Brown, Burleson, Burnet, Caldwell, Callahan, Cameron, Camp, Carson, Case, Castro, Cherokee, Childress, Clay, Coke, Collin, Collingsworth, Comal, Comanche, Concho, Cooke, Coryell, Crockett, Culberson, Dallam, Dallas, Deaf Smith, Delta, Denton, Dewitt, Donley, Eastland, El Paso, Ellis, Erath, Falls, Fannin, Fayette, Fisher, Foard, Fort Bend, Franklin, Freestone, Gillespie, Gonzales, Gray, Grayson, Gregg, Grimes, Guadalupe, Hall, Hansford, Hardeman, Hardin, Harris, Harrison, Hartley, Hays, Henderson, Hidalgo, Hill, Hopkins, Hudspeth, Hunt, Hutchinson, Irion, Jack, Jasper, Jefferson, Jones, Kaufman, Kendall, Kerr, Kimble, Lamar, Lavaca, Lee, Leon, Limestone, Llano, Madison, Mason, McCulloch, McLennan, Menard, Mitchell, Montague, Montgomery, Moore, Morris, Nacogdoches, Newton, Ochiltree, Oldham, Orange, Panola, Parker, Parmer, Potter, Presidio, Rains, Randall, Red River, Regan, Roberts, Robertson, Rusk, Schleicher, Scurry, Smith, Stephens, Sterling, Stonewall, Sutton, Tarrant, Taylor, Titus, Tom Green, Travis, Upshur, Van Zandt, Victoria, Waller, Washington, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wilson, Wise, Wood, Young	\$13,000
The Samaritan Inn	Supportive Services	McKinney	Collin, Dallas	\$13,000
The Women's Home	Supportive Services	Houston	Harris	\$13,000
Avenue Community Development Corporation	Housing Counseling	Houston	Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller	\$25,000
Catholic Charities Archdiocese Galveston-Houston	Supportive Services	Houston	Fort Bend, Harris	\$25,000
Catholic Charities of Dallas, Inc.	Housing Counseling	Dallas	Collin, Dallas, Ellis, Fannin, Grayson, Hunt, Kaufman, Navarro, Rockwall	\$25,000
Community Council of Greater Dallas	Critical Repair	Dallas	Dallas	\$25,000
Foundation Communities Inc.	Supportive Services	Austin	Travis	\$25,000

Haven for Hope*	Supportive Services	San Antonio	Bexar	\$25,000
Hope through Housing Foundation	Supportive Services	Humble	Brazoria, Harris, Tarrant	\$25,000
Navicore Solutions	Housing Counseling	Manalapan, NJ	Collin, Dallas, Denton, Harris, Tarrant, Travis	\$25,000
Presbyterian Night Shelter of Tarrant County	Supportive Services	Fort Worth	Tarrant	\$25,000
The SAFE Alliance*	Supportive Services	Austin	Travis	\$25,000

Organization Name* = New Applicant
Organization Name = Returning Grantee

Funding by Operational Budget Size

Small Organizations (Budget less than \$2 million)	\$80,000
Mid-Size Organizations (Budget size \$2 million - \$10 million)	\$117,000
Large Organizations (Budget greater than \$10 million)	\$250,000

Funding by Program Type

Supportive Services Grantees	\$278,000
Housing Counseling Grantees	\$85,000
Critical Repair Grantees	\$84,000

Total Proposed Funds for this Round of Applications **\$447,000**

Funds Remaining for 2026
(Out of \$1.25 Million) **\$181,000**

June Funding Recommendations				
Applicant	Program Type	Location	Counties	Award
Adult and Youth United Development Association, Inc. (AYUDA)	Critical Repair	San Elizario	El Paso, Hudspeth	\$10,000
Amarillo Habitat for Humanity*	Housing Counseling	Amarillo	Potter	\$10,000
Anna Dunn Affordable Housing Corporation*	Critical Repair	San Antonio	Winkler, Wise, Wood, Yoakum, Young, Zapata, Zavala	\$10,000
Genesis Affordable Housing*	Supportive Services	Houston	Harris	\$10,000
Hispanic Real Estate Brokers Association (HREBA)	Housing Counseling	Arlington	Dallas, Tarrant	\$10,000
Rebuilding Together Greater Dallas. Inc.	Critical Repair	Plano	Collin, Dallas, Denton, Rockwall, Tarrant	\$10,000
Santa Fe Family Services*	Supportive Services	Santa Fe	Galveston	\$10,000
Habitat for Humanity of Smith County	Critical Repair	Tyler	Smith	\$13,000
Jeremiah Program	Supportive Services	Austin	Travis	\$13,000
Saint Louise House	Supportive Services	Austin	Travis	\$13,000
Waco Habitat for Humanity, Inc.	Critical Repair	Waco	McLennan	\$13,000
Recovery Resource Council	Supportive Services	Fort Worth	Tarrant	\$25,000

Organization Name* = New Applicant
Organization Name = Returning Grantee

Funding by Operational Budget Size

Small Organizations (Budget less than \$2 million)	\$70,000
Mid-Size Organizations (Budget size \$2 million - \$10 million)	\$52,000
Large Organizations (Budget greater than \$10 million)	\$25,000

Funding by Program Type

Supportive Services Grantees	\$71,000
Housing Counseling Grantees	\$20,000
Critical Repair Grantees	\$56,000

Total Proposed Funds for this Round of Applications **\$147,000**

Funds Remaining for 2026
(Out of \$1.25 Million)

\$34,000

2026 Texas Foundations Fund Disaster Recovery Program						
Organization Name	Services Provided	Declared Disaster	Award Amount	Date of Disaster Declaration	Month Awarded	Counties Served
Community Outreach Housing	General Flood Repair (Debris removal, tree trimming and removal, mold mitigation, water damage repairs)	July Flood Events	\$30,000	7/4/2025	Oct-25	Hamilton
Galilee Community Development Corp.	General Flood Repair (Muck & Gut, sheetrock, roofing, electrical, and flooding repairs)	July Flood Events	\$30,000	7/6/2025	Oct-25	Menard, Tom Green
Amount Paid Out		\$60,000.00				
Funds Remaining		\$290,000.00				

Tab 1

Presentation, Discussion and Possible Approval of Minutes of the Board
Meeting held on April 21, 2026.

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
BOARD MEETING**

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

**April 21, 2026
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 Lemuel Williams, Chair, at 10:34 a.m., on April 21, 2026, 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:

Lemuel Williams, Chair

Valerie Cardenas, Vice Chair

David Rassin, Member

Ernest Richards, Member

David V. Lewis, Member

Guests Present:

Sarah Scott, Coats Rose

Alfred B Henson; Consultant, AB Land Planning

Zainab Noaz Ansari, Planning Assistant, AB Land Planning

President’s Report

David Long, President

Tab 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting held on February 17, 2026.

Ms. Cardenas made a motion to approve the minutes of the Board meeting held February 17, 2026. Mr. Rassin seconded the motion. Mr. Williams asked for public comment, and none was given. A vote was taken, and the motion was approved as presented.

See page 22 in the official transcript.

Tab 2 Presentation, Discussion, and Possible Approval to Publish for Public Comment, the Draft Housing Revitalization Plan to support the administration of grant funding provided by the Texas Department of Transportation to support affordable housing initiatives in communities affected by the Texas Department of Transportation’s North Houston Highway Improvement Project.

Presented by Katie Claflin, Senior Director, Communications & Development; Michael Wilt, Senior Manager, External Relations; Alfred B Henson; Consultant, AB Land Planning; Zainab Noaz Ansari, Planning Assistant, AB Land Planning

Mr. Richards made a motion to approve Publication of the Draft Housing Revitalization Plan for public comment, supporting the administration of grant funding provided by the Texas Department of Transportation to support affordable housing initiatives in communities affected by the Texas Department of Transportation's North Houston Highway Improvement Project. Mr. Rassin seconded the motion. Mr. Williams asked for public comment, and none was given. A vote was taken, and the motion was approved.

See page 23 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 (The Bloom at Lamar Square) Series 2026, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; 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 Dave Danenfelzer, Senior Director, Development Finance

Mr. Lewis made a motion to approve a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026, a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith. Ms. Cardenas seconded the motion. Mr. Williams asked for public comment, and none were given. A vote was taken, and the motion was approved as presented.

See page 47 in the official transcript.

Tab 4 Presentation, Discussion and Possible Approval of a Resolution approving a Texas Housing Impact Fund Revolving line of credit for construction to Legacy Community Development Corporation in an amount not to exceed \$750,000.

Presented by Cassandra Ramirez, Development Finance Manager

Mr. Lewis made a motion to approve a Resolution approving a Texas Housing Impact Fund Revolving line of credit for construction to Legacy Community Development Corporation in an amount not to exceed \$750,000. Mr. Richards seconded the motion. Mr. Williams asked for public comment, and none was given. A vote was taken, and the motion was approved as presented.

See page 59 in the official transcript.

At approximately 11:53am, Board Member, Ms. Cardenas, briefly exited the meeting. She returned @ 11:55am. Quorum was maintained in her absence.

Tab 5 Presentation, Discussion and Possible Approval of amendments to Texas State Affordable Housing Corporation's Joint Venture Development Guidelines.

Presented by Dave Danenfelzer, Senior Director, Development Finance

Mr. Rassin made a motion to approve the amendments to Texas State Affordable Housing Corporation's Joint Venture Development Guidelines. Mr. Richards seconded. Mr. Williams asked for public comment, and none was given. A vote was taken, and the motion was approved as presented.

See page 63 in the official transcript.

Announcements

Mr. Long and the Board tentatively scheduled the next Board Meeting for May19, 2026, at 10:30 a.m.

Adjournment

Mr. Williams adjourned the meeting at 11:59 a.m.

Respectfully submitted by _____
Rebecca DeLeon, Corporate Secretary

Tab 2

(Supplement item link available on website.)

Presentation, Discussion and Possible Approval of the Housing Revitalization Plan to support the administration of grant funding provided by the Texas Department of Transportation to support affordable housing initiatives in communities affected by the Texas Department of Transportation's North Houston Highway Improvement Project.

Tab 3

Presentation, Discussion and Possible Approval of a Resolution Approving a General Indenture of Trust Relating to Bond-Financed Single Family Loan Programs; and Containing Other Matters Incident and Related Thereto.

Tab 3

Presentation, Discussion and Possible Approval of a Resolution Approving a General Indenture of Trust Relating to Bond-Financed Single Family Loan Programs; and Containing Other Matters Incident and Related Thereto.

presented to the Board of Directors of Texas State Affordable Housing Corporation
(June 16, 2026 board meeting)

Document

Number:

1. Resolution approving the General (master) Indenture of Trust relating to all Homeownership Mortgage Revenue Bonds
2. General Indenture of Trust

Document No. 1:
**Resolution approving the General (master) Indenture of Trust relating
to all Homeownership Mortgage Revenue Bonds**

RESOLUTION NO. 26-___

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Resolution Approving a General Indenture of Trust Relating to Bond-Financed Single Family Loan Programs; 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 (now codified as V.T.C.A. Business Organizations Code, Chapter 22, as amended) and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the "Act"), the Corporation is authorized to establish one or more programs (the "Programs") to provide home mortgage loans (1) to eligible fire fighters, corrections officers, county jailers, public security officers, peace officers, emergency medical services personnel, professional educators and veterans (as defined under the Act, as it may be amended from time to time) whose income does not exceed the greater of 115 percent of the area median family income, adjusted for family size, or the maximum amount permitted by Section 143(f) of the Internal Revenue Code of 1986, as amended (the "Code") and (2) to individuals and families of low, very low and extremely low income pursuant to the Act; and

WHEREAS, under the Act, the Corporation is authorized to issue one or more series of bonds or other obligations related to the Programs (collectively, the "Bonds"); and

WHEREAS, in order to carry out the Programs and issue the Bonds, the Corporation will enter into a General Indenture of Trust dated as of October 1, 2026 (the "General Indenture") with Computershare Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, under the General Indenture, the Corporation will issue bonds in order to originate single family mortgage loans to eligible borrowers ("Mortgage Loans") in accordance with the terms of the Programs and the Corporation and the Trustee will perform certain actions and follow reasonable procedures to ensure compliance with Section 143 of the Code and the Act; and

WHEREAS, there has been presented to the Corporation a proposed form of the General Indenture; and

WHEREAS, the Corporation finds the form and substance of the General Indenture to be satisfactory and proper and finds the recitals with regard to the Corporation contained therein to be true, correct and complete and hereby determines to proceed with the approval and execution of such document and the taking of such other actions as may be necessary and appropriate in connection therewith;

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 General Indenture. That the General Indenture in substantially the form and substance of the General Indenture presented to the Board of Directors (the "Board") of the Corporation at the meeting at which this Resolution was considered, with such changes or additions thereto as may be approved by the Chair of the

Board, Vice Chair of the Board, President or Executive Vice President of the Corporation (upon the advice of bond counsel to the Corporation), as evidenced by the execution of the General Indenture by said Chair, Vice Chair, President or Executive Vice President, is hereby approved and that the proper officers of the Corporation are each hereby authorized and directed to execute the General Indenture and to deliver the General Indenture to the Trustee.

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 other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, offering documents, 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, the Programs and the General Indenture.

Section 3. Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Chair, Vice Chair, President, Executive Vice President, Secretary and any Assistant Secretary of the Corporation are each hereby authorized to make or approve such revisions in the form of the General Indenture as, in the opinion of counsel to the Corporation or bond counsel, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and the Programs.

Section 4. Ratification of Certain Prior Actions. That all prior actions taken by or on behalf of the Corporation in connection with the Programs and the Bonds, are hereby authorized, ratified, confirmed and approved.

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. Incorporation of Findings and Determinations. The findings and determinations of the Corporation contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

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

[Remainder of page intentionally left blank]

PASSED, APPROVED AND EFFECTIVE this June 16, 2026.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

President

ATTEST:

Secretary

**Document No. 2:
General Indenture of Trust**

GENERAL INDENTURE OF TRUST

By and Between

TEXAS STATE AFFORDABLE HOUSING CORPORATION

and

**COMPUTERSHARE TRUST COMPANY, N.A.,
as Trustee**

Dated as of October 1, 2026

Securing:

Homeownership Mortgage Revenue Bonds

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THIS GENERAL INDENTURE OF TRUST, dated as of October 1, 2026 (this “**General Indenture**”), by and between the **TEXAS STATE AFFORDABLE HOUSING CORPORATION** (the “Corporation”), a public nonprofit corporation duly created, organized and existing pursuant to Subchapter Y, Chapter 2306, Texas Government Code, as amended (the “Act”) (the “Corporation” or “the Issuer”), and **COMPUTERSHARE TRUST COMPANY, N.A.**, a national banking association having a corporate trust office in St. Paul, Minnesota (together with any successor trustee hereunder (the “Trustee”).

WITNESSETH:

WHEREAS, the Corporation is organized under and exists pursuant to the Constitution and laws of the State, particularly the Act; and

WHEREAS, the Act authorizes the Corporation to purchase secured loans or make lending commitments to purchase or sell construction or mortgage loans with respect to Residential Housing and to make secured loans to lending institutions, including commitments therefor, with respect to the financing of construction or mortgage loans by lending institutions for Residential Housing and issue revenue bonds from time to time, whether the interest thereon is subject to taxation under the provisions of the Internal Revenue Code of 1986 as now enacted or subsequently amended or is exempt therefrom to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes; and

WHEREAS, the Corporation has determined that it is in the public interest to implement one or more homeownership programs (collectively, the “**Program**”) to be financed through the issuance of its Homeownership Mortgage Revenue Bonds (as more fully described herein, the “**Bonds**”); and

WHEREAS, all things necessary to make such Bonds when issued and authenticated by the Trustee as in this General Indenture provided, the valid, binding, and legal obligations of the Corporation according to the import thereof and to constitute this General Indenture a valid pledge and assignment of the assets and revenues securing the payment of the bonds to be issued hereunder and the creation, execution and delivery of this General Indenture have been done or performed; and

WHEREAS, pursuant to Chapter 1208, Texas Government Code, as amended, any pledge made by the Corporation shall be valid and binding from the time when the pledge is made and that the money, assets, or revenues of the Corporation so pledged and thereafter received by the Corporation shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the corporation, irrespective of whether such parties have notice thereof and that neither the resolution nor any other instrument by which a pledge is created need be recorded or filed in order to establish and perfect a lien or security interest in the property so pledged; and

WHEREAS, the Trustee has accepted the trusts created by this General Indenture and in evidence thereof has joined in the execution hereof.

NOW, THEREFORE, the Corporation, in consideration of the promises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the

Bonds to be issued hereunder by the holders and owners thereof, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds and other obligations described herein according to their respective tenor and effect and the performance and observance by the Corporation of all the covenants expressed or implied herein and in the Bonds and other obligations described herein, does hereby, on the terms herein provided and subject to the provisions hereof permitting the application of amounts held hereunder and the exercise of the rights in connection with certain properties, pledge and assign unto, and grant a security interest in and to, the Trustee, and its respective successors in trust and their respective assigns, forever, for the securing of the performance of the obligations of the Corporation hereinafter set forth, all right, title and interest of the Corporation, now or hereafter acquired, in and to the Trust Estate (hereinafter defined).

TO HAVE AND TO HOLD the same (in accordance with and subject to the provisions of this General Indenture) whether now owned or hereafter acquired, unto the Trustee and its respective successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future holders and owners of any and all the Bonds and other obligations described herein, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, privilege, priority or distinction of any of the Bonds and other obligations over any other thereof;

PROVIDED, HOWEVER, that if the Corporation, its successors or assigns, shall pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or such amount as will with investment income thereon equal such entire amount as provided in Article XII hereof), and shall keep, perform and observe all the covenants and conditions pursuant to the terms of this General Indenture to be kept, performed and observed by it, shall pay all other obligations described herein, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions therefor as provided herein, this General Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this General Indenture to be and remain in full force and effect.

THIS GENERAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interest, including, without limitation, the amounts and property hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms and conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE I

DETERMINATIONS, DEFINITIONS AND INTERPRETATION

Section 101. Definitions. In this General Indenture, unless a different meaning clearly appears from the context, the following terms have the following respective meanings:

Act: Subchapter Y of Chapter 2306, Texas Government Code, as amended from time to time.

Auditor's Opinion: unless otherwise prescribed by State law, an opinion signed by any certified public accountant or firm of certified public accountants (who may be the accountant or firm that regularly audits the books and accounts of the Corporation) from time to time selected by the Corporation as required by Section 506(B) hereof or as may be required in any Supplemental Indenture or Series Indenture.

Authorized Newspapers: one or more newspapers printed in the English language, one of which is generally circulated in the State.

Authorized Representative: the Chair, Vice Chair, President or Executive Vice President of the Corporation, or any other legally authorized signatory of the Corporation.

Board: the Board of Directors of the Corporation.

Bond: any Bond authorized under this General Indenture and issued pursuant to a Series Indenture.

Bond Counsel: Norton Rose Fulbright US LLP or any nationally recognized bond counsel who is either currently under contract to provide such services to the Corporation or is acceptable to the Corporation.

Bond Service Provider: the Trustee, a Depository, or a Paying Agent.

Bondholder or **Holder:** the registered owner of any Outstanding Bond or Bonds.

Cash Flow Certificate: an Officer's Certificate meeting the requirements of Section 510 hereof.

Cash Flow Test: projected annual Revenues sufficient to pay projected Program Expenses and scheduled Interest Requirements and Principal Requirements, all as set forth in a Cash Flow Certificate pursuant to Section 510 hereof.

Chair: the Chair of the Board of Directors of the Corporation.

Code: the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder; each reference to a Section of the Code herein shall be deemed to include the United States Treasury regulations proposed or in effect thereunder and applied to the Bonds or the use of the proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

Corporation: the Texas State Affordable Housing Corporation, a public nonprofit corporation duly created, organized and existing pursuant to the Act and the laws of the State or any successor thereto.

Corporation Documents: means collectively this General Indenture, the Series Indenture, and the Servicing Agreement.

Corporation Party or Corporation Parties: the Corporation, its past, present, and future directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants, and executive director.

Cost of Issuance: all items of expense payable or reimbursable directly or indirectly by the Corporation and related to the authorization, sale and issuance of Bonds and the financing and purchase of Qualified Mortgage Loans.

Counsel's Opinion: an opinion signed by any attorney or firm of attorneys (who may be employed by or of counsel to the Corporation or an attorney or firm of attorneys retained by it in other connections) licensed to practice in the State, selected or employed by the Corporation and satisfactory to the Trustee.

Credit Facility means a letter of credit, standby bond purchase agreement, bond insurance policy, credit commitment, line of credit, guaranty, surety bond or other credit facility, issued with respect to any Bonds by a state chartered banking corporation, national banking association or other financial institution or any insurance company with an investment grade rating on its outstanding long-term senior unsecured and uninsured obligations from any Rating Agency.

Depository: each financial institution appointed pursuant to Section 1101 to act as depository, and any successor thereof designated by or pursuant to Article XI.

Electronic Means: the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Escrow Payment: all payments made by or on behalf of an eligible borrower of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

Executive Vice President: the Executive Vice President of the Corporation.

Fannie Mae: the Federal National Mortgage Association, its successors and assigns.

FHA: the Federal Housing Administration of the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States of America to which the powers of the Federal Housing Administration have been transferred.

Fiscal Year: the period of twelve (12) calendar months commencing on September 1 in any calendar year and ending on August 31 in the following year.

Freddie Mac: the Federal Home Loan Mortgage Corporation, its successors and assigns.

Funds and Accounts: Funds and Accounts, including any subaccounts, established pursuant to this General Indenture, any Supplemental Indenture, or any Series Indenture.

General Indenture: this General Indenture of Trust, dated as of October 1, 2026, as it may from time to time be amended, modified, or supplemented as herein provided.

GNMA: the Government National Mortgage Association, its successors and assigns.

Governmental Obligations: (a) direct obligations of the United States of America, and (b) obligations the timely payment of the principal of, and interest on, which is fully and unconditionally guaranteed by the United States of America, and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

Guaranteed Mortgage Securities: mortgage-backed securities guaranteed as to payment of principal and interest by GNMA, Fannie Mae, Freddie Mac, or any other agency or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase or guarantee timely payment of Qualified Mortgage Loans.

Hedge Agreement: a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Corporation providing for payments between the parties based on levels of, or changes in, interest rates or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate floors, or caps, options, puts or calls, which allows the Corporation to manage or hedge payment, rate, spread or similar risk with respect to all or a portion of any Series of Bonds or any assets pledged under this General Indenture.

Hedge Provider: any person or entity providing a Hedge Agreement pursuant to an agreement with or upon the request of the Corporation.

Home: real property and improvements thereon, including, but not limited to, a condominium unit, which consists of not more than four dwelling units owned by one Mortgagor.

Instructions: the definition set forth in Section 1115(Q) hereof.

Interest Payment Date: each date on which interest on any Series of Bonds is required to be paid under the applicable Series Indenture.

Interest Requirement: as of any particular date of computation, the sum of the unpaid interest then due plus the interest to accrue on all Outstanding Bonds to the first day of the following month, plus the additional amount of such interest to accrue to their next respective Interest Payment Dates. Interest Requirement shall also include any regular payments under a Qualified Hedge Agreement if so specified by a Series Indenture or an Officer's Certificate, but shall not include any fees, expenses or termination payments.

Investments: any of the following which at the time are certified to the Trustee in an Officer's Certificate as (a) legal investments for Bond Service Providers under the laws of the State for moneys held hereunder which are then proposed to be invested therein and (b) permitted by the then effective investment policy of the Corporation:

- (i) Governmental Obligations;

(ii) Direct and general obligations of any state within the United States of America or of any political subdivision of such a state, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency then rating the Bonds at the request of the Corporation;

(iii) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer's Home Administration (or its successor, the Rural Housing and Community Development Service), GNMA, Small Business Administration, Resolution Funding Corporation, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof;

(iv) Repurchase agreements, provided that such obligation is (1) rated in one of the three highest rating categories by any Rating Agency then rating the Bonds at the request of the Corporation or (2) continuously and fully collateralized by such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times equal to at least the principal amount of such obligation;

(v) Certificates of deposit, time deposits, demand deposits, and other deposit products, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits, demand deposits, and other deposit products shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully collateralized by an irrevocable letter of credit issued by the United States of America or such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits;

(vi) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AA-Am-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2;

(vii) Stripped securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York; and

(viii) Guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, unless such contract or agreement would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Corporation.

Notwithstanding the foregoing, and subject to State law, it is expressly understood that the definition of Investments shall be, and be deemed to be, expanded and/or amended, or new definitions and related provisions shall be added to this General Indenture, thus permitting investments with different characteristics from those permitted which an Authorized Representative deems from time to time to be in the interest of the Corporation, as reflected in an Officer's Certificate or in a Supplemental Indenture, unless at the time of inclusion such inclusion

would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Corporation, as certified in such Officer's Certificate or Supplemental Indenture.

Issue Date: the date as of which any Series of Bonds is issued and from which interest thereon accrues, as specified by the applicable Series Indenture in accordance with Section 202, and not the date assigned to a registered Bond pursuant to Section 601.

Liabilities: any and all causes of action (whether in contract, tort or otherwise), claims, actions, damages (including, but not limited to, consequential and punitive damages), demands, judgments, liabilities, losses, suits, fines, penalties, costs and expenses (including, without limitation, costs of investigation, attorney's fees and expenses, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) of every kind, character and nature whatsoever.

Mortgage: a mortgage deed or other instrument securing a Mortgage Loan and constituting a lien on a Home, subject only to such encumbrances as are approved by the Corporation.

Mortgage Lender: any bank, investment bank, mortgage bank or company, pension or retirement fund, savings bank, or savings and loan association which is authorized to do business in the State which is an FHA, USDA/RD, VA-approved Mortgagee, or qualified to sell mortgages to Fannie Mae or to Freddie Mac, or any agency or instrumentality of the United States or the State, making or holding a Mortgage Loan, whether for its own account or as agent of the Corporation, and approved by the Corporation.

Mortgage Loan: a loan to a Mortgagor, secured by a Mortgage on a Home and evidenced by a promissory note. The definition of "Mortgage Loan" shall not include, unless otherwise provided in a Series Indenture, any Mortgage Loan which is not credited to the Mortgage Loan Account, the Revenue Fund or other Fund or Account established under this Indenture.

Mortgage Loan Accounts: the Accounts so designated which may be established pursuant to Section 303.

Mortgagor: the obligor or joint obligors on a Mortgage Loan.

Note: any obligation not designated as a bond, issued by the Corporation pursuant to the Act to make or purchase an obligation which is then, or thereafter becomes, a Qualified Mortgage Loan.

Officer's Certificate: a certificate signed by an Authorized Representative.

Outstanding: a reference as of any particular time to all Bonds theretofore delivered except (a) any Bond cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Corporation or by any other Bond Service Provider, at or before that time, (b) any Bond for the payment or redemption of which either moneys or Investments in the amounts, of the maturities and otherwise described and required under the provisions of paragraph (B) or (D) of Section 1201 has been deposited with one or more Bond Service Providers in trust (whether upon or prior to the maturity or redemption date of the Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption has been given or provided for in accordance with Article VII, (c) any Bond in lieu of or in substitution for which another Bond has been delivered

pursuant to Article VI, Section 705 or Section 906 and (d) with respect to Section 905 and Section 1011, any Bond owned by the Corporation.

Parity Test: the Value equals or exceeds one hundred percent (100%) of all Outstanding Bonds.

Paying Agent: any bank, financial institution or other organization appointed by or pursuant to Section 202 or Section 1102, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this General Indenture.

Persons or families of low, very low and extremely low income: an individual or household whose income qualifies as low income, very low income or extremely low income as determined from time to time by Chapter 2306, Texas Government Code, as amended or the Corporation's board of directors in a manner consistent with federal housing programs.

Prepayment: any money received from a payment of principal on a Mortgage Loan in excess of the scheduled payments of principal then due or from the sale of a Mortgage Loan.

President: the President of the Corporation.

Principal Assets: as of any date of computation of Value, all Mortgage Loans, Guaranteed Mortgage Securities, deposited cash, and Investments in all Mortgage Loan Accounts, in the Reserve Fund, and in the Revenue Fund, other than Investments and cash held pursuant to Section 1201 or to pay accrued interest on Outstanding Bonds.

Principal Installment: as of any particular date of computation, an amount equal to the principal amount of Outstanding Bonds which mature on a single future date, reduced by the aggregate amount of any Sinking Fund Installments payable before that date toward the retirement of such Outstanding Bonds, but including the remaining amount as a Sinking Fund Installment payable on said future date.

Principal Installment Date: the date on which a Principal Installment is payable.

Principal Office: with respect to a Bond Service Provider, its principal or head office or corporate trust or principal trust office in the city in which the Bond Service Provider is described as being located.

Principal Requirement: as of any particular date of computation, for all Bonds then Outstanding, the sum of (i) all unpaid Principal Installments then due, plus (ii) all Principal Installments to become due within twelve (12) months thereafter.

Program: the Corporation's programs of financing or purchasing Qualified Mortgage Loans, including the payment, when due, of principal of and redemption premium, if any, and interest on Notes and Bonds.

Program Expenses: all the Corporation's expenses of administering the Program under this General Indenture and the Act and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Trustee, any

Depository and Paying Agent; Costs of Issuance not paid from proceeds of Bonds; payments to pension, retirement, health and hospitalization funds; Hedge Agreement payments so designated by an Authorized Representative including, without limitation, payments due upon the early termination of a Hedge Agreement; Credit Facility fees; bond insurer fees; financial advisory fees, rebate analyst fees, accounting and consulting fees, attorneys' fees, remarketing agent fees; and any other expenses and fees required or permitted to be paid by the Corporation under the provisions of this General Indenture, any Supplemental Indenture or any Series Indenture, all to the extent properly allocable to the Program.

Qualified Hedge Agreement: a Hedge Agreement which meets the tests of Section 407.

Qualified Hedge Institution: (a) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time a Qualified Hedge Agreement is entered into by the Corporation are rated in any of the three highest rating categories by each Rating Agency then rating the Bonds at the request of the Corporation, or (b) GNMA, Fannie Mae, Freddie Mac or any successor thereto, or any other federal agency or instrumentality the obligations of which are backed by the full faith and credit of the United States of America; and further provided that it is expressly understood that the definition of the Qualified Hedge Institution shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this General Indenture, thus permitting a Qualified Hedge Agreement with a different entity from those permitted which an Authorized Representative deems from time to time to be in the interest of the Corporation, as reflected in an Officer's Certificate or in a Supplemental Indenture, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Corporation, as certified in such Officer's Certificate or Supplemental Indenture.

Qualified Mortgage Loan: (a) a Mortgage Loan satisfying the conditions set forth in Section 304 or (b) a Guaranteed Mortgage Security backed by a pool of Qualified Mortgage Loans.

Rating Agency: a nationally recognized statistical rating organization which is registered with the United States Securities and Exchange Commission in accordance with the Credit Rating Agency Reform Act of 2006.

Redemption Price: as of any date of redemption before maturity, the principal amount of a Bond, or any portion thereof, plus the applicable premium, if any, payable upon redemption thereof in accordance with its terms.

Reserve Fund: the Fund so designated which is established and created by Section 401.

Reserve Requirement: as of any particular date of computation, an amount of money equal

to the sum of the amounts required by each Series Indenture to be maintained in the Reserve Fund with respect to the Series of Bonds authorized thereby, if any.

Residential Housing: a specific work or improvement within the state undertaken primarily to provide adequate, safe, and sanitary housing for persons of low, very low and extremely low income, including, but not limited to, the acquisition, construction, rehabilitation, or improvement of land, buildings, and improvements thereto in connection with condominiums, single family homes, townhouses, and non-housing facilities appurtenant thereto.

Revenue Fund: the Fund so designated which is established by Section 401.

Revenues: (a) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by the Corporation from, Mortgage Loans and Guaranteed Mortgage Securities, including Prepayments, (b) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds, (c) all payments and receipts received by the Corporation under a Qualified Hedge Agreement and (d) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to this General Indenture and all other payments and receipts received with respect to Mortgage Loan, including the proceeds of any mortgage insurance claims (but excluding Service Charges, Escrow Payments, or other financing, commitment or similar fees or charges of the Corporation or a Mortgage Lender at or prior to the time of financing or purchasing a Mortgage Loan).

Serial Bonds: Bonds so designated in a Series Indenture.

Series: all Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to Article VI or Section 705 or 906.

Series Indenture: an indenture of the Corporation authorizing the issuance of Bonds pursuant to Article II hereof.

Service Charge: any charge authorized to be deducted by a Servicer from payments on a Mortgage Loan and any reimbursement of the cost of servicing by the Corporation, before deposit of the payments with the Trustee.

Servicer: the public or private institution (including the Trustee or a Depository) with which the Corporation shall execute a Servicing Agreement.

Servicing Agreement: a contractual agreement of the Corporation with a Servicer for the servicing of Qualified Mortgage Loans.

Sinking Fund Installment: any amount of money required by or pursuant to a Series Indenture to be paid on a specified date by the Corporation toward the retirement of any particular Term Bonds before maturity.

Sinking Fund Installment Date: the date on which a Sinking Fund Installment is payable.

Special Program Fund: the Fund so designated which may be established pursuant to Section 307, including any general account or restricted account therein.

State: the State of Texas.

Subordinated Bonds: Bonds authorized by Section 205(C) of this General Indenture and issued pursuant to a Series Indenture which by their terms are junior in right of payment to Bonds.

Supplemental Indenture: any indenture of the Corporation amending or supplementing this General Indenture, adopted and becoming effective in accordance with the terms of Articles VIII or IX.

Term Bonds: Bonds so designated in a Series Indenture.

Trust Estate: all Revenues, proceeds, Funds, Accounts, Qualified Mortgage Loans, rights, interests, collections, and other property pledged to the payment of any Bonds pursuant to Section 504 hereof or any Series Indenture.

Trustee: the trustee appointed by or pursuant to Section 1101, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this General Indenture.

Value: a periodic valuation of Principal Assets to be made in an Officer's Certificate, which may rely on the most recent Cash Flow Certificate, at the times required in Sections 203(B)(3) and 304(D) (and not for financial reporting as required in Section 506(B)), at amounts computed for the several categories of Principal Assets, respectively, as follows:

- (a) for a Mortgage Loan, the unpaid principal amount thereof;
- (b) for any amount of cash and Investments held in a Mortgage Loan Account at any computation date within two (2) years after the Issue Date of the Series of Bonds issued to establish the Mortgage Loan Account, the par amount thereof; and
- (c) for other Investments and deposits: (i) the principal amount or amortized cost of an Investment, whichever is lower, if it matures more than twenty-four (24) months after the date of computation or is held subject to a repurchase agreement and (ii) the principal amount of a deposit or of an Investment that matures within twenty-four (24) months after the date of computation and is not held subject to a repurchase agreement, provided further that (iii) accrued interest shall be excluded from each such computation.

Vice Chair: the Vice-Chair of the Board of Directors of the Corporation.

Section 102. Interpretation. The following principles govern the interpretation of other words and phrases used in this General Indenture:

- (A) articles, sections, paragraphs and clauses mentioned by number only are those so numbered which are contained in this General Indenture;
 - (1) captions, titles or headings preceding any article or section herein, and any table of contents or index attached hereto, are solely for convenience of reference and are not part of this General Indenture and shall not affect its meaning, construction or effect;

(2) terms such as “herein,” “hereunder,” “hereby,” “hereto” and “hereof” refer to this General Indenture and not to any particular section thereof unless so indicated; “heretofore” and “hereafter” mean before and after the date of adoption of this General Indenture, respectively;

(3) words importing the masculine or feminine gender include neuter genders;

(4) words importing the maturity of a Bond do not include or connote the becoming due of such Bond upon redemption thereof prior to maturity pursuant to this General Indenture or the payment of the Redemption Price thereof;

(5) words importing persons include firms, associations and corporations;

(6) words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond; and

(7) words importing the singular number include the plural number, and vice versa.

Section 103. *Electronic Communications.* Any notice, direction or other communication given hereunder from the Corporation to any Bond Service Provider, or from any Bond Service Provider to the Corporation, may be given by sending it via e-mail or other Electronic Means in lieu of regular mail. In the case of e-mail or other Electronic Means, valid notice shall only have been deemed to have been given when an electronic confirmation of delivery has been obtained by the sender at the e-mail or other electronic address provided by each party, as updated from time to time. Any communication via Electronic Means shall be deemed to have been validly and effectively given on the date of such communication, if such date is a business day and such delivery was made prior to 4:00 p.m., Central Time, and otherwise on the next business day.

Section 104. *Parties Interested Herein.* Nothing in this General Indenture is intended to confer upon any person, other than the Corporation, the Bond Service Providers, the Holders of the Bonds and the Qualified Hedge Institutions, any right, remedy or claim under or by reason of this General Indenture or any covenant, stipulation, obligation, agreement or condition therein, all of which shall be for the sole and exclusive benefit of the Corporation, the Bond Service Providers, the Holders of the Bonds and the Qualified Hedge Institutions.

Section 105. *Law Applicable.* The interpretation and construction of this General Indenture are governed by the laws of the State.

Section 106. *Severability.* If any provision, covenant or agreement in this General Indenture on the part of the Corporation or any Bond Service Provider to be performed, or any application thereof to any particular circumstances, should be contrary to law, it shall be deemed separable from and shall in no way affect the validity of any other provision, covenant or agreement contained in, or application of, this General Indenture or these Bonds.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. *Authorization; Limited Liability.*

(A) To provide sufficient funds for the Program, and for the other purposes stated herein, Bonds of the Corporation designated as “Homeownership Mortgage Revenue Bonds” are authorized to be issued from time to time without limitation as to amount, except as provided in this General Indenture or by law, and shall be issued subject to the terms, conditions and limitations established in this General Indenture and in one or more Series Indentures adopted by the Corporation. Each Series shall bear a letter or number designation, or such other designation so made by the Board or an Authorized Representative sufficient to distinguish it from any other Series. Bonds of any Series may be authorized to be issued in the form of Serial Bonds or Term Bonds or both and may be issued in the form of long-term notes or in such other form as may be authorized in a Series Indenture.

(B) The Bonds shall be special, limited obligations of the Corporation payable solely from the revenues and assets pledged therefor pursuant to this Indenture and in any related Series Indenture. The Bonds shall contain on their face a statement, similar to the following:

THE BONDS, THE PREMIUM IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE TRUST ESTATE CREATED UNDER THE INDENTURE. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE CORPORATION, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE CORPORATION. THE CORPORATION HAS NO TAXING POWER.

THE STATE OF TEXAS IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THE BONDS OR OTHER OBLIGATIONS AND THAT THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE OF TEXAS ARE NOT PLEDGED, GIVEN OR LOANED TO THE PAYMENT OF THE BONDS.

THE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION, OR ANY OTHER PERSON EXECUTING THE BONDS OF THE CORPORATION SHALL NOT BE PERSONALLY LIABLE ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE, OR DELIVERY THEREOF WHILE ACTING WITHIN THE SCOPE OF THEIR AUTHORITY.

Section 202. *Series Indentures.* Each Series Indenture shall include a determination by the Corporation that it is necessary to issue the Series of Bonds in the principal amount authorized thereby to provide sufficient funds to be used and expended for the Program and shall specify and determine as to that Series:

- (A) the authorized principal amount;
- (B) the purposes for which the proceeds may be used, which shall be to provide funds for one or more of the following:
 - (1) for the financing or purchase of Qualified Mortgage Loans;
 - (2) for the financing of Qualified Mortgage Loans previously made or purchased, including the retirement of Notes issued for that purpose as provided in Section 302(A);
 - (3) for the refunding of Outstanding Bonds, or other bonds referred to in Section 204(C), including any or all interest and redemption premiums thereon;
 - (4) to the extent possible while satisfying the Parity Test and the Cash Flow Test, for the funding through the Special Program Fund of other programs authorized by the Act;
 - (5) incident to these purposes, for the funding of a discount and the deposit of amounts determined by or pursuant to this General Indenture to be credited and paid into the Funds and Accounts referred to in Sections 204, 301, 307 and 401; and
 - (6) for any other purpose which (a) is permissible under the Act, (b) does not adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Corporation and (c) with respect to any Bonds the interest on which is or is intended to be exempt from federal income taxation, is permissible under the Code.
- (C) the amounts to be deposited in the Funds or Accounts established under this General Indenture or such Series Indenture from the proceeds of the Bonds of such Series, or from other available funds of the Corporation;
- (D) that notwithstanding any other provisions of the Series Indenture, upon issuance, sale and delivery of the Bonds, so much of the proceeds shall be deposited in the Reserve Fund as is needed to establish a balance therein equal to the Reserve Requirement, computed with reference to all Outstanding Bonds and to the Bonds authorized by the Series Indenture, in accordance with the definition in Section 101 and the provisions of all applicable Series Indentures consistent therewith;
- (E) the form, title, designation, denominations and manner of numbering and lettering of the Bonds;
- (F) the date or dates of maturity of the Bonds, subject to the limitations set forth in the Act, if any, and the amount or amounts of each maturity;

- (G) the Issue Date;
- (H) the rate or rates or the manner of determining the rate or rates of interest on the Bonds and, if applicable, provisions relating to the accretion or compounding of interest on Bonds which do not pay interest on regular Interest Payment Dates but accrete or compound such interest to the maturity date (or an earlier designated date) unless redeemed prior to such date, and whether such interest is intended to be exempt from federal income taxation;
- (I) the Interest Payment Dates;
- (J) the Bonds which are Term Bonds (if any) and those which are Serial Bonds (if any);
- (K) the amount and date of each Sinking Fund Installment for the Term Bonds of such Series, if any, required to be paid, and the Redemption Price or Prices to be paid upon the redemption of such Term Bonds by application of such Sinking Fund Installments;
- (L) the Redemption Price or Prices and redemption date or dates and other terms of redemption (if any) of the Bonds;
- (M) the Paying Agent or Agents, subject to Section 1102;
- (N) the purchasers and terms of sale, or the manner in which the Bonds are to be sold and provisions for the sale thereof;
- (O) the forms of the Bonds of such Series and the Trustee's certificate of authentication and the certificate of registration of the Texas Comptroller of Public Accounts;
- (P) the terms and conditions upon which the Corporation expects to make or purchase Mortgage Loans, including the prices at which such Mortgage Loans shall be purchased and whether any mortgage pool insurance or private mortgage insurance shall be required, and to apply any repayments of Mortgage Loans made or purchased by the Corporation in connection with such Series;
- (Q) the Credit Facilities, if any, to be utilized in connection with such Series of Bonds;
- (R) such additional Funds and Accounts as may be necessary; and
- (S) any other provisions deemed advisable by the Corporation, that are not in conflict with the provisions of this General Indenture or that are in substitution for the provisions of this General Indenture.

A Series Indenture may provide that any of the matters set forth in (A) through (S) above may be specified in an instrument supplementing such Series Indenture.

Section 203. *Conditions Precedent to the Issuance of Bonds.*

(A) After authorization by a Series Indenture and compliance with all requirements set forth therein, Bonds of a Series may be executed on behalf of the Corporation and delivered to the purchasers or underwriters thereof, but only upon and subject to the further conditions stated in this Section or in Sections 604, 607, 609, 705 and 906.

(B) The Corporation shall furnish or caused to be furnished to the Trustee:

(1) copies of this General Indenture and the applicable Series Indenture, certified by an Authorized Representative;

(2) a Counsel's Opinion that:

(i) this General Indenture and the applicable Series Indenture have been duly adopted by the Corporation and are valid and binding upon it and enforceable in accordance with their terms;

(ii) this General Indenture creates the valid pledge which it purports to create; and

(iii) the principal amount of the Bonds to be issued and other obligations theretofore issued by the Corporation does not exceed any legal limitation;

(3) an Officer's Certificate, which may rely on the Cash Flow Certificate specified in subsection (4) below, stating:

(i) the amount of the proceeds of the Bonds (and any other funds) to be credited to all Funds and Accounts referred to in Section 301 at the time of delivery of the Bonds;

(ii) that upon the issuance of such Series of Bonds the Parity Test and the Cash Flow Test will be satisfied;

(iii) that the issuance of the Bonds will have no material adverse effect on the ability of the Corporation to pay, solely from the Trust Estate, all Principal Installments of and all Interest Requirements on all Bonds;

(iv) the provisions required in Section 204 or 302(A), if the Series Indenture directs the refunding of any Outstanding Bonds or other obligations;

(v) that the amount to be deposited in the Reserve Fund, if any, is sufficient to increase the amount in that Fund to the Reserve Requirement effective after the issuance of the Bonds; and

(vi) that upon the issuance of the Bonds and deposit of amounts in all Funds and Accounts as directed in the Officer's Certificate and the related Series Indenture, the Parity Test will be satisfied; and

(4) The Cash Flow Certificate as required by Section 510(A).

(C) The Trustee shall determine and certify that it has received the documents listed in paragraph (B) of this Section.

Section 204. Refunding Bonds.

(A) If a Series Indenture provides for the refunding of any Outstanding Bonds of one or more

Series, the Officer's Certificate required in Section 203(B)(3) shall include irrevocable instructions to the Trustee, satisfactory to it:

(1) identifying the Bonds, interest, and redemption premiums, if any, to be refunded and identifying separately those Bonds to be paid at their respective maturity dates and those to be redeemed at specified Redemption Prices and on specified dates at which such Bonds may be redeemed from moneys held in the Revenue Fund and from other funds;

(2) directing the Trustee to make due notification or publication, if applicable, of a notice of redemption and refunding which shall include all information required in Section 704 with respect to the Bonds to be redeemed prior to maturity, shall also specify the Series and maturities of the Bonds or portions of Bonds to be paid at maturity, and shall identify the Bonds or portions thereof and interest and redemption premiums which are deemed to have been paid and as to which the covenants, agreements and other obligations of the Corporation are deemed to be discharged and satisfied, by reason of the deposit to be made with the Trustee, as may be required by Section 1201(D); and

(3) stating that funds will be on deposit with the Trustee or deposited with the Trustee pursuant to an escrow agreement, as applicable, at or before the time of delivery of the refunding Bonds, sufficient to effect retirement of the Bonds, interest and redemption premiums to be refunded in accordance with the provisions of paragraph (B) of this Section.

(B) If any Outstanding Bonds are to be defeased in accordance with Section 1201 hereof, then at or before the time of delivery of Bonds issued to refund Outstanding Bonds, the Corporation shall deposit with the Trustee, pursuant to an escrow agreement, an amount of money or Investments sufficient to comply with the provisions of Section 1201(D) with reference to all of the Bonds, interest and redemption premiums to be refunded, which shall be held by the Trustee in an escrow account created pursuant to such escrow agreement and which shall be separate from all Funds and Accounts created by or pursuant to this General Indenture, irrevocably in trust for, and assigned to, the respective Holders of Bonds being refunded, and used to pay, when due, the Principal Installments and Redemption Prices of and interest on said Bonds, in accordance with their terms and the terms of the notice of redemption and refunding required in paragraph (A) of this Section. In addition to the proceeds of refunding Bonds, the Corporation may apply, or may direct the deposit in said escrow account, amounts held in any Fund or Account created by or pursuant to this General Indenture, which, by the terms of this General Indenture and applicable Series Indentures, are or may be pledged to the retirement of said Bonds, interest or redemption premiums.

(C) The Corporation also reserves the privilege of providing by Series Indenture for the refunding of obligations issued under the provisions of any indenture, other than this General Indenture, issued for the purpose of financing Qualified Mortgage Loans, provided that:

(1) the Corporation provides to the Trustee an Officer's Certificate stating that all necessary actions have been taken for the refunding and immediate discharge of the obligations of the Corporation with reference thereto in accordance with the provisions of this Section 204 and of the indentures pursuant to which the

obligations to be refunded were issued; and

(2) the money, investments and other assets and income held in and receivable by funds and accounts established by or pursuant to such indentures, to the extent required to satisfy the conditions precedent to the issuance of the refunding Bonds as stated in Section 203, are transferred to and/or deposited with the Trustee and subjected to the provisions of this General Indenture and, subject to such provisions, are pledged to the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds, at the times and in the manner provided in this General Indenture and any and all applicable Series Indentures.

(D) The Corporation expressly reserves the right, to the extent now or hereafter permitted by law, of providing for the defeasance of the rights and obligations created by this General Indenture with respect to part or all of the Bonds of any Series, and with respect to the Principal Installments of or the interest payments thereon or both, and of providing for the payment from the proceeds of refunding Bonds, and from income from the investment thereof, of any part of the Principal Installments of or interest on the refunding Bonds, as well as the obligations refunded.

Section 205. *Other Obligations.*

(A) Except as provided in this Article II and in Section 307, the Corporation covenants that it will not create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by an equal or superior charge or lien on the Trust Estate or will be payable on an equal or superior basis from any of the Funds or Accounts established and created by or pursuant to this General Indenture, including the Reserve Fund.

(B) The Corporation has, prior to the issuance of the Bonds, issued, and subsequent to the issuance of the Bonds, the Corporation expects to issue various series of bonds in connection with the financing of other programs or projects (said bonds together with any bonds issued by the Corporation between the date hereof and issuance of the Bonds shall be referred to herein as the “**Other Bonds**”). Any pledge, mortgage, or assignment made in connection with any Other Bonds shall be protected, and any funds pledged or assigned for the payment of principal, premium, if any, or interest on the Other Bonds shall not be used for the payment of principal, premium, if any, or interest on the Bonds. Correspondingly, any pledge, mortgage, or assignment made in connection with the Bonds shall be protected and shall not be a charge or lien prohibited by paragraph (A) of this Section, and any funds pledged or assigned for the payment of the Bonds shall not be used for the payment of principal, premium, if any, or interest on the Other Bonds.

(C) The Corporation expressly reserves the right to adopt one or more additional bond or note indentures, including a Series Indenture hereunder, and reserves the right to issue other obligations so long as they are not a charge or lien prohibited by paragraph (A) of this Section.

ARTICLE III

APPLICATION OF BOND PROCEEDS

Section 301. *Deposit of Bond Proceeds.* The proceeds from the sale of each Series Bonds, together with any other funds as may be directed in the related Series Indenture, shall be deposited

with the Trustee on the date of delivery of the Bonds and credited in the following amounts to the following trust funds and accounts, respectively:

- (A) to the Reserve Fund, the amount, if any, needed to increase the balance therein to the Reserve Requirement;
- (B) to the Revenue Fund, the amount, if any, of interest accrued on the Bonds from their Issue Date to their date of delivery;
- (C) to any account or accounts established by the applicable Series Indenture or to the Special Program Fund, the amounts, if any, allocated to them respectively;
- (D) to the Revenue Fund subaccount established by a Series Indenture or an escrow account to be held by the Trustee under an escrow agreement, as applicable, if any Outstanding Bonds or other obligations, interest or redemption premiums are directed by the Series Indenture to be refunded pursuant to Section 204, the amount needed for payment, or to provide for payment, of such principal, interest or redemption premiums; and
- (E) to a Mortgage Loan Account, the remainder of the Bond proceeds, if any.

In addition, the Corporation may apply the proceeds of any Series of Bonds as set forth in the related Series Indenture which (a) is permissible under the Act, (b) does not adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Corporation and (c) with respect to any Bonds, the interest on which is or is intended to be exempt from federal income taxation, is permissible under the Code.

Section 302. *Temporary Accounts.*

- (A) Temporary accounts may be established by a Series Indenture or Officer's Certificate, including accounts to provide funds to be transferred to the Revenue Fund for the payment of interest to accrue on any Series of Bonds before Revenues are estimated to be available and sufficient for that purpose, to provide funds to pay the Cost of Issuance of any Series of Bonds, and to be applied to the payment of Notes. In each such case moneys therein shall be applied as specified in the Series Indenture or Officer's Certificate creating the same. All interest and other income from time to time received from the deposit and investment of money in such an account, pending application to the purpose thereof, unless otherwise directed by the applicable Series Indenture or Officer's Certificate, shall be transferred as received to the Revenue Fund.
- (B) If permitted by the terms of any Notes directed to be paid, the Series Indenture or an Officer's Certificate may provide for the satisfaction and discharge of the liability of the Corporation with respect thereto in advance of the maturity of the Notes, by the investment of the Note payment account in Investments the principal of and interest on which will provide amounts sufficient, with any other money simultaneously deposited in the Note payment account, to pay the principal or Redemption Price of the Notes and interest due and to become due on the Notes on and prior to the maturity or redemption date, as the case may be, in the same manner and upon the same conditions as those provided for the satisfaction and discharge of the Corporation's liability with respect to Bonds in Section 1201(D). In this event, the income accrued from the investment of the Note proceeds and the interest accrued on the Mortgage Loans financed by the Notes, prior to the issuance of the Bonds, shall be deposited with the Trustee in the Note payment account to the amount needed, with Bond proceeds held therein, to satisfy and discharge the Corporation's liability with respect to the Notes.

Upon payment of the Notes, or upon prior satisfaction and discharge of the Corporation's liability with respect thereto in accordance with the foregoing provisions, the undisbursed proceeds of the Notes shall be deposited in the Mortgage Loan Account established by the Series Indenture authorizing the issuance of the related Series of Bonds, all Revenues thereafter accruing from the Qualified Mortgage Loans financed by the Notes shall be deposited as received in the Revenue Fund, and all such Qualified Mortgage Loans and Revenues shall be subject to the pledge made and the security interest granted by this General Indenture. However, no security interest is granted by this General Indenture in any revenues or income accrued prior to the date of such satisfaction and discharge other than revenues or income directed by the Series Indenture or Officer's Certificate to be deposited in the Note payment account.

Section 303. *Mortgage Loan Accounts.*

(A) Each Series Indenture shall establish a separate Mortgage Loan Account to be held by the Trustee, to record the receipt and disbursement of any proceeds of the Series of Bonds therein authorized for the financing or purchase of Qualified Mortgage Loans or for the financing of Qualified Mortgage Loans previously made or purchased. Upon the acquisition of Qualified Mortgage Loans with proceeds of one or more Series of Bonds, the Trustee shall credit such Qualified Mortgage Loans to the applicable Account(s) under the Revenue Fund.

(B) The Trustee shall from time to time apply moneys held in each Mortgage Loan Account for the purpose of financing or purchasing Qualified Mortgage Loans or of reimbursing the Corporation for payments made by it from other funds for that purpose, upon receipt by the Trustee of an Officer's Certificate, stating:

(1) the Mortgage Loan Account from which the payment is to be made and the amount, manner and recipient of the payment, which may be made to the Corporation or to a Mortgage Lender; and

(2) that each Qualified Mortgage Loan fully satisfies the provisions of Section 304.

(C) All such certificates received by the Trustee from the Corporation may be relied upon by the Trustee and shall be maintained in its possession, subject at all times during normal business hours to inspection by the Corporation.

(D) All interest and other income received from the deposit and investment of money in Mortgage Loan Accounts shall be transferred by the Trustee, as received, to the Revenue Fund.

(E) Each month during the period of disbursement of any Mortgage Loan Account, the Corporation shall require a report in the form of an account statement to be made by an officer or employee of the Trustee covering all receipts and amounts then credited to the Mortgage Loan Account, as well as any securities specifically pledged or provided therefor, any investment thereof, and all disbursements made pursuant to the provisions of this Section.

(F) The Corporation may by Officer's Certificate direct the Trustee to transfer amounts in any Mortgage Loan Account to the Account within the Revenue Fund relating to such Series of Bonds. The Corporation may by Officer's Certificate direct the Trustee to retransfer any part or all of such amounts to the Mortgage Loan Account for disbursement in the manner provided in this Section.

(G) Notwithstanding any other provisions of this Section, the Trustee shall withdraw from any Mortgage Loan Account and transfer to the Revenue Fund such amounts at such time as are required under the provisions of Section 405 for the payment of Principal Installments of and interest on Bonds, when due and payable, or are directed by an Officer's Certificate to be so transferred pursuant to any provisions of Section 405.

Section 304. *Qualification of Mortgage Loans.*

(A) Each Qualified Mortgage Loan made, financed, or purchased from the proceeds of Bonds shall conform to the terms, conditions, provisions, and limitations stated in this Section 304 and any applicable Series Indenture except to the extent, if any, that a variance therefrom is required by any agency or instrumentality of the United States guaranteeing or insuring or otherwise assisting in the payment of the Qualified Mortgage Loan.

(B) Each Qualified Mortgage Loan purchased or financed by the Corporation shall be made for the purpose of financing Residential Housing for a person or family of low, very low or extremely low income as defined in Chapter 2306, Texas Government Code, as amended, and a Mortgagor permitted by the Act and rules adopted by the Corporation pursuant thereto.

(C) The Corporation may participate in a Qualified Mortgage Loan with another party or parties, so long as the interest of each shall have equal priority as to lien in proportion to the amount of the Qualified Mortgage Loan secured, but such interests need not be equal as to interest rate, time or rate of amortization or otherwise.

(D) As of each Interest Payment Date, to the extent the Parity Test is not satisfied, the Corporation will direct the Trustee to transfer moneys from the Special Program Fund to the Revenue Fund or to one or more Mortgage Loan Accounts. From the amount so transferred to Mortgage Loan Accounts, the Trustee shall purchase additional Qualified Mortgage Loans, and from the amount so transferred to the Revenue Fund, the Trustee shall purchase Investments, as directed by Officer's Certificate, at prices such that the aggregate Value of such Qualified Mortgage Loans and Investments, with any cash retained from the amounts transferred, will increase so far as possible to satisfy the Parity Test. The amount and use of funds transferred to any Mortgage Loan Account pursuant to this paragraph shall be subject to the following special conditions:

(1) the aggregate amount so transferred to a Mortgage Loan Account at any time shall not exceed the aggregate principal amount of Prepayments of Mortgage Loans theretofore made or purchased from that Account; and

(2) Mortgage Loans so purchased shall conform to all of the provisions of this Section 304.

(E) The Corporation shall enter into a Servicing Agreement with respect to each Mortgage Loan unless it determines to service the Mortgage Loan itself.

Section 305. *Program.*

(A) The Corporation shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act as then amended and in effect and with the provisions of this General Indenture, use and apply the proceeds of the Bonds, to the extent not

required by this General Indenture or any Series Indenture for other Program purposes, to make or purchase Qualified Mortgage Loans, shall do all such acts and things as are necessary to receive and collect Revenues, consistent with sound practices and principles, as may be necessary to receive and collect sufficient Revenues to pay Program Expenses and Principal Installments and interest on Outstanding Bonds when due in each Fiscal Year, and shall diligently enforce and take all steps, actions and proceedings reasonably necessary, in the judgment of the Corporation, for the enforcement of all terms, covenants and conditions of Mortgages and Mortgage Loans.

(B) The Corporation shall (i) file or cause to be filed with the Trustee a schedule of Mortgage Loans purchased or financed by the Corporation identifying the same by reference to the Corporation loan number, the name of the borrower, the address of the applicable property, the identification number, if any, of federal insurance or guarantee or private mortgage insurance, the principal amount due on the Mortgage Loan as of the date purchased, the interest rate on the Mortgage Loan and the term of the Mortgage Loan and (ii) register mortgage-backed securities in the name of the Trustee and, if the mortgage-backed securities are evidenced by physical certificates, shall deliver physical possession thereof to the Trustee.

(C) The Corporation shall maintain an account for each Mortgage Lender having entered into a mortgage purchase agreement with the Corporation and shall record therein a description of each Mortgage Loan purchased from such Mortgage Lender.

(D) The Corporation reserves the right to transfer any amount from the Special Program Fund or other legally available funds to the Trustee for credit to the Revenue Fund in payment and satisfaction of a corresponding amount of the scheduled principal or interest payments on any Mortgage Loan or to advance such money to cure or avert a default on any Mortgage Loan. The Corporation shall be entitled to recover from the Mortgagor any amounts so advanced, together with interest thereon at the rate payable on the Mortgage Loan, or to enforce its right to such recovery under the Mortgage Loan, but only after all other defaults thereunder have been cured.

(E) The Corporation covenants that it will not consent to the modification of the security for or any terms or provisions of any Mortgage Loan or Mortgage in a manner detrimental to Bondholders. The right is reserved to consent to a reduction in the interest rate on any Mortgage Loan, provided that the reduction does not impair any contract of insurance or guaranty of the Mortgage Loan, or a Guaranteed Mortgage Security backed in whole or in part by such Mortgage Loan.

(F) The Corporation covenants that it will at all times appoint, retain and employ competent personnel or agents for the purpose of carrying out its programs, including the Program, and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of personnel and their compensation, to the end that all persons employed by the Corporation shall be qualified for their respective positions.

(G) The Corporation will not cause Bonds to be purchased or redeemed at any time, if such purchase or redemption would have a material adverse effect on the ability of the Corporation to pay the Principal Installments of and interest on the remaining Outstanding Bonds.

Section 306. *Enforcement and Foreclosure of Mortgages.*

(A) Unless the Cash Flow Test has been satisfied, the Corporation shall not sell a Qualified

Mortgage Loan prior to default for an amount less than its outstanding principal balance. Upon foreclosure of a Mortgage, the Corporation may bid for and purchase the Home covered thereby at the foreclosure or other sale thereof and may acquire and take possession of the Home, maintaining it in the place and stead of the Mortgagor, in the manner required by the terms and provisions of the Mortgage. Upon or after receipt of any Revenues with respect to any Mortgage Loan or acquisition of the Home from the Mortgagor in lieu of foreclosure, unless the Home is conveyed to the insurer of the Mortgage Loan thereon, the Corporation may resell the Home to any party for cash, or may sell the same on a land sales or installment sales contract basis, at any price so long as such sale does not materially impair or adversely affect the rights or security of the Bondholders or the Trustee.

(B) Upon receipt of any Revenues with respect to any Mortgage Loan or from operation of the Home subject to the Mortgage, after foreclosure or conveyance of the Home to the Corporation in lieu of foreclosure, in excess of the amounts needed to preserve title to and the value of the Home, the Corporation shall transmit such Revenues to the Trustee for deposit in the Revenue Fund.

(C) Nothing in this General Indenture shall prohibit the Corporation from causing a Mortgage Lender to repurchase a Mortgage Loan in accordance with the applicable mortgage purchase agreement.

Section 307. *Special Program Fund.*

(A) A Special Program Fund is established, to be held and applied by the Trustee, in which the Corporation may deposit, at any time, any available funds not pledged under this General Indenture, including, but not limited to, proceeds of a Series of Bonds, or other funds previously pledged under an indenture securing obligations satisfied and discharged by the issuance of a Series of refunding Bonds, if such proceeds or other funds are not needed to accomplish such satisfaction and discharge. Money so deposited shall be held in a general account in the Special Program Fund and, until disbursed or committed to be disbursed as provided below, shall be available to restore deficiencies in other Funds and Accounts, as provided in this General Indenture.

(B) Subject to the foregoing, amounts in the general account in the Special Program Fund shall be disbursed or transferred, as directed by Officer's Certificates, to effectuate (a) loans by the Corporation to provide special assistance to eligible sponsors, mortgagors or occupants of housing for persons and families of low, very low and extremely low income in paying the cost of development, rental or ownership of such housing or (b) reappropriations to any fund or account pertaining to any other program for any purpose authorized by the Act.

(C) The full amount committed at any time by the Corporation for a special assistance loan shall be transferred by the Trustee to a separate restricted account in the Special Program Fund. Such loans shall be disbursed from the restricted account at times and in amounts directed by Officer's Certificates, and repayments thereof shall be credited upon receipt to the general account. The Corporation also may direct the Trustee to establish one or more separate restricted accounts for any lawful purpose of the Corporation, including security for any obligation of the Corporation. Funds held in a restricted account or disbursed pursuant to reappropriation shall no longer be available for transfer to any other Fund or Account, except as provided in the directions to the Trustee relating to the establishment of such restricted account.

(D) Income from the investment of the Special Program Fund shall be credited to the general

account therein.

(E) Unless otherwise set forth in a Series Indenture or an Officer's Certificate, at such time as any Series of Bonds is no longer outstanding and the related Series Indenture has been discharged, all moneys, assets and investments allocated to such Series (other than any cash and investments held by the Trustee in connection with a defeasance of such Series) shall be credited to the Special Program Fund.

ARTICLE IV

APPLICATION OF REVENUES

Section 401. *Establishment of Funds and Accounts.* The following special Funds and Accounts are established, in addition to those which are or may be established pursuant to Article III, all of which shall be held by the Trustee or by a Depository in the name of the Trustee:

- (A) a Revenue Fund; and
- (B) a Reserve Fund.

In addition, the Corporation may establish or direct the Trustee to establish such other Funds, Accounts or Subaccounts pursuant to a Series Indenture or an Officer's Certificate as the Corporation deems necessary in connection with any Series of Bonds.

Section 402. *Deposit of Revenues.* The Corporation will collect and deposit or will cause Servicers to collect and deposit all Revenues derived from Qualified Mortgage Loans with the Trustee, or with Depositories in the name of the Trustee, on the date of receipt or as soon thereafter as practicable. The Trustee shall credit all such receipts to the Revenue Fund and the applicable Accounts therein.

Section 403. *Revenue Fund.* On or before each Interest Payment Date, principal payment date and Redemption Date, as applicable, and at such other times as may be directed by an Officer's Certificate, the Trustee shall withdraw from any money in the Revenue Fund and make the following payments, or credit to each of the following Funds and Accounts, the amount indicated in the following tabulation or so much thereof as remains after first making such payment or paying into each Fund or Account preceding it in the following tabulation the amount indicated:

- (A) to pay debt service on the Bonds (including Sinking Fund Installments) as provided in Section 404 hereof, and any payments to a Hedge Provider pursuant to Section 407(B)(2) hereof;
- (B) to pay the Redemption Price of any Bonds called for redemption in accordance with Article VII hereof and any Series Indenture;
- (C) to the purchase of Bonds designated in the Officer's Certificate pursuant to Section 702 hereof, at a purchase price not exceeding the Redemption Price applicable on the next date when such Bonds are redeemable pursuant to the applicable Series Indenture (provided that such purchase price may exceed the applicable Redemption Price if and to the extent the amount of such excess shall be paid from moneys not pledged under this General Indenture, or moneys which could otherwise be released to the Corporation pursuant to Section 403(G) hereof), provided that such Bonds shall not be purchased during the period of twenty-five (25) days next preceding the

Redemption Date designated in the Officer's Certificate;

(D) to the Reserve Fund, the amount, if any, needed to increase the amount therein to the Reserve Requirement;

(E) to one or more Mortgage Loan Accounts or to pay Program Expenses or payments to a Hedge Provider pursuant to Section 407(B)(4) hereof, as may be directed in any Series Indenture or Officer's Certificate;

(F) to one or more other Funds or Accounts as may be established by and as may be directed in any Series Indenture or Officer's Certificate; and

(G) the remainder shall be held in the Revenue Fund until and unless directed by Officer's Certificate to be transferred (i) to the Special Program Fund, (ii) to make payments to a Hedge Provider pursuant to Section 407(B)(4) hereof or (iii) such remainder or any part thereof may be directed by an Officer's Certificate to be withdrawn for use for any purpose authorized by the Act, free and clear of any lien or pledge created by this General Indenture, but only upon the filing of an Officer's Certificate demonstrating that the Parity Test and the Cash Flow Test will still be satisfied after giving effect to such withdrawal or transfer.

Section 404. *Debt Service.*

(A) The Trustee shall withdraw from the Revenue Fund (except any amount required to pay Bonds previously called for redemption) an amount equal to the unpaid interest due on the Bonds on each Interest Payment Date, and shall cause it to be applied to the payment of said interest when due, or shall transmit it to one or more Paying Agents, who shall apply it to such payment.

(B) If the withdrawals required under paragraph (A) of this Section have been made, the Trustee shall then withdraw from moneys in the Revenue Fund (except any amount required to pay Bonds previously called for redemption), an amount equal to the principal amount of the Outstanding Bonds, if any, maturing on each Principal Installment Date, and shall cause it to be applied to the payment of the principal of said Bonds when due or transmit it to one or more Paying Agents who shall apply it to such payment.

(C) The Trustee shall withdraw from the Revenue Fund (except any amount required to pay Bonds previously called for redemption) an amount equal to the Sinking Fund Installments due and payable with respect to the Outstanding Bonds on that date, and shall cause such amount to be applied to the purchase or redemption of such Bonds, in the manner provided in this Section and Section 702, provided that no such Bonds shall be so purchased during the period of twenty-five (25) days next preceding the Sinking Fund Installment Date established for such Bonds. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) from such moneys for any Bond purchased pursuant to this Section shall not exceed the Redemption Price applicable on the next date on which such Bond could be redeemed in accordance with its terms as part of a Sinking Fund Installment. Subject to the limitations set forth and referred to in this Section, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money so available. If, on any date, there shall be money set aside or designated for such purpose and there shall be Outstanding none of the Bonds for which such amount was set aside or designated, such

amount shall no longer be deemed so set aside or designated.

(D) As soon as practicable after the thirtieth (30th) day and before the twenty-fifth (25th) day prior to each Sinking Fund Installment Date, the Trustee shall select by lot and call for redemption on that date the principal amount of the Bonds to be redeemed, and on that date the Trustee shall apply, or transmit it to one or more Paying Agents to apply, the money set aside or designated for such purpose to the payment of the Redemption Price of the Bonds so called for redemption.

Section 405. *Deficiencies in the Revenue Fund.*

(A) Not later than twenty-five (25) days before each Interest Payment Date and each Principal Installment Date, the Trustee shall notify the Corporation in writing if the aggregate amount in the Revenue Fund is expected to be insufficient to pay the interest and all Principal Installments then due and payable, and shall state the estimated amount of such deficiency. Within ten (10) days after receiving any such notice, the Corporation shall deliver to the Trustee an Officer's Certificate stating the amount, if any, which the Corporation will pay to the Trustee, or will direct the Trustee to transfer within five (5) days thereafter, for deposit in said Accounts, from the general account in the Special Program Fund, from a designated Mortgage Loan Account or from the proceeds of refunding Bonds.

(B) If the amount in the Revenue Fund five (5) days before any Interest Payment Date is not sufficient to pay all interest then due, or is not sufficient to pay all Principal Installments then due, the Trustee shall withdraw the amount of such deficiency from the Reserve Fund for credit to the Revenue Fund to make such payments.

(C) If there remains a deficiency in the Revenue Fund after withdrawing all money in the Reserve Fund, the Trustee shall transfer money to restore the deficiency from any other Fund or Account established by this General Indenture, except as may be otherwise expressly set forth in any Series Indenture or Supplemental Indenture.

Section 406. *Reserve Fund.*

(A) If the Revenue Fund lacks sufficient and available amounts to provide for the payment when due of Principal Installments of and interest on the Bonds, the Trustee shall withdraw from the Reserve Fund and pay into the Revenue Fund the amount of the deficiency. The Trustee shall notify the Corporation in writing prior to any such withdrawal from the Reserve Fund.

(B) If, on the Principal Installment Date, all withdrawals from the Reserve Fund have been made as required on the same or any prior date by any other provision of this General Indenture, within five (5) days thereafter the Trustee shall withdraw any amount therein in excess of the Reserve Requirement and credit it to the Revenue Fund unless otherwise directed in an Officer's Certificate.

(C) The Corporation shall at all times maintain the Reserve Fund with the Trustee and shall do and perform or cause to be done and performed each and every act and thing with respect to the Reserve Fund provided to be done or performed by or on behalf of the Corporation or the Trustee under the terms and provisions of this Article IV and of the Act.

(D) The Corporation may satisfy the Reserve Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Series Indenture establishing such

Reserve Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments and the obligation of the Corporation to reimburse the issuer of any such credit instruments for any such claims or draws shall be set forth in the Series Indenture establishing such Reserve Requirement; provided, however, that the obligation of the Corporation to reimburse such issuer shall be subordinate to the payment of the principal of and interest on the Bonds.

(E) No amount shall be withdrawn from or paid out of the Reserve Fund except as provided in this Section.

Section 407. *Hedging Transactions.*

(A) A Hedge Agreement is a Qualified Hedge Agreement if (1) at the time of execution of such Hedge Agreement, the provider of the Hedge Agreement is a Qualified Hedge Institution or the provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Hedge Institution and (2) the Corporation designates the Hedge Agreement as a Qualified Hedge Agreement by an Officer's Certificate.

(B) If the Corporation shall enter into any Qualified Hedge Agreement with respect to any Bonds and the Corporation has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to specified Bonds, then during the term of the Qualified Hedge Agreement and so long as the Hedge Provider of the Qualified Hedge Agreement is not in default:

(1) for purposes of any calculation of debt service, the interest rate on the Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Bonds had interest payments equal to the interest payable on those Bonds less any payments reasonably expected to be made to the Corporation by the Hedge Provider and plus any payments reasonably expected to be made by the Corporation to the Hedge Provider in accordance with the terms of the Qualified Hedge Agreement (other than fees, expenses or termination payments payable to or received from such Hedge Provider for providing the Qualified Hedge Agreement);

(2) any such payments (other than fees, expenses and termination payments) required to be made by the Corporation to the Hedge Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Revenue Fund pursuant to Section 403(A), and are entitled to the same security afforded to Bondholders by this General Indenture for payments made pursuant to such Section 403(A), unless otherwise specified by the Corporation to be paid from other moneys;

(3) any such payments received by or for the account of the Corporation from the Hedge Provider pursuant to such Qualified Hedge Agreement shall constitute Revenues immediately subject to the pledge of this General Indenture and be deposited in the Revenue Fund;

(4) fees not equivalent to regular Bond debt service payments, as well as expenses and termination payments, if any, payable to the Hedge Provider may be paid from amounts on deposit in the Revenue Fund pursuant to Section 403(E)

or 403(G), as applicable, or such other funds as are specifically designated by the Corporation, in each case if and to the extent expressly provided in the Qualified Hedge Agreement or applicable Series Indenture; and

(5) all calculations and determinations in this Section 407 shall be evidenced by an Officer's Certificate provided to each Bond Service Provider, which shall certify that the requirements of this Section 407 have been met and shall direct that such Bond Service Provider shall take such actions as are specified in this Section 407 and such Officer's Certificate.

ARTICLE V

PARTICULAR COVENANTS

Section 501. *General.* The Corporation hereby particularly covenants and agrees with the Trustee and with the Holders of the Bonds and makes provisions which shall be a part of its contract with such Holders, to the effect and with the purpose set forth in the following provisions and Sections of this Article. The provisions of this Article shall be effective from and after the time of the delivery of the Corporation of the first Bond issued under this General Indenture.

Section 502. *Payment of Bonds.* The Corporation shall duly and punctually pay or cause to be paid the principal of and interest on the Bonds, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall pay or cause to be paid to the Trustee any part of any Sinking Fund Installments pursuant to any provision of this General Indenture, all solely from the Trust Estate pledged hereunder and any other assets pledged pursuant to a Series Indenture; provided, that the Bonds shall be special, limited obligations of the Corporation as set forth more fully in Section 201 hereof.

Section 503. *Payment of Lawful Charges.* The Corporation shall pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon the Corporation or in respect of the Program or upon any revenue therefrom, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental Corporation relative to any part of the Program, and shall not create or suffer to be created any lien or charge upon the Revenues, or upon the Funds or Accounts created by this General Indenture, except the pledge and lien created by this General Indenture for the payment of the principal and Redemption Price and interest on the Bonds.

Section 504. *Pledge of Trust Estate.* The Trust Estate is hereby pledged to the payment of the principal and Redemption Price of, Sinking Fund Installments with respect to, and interest on the Bonds in accordance with the terms and provisions of this General Indenture, and the Trustee is hereby granted a security interest therein subject only to the provisions of this General Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this General Indenture. The Trustee shall cause to be filed or recorded all such financing statements, continuation statements and other instruments as may be necessary to perfect, and maintain perfected, the security interests created by this Section 504 to the extent that such perfection can be accomplished by such filing, and the Trustee shall provide a copy of any such filing to the Corporation promptly upon the filing thereof.

In addition, the Corporation may pledge additional assets and revenues to the Bonds or any

Series of Bonds pursuant to a Supplemental Indenture or a Series Indenture.

Section 505. *Tax Covenants.* The provisions of this Section 505 shall apply only to the Bonds as to which the related Series Indenture shall determine that interest thereon shall be excludable from gross income for federal income tax purposes. The Corporation shall not take, or cause to be taken, any action or fail to take any action which may render interest on the Bonds subject to inclusion in gross income for federal income tax purposes and shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Corporation on the Bonds shall not be includable in gross income for federal income tax purposes.

The Corporation covenants and certifies to and for the benefit of the Holders of the Bonds from time to time Outstanding that so long as any of the Bonds remain Outstanding, moneys on deposit in any Fund or Account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as “arbitrage bonds” within the meaning of Sections 143 and 148 of the Code. Pursuant to such covenant, the Corporation obligates itself, to the extent permitted by law, to comply throughout the term of the issue of the Bonds with the arbitrage requirements of Sections 143 and 148 of the Code.

Section 506. *Accounts and Reports.*

(A) The Corporation shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Program and all Funds and Accounts established by or pursuant to this General Indenture, which shall at all reasonable times be subject to the inspection of the Trustee.

(B) Annually, within six (6) months after the close of each Fiscal Year, the Corporation shall cause a report of audit of its financial records and an Auditor’s Opinion with respect thereto to be made and filed with the Trustee. The report shall show (i) revenues and expenses for the Fiscal Year and (ii) assets, liabilities and fund balances at the end of the Fiscal Year, including all Funds and Accounts established by this General Indenture (which may be consolidated). Notwithstanding any other provision of this General Indenture, revenues and expenses shall be accrued, and assets shall be valued in such manner as is deemed by the Corporation and the accountant issuing the Auditor’s Opinion to be necessary to present fairly the results of operations for the Fiscal Year and the financial position of such Funds and Accounts at the end of the Fiscal Year in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding Fiscal Year.

Section 507. *Compliance with Conditions Precedent.* Upon the Issue Date of any of the Bonds, all conditions, acts and things required by law or by this General Indenture or applicable Series Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, and such Bonds, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by law.

Section 508. *Further Assurance.* At any and all times, the Corporation shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged, and delivered by the parties within its control, all such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for

the better assuring, conveying, granting, assigning or confirming all and singular the rights, Revenues, Funds and Accounts pledged, assigned and established pursuant to this General Indenture, including the moneys, securities and Investments hereby pledged or assigned, or assigned in trust, or intended so to be, or which the Corporation may hereafter become bound to pledge or assign in trust.

Section 509. Powers as to Bonds and Pledge. The Corporation is duly authorized, pursuant to law, to authorize and issue the Bonds, to adopt this General Indenture and to pledge the Trust Estate established by this General Indenture, including the money, Investments and securities therein purported to be pledged, in the manner and to the extent provided in this General Indenture, and to assign, transfer and set over unto the Trustee in trust the proceeds of the sale of the Bonds held in such Funds or the Accounts thereof or any securities or Investments purchased with such proceeds of the sale of Bonds, including the income thereof, purported to be so assigned in trust by this General Indenture, in the manner and to the extent provided in this General Indenture. The Trust Estate so pledged and the proceeds of sale of the Bonds so held in trust are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment in trust created by this General Indenture, and all corporate action on the part of the Corporation to that end has been duly and validly taken. The Bonds and the provisions of this General Indenture are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this General Indenture. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate so pledged under this General Indenture, and the assignment in trust of the proceeds of sale of the Bonds created by this General Indenture, and all the rights of the Bondholders and any other rights secured under this General Indenture, against all claims and demands of all persons whomsoever.

Section 510. Cash Flow Certificates.

(A) The Corporation shall file or cause to be filed a Cash Flow Certificate with the Trustee (i) whenever Bonds are issued pursuant to Section 203 hereof, (ii) prior to or concurrent with the issuance or conversion (i.e., in conjunction with the resetting of the interest rate thereon) of any Series of Bonds, (iii) no later than six (6) months following the end of each Fiscal Year and (iv) at such other times as required by this General Indenture or as may be required by a Supplemental Indenture, and may file a Cash Flow Certificate at any time in its discretion; provided that the Corporation is not required to file a Cash Flow Certificate as aforesaid if the Corporation certifies to the Trustee that the assumptions for the most recently filed Cash Flow Certificate still reflect the Corporation's reasonable expectations; and provided further that the Corporation is not required to file a Cash Flow Certificate as required by (iii) above if the Corporation notifies each Rating Agency then rating the Bonds at the request of the Corporation of the Corporation's intention to not prepare a new Cash Flow Certificate and each such Rating Agency does not object to the same within ten (10) days, in which case such most recently filed Cash Flow Certificate shall be deemed a newly filed Cash Flow Certificate as required aforesaid.

(B) A Cash Flow Certificate shall set forth projected Revenues, Program Expenses and the interest payments and Principal Installments for each Bond Year during which Bonds will be Outstanding based upon the reasonable expectations of the Corporation at the time such Cash Flow Certificate is filed. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Corporation's reasonable expectations at the time such Cash Flow Certificate is filed. Except with respect to actions being

taken contemporaneously with the delivery of a Cash Flow Certificate, events reflected in a Cash Flow Certificate may be as of a date or reasonably adjusted to a date not more than six (6) months prior to the date of delivery of such statement.

(C) The listing of Revenues from Mortgage Loans and Investments shall be supported by a schedule identifying the Mortgage Loans, Guaranteed Mortgage Securities and Investments by maturity and interest rate.

ARTICLE VI

GENERAL TERMS AND PROVISIONS OF BONDS

Section 601. *Medium of Payment; Form and Date.*

(A) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(B) The Bonds of each Series shall be issued in the form of fully registered Bonds as more fully specified by the Series Indenture.

(C) Registered Bonds of each Series shall be dated and shall bear interest payable as specified in the Series Indenture; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the registered Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds surrendered.

Section 602. *Legends.* The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this General Indenture as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the Corporation prior to the delivery thereof.

Section 603. *Execution.* The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of its Authorized Representative. In case any one or more of the directors, officers or employees of the Corporation who shall have signed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such director, officer or employee before the Bonds are actually delivered, such Bonds may, nevertheless, be delivered as herein provided and may be issued as if the persons who signed them or whose signature appears thereon had not ceased to hold such office or be so employed. Any Bond of a Series may be signed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Corporation, although as the Issue Date of the Bonds of such Series such persons may not have been authorized or have held such office or employment. However, no Bond shall be entitled to any benefit under this General Indenture or any Series Indenture, or be valid or obligatory for any purpose, until and unless the Trustee has executed thereon a certificate authenticating the same, manually signed by a person authorized by the Trustee to execute such certificate on its behalf or, as applicable, the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent has executed manually or by facsimile, a certificate of registration, substantially in the form provided in the Series Indenture or any Supplemental Indenture.

Section 604. *Interchangeability.* Registered Bonds, upon surrender thereof at the Principal Office of the Trustee, with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his or her attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity.

Section 605. *Negotiability, Transfer and Registry.* All the Bonds issued under this General Indenture shall be negotiable, subject to the provisions for registration and transfer contained in this General Indenture, the Series Indentures and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Trustee shall maintain and keep, at the Principal Office of the Trustee, books for the registration and transfer of Bonds, and upon presentation of Bonds for registration or transfer at said office, the Trustee shall register or cause to be registered in the books for registration and transfer, and permit to be transferred in such books, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the Principal Office of the Trustee.

Section 606. *Record Date; Special Record Date.* Except as may be otherwise provided in a Series Indenture, interest on each Bond shall be payable to the owner in whose name such Bond is registered at the close of business on the fifteenth day (whether or not a business day) preceding each Interest Payment Date, without regard to any transfer or exchange of such Bond after such day, unless the Corporation shall default in the payment of interest due on such Bond on such Interest Payment Date, in which case such defaulted interest shall be payable to the owner in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice transmitted by the Trustee to the owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be transmitted to the owners in whose names such Bonds are registered at the close of business on the fifth day (whether or not a business day) preceding the date of transmission.

Section 607. *Transfer of Registered Bonds.*

(A) Each registered Bond shall be transferable only upon the books of the Trustee, at the Principal Office of the Trustee, by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney. Upon the transfer of any such registered Bond, the Corporation shall execute and the Trustee shall authenticate and deliver a new registered Bond or Bonds in the name of the transferee of the same aggregate principal amount and Series and maturity as the surrendered Bonds.

(B) The Corporation and any Bond Service Provider may deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; neither the Corporation nor any Bond Service Provider shall be affected by any notice to the contrary.

Section 608. *Regulations for Exchange and Transfer.* In all cases in which the privilege of

exchanging Bonds or transferring registered Bonds is exercised, the Corporation shall execute and deliver Bonds in accordance with the provisions of this General Indenture. All Bonds surrendered in any such exchanges or transfers shall be held by the Trustee in safekeeping until directed by the Corporation to be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Corporation shall not be obligated to make any such exchange or transfer of Bonds of any Series during the ten (10) days next preceding an Interest Payment Date on the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series, then during the ten (10) days next preceding the date of the first transmission of notice of such redemption.

Section 609. *Bonds Mutilated, Destroyed, Stolen or Lost.* In case any Bond shall become mutilated or be destroyed, stolen or lost, the Corporation, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Corporation and the Trustee evidence of such destruction, theft, or loss satisfactory to it and giving indemnity satisfactory to the Trustee and the Corporation and complying with such other reasonable regulations as the Trustee and the Corporation may prescribe and paying such expenses as the Trustee and the Corporation may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Corporation. The Corporation shall advise the Trustee and Paying Agents by an Officer's Certificate of the issuance of substitute Bonds.

Section 610. *Temporary Bonds.* Until the definitive Bonds of any Series are prepared, the Corporation may execute, in the same manner as is provided in Section 603, and upon the request of the Corporation, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and to exchangeability for Bonds, one or more temporary Bonds which shall be registered as to principal and interest. Such temporary Bonds shall be substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations or maturity amounts authorized by the Corporation in the related Series Indenture, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds shall be payable only upon presentation of such temporary Bonds for notation thereon of the payment of such interest. The Corporation at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, for exchange and cancellation, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the principal or corporate trust office of the Trustee, definitive Bonds, of the same aggregate Principal Amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture. All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 611. *Extension of Payment of Bonds.* The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds by the purchase or funding of such Bonds or by any other arrangement; in case the maturity of any of the Bonds shall be

extended, such Bonds shall not be entitled, in case of any default under this General Indenture, to the benefit of this General Indenture or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds) held by any Bond Service Provider, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended. Nothing herein shall be deemed to limit the right of the Corporation to issue refunding Bonds as provided in Article II hereof, and such issuance shall not be deemed to constitute an extension of the maturity of any Bond.

Section 612. *Money Held for Particular Bonds.* The amounts held by any Bond Service Provider for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Holders of the Bonds, and for the purposes of this General Indenture, such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid. Anything in this Indenture to the contrary notwithstanding, and subject to the unclaimed property laws of the State, any moneys held by a Bond Service Provider in trust for the payment and discharge of any of the Bonds which remain unclaimed for three (3) years after the date when all of the Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Bond Service Provider at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Bond Service Provider after the said date when all of the Bonds became due and payable, shall, at the written request of the Corporation, be repaid by the Bond Service Provider to the Corporation, as its absolute property and free from trust, and the Bond Service Provider shall thereupon be released and discharged.

Section 613. *Cancellation of Bonds; Exception.* All Bonds surrendered for redemption, payment, replacement or exchange, if surrendered to the Trustee, shall be promptly cancelled by it, and, if surrendered to any person other than the Trustee, shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The Corporation may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which Bonds so delivered shall be promptly cancelled by the Trustee. All cancelled Bonds held by the Trustee shall be destroyed by a method selected by the Trustee. The Trustee shall cancel and destroy such Bonds in accordance with its retention policy then in effect.

Notwithstanding the foregoing, and subject to State Law, Bonds purchased by the Corporation shall not be cancelled to the extent that upon such purchase the Corporation shall have delivered to the Trustee (i) a Certificate of an Authorized Representative to the effect that such Bond is being purchased with the intention that it will be resold rather than cancelled and (ii) in the event the interest on such Bonds is excludable from the gross income of the recipient thereof for purposes of federal income taxation, a Bond Counsel's Opinion to the effect that the failure to cancel the Bond will not adversely affect such excludability.

Section 614. *Book-entry Form of Bonds.* Notwithstanding anything herein to the contrary, the Corporation may elect, in the related Series Indenture, that Bonds for a particular Series be registered pursuant to a book-entry system, without certificates being provided or available to the registered owner thereof.

ARTICLE VII

REDEMPTION OF BONDS

Section 701. *Procedure and Prices.* The Bonds of any Series which are redeemable prior to maturity shall be subject to redemption by or on behalf of the Corporation prior to maturity, upon receipt by the Trustee of the Officer's Certificate referred to in Section 702 and upon notice as provided in this Article, to such extent, through application of such moneys, at such time or times, in such order and on such other terms and conditions as shall be provided by this General Indenture and the applicable Series Indenture and, in all cases, at a price equal to the principal amount of each Bond or portion thereof to be redeemed, plus such redemption premium or differing redemption premiums (if any), as shall be set forth in said Bonds and applicable upon such redemption, together with interest accrued to the redemption date. If less than all of the Bonds of such Series of like maturity then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected by lot in such manner as the Trustee may determine unless otherwise provided by a Series Indenture as to the Bonds therein authorized.

Section 702. *Selection of Bonds To Be Purchased or Redeemed.*

(A) Any Bonds to be purchased or redeemed by the Trustee, except as part of a Sinking Fund Installment, shall be purchased or redeemed by the Trustee only upon receipt by the Trustee of an Officer's Certificate determining or certifying the following:

- (1) the Series of Bonds to be purchased or redeemed;
- (2) the maturities within such Series from which Bonds are to be purchased or redeemed;
- (3) the principal amount and maximum price of Bonds within such maturities to be purchased or redeemed;
- (4) if any of the Bonds to be purchased or redeemed, as designated in clauses (1) through (3) above, are Term Bonds, the years in which Sinking Fund Installments are to be reduced and the amount by which the Sinking Fund Installments so determined are to be reduced, provided that the aggregate of such reductions in Sinking Fund Installments shall equal the aggregate principal amount of Term Bonds to be purchased or redeemed; and
- (5) that upon purchase or redemption of Bonds pursuant to the determinations made under the provisions of clauses (1) through (4) hereinabove, the Corporation will be in compliance with its covenant contained in paragraph (C) of this Section 702.

(B) The Corporation shall give written notice to the Trustee of its election to redeem Bonds which are subject to optional redemption and of the redemption date at least twenty-five (25) days prior to the redemption date or at such later date as shall be acceptable to the Trustee. If the required notice of redemption shall have been given, the Corporation covenants that it will, prior to the redemption date, pay to the Trustee an amount of cash which, in addition to any other moneys available therefor held by the Trustee, will be sufficient to redeem at the Redemption Price thereof, plus interest accrued to the redemption date, all of the Bonds which are to be redeemed; provided that if the notice of redemption shall have been conditioned on the availability of funds, the Trustee or the Corporation shall pay over such sums as are so available.

(C) The Corporation will not at any time cause Bonds to be purchased or redeemed, if this would have any material adverse effect on its ability to pay, when due, the Principal Installments of and interest on the Bonds Outstanding after such purchase or redemption.

Section 703. *Selection of Bonds To Be Redeemed.* In the event of redemption of Bonds of like Series and maturity, the Trustee shall assign to each registered Bond of such Series and maturity then Outstanding a distinctive number for each denomination of the principal amount of each Bond set forth in the applicable Series Indenture and shall select by lot, or by such method of selection as it shall deem proper in its discretion, and from the numbers so assigned to such registered Bonds, as many numbers as, at such denomination for each number, shall equal the amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds of the authorized denomination bearing the numbers so selected, but only so much of the amount of each such registered Bond shall be redeemed as shall equal such denomination for each number assigned to it and so selected. For the purposes of this Section, Bonds or portions of Bonds which have theretofore been selected by lot for redemption shall not be deemed Outstanding.

Section 704. *Notice of Redemption.* When the Trustee shall be required or authorized, or shall receive notice from the Corporation of its election pursuant to Section 702, to redeem Bonds, the Trustee shall, in accordance with the terms and provisions of the Bonds and of this General Indenture and applicable Series Indenture, select the Bonds to be redeemed and shall give notice, in the name of the Corporation, of the redemption of Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, any conditions to be satisfied prior to such redemption, the redemption date and the place or places where amounts due upon such redemption will be payable, and if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and in the case of a registered Bond to be redeemed in part only, such notice shall also specify the portion thereof to be redeemed. Such notice shall further state that, if all conditions (if any) to the redemption have been satisfied as of such date, on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion thereof in the case of a registered Bond to be redeemed in part only, with interest accrued to such date, and that from and after such date, interest thereon shall cease to accrue and be payable; provided that, if the redemption is conditioned upon funds being available therefor on the redemption date, the notice shall so state. Such notice shall be given in such manner as may be required by a Series Indenture. The Trustee shall also transmit a copy of such notice not less than twenty (20) days before such redemption date (or such shorter period as may be acceptable to the then-registered owner), to the registered owner of any Bond, all or a portion of which is to be redeemed at his or her last address, if any, appearing upon the registry books, but failure so to transmit any such notice shall not be a condition precedent to or affect the validity of any proceedings for the redemption of Bonds. If at the time of transmission of a notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption and such notice states that redemption is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, such notice shall be of no effect unless such moneys are so deposited.

Section 705. *Payment and Cancellation of Bonds Redeemed and Purchased.* Notice having been given in the manner provided in Section 704 (and if said notice shall have been conditioned on the availability of funds on the redemption date, then to the extent such funds are so available), the Bonds or portions thereof called for redemption and specified in said notice shall become due and

payable on the redemption date specified in said notice at the Redemption Prices thereof applicable on such date, plus unpaid interest on said Bonds or portions thereof accrued to such date, and upon presentation and surrender thereof at the place or places specified in said notice together with a written instrument of transfer duly executed by the registered owner thereof or by his or her attorney duly authorized in writing, said Bonds or portions thereof shall be paid at the said Redemption Prices, plus unpaid interest on said Bonds or portions thereof accrued to such date. If there shall be so called for redemption less than all of a registered Bond, the Corporation shall execute and cause to be delivered, upon the surrender of such Bond to the Trustee, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, at the option of the owner thereof, Bonds of like Series, designation, interest rate and maturity. If, on such redemption date, money for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee so as to be available therefor on such date, and if notice of redemption thereof shall have been published as aforesaid, then, from and after such redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable, and said Bonds or portions of Bonds shall no longer be considered Outstanding hereunder. All money held by or on behalf of the Trustee for the redemption of particular Bonds shall be held in trust for the account of the Holders of the Bonds so to be redeemed. All Bonds redeemed or purchased in accordance with the provisions of this General Indenture shall be cancelled by the Trustee.

Notwithstanding the foregoing, and subject to State law, Bonds purchased by the Corporation shall not be cancelled to the extent that upon such purchase the Corporation shall have delivered to the Trustee (i) a Certificate of an Authorized Representative to the effect that such Bond is being purchased with the intention that it will be resold rather than cancelled and (ii) in the event the interest on such Bonds is excludable from the gross income of the recipient thereof for purposes of federal income taxation, a Bond Counsel's opinion to the effect that the failure to cancel the Bond will not adversely affect such excludability.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 801. *Supplemental Indentures Effective Upon Filing.* For any one or more of the following purposes, and at any time or from time to time, an indenture supplementing this General Indenture may be adopted, which indenture, upon filing with the Trustee of a copy thereof certified by an Authorized Representative, shall be fully effective in accordance with its terms:

- (A) to close this General Indenture against or provide limitations and restrictions in addition to the limitations and restrictions contained in this General Indenture on the issuance in future of Bonds or of other notes, bonds, obligations or evidences of indebtedness;
- (B) to add to the covenants or agreements of the Corporation in this General Indenture, other covenants or agreements to be observed by the Corporation which are not contrary to or inconsistent with this General Indenture as theretofore in effect;
- (C) to add to the limitations or restrictions in this General Indenture, other limitations or restrictions to be observed by the Corporation which are not contrary to or inconsistent with this General Indenture as theretofore in effect;

(D) to surrender any right, power or privilege reserved to or conferred upon the Corporation by this General Indenture;

(E) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this General Indenture, of the Revenues or any other money, securities, Funds or Accounts; or

(F) to specify, determine or authorize by Series Indenture any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with this General Indenture as theretofore in effect.

Section 802. *Supplemental Indentures Effective Upon Consent of Trustee.* For any one or more of the following purposes and at any time or from time to time, an indenture of the Corporation, amending or supplementing this General Indenture, may be adopted, which, upon (i) filing with the Trustee of a copy thereof certified by an Authorized Representative and (ii) filing with the Trustee and the Corporation of an instrument in writing made by the Trustee consenting to such indenture, shall be fully effective in accordance with its terms:

(A) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this General Indenture;

(B) to insert such provisions clarifying matters or questions arising under this General Indenture as are necessary or desirable and are not contrary to or inconsistent with this General Indenture as theretofore in effect, all as certified to the Trustee in an Officer's Certificate; or

(C) to make any other change as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondholders (and the Trustee may rely upon the respective written opinions of each Rating Agency then rating the Bonds at the request of the Corporation as to whether the rating of the Bonds will be adversely affected as conclusively establishing whether the change is materially adverse to the security of the Bondholders).

Section 803. *Supplemental Indentures Not Affecting Bondholders.* At any time or from time to time, an indenture of the Corporation amending or supplementing this General Indenture may be adopted, modifying any of the provisions of this General Indenture or releasing the Corporation from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, provided that (i) no Bonds are Outstanding at the time the indenture becomes effective or (ii) such indenture, by its terms, is applicable only to the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Corporation in relation to the Holders of Bonds issued after it becomes effective. Any such indenture shall become effective upon adoption or at such other time as may be provided therein.

Section 804. *Restriction on Amendments.* This General Indenture shall not be modified or amended in any respect, except as provided in and in accordance with and subject to the provisions of this Article and Article IX. Nothing in this Article or Article IX contained shall affect or limit the right or obligation of the Corporation to pass, make, do, execute, acknowledge or deliver any indenture, act, deed, conveyance, assignment, transfer or assurance pursuant to the provisions of Article V or the right or obligation of the Corporation to execute and deliver to any Bond Service Provider any instrument which elsewhere in this General Indenture it is provided shall be delivered to said Bond Service Provider.

Section 805. *Adoption and Filing of Supplemental Indentures.* Any indenture of the Corporation referred to and permitted or authorized by Section 801, 802 or 803 may be adopted by the Corporation without the vote or consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every such indenture so becoming effective shall thereupon form a part of this General Indenture. The copy of every such indenture when filed with the Trustee shall be accompanied by a Counsel's Opinion to the effect that such indenture has been duly and lawfully adopted by the Corporation in accordance with the provisions of this General Indenture, is authorized or permitted by the provisions of this General Indenture and, when effective, will be valid and binding upon the Corporation and enforceable in accordance with its terms.

Section 806. *Authorization to Trustee.* The Trustee is authorized to accept the delivery of a certified copy of any indenture of the Corporation referred to and permitted or authorized by Section 801, 802 or 803, to consent to such indenture and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on a Counsel's Opinion that such indenture is authorized or permitted by the provisions of this General Indenture or contains no provisions which are contrary to or inconsistent with this General Indenture as theretofore in effect, and the Trustee shall be entitled to receive such opinion and to so rely.

ARTICLE IX

AMENDMENTS

Section 901. *Transmission of Notice of Amendment.* Any provision in this Article relative to the mailing of a notice or other paper to Bondholders shall be fully complied with if it is transmitted only (i) to each registered owner of any Bonds then Outstanding at his or her last address, if any, appearing upon the registry books and (ii) to the Trustee.

Section 902. *Powers of Amendment.* Any modification or amendment of this General Indenture and of the rights and obligations of the Corporation and of the Holders of the Bonds, in any particular, may be made by a Supplemental Indenture with the written consent, given as hereinafter provided in Section 903, of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that if such modification or amendment, by its terms, will not take effect so long as any Bonds of any specified Series, maturity and interest rate remain Outstanding or will not affect the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Corporation in relation to the Holders of such Bonds, the consent of the Holders of such Bonds shall not be required, and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; provided, further, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the description of Bonds, the consent of the Holders of which is required to effect any such modification or amendment. Such modification or amendment shall not change or modify any of the rights or obligations of any Bond Service Provider without the filing with the Trustee of the Bond Service Provider's written assent thereto.

Section 903. *Consent of Bondholders.* The Corporation may at any time adopt and file an

indenture of the Corporation making a modification or amendment permitted by the provisions of Section 902, to take effect when and as provided in this Section. A copy of such indenture, together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be transmitted by the Corporation to Bondholders (but failure to transmit such copy and request shall not affect the validity of such indenture when consented to as in this Section provided). Such indenture shall not be effective unless and until, and shall take effect in accordance with its terms when there shall have been filed with the Trustee (a) the written consents of Holders of the percentage of Outstanding Bonds specified in Section 902 and (b) a Counsel's Opinion stating that such indenture has been duly and lawfully adopted by the Corporation in accordance with the provisions of this General Indenture, is authorized or permitted by the provisions of this General Indenture, and, when effective, will be valid and binding upon the Corporation and enforceable in accordance with its terms. Each such consent shall be effective only if accompanied by evidence as provided by Section 1202 that such consent has been executed by a Holder of Bonds as of the date such consent is given. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), but, notwithstanding the provisions of Section 1202, such consent may be revoked in writing by the filing with the Trustee, not later than the time when the written statement of the Trustee hereinafter in this Section provided for is filed, such a revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1202. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentage of Bonds shall have filed their consents to such indenture, the Trustee shall make and file with the Corporation a written statement that the Holders of such required percentage of Bonds have filed and given such consents and that proof of the holding of such Bonds has been examined and found sufficient by the Trustee under the provisions of Section 1202. Such written statement shall be conclusive that such consents have been so filed and have been given. At any time thereafter notice, stating in substance that such indenture (which may be referred to as an indenture adopted by the Corporation on a stated date a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentage of Bonds and will be effective as provided in this Section, and may be transmitted to Bondholders (but failure to transmit such notice shall not prevent such indenture from becoming effective and binding as in this Section provided). The Corporation shall file with the Trustee proof of transmitting such notice to Bondholders. A record, consisting of the papers required or permitted by this Section to be made by or filed with the Trustee, shall be proof of the matters therein stated. Such indenture making such modification or amendment shall be deemed conclusively binding upon the Corporation, the Bond Service Providers and the Holders of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of proof of the transmission of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such indenture in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that any Bond Service Provider and the Corporation, during such thirty (30) day period and any further period during which any such action or proceeding may be pending, shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such amendment as they may deem expedient.

Section 904. *Modifications by Consent.* Notwithstanding anything contained in Article VIII or in the foregoing provisions of this Article, the terms and provisions of this General Indenture, and the rights and obligations of the Corporation and the Holders of the Bonds, in any particular, may be

modified or amended in any respect upon the adoption by the Corporation and filing in accordance with the provisions of Article VIII of an amending indenture of the Corporation making such modification or amendment and the consent to such indenture of the Holders of the Bonds then Outstanding, such consent to be given and proved as provided in Section 903, except that no notice to Bondholders, either by mailing or publication, shall be required; provided, however that no such modification or amendment shall change or modify any of the rights or obligations of any Bond Service Provider without the filing with the Trustee of the Bond Service Provider's written assent thereto.

Section 905. *Exclusion of Bonds.* Bonds owned or held by or for the account of the Corporation shall be excluded and shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action under this Article, the Corporation shall furnish the Trustee an Officer's Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 906. *Notation on Bonds.* Bonds delivered after the effective date of any action taken as in Article VIII or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action, and upon demand of the Holder of any Bond Outstanding at such effective date and presentation of such Bond for the purpose at the Principal Office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Corporation or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Corporation, to conform to such action may be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding may be exchanged, without cost to such Bondholder, for Bonds of the same Series, designation, maturity and interest rate then Outstanding, upon surrender of such Bonds. Every Holder of any Outstanding Bond shall, however, by his or her purchase and retention of such Bond, be deemed to consent to be bound by every Supplemental Indenture and every modification and amendment of this General Indenture adopted in accordance with the provisions of Article VIII or this Article, whether or not noted or endorsed on or incorporated in such Bond.

Section 907. *Contracts or Indentures.* The Corporation, so far as it may be authorized by law, may enter into a contract or an indenture with any Bond Service Provider giving effect to any modification or amendment of this General Indenture as hereinabove in Article VIII or this Article provided.

ARTICLE X

REMEDIES ON DEFAULT

Section 1001. *Powers of Trustee.* The Corporation hereby determines that there shall be, and there hereby are, vested in the Trustee, in addition to all its property, rights, powers and duties mentioned or referred to in any other provision of this General Indenture, the rights, powers and duties in this Article provided, in trust for the Bondholders. The Trustee shall exercise during the continuance of an Event of Default such of the rights and powers vested in it by this General Indenture, and shall use the same degree of care and skill in their exercise, as a prudent person would use under the circumstances in the conduct of his or her own affairs.

Section 1002. *Events of Default.* Each of the following shall constitute an event of default under

this General Indenture and is herein called an “*Event of Default*”:

(A) interest on any of the Bonds is not paid on any date when due, or the principal or Redemption Price of any Bonds is not paid at maturity or at a redemption date at which the Bonds have been called for redemption;

(B) Bonds subject to redemption by operation of Sinking Fund Installments shall not have been redeemed and paid and ceased to be Outstanding on any Sinking Fund Installment Date of a principal amount equal to the Sinking Fund Installment fixed or established with respect to such Bonds for said date;

(C) a default shall be made in the observance or performance of any covenant, contract or other provision contained in the Bonds, this General Indenture, any Supplemental Indenture or applicable Series Indenture and such default shall continue for a period of ninety (90) days after written notice to the Corporation from a Bondholder or from the Trustee specifying such default and requiring the same to be remedied; or

(D) there shall be filed a petition seeking a composition of indebtedness of the Corporation under any applicable law or statute of the United States or of the State.

Section 1003. *Enforcement by Trustee.* Upon the happening and continuance of an Event of Default described in any of the clauses of the preceding Section 1002 (and after written notice to the Corporation in the case of Events of Default described in clauses (A) and (B) thereof), the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Bonds, and any other persons secured hereunder, may proceed, and upon the written request of Bondholders as provided in Section 1008, shall proceed, subject to the provisions of Section 1103, to protect and enforce its rights and to the full extent that the Holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under this General Indenture by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any power herein granted or for any proper legal or equitable remedy, as the Trustee shall deem most effectual, to protect and enforce the rights aforesaid. The Trustee shall not be deemed to have knowledge of any Event of Default, other than those specified in clause (A) or clause (B) of Section 1002, unless the Trustee is specifically notified in writing by Holders of a majority in principal amount of the Series of Bonds to which such Event of Default relates or by the Corporation, and in the absence of any such notice, the Trustee may conclusively assume that no such Event of Default exists.

Section 1004. *Representation of Bondholders by Trustee.* The Trustee is hereby irrevocably appointed (and the Bondholders, by accepting and holding the same, shall be conclusively deemed to have appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) the true and lawful attorney in fact of the Bondholders with power and authority, at any time in its discretion:

(A) pursuant to this General Indenture or the Act or any law, after the happening of an Event of Default, (i) by mandamus or other prerogative writ or action in lieu thereof or by other suit, action or proceeding in equity or at law, to enforce all rights of the Bondholders, including the right to require the Corporation and the members and officers thereof to fulfill any covenant or agreement with the Bondholders and to perform its and their duties under this General Indenture

and the Act, (ii) to bring suit upon the Bonds, (iii) by action or suit in equity, to require the Corporation to account as if it were a trustee of an express trust for the Bondholders, (iv) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders, (v) to declare the Series of Bonds to which such Event of Default relates to be immediately due and payable by delivery of written notice of acceleration to the Corporation, (vi) to file a proof of claim in a bankruptcy or similar such proceeding on behalf of the Holders of the Series of Bonds to which such Event or Events of Default relates, as creditors or (vii) to take such action with respect to any and all Mortgages, as the Trustee shall deem necessary and appropriate, subject to the terms of such Mortgages; and

(B) to make and file in any proceeding in bankruptcy or judicial proceeding for reorganization or liquidation of the affairs of the Corporation, either in the respective names of the Bondholders or on behalf of all the Bondholders as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Bondholders, and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable, in the opinion of the Trustee, to have the respective claims of the Bondholders against the Corporation allowed in any bankruptcy or other proceeding.

Section 1005. *Limitation on Powers of Trustee.* Nothing in this General Indenture contained shall be deemed to give power to the Trustee, either as such or as attorney in fact of the Bondholders, to vote the claims of the Bondholders in any bankruptcy proceeding; to accept or consent to any plan of reorganization, readjustment, arrangement or composition or other like plan; by other action of any character, to waive or change any right of any Bondholders; or to give consent on behalf of any Bondholder to any modification or amendment of this General Indenture requiring such consent or to any indenture requiring such consent pursuant to the provisions of Article VIII or Article IX.

Section 1006. *Action by Trustee.*

(A) All rights of action under this General Indenture or upon any of the Bonds, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the ratable benefit of the Holders of said Bonds, subject to the provisions of this General Indenture.

(B) In the enforcement of any rights under this General Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due for principal, interest or otherwise under any of the provisions of the Act or this General Indenture or of the Bonds with interest on overdue payments, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses as aforesaid, and to collect, in any manner provided by law, the moneys adjudged or decreed to be payable.

(C) In any action, suit or other proceeding by the Trustee, the fees, counsel fees and expenses of the Trustee shall constitute taxable costs and disbursements, and all costs and disbursements, allowed by the court, shall be a first charge on the Revenues.

Section 1007. *Accounting and Examination of Records After Default.* The Corporation covenants with the Trustee that if an Event of Default shall have happened and shall not have been remedied:

(A) the books of record and account of the Corporation relating to the Program and all records relating to the Program shall at all reasonable times be subject to the reasonable inspection and use of the Trustee and of its agents and attorneys for purposes in furtherance of the provisions of this Article X; and

(B) the Corporation, whenever the Trustee shall demand, will account as if it were the trustee of an express trust for all Revenues and other money, securities and Funds and Accounts pledged or held under this General Indenture for such period as shall be stated in such demand.

Section 1008. *Restriction on Bondholder's Action.*

(A) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this General Indenture or for the execution of any trust hereunder or for any other remedy hereunder, unless:

(1) such Holder previously shall have given to the Corporation and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted;

(2) after the occurrence of such Event of Default, written request shall have been made of the Trustee to institute such suit, action or proceeding by the Holders of not less than a majority in principal amount of the Bonds then Outstanding or if such Event of Default is one described in clause (A) or clause (B) of Section 1002, by the Holders of not less than a majority in principal amount of the Bonds then Outstanding of the Series with respect to which such Event of Default has happened;

(3) there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby;

(4) the Trustee shall have refused or neglected to comply with such request within a reasonable time; and

(5) such suit, action or proceeding is brought for the ratable benefit of all Holders of all Bonds, subject to the provisions of this General Indenture.

(B) No Holder of any Bond shall have any right in any manner whatever by his or her action to affect, disturb or prejudice the pledge of Revenues or any other moneys, securities, Funds or Accounts hereunder, or, except in the manner and on the conditions in this Section provided, to enforce any right or duty hereunder.

Section 1009. *Application of Money after Default.*

(A) All money collected by the Trustee at any time pursuant to this Article shall, subject to

Section 1006(B), except to the extent, if any, otherwise directed by the court, be paid by the Trustee into the Revenue Fund and other funds described in Article IV, and shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV, particularly Section 403 thereof.

(B) If at any time the amounts in the Revenue Fund and any other funds held by the Corporation or Bond Service Providers available for the payment of interest or principal or Redemption Price then due with respect to Bonds shall be insufficient for such payment, such amounts (other than amounts held for the payment or redemption of particular Bonds as provided in Section 612) shall be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due (including regularly scheduled payments due under a Qualified Hedge Agreement which are equivalent to Bond interest, but not including fees, expenses or payments due upon the early termination of a Qualified Hedge Agreement), in the order of the maturity of such installments, and if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by required call for redemption as part of a Sinking Fund Installment, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds so due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(C) If the principal of all the Bonds shall have become or have been declared due and payable, such amounts (other than amounts held for the payment or redemption of particular Bonds as provided in Section 612) shall be applied to the payment of the principal and interest (including regularly scheduled payments due under a Qualified Hedge Agreement which are equivalent to Bond interest, but not including fees, expenses or payments due upon the early termination of a Qualified Hedge Agreement) then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

Section 1010. Remedies Not Exclusive. No remedy by the terms of this General Indenture conferred upon or reserved to the Trustee (or to Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 1011. Control of Proceedings. In the case of an Event of Default described in clause (A) or clause (B) of Section 1002, the Holders of a majority in principal amount of the Bonds then Outstanding of the Series with respect to which such Event of Default has happened, or in the case of an Event of Default described in clause (C) or (D) of Section 1002, the Holders of a majority in principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of

Section 1008, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction, if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to Bondholders not parties to such direction.

Section 1012. *Effect of Waiver and Other Circumstances.* No delay or omission of the Trustee or of any Holders of Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this General Indenture to them or any of them may be exercised from time to time and as often as may be deemed expedient by the Trustee or when so provided by this General Indenture, by the Bondholders. In case the Trustee shall have proceeded to enforce any right under this General Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case, the Corporation and the Trustee will be restored to their former positions and rights hereunder with respect to all rights, remedies and powers of the Trustee, which shall continue as if no such proceedings had been taken.

Section 1013. *Right To Enforce Payment of Bonds Unimpaired.* Nothing in this Article contained shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his or her Bonds or the obligation of the Corporation to pay the principal of and interest on each Bond to the Holder thereof, at the time and place expressed in said Bond.

ARTICLE XI

THE BOND SERVICE PROVIDERS

Section 1101. *Trustee and Depositories; Appointment and Acceptance.*

(A) Computershare Trust Company, N.A., is hereby appointed as Trustee. The Trustee hereby signifies its acceptance of the duties and obligations imposed upon it by this General Indenture by executing this General Indenture.

(B) The Corporation may by Series Indenture appoint Depositories of money held under the provisions of this General Indenture, each of whom shall be a trust company or bank having the powers of a trust company within or outside the State, having capital surplus and undivided profits aggregating at least \$50,000,000 and qualified under the provisions of Section 1105 to receive deposits in the amounts from time to time held by it as invested trust accounts or time deposits. Each Depository shall signify its acceptance of the duties and obligations imposed upon it by this General Indenture by executing and delivering to the Corporation and the Trustee written acceptance thereof. The Trustee may be a Depository of any Fund, subject to the provisions of Section 1105.

(C) Prior to the occurrence of an Event of Default of which it has or is deemed to have notice hereunder, and after the curing or waiver of any Event of Default which may have occurred:

- (1) the Trustee undertakes to perform such duties and only such duties

as are specifically set forth in this General Indenture, any Supplemental Indenture and any Series Indenture, and no implied covenants or obligations shall be read into this General Indenture, any Supplemental Indenture or any Series Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee that conform to the requirements of this General Indenture, any Supplemental Indenture and any Series Indenture.

Section 1102. *Paying Agents.* The Corporation may appoint one or more Paying Agents for each Series of Bonds by Series Indenture adopted prior to their delivery and may, at any time or from time to time by Supplemental Indenture, appoint one or more other Paying Agents for such Bonds. Each Paying Agent shall be a trust company or bank having the powers of a trust company within or outside the State, having capital surplus and undivided profits aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this General Indenture. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this General Indenture by executing and delivering to the Corporation and the Trustee a written acceptance thereof. The Trustee may be appointed and may act as a Paying Agent.

Section 1103. *Responsibilities of Bond Service Providers.* The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Corporation, and no Bond Service Provider assumes any responsibility for the correctness of the same. No Bond Service Provider makes any representations as to the validity or sufficiency of this General Indenture or of any Series Indenture or any Bonds or in respect of the security afforded by this General Indenture, and no Bond Service Provider shall incur any responsibility in respect thereof. No Bond Service Provider shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof, except the Trustee to the extent such proceeds are paid to the Trustee in its capacity as Trustee or the application of any moneys paid to the Corporation or others in accordance with this General Indenture. No Bond Service Provider shall be under any responsibility or duty with respect to the application of any moneys paid to any other Bond Service Provider. No Bond Service Provider shall be under any obligation or duty to perform any act which would involve it in expense or liability, to institute or defend any action or suit in respect of this General Indenture or Bonds, or to advance any of its own moneys, unless properly indemnified. No Bond Service Provider shall be liable in connection with the performance of its duties hereunder, except for its own gross negligence or default.

Section 1104. *Funds Held in Trust.* All money held by any Bond Service Provider as such, at any time pursuant to the terms of this General Indenture shall be and is hereby assigned, transferred and set over unto such Bond Service Provider in trust for the purposes and under the terms and conditions of this General Indenture.

Section 1105. *Investment and Deposit of Funds.*

(A) Each of the Funds and Accounts and any part thereof held by a Bond Service Provider shall be a trust fund for the purpose for which it is established by or pursuant to this General Indenture,

and security for the deposit thereof need not be given except as required in this Section or by laws or governmental regulations applicable to the securing of trust funds.

(B) Pursuant to written instructions by an Authorized Representative, each Bond Service Provider shall keep all money held by it, as continuously as reasonably possible, invested and reinvested or deposited in interest bearing time accounts or under certificates of deposit or similar banking arrangements. Absent written investment instructions from an Authorized Representative, each Bond Service Provider shall invest funds into Investments described under (v) of the definition of Investments, or to the extent such Investment is not available, then Investments described under (i) or (ii) of the definition of Investments. All Investments shall mature (or be redeemable at the option of the holder), and all deposits and similar arrangements shall be subject to withdrawal, so as to be available not later than the times at which moneys in such Funds and Accounts will be required for the purposes provided in this General Indenture.

(C) Money in separate Funds and Accounts may be commingled for the purpose of investment or deposit, subject to instructions from an Authorized Representative, to the extent possible in conformity with the provisions of paragraph (B) of this Section. If an Investment is purchased subject to a repurchase agreement, the agreed repurchase date shall be deemed to be the maturity date for the purpose of paragraph (B). Investments purchased and deposits made in whole or in part from money received as part of any Fund or Account shall be continuously credited and the interest and profit therefrom shall be credited and any loss upon the sale thereof charged proportionately to that Fund or Account. Investments shall be sold at the best price obtainable, and time deposits or similar arrangements closed whenever necessary to make any transfer, withdrawal, payment or disbursement, except that an Investment or deposit or an interest therein equal to the amount required to be transferred from one Fund or Account to another may be transferred in lieu of cash, if the investment or deposit is one permitted for the Fund or Account to which the transfer is made.

(D) Subject to approval by an Authorized Representative, the Trustee or another Bond Service Provider may apply money pertaining to any Fund or Account created by or pursuant to this General Indenture to the purchase of Investments owned by it in its individual capacity or Investments in its proprietary money market funds or deposit products and may sell to itself Investments held by it in any such Fund or Account as such Bond Service Provider.

(E) No Bond Service Provider shall be liable or responsible for any loss (including depreciation) resulting from an investment made in accordance with this General Indenture. The amount of any deposit or investment, whenever referred to in this Section, is its Value as defined in Section 101.

(F) A confirmation of Investments is not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 1106. Evidence On Which Bond Service Providers May Act. Each Bond Service Provider shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Bond Service Provider may consult with counsel, who may or may not be of counsel to the Corporation, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in

good faith and in accordance therewith. Whenever any Bond Service Provider shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate stating the same, and such Officer's Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this General Indenture upon the faith thereof, but in its discretion the Bond Service Provider may, in lieu thereof, accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Corporation to any Bond Service Provider shall be sufficiently executed if executed by an Authorized Representative.

Section 1107. *Preservation and Inspection of Documents.* All reports, certificates, statements and other documents received by any Bond Service Provider under the provisions of this General Indenture shall be retained in its possession and shall be available at all reasonable times for inspection by the Corporation, any other Bond Service Provider or any Bondholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of such Bond Service Provider, be destroyed or otherwise disposed of at any time five (5) years after such date as the pledge created by this General Indenture shall be discharged as provided in Section 1201.

Section 1108. *Compensation and Expenses.* Unless otherwise provided by contract with the Bond Service Provider, the Corporation shall pay to each Bond Service Provider, from time to time, reasonable compensation for all services rendered by it hereunder and also reimbursement for all its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder, and each Bond Service Provider shall have a lien therefor on any and all funds at any time held by it hereunder.

Section 1109. *Certain Permitted Acts.* Any Bond Service Provider may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not a Bond Service Provider. To the extent permitted by law, any Bond Service Provider may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this General Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 1110. *Resignation of Bond Service Provider.* A Bond Service Provider, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by this General Indenture by giving not less than sixty (60) days' written notice to the Corporation and transmitting notice thereof, at the Trustee's expense, to the Holders of all Outstanding Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice, unless previously a successor shall have been appointed by the Corporation or Bondholders as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 1112. The Trustee's

rights to indemnity and reimbursement of outstanding fees and expenses shall survive the Trustee's resignation.

Section 1111. *Removal.* A Bond Service Provider, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Corporation, or by the Corporation so long as there is no Event of Default in existence pursuant to Section 1002 hereof, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Corporation. Such instrument shall provide for an effective date not less than thirty (30) days after the date of delivery to the Trustee, and shall make such other provisions for transfer of duties to the successor trustee as shall be deemed reasonably necessary in the sole discretion of the Corporation. Copies of each such instrument shall be delivered by the Corporation to each Bond Service Provider and any successor thereof. The Trustee's rights to indemnity and amounts then due and payable shall survive any such removal.

Section 1112. *Appointment of Successor Bond Service Provider.*

(A) In case at any time a Bond Service Provider, or any successor thereof, shall resign or shall be removed by action of the Bondholders, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or if a receiver, liquidator or conservator of such Bond Service Provider or of its property shall be appointed or if any public office shall take charge or control of such Bond Service Provider or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Corporation, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Bond Service Provider, notification thereof being given to the Corporation, the predecessor Bond Service Provider and any other Bond Service Providers. Pending such appointment, the Corporation shall forthwith appoint a Bond Service Provider to fill such vacancy until a successor Bond Service Provider shall be appointed by Bondholders as herein authorized.

(B) In case at any time a Bond Service Provider, or any successor thereof, shall be removed by the Corporation, the Corporation shall forthwith appoint a Bond Service Provider to fill such vacancy. Notice of such appointment shall be mailed to each Bondholder. Any successor Bond Service Provider appointed by the Corporation shall, immediately and without further act, be superseded by a Bond Service Provider appointed by Bondholders.

(C) If in a proper case, no appointment of a successor Bond Service Provider shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Bond Service Provider shall have given to the Corporation notice as provided in Section 1110 or after the occurrence of any other event requiring or authorizing such appointment, the Bond Service Provider or any other Bond Service Provider or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Bond Service Provider.

(D) Any Bond Service Provider appointed under the provisions of this Section 1112 in succession to the Bond Service Provider shall be a trust company or bank having the powers of a trust company within or outside the State, having capital surplus and undivided profits aggregating

at least \$50,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all of the duties imposed upon it by this General Indenture.

Section 1113. *Transfer of Rights and Property to Successor Bond Service Provider.* Any successor Bond Service Provider appointed hereunder shall execute, acknowledge and deliver to its predecessor Bond Service Provider, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Bond Service Provider, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Bond Service Provider, with like effect as if named herein as such Bond Service Provider, but the Bond Service Provider ceasing to act shall, nevertheless, on the written request of the Corporation or of the successor Bond Service Provider, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Bond Service Provider all the right, title and interest of the predecessor Bond Service Provider in and to any property held by it under this General Indenture and shall pay over, assign and deliver to the successor Bond Service Provider any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor Bond Service Provider for more fully and certainly vesting in and confirming to such successor Bond Service Provider any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation. Any such successor Bond Service Provider shall promptly notify the other Bond Service Providers of its appointment as such Bond Service Provider.

Section 1114. *Merger or Consolidation.* Any company into which any Bond Service Provider may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Bond Service Provider may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a financial institution which is qualified to be a successor to such Bond Service Provider under Section 1101 or Section 1102 and shall be authorized by law to perform all the duties imposed upon it by this General Indenture, shall be the successor to such Bond Service Provider without the execution or filing of any paper or the performance of any further act.

Section 1115. *Specific Rights of the Trustee.*

(A) The permissive right of the Trustee to perform its expressed actions in this General Indenture shall not be construed as an obligation or duty to do so.

(B) The Trustee shall not be answerable for other than its gross negligence or willful misconduct. The Trustee shall not be liable for an error of judgment made in good faith. Prior to an Event of Default, the Trustee undertakes to perform only such duties as are specifically set forth in this General Indenture. During an Event of Default, the Trustee shall exercise such rights and powers vested in it by this General Indenture, and to use the same degree of care and skill in their exercise as a prudent man/person would exercise or use under the circumstances in the conduct of his/her own affairs.

(C) Except as expressly set forth herein, the Trustee shall be under no obligation to exercise any of the rights or powers vested it by this General Indenture at the request or direction of any of the Holders pursuant to this General Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities reasonably anticipated to be incurred.

(D) The Trustee shall not be required to make any disbursement of funds until having collected funds.

(E) Before the Trustee acts or refrains from acting it may require an Officer's Certificate or Opinion of Counsel which shall be paid for by the Corporation or Bondholders. The Trustee shall not be liable for any action taken or it fails to take in good faith in reliance on such Officer's Certificate or Opinion or any advice received from counsel and in the absence of bad faith or gross negligence on its part, the Trustee may, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein.

(F) The Trustee shall not be liable for any act or omission, in the absence of bad faith or gross negligence when the Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under the General Indenture.

(G) The Trustee is under no duty to perform an independent investigation as to any statement or fact contained in any certificate, opinion or advice it obtains regarding the accuracy or truth of any statement or correctness of any opinion.

(H) The Trustee shall have the right but not the obligation to act as directed by a majority in principal amount of the Bondholders and shall not be liable in taking any action so directed if the Trustee acts in the absence of bad faith or gross negligence.

(I) The Trustee may act through agents and shall not be responsible for misconduct or gross negligence of any agent. Any expenses incurred in hiring an agent shall be reimbursed by the Corporation or the Bondholders.

(J) The Trustee and its agents shall have the right, but not the responsibility or duty, to inspect the books and records of the Corporation relating to the Bonds.

(K) The Trustee shall be paid reasonable fees and expenses and have the right to increase its fees as the cost of business dictates and as negotiated with the Corporation. The obligation to pay such amounts shall survive the payment in full of the principal and interest of the outstanding securities or removal or resignation of the Trustee.

(L) The Trustee may resign upon rendering 60 days' notice to the Corporation and other necessary parties. After giving notice of resignation, the Trustee may petition any court of competent jurisdiction for appointment of a temporary Trustee until a successor Trustee is found. The rights of the Trustee to indemnity and reimbursement of fees and expenses shall survive the Trustee's resignation or removal.

(M) The Trustee may be removed at any time by notice in writing from the Corporation or direction from the Bondholders of a majority amount of the then outstanding principal of the Bonds. The Trustee's rights to indemnity and any amounts due and payable shall survive such removal.

(N) The Trustee shall have a priority right and first lien for reimbursement of any and all fees, costs, expenses (including legal fees) from any recovery of funds resulting from a bankruptcy or workout of the Bonds following the declaration of an Event of Default prior to any distribution to the Bondholders or other third parties.

(O) No provision of this General Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(P) The Trustee shall have no duty to analyze or review any financial report received by the Trustee or express any opinion concerning the contents of any financial report or disclosure document and shall have no responsibility for the contents or accuracy of such reports or the disclosure document.

(Q) The Trustee agrees to accept and act upon instructions or directions, including fund transfer instructions (“**Instructions**”), given pursuant to this General Indenture delivered in writing or by Electronic Means as provided in Section 1206, provided, however, that such Instructions or directions shall be signed by an Authorized Representative. If the Corporation elects to give Instructions by electronic means, the Trustee may deem such Instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with Instructions notwithstanding whether such Instructions conflict or are inconsistent with a subsequent written Instruction. The Corporation agrees to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(R) The recitals contained in this General Indenture and in the Bonds (other than the certificate of authentication on the Bonds) are statements of the Corporation and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value, condition or sufficiency of any assets pledged or assigned as security for the Bonds, the right, title or interest of the Corporation therein, the security provided thereby or by this General Indenture, the technical or financial feasibility of the Program, the compliance of the Program with the Act, or the tax status of any Bonds. The Trustee is not accountable for the use or application by the Corporation of any of the Bonds or the proceeds of the Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this General Indenture or the Agreement.

(S) The Trustee is not responsible for the use of Bond proceeds or sufficiency of said proceeds, assets or Revenues to accomplish the intended objective of the financing.

(T) The Trustee is not responsible for any of the contents or representations contained in any official statement or other disclosure document and makes no representation as to the accuracy or completeness of any information contained therein.

(U) The Trustee shall not be liable for any consequential damages.

ARTICLE XII

MISCELLANEOUS

Section 1201. *Discharge, Satisfaction and Defeasance.*

(A) If the Corporation shall pay or cause to be paid to the Holders of the Bonds the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this General Indenture, then, unless there shall be an Officer's Certificate delivered to the Trustee to the contrary, the pledge of the Revenues and other moneys, securities and funds hereby pledged and the covenants, agreements and other obligations of the Corporation to the Bondholders hereunder shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation expressed in an Officer's Certificate delivered to the Trustee, execute and deliver to the Corporation all such instruments, provided by the Corporation, as may be desirable to evidence such discharge and satisfaction, and the Bond Service Providers shall pay over and deliver to the Corporation all money or securities held by them pursuant to this General Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption, subject to the provisions of Section 612.

(B) Any Bonds for the payment or redemption of which moneys shall have been deposited with the Trustee by or on behalf of the Corporation, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section; provided, however, that if any such Bonds are to be redeemed prior to maturity, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given, or provision satisfactory to the Trustee shall have been made for the giving of such notice.

(C) No money so deposited with the Trustee shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal or Redemption Price of the Bonds, for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption, except that:

(1) any money so held by the Trustee for the payment to the Holders of any particular Bonds of principal or Redemption Price of, or interest on, such Bonds shall be invested by the Trustee, on instructions confirmed in writing by an Authorized Representative, in Investments maturing on or before the date when such payment is due; and

(2) all interest and earnings on all such Investments shall be deposited in the Revenue Fund.

(D) As an alternative cumulative to and not excluding the provisions of paragraphs (B) and (C) of this Section, any Bonds, whether at or prior to the maturity or the redemption date or Interest Payment Date, shall be deemed to have been paid within the meaning of this Section if:

(1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption, and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(2) there shall have been deposited with the Trustee, pursuant to an escrow agreement, by or on behalf of the Corporation, either (i) moneys in an amount which shall be sufficient to pay when due the principal, or the Redemption Price to become due on said Bonds, on the redemption date or maturity date thereof,

as the case may be, or (ii) Governmental Obligations (not redeemable at the option of the issuer thereof), the principal of and the interest on which when due (or redeemable at the option of the holder) will provide money which, together with the money, if any, deposited with the Trustee as the same time, shall be sufficient to pay when due the principal, or the Redemption Price to become due on said Bonds, on the redemption date or maturity date thereof, as the case may be, as confirmed by a verification report prepared by an independent certified accounting firm or similarly qualified firm; and

(3) neither such Investments nor any money so deposited with the Trustee, nor any money received by the Trustee on account of principal or interest on said Investments may be withdrawn or used for any purpose other than, and all such money shall be held in trust for and be applied to the payment, when due, of the principal, redemption premiums or interest for the payment or redemption of which they were deposited.

(E) Anything in this General Indenture to the contrary notwithstanding, any moneys held by a Bond Service Provider in trust for the payment and discharge of any of the Bonds which remain unclaimed for three (3) years after the date when all of the Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Bond Service Provider at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Bond Service Provider after the said date when all of the Bonds became due and payable, shall, at the written request of the Corporation, be repaid by the Bond Service Provider to the Corporation, as its absolute property and free from trust, and the Bond Service Provider shall thereupon be released and discharged; except that before being required to make any such payment to the Corporation, the Bond Service Provider shall, at the expense of the Corporation, (i) cause to be published at least twice, at an interval of not less than seven (7) days between publications, in Authorized Newspapers notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than ten (10) nor more than twenty (20) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Corporation, or (ii) at the direction of the Corporation, cause such notice then required under State law in a form then permitted under State law.

Section 1202. *Evidence of Signatures of Bondholders and Ownership of Bonds.*

(A) Any request, consent, revocation of consent or other instrument which this General Indenture may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the authorized execution of any such instrument shall be sufficient for any purpose of this General Indenture, if made in the following manner, or in any other manner satisfactory to the Trustee which may, nevertheless in its discretion, require further or other proof in cases where it deems the same desirable:

(1) the fact and date of the execution by any Bondholder or his or her attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the

certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or financial firm or corporation (including members of the Financial Industry Regulatory Authority) satisfactory to the Trustee that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof;

(2) the authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof, if such instrument is signed by a person purporting to be the president or vice president of such corporation, with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary;

(3) the amount of Bonds transferable by delivery held by any person executing any such instrument as a Bondholder, and the numbers and other identification thereof, and the date of his or her holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, of an officer of a bank, trust company, financial firm or corporation (including members of the Financial Industry Regulatory Authority) or other depository satisfactory to the Trustee, showing that at a date therein mentioned such person exhibited to or had on deposit with such bank, trust company, insurance company or financial firm or corporation Bonds described or referred to in such certificate; and such a certificate may be made and given by an officer or member of any bank, trust company, insurance company or financial firm or corporation with respect to Bonds held by it, if acceptable to the Trustee; and

(4) the holding of Bonds registered otherwise than to bearer, the amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the registry books.

(B) Any request, consent or other instrument executed by the Holder or owner of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Corporation or any Bond Service Provider in accordance therewith.

Section 1203. *Date and Other Details of Documents Delivered to Bond Service Providers.* All documents delivered to the Trustee with respect to the delivery of the Bonds of a Series shall be dated as of the date of the delivery of such Bonds by the Corporation. All other documents delivered to any Bond Service Provider pursuant hereto, including documents signed by any Authorized Representative and Auditor's Opinions, Counsel's Opinions and Officer's Certificates but not including Bonds or any documents signed by any Bondholder or Bond Service Provider, shall be dated as of the date of delivery thereof and in the case of documents delivered to the Trustee pursuant to Article VIII with respect to a Supplemental Indenture, as of a date subsequent to the date of adoption by the Corporation of such Supplemental Indenture. Matters required to be stated in any document signed by any Authorized Representative or in any Auditor's Opinion, Counsel's Opinion or Officer's Certificate may be stated in separate documents of the required description or may be included in one or more thereof.

Section 1204. *No Recourse on Bonds.* No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this General Indenture against any member or officer of the Corporation or any person executing the Bonds.

Section 1205. *Successorship of the Corporation; Effect of Covenants.* All covenants, stipulations, obligations and agreements of the Corporation contained in this General Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, body, commission, authority, or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, agent or employee of the Corporation in his or her individual capacity, and neither the Corporation nor any trustee or officer thereof, present or future, executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or responsibility by reason of the issuance thereof.

Section 1206. *Manner of Giving Notice.* All notices, demands, directions, requests, instructions, certificates, or other communications hereunder (except as to Bondholders) shall be in writing and shall be sufficiently given and shall be deemed given when transmitted via Electronic Means or mailed by certified or registered mail, postage prepaid, with proper address as indicated below. The Corporation and the Trustee may, by written notice given by each to the other, designate any address or addresses to which notices, certificates, or other communications to them shall be sent when required as contemplated by this General Indenture. Until otherwise provided by the respective parties, all notices, certificates, and communications to each of them shall be addressed as follows:

To the Corporation: Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752
Attention: President

To the Trustee: COMPUTERSHARE TRUST COMPANY, N.A.

Attention: Corporate Trust Services

Notwithstanding the foregoing, any notice, direction, or other communication given hereunder from the Corporation to any Bond Service Provider, or from any Bond Service Provider to the Corporation, may be given by sending it via e-mail or other Electronic Means in lieu of regular mail. In the case of e-mail or other Electronic Means, valid notice shall only have been deemed to have been given when an electronic confirmation of delivery has been obtained by the sender at the e-mail or other electronic address provided by each party, as updated from time to time. Any e-mail communication shall be deemed to have been validly and effectively given on the date of such communication, if such date is a business day and such delivery was made prior to 4:00 p.m., Central Time, and otherwise on the next business day.

All documents received by the Trustee under the provisions of this General Indenture, or photographic copies thereof, shall be retained in its possession until this Indenture shall be released as provided herein, subject at all reasonable times to the inspection of the Corporation, any Bondholder, and the agents and representatives thereof.

Section 1207. *Notices to Rating Agencies.* The Trustee shall cause a copy of each amendment, change or modification to this General Indenture or any Supplemental Indenture hereto to be transmitted to each Rating Agency then rating the Bonds at the request of the Corporation at least 15 days in advance of the execution and delivery of such amendment, change or modification. In addition, the Trustee shall cause a notice of the following to be mailed to each Rating Agency then rating the Bonds at the request of the Corporation: the redemption or defeasance of any Series of Bonds; the occurrence of any Event of Default under this General Indenture and the acceleration of any Series of Bonds.

Section 1208. *Effect of Partial Invalidity.* In case any one or more of the provisions of this General Indenture or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this General Indenture or of the Bonds, but this General Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this General Indenture shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Corporation to the full extent permitted by law.

Section 1209. *Substitute Publication or Mailing.* If, because of the temporary or permanent suspension of publication of any newspaper or financial journal or for any other reason, the Trustee or the Corporation shall be unable to publish in a newspaper or financial journal any notice required to be published by the provisions of this General Indenture, the Trustee or the Corporation, as the case may be, shall give such notice in such other manner as in its judgment shall most effectively approximate such publication thereof, and the giving of such notice in such manner shall for all purposes of this General Indenture be deemed to be compliance with the requirement for the publication thereof.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Bondholders when such notice is required to be given pursuant to any provision of this General Indenture, any manner of giving notice as shall be satisfactory to the Trustee and the Corporation shall be deemed to be a sufficient giving of such notice.

Section 1210. *Headings, Table of Contents and Notes for Convenience Only.* Any heading preceding the text of the several articles hereof and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this General Indenture, nor shall they affect its meaning, construction or effect.

Section 1211. *Payment Due on Weekends and Holidays.* If the date for making any payment of principal or premium, if any, or interest or the last date for performance of any act or the exercising of any right, as provided in this General Indenture, shall be a legal holiday or a day on which banking institutions in the city where the applicable Bond Service Provider is located, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or not a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this General Indenture.

Section 1212. *Security Instrument.* A certified copy of this General Indenture, delivered to and

accepted by the Trustee, shall constitute a security agreement pursuant to and for all purposes of the State Uniform Commercial Code.

Section 1213. *Counterparts.* This General Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1214. *Reliance by Corporation on Facts or Certificates.* Anything in this Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Corporation may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Corporation by the Trustee as to the existence of any fact or state of affairs required hereunder to be noticed by the Corporation.

Section 1215. *Immunity of Corporation Parties.* No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Corporation contained in this Indenture, any other Corporation Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Corporation contained in any agreement, instrument, or certificate executed in connection with the Program or the issuance and sale of the Bonds, against any of the Corporation Parties, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any of the Corporation Parties, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Corporation with the Trustee, or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Corporation Party (to the extent any such liability exists) is, by the execution of the Bonds, this General Indenture, and the other Corporation Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this General Indenture, and the other Corporation Documents, expressly waived and released.

Section 1216. *No Pecuniary Liability of Corporation.* No agreements or provisions contained herein, or any agreement, covenant, or undertaking by the Corporation in connection with the Program or the issuance, sale, remarketing, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Corporation or a charge against its general credit, or shall obligate the Corporation financially in any way, except as may be payable from the revenues pledged hereby for the payment of the Bonds and their application as provided in this General Indenture. No failure of the Corporation to comply with any term, covenant, or agreement contained in the Bonds, this General Indenture or in any document executed by the Corporation in connection with the Program or the issuance and sale of the Bonds, shall subject the Corporation to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent the same can be paid or recovered from the Trust Estate pledged for the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Corporation for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Corporation, except as may be payable from the Trust Estate pledged under this General Indenture for the payment of the Bonds. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Corporation, or the breach thereof, shall constitute an indebtedness of the Corporation within the meaning of any State constitutional or

statutory limitation or shall constitute or give rise to a charge against the Corporation's general credit. In making the agreements, provisions, and covenants set forth in this General Indenture, the Corporation has not obligated itself, except with respect to the application of the Trust Estate pledged in this General Indenture for the payment of the Bonds.

Section 1217. *Survival.* Notwithstanding the payment in full of the Bonds, the discharge of this General Indenture, all provisions in this General Indenture concerning (a) the tax-exempt status of the Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this General Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Corporation's right to rely on facts or certificates, (f) the indemnity of the Corporation Parties from liability (pecuniary or otherwise) and their rights to receive payment or reimbursement with respect thereto, and (g) the lack of pecuniary liability of the Corporation, and the State, shall survive and remain in full force and effect.

Section 1218. *Governing Law and Venue.* This General Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to any choice of law principles except as such laws may be preempted by any federal rules, regulations and laws applicable to the Corporation. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this General Indenture against the Corporation shall be brought and maintained in the District Courts in Travis County, Texas or the United States District Court for the Western District of Texas, Austin, Division.

[Signatures on next page]

IN WITNESS WHEREOF, the Texas State Affordable Housing Corporation has caused these presents to be signed in its name and behalf by an Authorized Representative, and to evidence its acceptance of the trusts hereby created the Trustee has caused these presents to be signed in its name and behalf by its duly authorized officers, all as of the date first above written.

TEXAS STATE AFFORDABLE HOUSING

By: _____
Name: David Long
Title: President

COMPUTERSHARE TRUST COMPANY, N.A., as
Trustee

By: _____
Name: _____
Title: _____

Tab 4

Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance, Sale and Delivery of Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) and Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable); Authorizing a Series 2026A/B Indenture, Official Statement, Bond Purchase Contract and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Homeownership Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto.

Tab 4

Presentation, Discussion and Possible Approval of a Resolution Authorizing the Issuance, Sale and Delivery of Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) and Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable); Authorizing a Series 2026A/B Indenture, Official Statement, Bond Purchase Contract and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Homeownership Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto.

Bond documents relating to the proposed:

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

presented to the Board of Directors of Texas State Affordable Housing Corporation
(June 16, 2026 board meeting)

Document
Number:

1. Bond Resolution authorizing the issuance of the bonds and approving the substantially final bond documents (as listed below)
2. Series 2026A/B (supplemental) Indenture
3. Preliminary Official Statement
4. Bond Purchase Contract
5. Continuing Disclosure Agreement

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

**Bond Document No. 1:
Bond Resolution**

RESOLUTION NO. 26-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Resolution Authorizing the Issuance, Sale and Delivery of Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) and Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable); Authorizing a Series 2026A/B Indenture, Official Statement, Bond Purchase Contract and Continuing Disclosure Agreement Relating to Such Bonds, Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Texas State Affordable Housing Corporation Homeownership Loan Program Relating to Such Bonds; and Containing Other Matters Incident and Related Thereto

WHEREAS, the Texas State Affordable Housing Corporation (the “Issuer”) 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 (now codified as V.T.C.A. Business Organizations Code, Chapter 22, as amended) and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “Act”), the Issuer is authorized to establish one or more programs (each a “Program”) to provide adequate, safe and sanitary housing for individuals and families of low, very low and extremely low income and for persons who are eligible for loans under the home loan program provided by Section 2306.5621 of the Act; and

WHEREAS, the Issuer and Computershare Trust Company, N.A., as trustee (the “Trustee”) are parties to that certain General Indenture of Trust dated as of October 1, 2026 (as it has been and may from time to time be supplemented, modified or amended by one or more instruments supplemental thereto entered into pursuant to the applicable provisions thereof, including the Series Indenture [as defined below], the “General Indenture”); and

WHEREAS, the Issuer and the Trustee are authorized under Section 201 of the General Indenture to enter into one or more indentures supplemental to the General Indenture to issue Bonds (as defined in the Indenture) under the General Indenture and a series supplemental indenture in accordance with the provisions thereof;

WHEREAS, the Board of Directors of the Issuer (the “Board”) has determined to adopt and implement a homeownership loan program (the “2026A/B Program”), a part of which will be financed with the proceeds of the Series 2026A/B Bonds (as defined below) to provide eligible individuals and families of low, very low and extremely low income meeting the requirements of the Act and the associated Program with home mortgage loans with low interest rates and/or down payment and closing cost assistance in a format determined by the Issuer; and

WHEREAS, Section 103(a) and Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”) provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be exempt from federal income taxation if such issue meets certain requirements set forth in said Section 143 of the Code; and

WHEREAS, the 2026A/B Program has been designed to provide down payment and closing cost assistance to eligible mortgagors participating in the 2026A/B Program; and

WHEREAS, the Issuer believes that the down payment and closing cost assistance and the interest rate or rates associated with the mortgage loans will make the 2026A/B Program attractive to potential mortgagors; and

WHEREAS, in order to carry out the 2026A/B Program, the Board of Directors of the Issuer has determined that the Issuer shall issue its (i) Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) (the "Series 2026A Bonds") and (ii) Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable) (the "Taxable Series 2026B Bonds" and together with the Series 2026A Bonds, the "Series 2026A/B Bonds"), pursuant to the General Indenture and a Series 2026A/B Indenture, dated as of October 1, 2026, between the Issuer and the Trustee (the "Series 2026A/B Indenture"), prepared in connection with the issuance of the Series 2026A/B Bonds, thereby making funds available for acquiring Guaranteed Mortgage Securities (as defined in the General Indenture) which are backed by mortgages on residences meeting the requirement of the 2026A/B Program and related down payment assistance loans, all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Issuer further proposes to sell the Series 2026A/B Bonds, upon the issuance thereof, to Raymond James & Associates, Inc., on behalf of itself and as representative of Fidelity Capital Markets, a division of National Financial Services LLC (together, the "Purchaser"), all as referenced in the Bond Purchase Contract between the Issuer and the Purchaser (the "Purchase Contract"); and

WHEREAS, the Board has determined to authorize the investment of all or a portion of the proceeds of the Series 2026A/B Bonds and any other amounts held under the Series 2026A/B Indenture with respect to the Series 2026A/B Bonds in investments permitted by the Series 2026A/B Indenture, including the investment in one or more investment agreements on or after the closing date or such other investments as the authorized representatives named herein may approve; and

WHEREAS, there have been presented to the Issuer proposed forms of each of the following and all of which comprise a part of this Resolution:

1. the Series 2026A/B Indenture;
2. the Continuing Disclosure Agreement by and between the Issuer and the Trustee (the "Disclosure Agreement");
3. the Purchase Contract; and
4. the Preliminary Official Statement relating to the Series 2026A/B Bonds (the "Preliminary Official Statement").

WHEREAS, the Issuer finds the form and substance of the above-listed documents (hereinafter, collectively the "Bond Documents") to be satisfactory and proper and finds the recitals with regard to the Issuer contained therein to be true, correct and complete and hereby determines to proceed with the issuance and sale of the Series 2026A/B Bonds to carry out the 2026A/B Program, the execution of such documents and the taking of such other actions as may be necessary and appropriate in connection therewith;

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

Section 1. Approval of 2026A/B Program. That the Issuer hereby expresses its intent to implement the 2026A/B Program under which the Trustee, on behalf of the Issuer, will acquire Guaranteed Mortgage Securities backed by mortgages on residences in the State of Texas owned and occupied by eligible individuals and families of low, very low and extremely low income and by persons who are eligible for loans under the home loan program provided by Section 2306.5621 of the Act (collectively, "Eligible Borrowers") and related down payment assistance loans.

Section 2. Public Purposes of 2026A/B Program and Series 2026A/B Bonds. That the Issuer hereby finds, determines, recites and declares that the adoption and implementation of the 2026A/B Program, including the down payment and closing cost assistance and the interest rate or rates to be borne by the mortgage loans, and the issuance of the Series 2026A/B Bonds in one or more series will promote the public purposes set forth in the Act, including, without limitation, assisting Eligible Borrowers in acquiring and owning adequate, safe and sanitary housing.

Section 3. Issuance, Execution and Delivery of the Series 2026A/B Bonds. That the issuance of the Series 2026A/B Bonds in the maximum aggregate principal amount of not to exceed \$110,000,000 is hereby authorized, all under and in accordance with the General Indenture and the Series 2026A/B Indenture (together, the "Indenture"), and that, upon execution and delivery of the Series 2026A/B Indenture, the officers of the Issuer are each hereby authorized to execute and attest the Series 2026A/B Bonds and to deliver the Series 2026A/B Bonds to the Trustee for authentication all as provided in the Indenture. The Series 2026A/B Bonds shall mature on the dates and in the principal amounts, shall bear interest at the rates and shall be subject to redemption prior to maturity on the date or dates and in the amounts as specified in the Series 2026A/B Indenture.

Section 4. Approval, Execution and Delivery of the Series 2026A/B Indenture. That the Series 2026A/B Indenture, in substantially the form and substance as presented to the Board of Directors at the meeting at which this Resolution was considered, with such changes or additions thereto as may be approved by the Chair or Vice Chair of the Board, the President or Executive Vice President of the Issuer (upon the advice of bond counsel to the Issuer), as evidenced by the execution of the Indenture by said Chair, Vice Chair, President or Executive Vice President, is hereby approved and that the proper officers of the Issuer are each hereby authorized and directed to execute and attest the Series 2026A/B Indenture and to deliver the Series 2026A/B Indenture to the Trustee.

Section 5. Purchase Contract and Sale of the Series 2026A/B Bonds. That the Purchase Contract, in substantially the form and substance as presented to the Board at the meeting at which this Resolution was considered, with such changes or additions thereto as may be approved by the Chair or Vice Chair of the Board, the President or Executive Vice President of the Issuer (upon the advice of bond counsel to the Issuer), as evidenced by the execution of the Purchase Contract by said Chair or Vice Chair, President or Executive Vice President, is hereby approved and that the proper officers of the Issuer are each hereby authorized and directed to execute the Purchase Contract and to deliver the Purchase Contract to the Purchaser. That the sale and delivery of the Series 2026A/B Bonds to the Purchaser, upon the terms and conditions set forth in the Purchase Contract between the Issuer and the Purchaser is hereby authorized and approved. The Series 2026A/B Bonds shall be sold to the Purchaser at the

purchase price specified in the Purchase Contract. The Issuer hereby authorizes the Chair or Vice Chair of the Board, the President or Executive Vice President of the Issuer, either individually or in any combination of such officers, for and on behalf of the Issuer, to determine the actual Purchaser and the terms of the Purchase Contract. Upon execution by the parties thereto and delivery thereof, the Purchase Contract shall be binding upon the Issuer in accordance with the terms and provisions thereof. In addition, the officers of the Issuer are each authorized and directed to execute any necessary certificates evidencing approval of any or all of the matters set forth in this Section 5. In the event it becomes necessary to engage any other investment banking firm or investment banking firms to assist in the sale of the Series 2026A/B Bonds, the President or the Executive Vice President of the Issuer shall be and hereby is authorized to engage the services of any such investment banking firm or firms.

Section 6. Approval, Execution and Delivery of the Disclosure Agreement. That the Disclosure Agreement, in substantially the form and substance of the Disclosure Agreement presented to the Board at the meeting at which this Resolution was considered, with such changes or additions thereto as may be approved by the Chair or Vice Chair of the Board, the President or Executive Vice President of the Issuer (upon the advice of bond counsel to the Issuer), as evidenced by the execution of the Disclosure Agreement by said Chair, Vice Chair, President or Executive Vice President, is hereby approved and that the proper officers of the Issuer are each hereby authorized and directed to execute and attest the Disclosure Agreement and to deliver the Disclosure Agreement to the Trustee.

Section 7. Approval, Execution, Use and Distribution of Offering Document. That the Preliminary Official Statement, in substantially the form and substance of the Preliminary Official Statement presented to the Board at the meeting at which this Resolution was considered, and the changes to the Preliminary Official Statement which will result in the final Official Statement proposed to be delivered in connection with the sale of the Series 2026A/B Bonds (the "Official Statement"), in substantially the form and substance approved by the Chair and Vice Chair of the Board, the President or the Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer) as evidenced by their execution thereof, are hereby approved and the Chair or Vice Chair of the Board, the President and the Executive Vice President of the Issuer are each, individually, hereby authorized and directed, for and on behalf of the Issuer, to execute the Preliminary Official Statement and the Official Statement. Delivery to the Purchaser of the Preliminary Official Statement and the Official Statement is hereby authorized.

Section 8. Execution and Delivery of Other Documents. That the officers of the Issuer are each hereby authorized to consent to, accept, execute and attest such other agreements, including investment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, offering documents, 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, the 2026A/B Program and the issuance, sale and delivery of the Series 2026A/B Bonds.

Section 9. Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Chair and Vice Chair of the Board, the President, Executive Vice President, Secretary, any Assistant Secretary or Assistant Corporate Secretary of the Issuer are each hereby authorized to make or approve such revisions in the form of the Bond Documents as, in the opinion of counsel to the Issuer or bond counsel, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and the 2026A/B Program.

Section 10. Appointment of Trustee. Computershare Trust Company, N.A. is hereby appointed as Trustee and paying agent under the terms of the Indenture for the Series 2026A/B Bonds. If said bank shall be unable or unwilling to so serve, the Chair and the Vice Chair of the Board, President or Executive Vice President of the Issuer are each hereby authorized and directed to designate a commercial bank or other entity with trust powers acceptable to it to serve as Trustee and paying agent.

Section 11. Delegation to President or Executive Vice President. The President and Executive Vice President of the Issuer, either individually or jointly, are hereby authorized to approve any different date, designation or title by which the Series 2026A/B Bonds shall be known, the principal amounts, series and maturities of the Series 2026A/B Bonds to be issued pursuant to this Resolution, to approve the interest rate or rates to be borne by the Series 2026A/B Bonds, provided, however, that the interest rate shall never exceed 15% per annum and they are further authorized to determine the interest rates and down payment assistance and closing cost amounts for the mortgage loans, provided however, that no mortgage loan interest rate shall exceed 10% per annum. The President and Executive Vice President of the Issuer, either individually or jointly, are further authorized to engage the services of consultants that may be needed, in the opinion of such officer, to fully complete the issuance and delivery of the Series 2026A/B Bonds.

Section 12. Ratification of Certain Prior Actions. That all prior actions taken by or on behalf of the Issuer in connection with the 2026A/B Program and the Series 2026A/B Bonds, are hereby authorized, ratified, confirmed and approved.

Section 13. Purposes of Resolution. That the Board has expressly determined and hereby confirms that the issuance of the Series 2026A/B Bonds and the implementation of the 2026A/B Program accomplish a valid public purpose of the Issuer by assisting Eligible Borrowers to obtain adequate, safe and sanitary housing, thereby promoting the public health, welfare and safety for Eligible Borrowers in the State of Texas.

Section 14. Limited Obligations. That the Series 2026A/B Bonds and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds and assets pledged under the Indenture to secure payment of the Series 2026A/B Bonds and under no circumstances shall the Series 2026A/B Bonds be payable from any other revenues, funds, assets or income of the Issuer.

Section 15. Obligations of Issuer Only. That the Series 2026A/B Bonds and the interest thereon shall not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the State of Texas or any other political subdivision or governmental unit of the State of Texas.

Section 16. Conflicting Prior Actions. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Issuer in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 17. Authorization of Investment. That the Board hereby authorizes the Chair of the Board, Vice Chair of the Board and the President or Executive Vice President of the Issuer to direct the Trustee to invest any funds received by the Trustee pursuant to the Indenture in Investments as defined in the General Indenture.

Section 18. Incorporation of Findings and Determinations. The findings and determinations of the Issuer contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

Section 19. Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

[Remainder of page intentionally left blank]

PASSED, APPROVED AND EFFECTIVE this June 16, 2026.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

President

ATTEST:

Secretary

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

**Bond Document No. 2:
Series 2026A/B (supplemental) Indenture**

SERIES 2026A/B INDENTURE

By and Between

TEXAS STATE AFFORDABLE HOUSING CORPORATION

and

**COMPUTERSHARE TRUST COMPANY, N.A.
as Trustee**

Dated as of October 1, 2026

\$

**Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)**

\$

**Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026B (Taxable)**

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SERIES 2026A/B INDENTURE

THIS SERIES 2026A/B INDENTURE, dated as of October 1, 2026 (this “**Series 2026A/B Indenture**”), entered into pursuant to that certain General Indenture of Trust, dated as of October 1, 2026 (the “**General Indenture**,” and together with this Series 2026A/B Indenture, the “**Indenture**”), is made by and between the **TEXAS STATE AFFORDABLE HOUSING CORPORATION** (together with its successors and assigns, the “**Corporation**” or “**Issuer**”), a public nonprofit corporation duly created, organized and existing pursuant to Subchapter Y, Chapter 2306, Texas Government Code, as amended (the “**Act**”) and **COMPUTERSHARE TRUST COMPANY, N.A.** as trustee (the “**Trustee**”).

WITNESSETH:

WHEREAS, the Corporation and the Trustee have heretofore entered into the General Indenture for the purposes set forth therein, including, but not limited to, making funds available to finance Qualified Mortgage Loans through the purchase of Guaranteed Mortgage Securities and the funding of down payment and closing cost assistance under its homeownership loan program (the “**Program**”); and

WHEREAS, the General Indenture authorizes the Corporation to issue Bonds pursuant to the General Indenture and one or more series indentures to finance the Program and to refund outstanding bonds of the Corporation; and

WHEREAS, in order to accomplish the purposes set forth in the General Indenture and to continue to finance the Program, including providing down payment and closing cost assistance to qualifying borrowers, the Corporation has determined it appropriate and necessary to issue two series of Bonds pursuant to this Series 2026A/B Indenture: \$_____ Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026A Bonds (Non-AMT) (the “**Series 2026A Bonds**”) and \$_____ Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026B Bonds (Taxable) (the “**Series 2026B Bonds**”, together with the Series 2026A Bonds, the “**Series 2026A/B Bonds**”); and

WHEREAS, the execution and delivery of this Series 2026A/B Indenture has been in all respects duly and validly authorized by a resolution duly adopted by the Corporation on June 16, 2026; and

WHEREAS, all things necessary to make the Series 2026A/B Bonds, when executed by the Corporation and authenticated by the Trustee, valid and binding special legal obligations of the Corporation and to make this Series 2026A/B Indenture a valid and binding agreement have been done; and

WHEREAS, all terms not otherwise defined in this Series 2026A/B Indenture shall have the meanings assigned thereto in the General Indenture.

NOW, THEREFORE, THIS SERIES 2026A/B INDENTURE WITNESSETH that the Corporation hereby agrees and covenants with the Trustee, except as otherwise provided herein for all equal and proportional benefit of the respective Holders, from time to time, of the Series 2026A/B Bonds, or any part thereof, as follows:

ARTICLE I DEFINITIONS AND CORPORATION

SECTION 1.01 Definitions.

All terms defined in Section 101 of the General Indenture shall have the same meanings in this Series 2026A/B Indenture as such terms are given in the General Indenture. In addition, unless the context shall otherwise require, the following terms shall have the following respective meanings in this Series 2026A/B Indenture:

“Beneficial Owner” shall mean, whenever used with respect to a Series 2026A/B Bond, the person in whose name such Series 2026A/B Bond is recorded as the beneficial owner of such Series 2026A/B Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Bond Purchase Contract” means that Bond Purchase Contract, dated _____, 2026, between the Corporation and the Underwriter relating to the purchase and sale of the Series 2026A/B Bonds.

“Bond Counsel” shall mean such attorney or firm of attorneys of nationally recognized standing in matters pertaining to the Tax-Exempt nature of interest on bonds (who may be employed by or of counsel to the Issuer or an attorney or firm of attorneys retained by it in other connections) licensed to practice in the State in which he or it maintains an office, selected, or employed by the Issuer. Initially, the Issuer has designated Norton Rose Fulbright US LLP, Dallas, Texas, as Bond Counsel.

“Bond Year” means, with respect to the Series 2026A Bonds, a twelve-month period ending on August 31st of each year, except that the first Bond Year shall commence on the date of delivery of the Series 2026A Bonds and shall end on August 31, 20[27].

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

“Closing Date” shall mean _____, 2026, the date of issuance and delivery of the Series 2026A/B Bonds.

“Closing Memorandum” shall mean the Closing Memorandum by the Underwriter dated _____, 2026 attached hereto as **Exhibit F**.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement between the Corporation and the Trustee, as the dissemination agent, dated the date of issuance of the Series 2026A/B Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Corporation Fees” has the meaning set forth in Section 5.02 hereof.

“Depository” means Computershare Trust Company, N.A., a national banking association, acting as depository with respect to the Series 2026A/B Bonds.

“Directed Series 2026A/B Principal Payments” means, with respect to any redemption date, repayments and Prepayments from Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities, less the principal amount of any Series 2026A/B Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no such Series 2026A/B Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or Sinking Fund Payment amount of such Series 2026A/B Bonds).

“DPA Second Mortgage Loan” means a Qualified Mortgage Loan secured by a subordinate lien made for the purpose of providing down payment and closing cost assistance in connection with a Series 2026A/B Mortgage Loan.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Excess Revenues” means Revenues under the General Indenture which are not required to make Debt Service Payments under the General Indenture.

“Fee Schedule” means the schedule of fees entered into between the Corporation and the Trustee.

“FHA” shall mean the Federal Housing Administration of the United States Department of Housing and Urban Development, or other corporation or instrumentality created or chartered by the United States of America to which the powers of the Federal Housing Administration have been transferred.

“FHA Insurance” shall mean FHA mortgage insurance issued by the FHA under one of its insurance programs pursuant to Sections 203(b) (Home Unsubsidized), 203(k), 203(h), 221(d)(2) and 234(c) (Condominium Ownership) of the National Housing Act.

“FHA-Insured” shall mean insured under FHA Insurance.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation.

“GNMA” means the Government National Mortgage Association.

“Guaranteed Mortgage Securities” means mortgage-backed securities guaranteed as to payment of principal and interest by GNMA, Fannie Mae (formerly known as the Federal National Mortgage Association), Freddie Mac, or any other corporation or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase or guarantee timely payment of Qualified Mortgage Loans backed by or representing Mortgage Loans.

“Initial Offering Price” shall mean _____%.

“Interest Payment Date” shall mean each March 1 and September 1, commencing March 1, 2027, until maturity or earlier redemption.

“Investments” has the meaning assigned thereto in Section 101 of the General Indenture.

“Issue Date” has the meaning set forth in Section 3.01(a) hereof.

“Lender Program Guideline Agreements” shall mean the (i) Bond Program Guidelines, (ii) HOME/MRB Bond Program Guidelines, and (iii) Texas State Affordable Housing Corporation Guidelines for Down Payment Assistance (Bond and Non-Bond) and Mortgage Credit Certificates.

“Master Servicer” shall mean Lakeview Loan Servicing, LLC, a Delaware limited liability company.

“Mortgage Loan” means a loan to a Mortgagor, secured by a Mortgage on a Home, and evidenced by a promissory note. The definition of “Mortgage Loan” shall not include, unless otherwise provided in a Series Indenture, any Mortgage Loan which is not credited to a Mortgage Loan Account, the Revenue Fund or other Fund or Account established under the General Indenture.

“National Housing Act” shall mean the National Housing Act of 1937, as amended, 12 U.S.C. § § 1716 *et seq.*

“Officer’s Certificate” shall mean the certificate in the form attached hereto as **Exhibit D** from the Corporation directing the Trustee from time to time apply moneys held in each Mortgage Loan Account for the purpose of financing or purchasing Qualified Mortgage Loans or of reimbursing the Corporation for payments made by it from other funds for that purpose, stating: (1) the Mortgage Loan Account from which the payment is to be made and the amount, manner, and recipient of the payment, which may be made to the Corporation or to a Mortgage Lender; and (2) that each Qualified Mortgage Loan fully satisfies the provisions of Section 304 of the General Indenture.

“Participants” means those broker-dealers, banks and other financial institutions for which DTC holds Series 2026A/B Bonds as securities depository.

“Participating Lenders” means those mortgage lenders and other financial institutions participating in the Program to finance Series 2026A/B Mortgage Loan.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

“Paying Agent” means Computershare Trust Company, N.A. acting as paying agent with respect to the Series 2026A/B Bonds.

“Prepayments” means any money received under the General Indenture and each Series Indenture from a payment of principal on a Mortgage Loan in excess of the scheduled payments of principal then due or from the sale of a Mortgage Loan.

“Principal Receipts” means of all or a portion of the principal amount of Mortgage Loans, including regularly scheduled principal payments and Prepayments.

“Program Documents” means the documents described in Section 4.08 hereof.

“Program Expenses” means the Corporation Fees, the Trustee Fees and the other fees as permitted under the definition of “Program Expenses” in the General Indenture.

“Program Notice” shall mean the notice to Participating Lenders announcing the terms of Mortgage Loans to be originated under a Program financed by each Series of Bonds.

“RD” shall mean the Rural Development Service of the U.S. Department of Agriculture (formerly, the Farmers Home Administration “FHA”) or other corporation or instrumentality created or chartered by the United States to which the powers of RD have been transferred.

“RD Guaranty” shall mean a guaranty by RD under the successor to the FHA Section 502 Guaranteed Homeownership Rural Housing Loan Program.

“Rebate Analyst” means the entity selected by the Corporation for purposes of calculating the “rebate amount” earned from the investment of gross proceeds of the Series 2026A Bonds in nonpurpose investments in accordance with the Tax Certificate relating to the Series 2026A Bonds.

“Registrar” means Computershare Trust Company, N.A. acting as registrar with respect to the Series 2026A/B Bonds.

“Restricted Principal Receipts” means Series 2026A Principal Repayments and Series 2026A Prepayments received on and after _____, 20__.

“S&P” shall mean S&P Global Ratings, a division of S&P Global Inc., or any successor to its functions that assigns a rating to the Series 2026A/B Bonds.

“Scheduled Sinking Fund Redemptions” means the amount designated for any particular due date in Section 3.02 hereof for the retirement of the Series 2026A Term Bonds or the Series 2026B Term Bonds, as applicable, on an unconditional basis.

“Series 2026A Bonds” means the Corporation’s Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT), authorized pursuant to this Series 2026A/B Indenture and the General Indenture in the aggregate principal amount of \$_____.

“Series 2026A Downpayment Assistance” means the original principal amount of a DPA Second Mortgage Loan.

“Series 2026A Downpayment Assistance Account” means the account so established in accordance with Section 3.04(e) hereof.

“Series 2026A PAC Bonds” shall mean the Series 2026A Bonds maturing on September 1, 2056, in the principal amount of \$_____.

“Series 2026A Term Bonds” shall mean the Series 2026A Bonds maturing September 1, 2041, September 1, 2046, September 1, 2051, September 1, 2056, and the Series 2026A PAC Bonds.

“Series 2026A/B Bonds” shall mean, together, the Series 2026A Bonds and the Series 2026B Bonds.

“Series 2026A/B Cost of Issuance Account” means the account so established in accordance with Section 3.04(c) hereof.

“Series 2026A/B Guaranteed Mortgage Securities” means the Guaranteed Mortgage Securities purchased by the Trustee with proceeds of the Series 2026A/B Bonds and backed by Series 2026A/B Mortgage Loans.

“Series 2026A/B Indenture” means this Series 2026A/B Indenture, dated as of October 1, 2026, between the Corporation and the Trustee, authorized and executed in accordance with the General Indenture.

“Series 2026A/B Interest Subaccount” means the subaccount so established in accordance with Section 3.04(b) hereof.

“Series 2026A/B Loan Prepayments” means Prepayments on Series 2026A/B Mortgage Loans.

“Series 2026A/B Mortgage Loan” means a Qualified Mortgage Loan originated in connection with the issuance of the Series 2026A/B Bonds which (a) is FHA-Insured or VA-Guaranteed, (b) has an RD Guaranty, or (c) is a conventional mortgage loan and which satisfies the requirements of this Series 2026A/B Indenture and Section 303 of the General Indenture.

“Series 2026A/B Mortgage Loan Account” means the account so established in accordance with Section 303 of the General Indenture and Section 3.04(a) hereof.

“Series 2026A/B Prepayments” shall mean unscheduled payments of principal from the Series 2026A/B Mortgage Loans.

“Series 2026A/B Principal Repayments” shall mean the scheduled payments of principal then due or from the sale of Series 2026A/B Mortgage Loans.

“Series 2026A/B Principal Subaccount” means the subaccount so established in accordance with Section 3.04(b) hereof.

“Series 2026A/B Revenue Account” means the account so established in accordance with Article IV of the General Indenture and Section 3.04(b) hereof.

“Series 2026A/B Unexpended Proceeds” means the proceeds of the Series 2026A/B Bonds deposited in the Series 2026A/B Mortgage Loan Account which are not applied to the purchase of Series 2026A/B Mortgage Loans, Series 2026A/B Guaranteed Mortgage Securities or DPA Second Mortgage Loans.

“Series 2026B Bonds” means the Corporation’s Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable), authorized pursuant to this Series 2026A/B Indenture and the General Indenture in the aggregate principal amount of \$_____.

“Series 2026B Serial Bonds” shall mean the Series 2026B Bonds maturing on each _____ and _____ as set forth in Section 3.02(a) hereof.

“**Series 2026B Term Bonds**” shall mean the Series 2026B Bonds maturing September 1, 2041 and September 1, 2046.

“**Tax Certificate**” means the Tax Certificate executed and delivered by the Corporation on the Closing Date with respect to the Series 2026A Bonds.

“**Trustee Fees**” has the meaning set forth in Section 5.03 hereof.

“**Underwriter**” means, collectively, the underwriters named in the Bond Purchase Contract.

“**VA**” shall mean the Veterans Administration, an agency of the United States of America, or any successor to its functions.

“**VA-Guaranteed**” shall mean guaranteed by the VA under the Serviceman’s Readjustment Act of 1944, as amended.

“**VA Guaranty**” shall mean a guaranty by the VA under the Serviceman’s Readjustment Act of 1944, as amended, meeting the requirements of the GNMA Guide, as defined in the Program Documents.

SECTION 1.02 Authority for this Series 2026A/B Indenture.

This Series 2026A/B Indenture is executed and delivered pursuant to the provisions of the Act and Article II of the General Indenture.

ARTICLE II AUTHORIZATION, PURPOSE, AND ISSUANCE OF THE SERIES 2026A/B BONDS

SECTION 2.01 Principal Amount, Designation, and Series.

In order to provide funds for the Program and for the other lawful purposes set forth herein and in the General Indenture, the Corporation hereby issues two Series of Bonds of the Corporation pursuant to the General Indenture to be designated: (i) “Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT)” in the aggregate principal amount of \$_____ and (ii) “Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable)” in the aggregate principal amount of \$_____, and with such other designations as may be determined necessary by an Authorized Representative.

SECTION 2.02 Purposes and Determinations.

The Series 2026A/B Bonds are issued for the purpose of financing Qualified Mortgage Loans through the purchase of Guaranteed Mortgage Securities backed by Mortgage Loans and the financing of DPA Second Mortgage Loans in connection with such Qualified Mortgage Loans. In accordance with the General Indenture, the aggregate principal amount of Series 2026A/B Bonds authorized to be issued hereunder is necessary to provide sufficient funds for such purposes.

SECTION 2.03 Pledge.

The pledge made and security interests granted in the General Indenture with respect to all Qualified Mortgage Loans (including any DPA Second Mortgage Loans, Revenues, money, securities, Funds and Accounts therein defined and created, and all covenants and agreements made by the Corporation therein, are made and granted for the equal benefit, protection and security of the Holders of all Bonds, including the Series 2026A/B Bonds, without preference, priority or distinction of one Bond over any other of that or any other Series similarly authorized and issued under the General Indenture, as fully as though set out at length and resolved herein.

SECTION 2.04 Form of Series 2026A/B Bonds.

(a) The Series 2026A/B Bonds shall be issuable in the form of fully registered Bonds, maturing as to principal amounts, subject to transfer, registration and exchange as provided in Article VI of the General Indenture. The Series 2026A/B Bonds authorized hereby shall be numbered serially, and no Series 2026A/B Bond, whether issued initially or upon reregistration, transfer, or exchange, shall bear the same number as any other Bond of the same Series contemporaneously Outstanding.

(b) The Series 2026A/B Bonds shall be typewritten or printed in substantially the form attached hereto as Exhibit A, with such additions, deletions, or modifications as are permitted or required by the form of bond and by the General Indenture or this Series 2026A/B Indenture.

SECTION 2.05 Conditions Precedent to Issuance and Delivery.

(a) ***Documents Furnished to Trustee.*** The Series 2026A/B Bonds are being issued to provide funds for the purchase of Guaranteed Mortgage Securities as set forth in Section 202(B) of the General Indenture. The Corporation shall furnish to the Trustee on the date of issuance and delivery of the Series 2026A/B Bonds each of the following items required by Section 203 of the General Indenture.

(1) copies of the General Indenture and this Series 2026A/B Indenture, certified by an Authorized Representative;

(2) a Bond Counsel Opinion that:

(i) the General Indenture and this Series 2026A/B Indenture have been duly adopted by the Corporation and are valid and binding upon it and enforceable in accordance with their terms;

(ii) the General Indenture creates the valid pledge which it purports to create; and

(iii) the principal amount of the Series 2026A/B Bonds and other obligations theretofore issued by the Corporation does not exceed any legal limitation;

(3) an Officer's Certificate, which may rely on the Cash Flow Certificate specified in subsection (4) below, stating:

(i) the amount of the proceeds of the Series 2026 A/B Bonds (and any other funds) to be credited to all Funds and Accounts referred to in Section 301 of the General Indenture as of the delivery of the Series 2026A/B Bonds;

(ii) that upon the issuance of such Series 2026A/B Bonds the Parity Test and the Cash Flow Test will be satisfied;

(iii) that the issuance of the Series 2026A/B Bonds will have no material adverse effect on the ability of the Corporation to pay, solely from the Trust Estate, all Principal Installments of and all Interest Requirements on all Bonds;

(iv) that the amount to be deposited in the Reserve Fund, if any, is sufficient to increase the amount in that Fund to the Reserve Requirement effective after the issuance of the Series 2026A/B Bonds; and

(v) that upon the issuance of the Series 2026A/B Bonds and deposit of amounts in all Funds and Accounts as directed in the Officer's Certificate and the related Series 2026A/B Indenture, the Parity Test will be satisfied; and

(4) The Cash Flow Certificate as required by Section 510(A) of the General Indenture.

(b) ***Trustee's Certification.*** The Trustee hereby determines and certifies that:

The Trustee has received the documents listed in paragraph (b) of Section 203 of the General Indenture; and

Upon the issuance of the Series 2026A/B Bonds, and deposit of amounts in all Funds and Accounts as directed in the Officer's Certificate, the Parity Test will be satisfied.

(c) ***Execution and Delivery of Series 2026A/B Bonds.*** The Series 2026A/B Bonds shall be printed or typewritten, shall be executed in the name of the Corporation by the manual or facsimile signature of an Authorized Representative and shall be authenticated by the Trustee by manual signature or, as applicable, registered by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent by the manual or facsimile signature of such person in accordance with the provisions of Section 603 of the General Indenture, and shall be sealed with a printed or actual facsimile of the official seal of the Corporation. After registration by the Comptroller of Public Accounts of the State of Texas or the authentication by the Trustee, as applicable, the Authorized Representative is authorized and directed to prepare, execute on the Corporation's behalf and deliver to the Underwriter the certificates, opinions and other documents specified in the Bond Purchase Contract, the General Indenture and this Series 2026A/B Indenture and to deliver the Series 2026A/B Bonds to the Underwriter after receipt by the Trustee of the purchase price in the amount and in the manner therein specified.

SECTION 2.06 Book-Entry System and Securities Depository.

(a) The Series 2026A/B Bonds shall be initially issued as separately authenticated fully registered Bonds, and one Bond of each Series shall be issued in the principal amount of each stated maturity of such Series. Upon initial issuance, the ownership of such Series 2026A/B Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Trustee and the Corporation may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2026A/B Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2026A/B Bonds, selecting the Series 2026A/B Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Series 2026A/B Bonds under the General Indenture or this Series 2026A/B Indenture, registering the transfer of Series 2026A/B Bonds, and for all other purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2026A/B Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Series 2026A/B Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2026A/B Bonds, with respect to any notice which is permitted or required to be given to owners of Series 2026A/B Bonds under the General Indenture or this Series 2026A/B Indenture, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2026A/B Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Series 2026A/B Bonds. So long as any Series 2026A/B Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall pay all principal of and interest on such Series 2026A/B Bond, and shall give all notices with respect to such Series 2026A/B Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to the principal of and interest on the Series 2026A/B Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2026A/B Bond for each separate stated maturity of each Series evidencing the obligation of the Corporation to make payments of principal and interest. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2026A/B Bonds will be transferable to such new nominee in accordance with subsection (c) hereof.

(b) If the Corporation determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2026A/B Bonds in the form of bond certificates, the Corporation may notify DTC and the Trustee, whereupon DTC shall notify the Participants of the availability through DTC of Series 2026A/B Bonds in the form of certificates. In such event, the Series 2026A/B Bonds will be transferable in accordance with subsection (c) hereof. DTC may determine to discontinue providing its services with respect to the Series 2026A/B Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2026A/B Bonds will be transferable in accordance with subsection (c) hereof.

(c) If any transfer or exchange of Series 2026A/B Bonds is permitted under subsection (a) or (b) hereof, such transfer or exchange shall be accomplished upon receipt by the

Trustee of the Series 2026A/B Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the General Indenture and this Series 2026A/B Indenture. If Series 2026A/B Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Series 2026A/B Bonds, or another securities depository as owner of all the Series 2026A/B Bonds, the provisions of the General Indenture and this Series 2026A/B Indenture shall also apply to all matters relating thereto, including, without limitation, the printing of such Series 2026A/B Bonds in the form of bond certificates and the method of payment of principal of and interest on such Series 2026A/B Bonds in the form of bond certificates. Prior to any transfer of the Series 2026A/B Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any costs basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

ARTICLE III

TERMS OF THE SERIES 2026A/B BONDS; CREATION OF FUNDS AND ACCOUNTS

SECTION 3.01 Issue Date; Denominations; Record Date; and Place of Payment.

- (a) The Issue Date of the Series 2026A/B Bonds shall be the Closing Date.
- (b) The Series 2026A/B Bonds shall be issued in denominations of \$5,000 principal amount, or any integral multiple thereof, not exceeding the principal amount maturing on any principal payment date.
- (c) Interest on the Series 2026A/B Bonds shall be payable on each Interest Payment Date by check or draft mailed to the person in whose name the Series 2026A/B Bond is registered on the registration books of the Trustee maintained by the Trustee at the close of business on the fifteenth day (whether or not a Business Day) preceding each Interest Payment Date (the “Record Date”) or, upon the written request of a Holder of a Series 2026A/B Bond and payment of any applicable wire transfer fee of the Trustee, by wire transfer on each interest payment date from the Trustee to the Holder thereof as of the Record Date; provided, however, that so long as all of the Outstanding Series 2026A/B Bonds are registered in the name of DTC or its designee, or other securities depository as permitted by paragraph (c) of Section 2.06 hereof, payment of interest on the Series 2026A/B Bonds shall be made in accordance with operational arrangements of the securities depository as agreed to by the Corporation.
- (d) The principal of and any redemption premium on any Series 2026A/B Bonds shall be payable at the designated corporate trust operations office of the Trustee upon presentation and surrender of the Series 2026A/B Bonds on or after the date of maturity or redemption thereof; provided, however, that so long as all Outstanding Series 2026A/B Bonds are registered in the name of DTC or its designee, or other permitted securities depository, the securities depository may, in its discretion, make a notation on any Series 2026A/B Bond indicating the date and amount of any reduction of principal except in the case of final maturity, in which case the Series 2026A/B Bonds shall be surrendered to the Trustee for payment.

SECTION 3.02 Maturities and Interest Rates.

(a) ***Series 2026A Serial Bonds.*** \$_____ principal amount of the Series 2026A Bonds shall be serial bonds maturing on _____ and _____ in the following years and amounts and bearing interest at the following rates per annum:

Maturity Date	Principal Amount	Interest Rate

(b) ***Series 2026A Term Bonds.***

\$_____ % per annum Series 2026A Term Bonds Due September 1, 2041
\$_____ % per annum Series 2026A Term Bonds Due September 1, 2046
\$_____ % per annum Series 2026A Term Bonds Due September 1, 2051
\$_____ % per annum Series 2026A Term Bonds Due September 1, 2056
\$_____ % per annum Series 2026A Term Bonds Due September 1, 2056 (2026A PAC Bonds)

(c) ***Series 2026B Serial Bonds.*** \$_____ principal amount of the Series 2026B Bonds shall be Serial Bonds maturing on _____ and _____ in the following years and amounts and bearing interest at the following rates per annum:

Maturity Date	Principal Amount	Interest Rate

(d) ***Series 2026B Term Bonds.***

\$ _____ % per annum Series 2026B Term Bonds Due September 1, 2041
\$ _____ % per annum Series 2026B Term Bonds Due September 1, 2046

SECTION 3.03 Redemption Provisions.

(a) ***Optional Redemption.*** The Series 2026A/B Bonds, other than the Series 2026A PAC Bonds, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, at any time on or after March 1, 2035, from any source of funds, at a redemption price equal to the principal amount thereof plus accrued interest to the sinking fund payment date referenced below, if any, to but not including the date fixed for redemption.

The Series 2026A PAC Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, at any time on or after March 1, 2035, from any source of funds, at the Redemption Prices listed below, together with accrued interest to the date fixed for redemption:

Redemption Date	Redemption Price
March 1, 2035	____.____%
On or after September 1, 2035	100.000%

If the Series 2026A PAC Bonds are redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by straight-line interpolation between the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

(b) ***Scheduled Sinking Fund Redemptions.***

(i) The Series 2026A Term Bonds maturing September 1, 2041 (the “***2041A Term Bonds***”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>
3/1/2039	
9/1/2039	
3/1/2040	
9/1/2040	
3/1/2041	
9/1/2041 ¹	

¹ Final Maturity.

(ii) The Series 2026A Term Bonds maturing September 1, 2046 (the “**2046A Term Bonds**”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2042	
9/1/2042	
3/1/2043	
9/1/2043	
3/1/2044	
9/1/2044	
3/1/2045	
9/1/2045	
3/1/2046	
9/1/2046	

1

¹ Final Maturity.

(iii) The Series 2026A Term Bonds maturing September 1, 2051 (the “**2051A Term Bonds**”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2047	
9/1/2047	
3/1/2048	
9/1/2048	
3/1/2049	
9/1/2049	
3/1/2050	
9/1/2050	
3/1/2051	
9/1/2051	

1

¹ Final Maturity.

(iv) The Series 2026A Term Bonds maturing September 1, 2056 (the “**2056A Term Bonds**”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2052	
9/1/2052	
3/1/2053	
9/1/2053	
3/1/2054	
9/1/2054	
3/1/2055	
9/1/2055	
3/1/2056	
9/1/2056	
1	

¹ Final Maturity.

(v) The Series 2026A Term Bonds maturing September 1, 2056 (the “**2056A PAC Bonds**”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2047	
9/1/2047	
3/1/2048	
9/1/2048	
3/1/2049	
9/1/2049	
3/1/2050	
9/1/2050	
3/1/2051	
9/1/2051	
3/1/2052	
9/1/2052	
3/1/2053	
9/1/2053	
3/1/2054	
9/1/2054	
3/1/2055	
9/1/2055	

3/1/2056
9/1/2056
1

¹ Final Maturity.

(vi) The Series 2026B Term Bonds maturing September 1, 2041 (the “**2041B Term Bonds**”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2029	
9/1/2029	
3/1/2040	
9/1/2040	
3/1/2041	
9/1/2041	
1	

¹ Final Maturity.

(vii) The Series 2026B Term Bonds maturing September 1, 2046 (the “**2046B Term Bonds**”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2042	
9/1/2042	
3/1/2043	
9/1/2043	
3/1/2044	
9/1/2044	
3/1/2045	
9/1/2045	
3/1/2046	
9/1/2046	
1	

¹ Final Maturity.

(c) ***Unexpended Proceeds Redemption.***

Series 2026A/B Bonds: The Series 2026A/B Bonds are subject to special redemption at the option of the Corporation, in whole or in part, at any time, from and to the extent that proceeds thereof deposited in the Series 2026A/B Mortgage Loan Account are not applied to the purchase of Series 2026A/B Mortgage Loans, Series 2026A/B Guaranteed Mortgage Securities or Series 2026A DPA Second Mortgage Loans (“***Series 2026A/B Unexpended Proceeds***”), at a redemption price equal to (i) in the case of the Series 2026A Bonds other than the Series 2026A PAC Bonds, the principal amount thereof, without premium, plus accrued interest to the redemption date, and (ii) in the case of the Series 2026[A/B] PAC Bonds, equal to a price of par, plus accrued interest to the redemption date, plus the unamortized premium thereon as determined by the Issuer by a straight-line amortization of the original issue premium on the Series 2026A PAC Bonds between the date of issue and September 1, 2035. The Series 2026A PAC Bonds Applicable Amounts set forth below for each semiannual period are to be reduced on a proportionate basis to the extent that amounts are applied to the redemption of the Series 2026A PAC Bonds from unexpended proceeds as described above. The Corporation shall determine or cause to be determined the amount of any remaining Series 2026A/B Unexpended Proceeds, if any, and shall apply such amount to the redemption of Series 2026A Bonds on or before [_____, 2030, as shall be necessary in the opinion of the Corporation, upon consultation with Bond Counsel, to meet the requirements of Section 143(a)(2)(D) of the Code. Series 2026A/B Bonds redeemed with Series 2026A Unexpended Proceeds will be redeemed on a pro rata basis, unless otherwise directed by the Corporation (provided that such direction shall not impact the weighted average life of the Series 2026A PAC Bonds).

(d) ***Special Redemption from Prepayments and Excess Revenues:*** The Series 2026A/B Bonds are subject to special redemption at the option of the Corporation, in whole or in part, on any Business Day, at the principal amount so called for redemption plus accrued interest thereon, without premium, from Prepayments under the General Indenture and from Revenues which are not required to make Debt Service Payments under the General Indenture (“***Excess Revenues***”). Prepayments of and Excess Revenues from Mortgage Loans other than the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities, may be applied to the redemption of the Series 2026A PAC Bonds, but only to the extent that such redemptions do not cause the outstanding balance of the Series 2026A PAC Bonds to be less than the Series 2026A PAC Bonds Applicable Amount set forth under “***Redemption of the Series 2026A PAC Bonds***” in the table in Section 3.03(e) below. Except as set forth below, Prepayments of and Excess Revenues from the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities may be used, at the direction of the Issuer, to redeem any Bonds, including Bonds other than the Series 2026A/B Bonds.

(e) ***Redemption of Series 2026A PAC Bonds:*** The Series 2026A PAC Bonds are subject to mandatory redemption from, and to the extent received, Directed Series 2026A/B Principal Payments. “Directed Series 2026A/B Principal Payments” means, with respect to any redemption date, repayments and Prepayments from Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) financed with the proceeds of the Series 2026A/B Bonds, less the sum of the principal amount of any Series 2026A/B Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no such Series 2026A/B Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or Sinking Fund Payment amount of such Series 2026A/B Bonds). The Series 2026A PAC Bonds shall be redeemed on one or more days during each semiannual period ending on March 1 and September 1, commencing with the

period ending September 1, 2027, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date to the extent that, after giving effect to such redemption, the aggregate principal amount of the Series 2026A PAC Bonds outstanding on such redemption date is not less than the Outstanding PAC Bonds Amounts as set forth in the table below.

The Outstanding PAC Bonds Amount as of each Bond Payment Date following redemption of the Series 2026A PAC Bonds is as follows:

Redemption Period Ending	Outstanding - PAC Bonds Amount
10/8/2026	
3/1/2027	
9/1/2027	
3/1/2028	
9/1/2028	
3/1/2029	
9/1/2029	
3/1/2030	
9/1/2030	
3/1/2031	
9/1/2031	
3/1/2032	
9/1/2032	
3/1/2033	
9/1/2033	
3/1/2034	
9/1/2034	
3/1/2035	
9/1/2035	
3/1/2036	
9/1/2036	

If the Directed Series 2026A/B Principal Payments are insufficient in any semiannual period to redeem the Series 2026A PAC Bonds in the amount described above, the Series 2026A PAC Bonds will continue to be redeemable in future semiannual periods from Directed Series 2026A/B Principal Payments received in such future semiannual period in the same manner as described above. If there are excess Directed Series 2026A/B Principal Payments with respect to any semiannual period, such excess may be applied to any authorized purpose under the General Indenture, including the redemption of other Bonds as described in Section 3.03(d) or the Series 2026A PAC Bonds, if necessary, under the Code.

The Series 2026A PAC Bonds may be redeemed from any amounts available under the General indenture other than Directed Series 2026A/B Principal Payments to the extent that such redemption will not reduce the outstanding principal amount of the Series 2026A PAC Bonds to an amount less than the Outstanding PAC Bonds Amounts shown in the table above for each applicable period, unless necessary, under the Code, as such amounts may have been adjusted due to a redemption of the PAC Bonds from Unexpended Proceeds, as described above.

If the Series 2026A PAC Bonds are redeemed on a date other than a Bond Payment Date, the Series 2026A PAC Bonds Applicable Amount as of such redemption date will be determined by straight-line interpolation between the PAC Bonds Outstanding Amounts for the Bond Payment Dates immediately preceding and succeeding such redemption date.

If the Series 2026A PAC Bonds are redeemed from Unexpended Proceeds, the Series 2026A PAC Bonds Applicable Amounts set forth for each semiannual period will be reduced on a proportionate basis unless otherwise directed by the Issuer (provided that such direction shall not impact the weighted average life of the Series 2026A PAC Bonds).

The weighted average life of a security refers to the average length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The weighted average lives of the Series 2026A PAC Bonds will be influenced by, among other factors, the rate at which all amounts received by the Issuer or the Trustee representing the recovery of all or a portion of Principal Receipts received by the Issuer with respect to such Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities.

(f) ***Special “Ten Year Rule” Mandatory Redemption.*** The “Ten Year Rule” (Section 143(a)(2)(A)(iv) of the Code) requires that repayments and Prepayments of principal on Mortgage Loans must be used to redeem the Series of tax-exempt Bonds that financed such Mortgage Loans to the extent such repayments and Prepayments are received more than 10 years after such Series was issued as a tax-exempt bond. Such repayments and Prepayments, when received, are referred to herein as “Restricted Principal Receipts.”

To comply with the Ten Year Rule, with respect to the Series 2026A/B Mortgage Loans and the Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans expected to be acquired with moneys made available upon the issuance of the Series 2026A Bonds, the following cumulative percentage of scheduled Series 2026A/B Principal Repayments and Prepayments on such Series 2026A/B Mortgage Loans and Series 2026A Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans financed with the proceeds of the Series 2026A/B Bonds received on or after the following dates is required to be applied no later than the close of the first semiannual period beginning after the date of receipt to the retirement of the Series 2026A Bonds through payment thereof at maturity or redemption:

Start Date	End Date	Percent
October 8, 2026	October 7, 2036	0.0%
October 8, 2036	Final Maturity	100.0%

Unless the Ten Year Rule is repealed, all “Ten Year Rule” redemptions from Restricted Principal Receipts with respect to the Series 2026A/B Mortgage Loans, the Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans financed with moneys made available upon the issuance of the Series 2026A Bonds shall be applied to redeem Series 2026A Bonds.

(g) ***Partial Redemption:*** If less than all of the Series 2026A/B Bonds are to be redeemed at any time, the Issuer shall direct the maturities and principal amounts thereof to be redeemed. If less than all Bonds of like Series, tenor, interest rate and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed while the Series 2026A/B Bonds are held in the DTC book-entry system will be made as a “Pro-Rata Pass-Through Distribution of Principal” by DTC. Such redemption procedure will result in a pro rata redemption of Series 2026A/B Bonds among DTC Participants, but may not ensure a pro rata redemption of Series 2026A/B Bonds among all Beneficial Owners thereof.

(h) ***Purchase in Lieu of Redemption.*** Series 2026A/B Bonds may be purchased in lieu of redemption as set forth in the Officer’s Certificate delivered to the Trustee, at a purchase price not exceeding the redemption price applicable on the next date when Series 2026A/B Bonds are redeemable (provided that such purchase price may exceed the applicable redemption price unless the amount of such excess shall be paid from moneys not pledged under the General Indenture, or moneys which could otherwise be released to the Corporation pursuant to the General Indenture

(i) ***Notice.*** The Trustee shall redeem Series 2026A/B Bonds (except as part of a Sinking Fund Installment) in accordance with an Officer’s Certificate and the terms and provisions of the Series 2026A/B Bonds, the General Indenture and this Series 2026A/B Indenture, select the Series 2026A/B Bonds to be redeemed, and shall give notice (which notice shall be dated the date given), in the name of the Corporation, of the redemption of Series 2026A/B Bonds, which notice shall specify the information required by Section 702 of the General Indenture. Such notice shall be given to the parties designated in the General Indenture in accordance with the terms of Section 704 of the General Indenture. Trustee will transmit notice of redemption to the registered owners of the Series 2026A/B Bonds to be redeemed not less than twenty (20) days prior to the redemption date (or such shorter period as may be acceptable to the securities depository (if applicable) or the then registered owner). Such notice shall specify the redemption date, the redemption price, the place, and manner of payment and that from the redemption date interest will cease to accrue on the Series 2026A/B Bonds which are the subject of such notice and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation, or industry standard.

SECTION 3.04 Establishment and Funding of Accounts.

The following accounts in the Revenue Fund are hereby created relating to the Series 2026A/B Bonds and shall be funded from the following sources in the following amounts:

Sources

Series 2026A Bond Principal Amount
Series 2026A Bond Premium
Series 2026B Bond Principal Amount
Series 2026B Bond Premium
Issuer Contribution
Total

(a) ***Series 2026A/B Mortgage Loan Account.*** Pursuant to the General Indenture and this Series 2026A/B Indenture, the Trustee shall establish an account designated as the Series 2026A/B Mortgage Loan Account. On the Closing Date, the Trustee shall deposit \$_____ into the Series 2026A/B Mortgage Loan Account. Moneys in the Series 2026A/B Mortgage Loan Account, including principal and interest payments allocable to the Series 2026A/B Guaranteed Mortgage Securities, shall be used for the purposes authorized by Section 303 of the General Indenture. Such moneys shall be invested in Investments pending their application to purchase Series 2026A/B Guaranteed Mortgage Securities as herein provided. Upon their purchase, Series 2026A/B Guaranteed Mortgage Securities shall be credited to the Series 2026A/B Revenue Account.

(b) ***Series 2026A/B Revenue Account.*** Pursuant to the General Indenture and this Series 2026A/B Indenture, the Trustee shall establish an account designated as the Series 2026A/B Revenue Account, consisting of (a) the Series 2026A/B Principal Subaccount and (b) the Series 2026A/B Interest Subaccount. On the Closing Date, the Trustee shall deposit \$_____ into the Series 2026A/B Revenue Account. The Trustee shall make deposits and disbursements of Revenues allocable to the Series 2026A/B Bonds, including principal and interest payments related to the Series 2026A/B Guaranteed Mortgage Securities and the DPA Second Mortgage Loans transferred to the Series 2026A/B Principal Subaccount or the Series 2026A/B Interest Subaccount, as applicable, pursuant to Section 303 of the General Indenture, into and from said Account or subaccount from time to time in accordance with Sections 402 and 403 of the General Indenture or as otherwise directed by an Officer's Certificate furnished pursuant to the General Indenture.

(c) ***Series 2026A/B Cost of Issuance Account.*** Pursuant to the General Indenture and this Series 2026A/B Indenture, the Trustee shall establish an account designated as the Series 2026A/B Cost of Issuance Account to pay Cost of Issuance in connection with the issuance of the Series 2026A/B Bonds. On the Closing Date, the Trustee shall deposit \$_____ into the Series 2026A/B Cost of Issuance Account.

(d) ***Series 2026A Downpayment Assistance Account.*** Pursuant to Section 302 of the General Indenture and this Series 2026A/B Indenture, the Trustee is hereby directed to establish a temporary account to be designated the Series 2026A Downpayment Assistance Account to fund DPA Second Mortgage Loans in connection with each Qualified Mortgage Loan backing Series 2026A/B Guaranteed Mortgage Securities. On the Closing Date, the Trustee shall deposit \$_____ into the Series 2026A Downpayment Assistance Account. Such moneys shall be invested in Investments pending receipt of an Officer's Certificate to reimburse the Special Program Fund amounts disbursed therefrom [? Discuss TSAHC DPA funding reimbursement and funding solely with 2026-A Bond proceeds] to fund a DPA Second Mortgage Loan. DPA Second Mortgage Loan receipts shall be credited to the Series 2026A Revenue Account.

ARTICLE IV

DETERMINATIONS WITH RESPECT TO SERIES 2026A/B MORTGAGE LOAN AND GUARANTEED MORTGAGE SECURITIES

SECTION 4.01 Terms and Conditions of Series 2026A/B Mortgage Loan.

Subject to Section 4.03 hereof and Section 304 of the General Indenture, the Series 2026A/B Mortgage Loan are expected to:

- (a) have level amortization over their term and contain other provisions or parameters as set forth in the Program Documents;
- (b) bear interest at the applicable interest rate as set forth in the Officer Certificate in the form attached hereto as **Exhibit D** hereto with respect to the Series 2026A/B Mortgage Loans; and
- (c) be pooled to back Guaranteed Mortgage Securities bearing the applicable pass-through rate of interest as specified in the Officer Certificate in the form attached hereto as **Exhibit D** hereto with respect to the Series 2026A/B Mortgage Loans.

SECTION 4.02 Determinations Relating to the Receipt and Application of Prepayments and Excess Revenues.

- (a) Series 2026A/B Mortgage Loans: All Revenues derived from the Series 2026A/B Mortgage Loans, the Series 2026A/B Guaranteed Mortgage Securities relating thereto and the DPA Second Mortgage Loans shall be deposited in and/or credited to the Series 2026A/B Revenue Account. Excess Revenues held in the Series 2026A/B Revenue Account shall be applied as provided in and subject to Section 3.03(c).

SECTION 4.03 Determination as to Series 2026A/B Mortgage Loans.

In accordance with and for purposes of Section 202 of the General Indenture:

- (a) The interest rate or rates, purchase price or prices and maturity date or dates of the Series 2026A/B Mortgage Loans to be financed in connection with the issuance and delivery of the Series 2026A/B Bonds shall be as set forth in the Officer Certificate in the form attached hereto as **Exhibit D**.
- (b) All moneys deposited to the credit of the Series 2026A/B Mortgage Loan Account shall be used to purchase (i) Series 2026A/B Guaranteed Mortgage Securities issued by or guaranteed by (A) GNMA which represent undivided beneficial ownership interests in Mortgage Loans having FHA Insurance, a VA Guaranty, or an RD Guaranty or (B) Fannie Mae or Freddie Mac with respect to conventional Mortgage Loans and (ii) DPA/B Second Mortgage Loans. Such moneys shall be used to purchase Series 2026A/B Guaranteed Mortgage Securities which are consistent with the requirements of (1) the Corporation as set forth in the Program Documents of the Corporation, (2) the Act, and (3) the Code relating to the tax-exempt status for federal income tax purposes of interest on the Series 2026A/B Bonds. The Corporation reasonably expects to purchase Series 2026A/B Guaranteed Mortgage Securities in the amounts set forth in **Exhibit C** hereto from Participating Lenders with the amounts credited to the Series 2026A/B Mortgage Loan Account and hereby authorizes the execution and delivery of the Program Documents with the prospective Participating Lenders relating to the above.

(c) The Corporation hereby determines that there will be no setting aside or reservation of amounts in the Series 2026A/B Mortgage Loan Account for the purpose of purchasing additional Mortgage Loans or Guaranteed Mortgage Securities from Participating Lenders except as otherwise provided in this Series 2026A/B Indenture.

(d) Subject to certain set-aside amounts established by the Corporation hereunder, the amounts deposited in the Series 2026A/B Mortgage Loan Account shall be available on a “first come, first served” basis for qualifying borrowers applying through Lenders participating in the Program. Said amounts shall be available and used to purchase Series 2026A Guaranteed Mortgage Securities as described in Exhibit and as follows:

(i) As described in Exhibit C hereto, amounts deposited in the Series 2026A/B Mortgage Loan Account shall be available for the purchase of Series 2026A Guaranteed Mortgage Securities backed by Series 2026A/B Mortgage Loans and DPA Second Mortgage Loans. Each Series 2026A/B Guaranteed Mortgage Security backed by Series 2026A/B Mortgage Loans shall be purchased at the applicable purchase prices set forth in in the Officer Certificate in the form attached hereto as Exhibit D.

(ii) The Corporation reserves the right, in connection with attempting to achieve full utilization of Series 2026A/B Bond proceeds on deposit in the Series 2026A/B Mortgage Loan Account to purchase Series 2026A/B Guaranteed Mortgage Securities backed by Series 2026A/B Mortgage Loans and DPA Second Mortgage Loans, to make any adjustments to interest rates thereon as may be necessary to meet yield compliance requirements of the Code (as will be necessary if the Corporation determines to maintain the competitiveness of the interest rates on the Series 2026A/B Mortgage Loans with interest rates generally available in the conventional mortgage market).

(iii) The Corporation covenants to make any adjustments to interest rates on the Series 2026A/B Mortgage Loans and/or the DPA Second Mortgage Loans as may be necessary to meet yield compliance requirements of the Code that will not adversely affect the validity and enforceability of the Series 2026A Bonds.

(iv) The Corporation covenants to reserve \$ _____ (representing an amount at least equal to 20% of the “new money” proceeds of the Series 2026A Bonds) for the purpose of originating Series 2026A/B Mortgage Loans which finance “targeted area residences” (as defined in the Code) until _____, 2027 (representing a period of one year subsequent to the date of delivery of the Series 2026A Bonds); provided, however, that the Corporation may provide for the origination of Series 2026A/B Mortgage Loans with respect to targeted area residences in such other manner which, in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on the Series 2026A Bonds from gross income for federal income tax purposes.

SECTION 4.04 Reserved.

SECTION 4.05 Determinations as to Origination Periods.

Guaranteed Mortgage Securities and DPA Second Mortgage Loans purchased with amounts deposited in the Series 2026A/B Mortgage Loan Account shall be sold to the Corporation not later than the expiration of the origination period. The date of expiration of the origination period and any provisions relating thereto shall be set forth in the Program Documents. To the extent that there are funds remaining in the Series 2026A/B Mortgage Loan Account after the expiration of the origination period or periods, such respective amounts shall be applied to the redemption of Series 2026A Bonds or the Series 2026B Bonds as provided in this Series 2026A/B Indenture.

The Corporation may extend the period during which it may purchase Series 2026A/B Guaranteed Mortgage Securities and DPA Second Mortgage Loans with proceeds in the Series 2026A/B Mortgage Loan Account to a date no later than _____, **20__**, if deemed necessary or advisable by the Corporation, upon delivery by the Corporation to the Trustee and the Rating Agency of (a) a Cash Flow Statement giving effect to such extension, (b) a written acknowledgement from the Rating Agency to the effect that such extension will not result in a withdrawal or lowering of any rating relating to the Series 2026A Bonds or Series 2026B Bonds which are outstanding at the time, and (c) in connection with an extension of the period during which it may purchase Series 2026A/B Guaranteed Mortgage Securities, an opinion of Bond Counsel that such extension will not adversely affect the tax-exempt status of the Series 2026A Bonds.

SECTION 4.06 Commitment Fees.

The Corporation shall receive no Commitment Fees relating to the Series 2026A/B Mortgage Loans or the DPA Second Mortgage Loans.

SECTION 4.07 Modifications Contained in Officer's Certificate.

The amounts, deposits, transfers and other provisions set forth in this Article IV shall be subject to change as shall be set forth in the Officer's Certificate delivered to the Trustee following the issuance of the Series 2026A Bonds and Series 2026B Bonds. Said Officer's Certificate shall constitute the final and conclusive determination as to all matters set forth in this Article IV.

SECTION 4.08 Approval of Various Program Documents.

Reference is hereby made to the following documents (which are subject to changes or modifications as permitted by the General Indenture or such Program Documents):

- (a) Lender Program Guideline Agreements between the Corporation and each Participating Lender;
- (b) Servicing Agreement between the Corporation and the Master Servicer, as amended; and
- (c) Corporation's Program Notice.

The above documents are herein referred to as the “**Program Documents.**” The Corporation covenants to fully comply with the requirements applicable to it as set forth in the Program Documents and further covenants that the proceeds of the Series 2026A/B Bonds deposited will be used in accordance with the requirements of the Program Documents.

SECTION 4.09 Covenants Regarding Guaranteed Mortgage Securities.

The Corporation covenants that:

(a) All Series 2026A/B Guaranteed Mortgage Securities purchased with moneys in the Series 2026A/B Mortgage Loan Account shall be held by the Trustee to the credit of the Series 2026A/B Revenue Account. If the Trustee does not receive a payment on any GNMA I Certificate constituting a Guaranteed Mortgage Security by the fifteenth day of any month, the Trustee shall immediately notify by telephone and demand payment from the Master Servicer in immediately available funds on that date, and if the Trustee does not receive any such payment on any such GNMA I Certificate when due on the fifteenth day of any such month, the Trustee shall immediately notify by telephone and demand payment from Ginnie Mae. If the Trustee does not receive a payment on any GNMA II Certificate constituting a Guaranteed Mortgage Security by the twentieth day of any month or on any Fannie Mae Certificate or Freddie Mac Certificate constituting a Guaranteed Mortgage Security by the twenty-fifth day of any month, the Trustee shall immediately notify by telephone and demand payment from the Master Servicer in immediately available funds as of such date, and if the Trustee does not receive any such payment on any such GNMA II Certificate when due on the twentieth day of any month or on any such Fannie Mae Certificate or Freddie Mac Certificate when due on the twenty-fifth day of any such month, the Trustee shall immediately notify by telephone and demand payment from Ginnie Mae, Fannie Mae or Freddie Mac, as applicable.

SECTION 4.10 Covenant as to Compliance; Delivery of Opinion of Bond Counsel and Rating Letter.

The Corporation hereby covenants that it is in compliance with all applicable requirements of the General Indenture as of the date of this Series 2026A/B Indenture. Concurrently with the execution and delivery of this Series 2026A/B Indenture, the Corporation has delivered (a) an opinion of Bond Counsel to the effect that the interest on the Series 2026A Bonds will be excluded from gross income for federal income tax purposes (with customary assumptions, exceptions, and qualifications) and (b) a rating letter from the Rating Agency indicating that the Series 2026A Bonds and the Series 2026B Bonds have received the rating of “___.”

ARTICLE V ADDITIONAL DETERMINATIONS AND COVENANTS

SECTION 5.01 General Tax Covenant.

In Section 505 of the General Indenture the Corporation has covenanted that it will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Corporation on the Series 2026A Bonds shall be exempt from all

federal income taxation, and that no part of the proceeds of the Series 2026A Bonds shall at any time be used directly or indirectly to acquire securities or obligations the acquisition of which, from the funds used for that purpose, if reasonably anticipated on the date of issuance of any Series 2026A Bond, would have caused such Series 2026A Bond to be an arbitrage bond, unless such acquisition is at such time permitted by applicable federal tax law and the Treasury Regulations thereunder, as then in effect. The Corporation shall at all times do and perform all acts and things permitted by law and the General Indenture and necessary or desirable in order to assure that the proceeds of the Series 2026A Bonds, and the Revenues attributable thereto, will be used in a manner consistent with the provisions of applicable federal tax law and applicable regulations.

SECTION 5.02 Establishment of Corporation Fees.

In accordance with the requirements of the General Indenture and this Series 2026A/B Indenture, the Corporation has caused its Cash Flow Analyst, cfX Incorporated, to prepare final cash flow analyses and bond/mortgage yield computations (collectively, the “**Cash Flow Analyses**”), relating to the Series 2026A/B Bonds. The Cash Flow Analyses provide for the payment of a fee to the Corporation related to the administration of the Program and/or with respect to the Series 2026A/B Mortgage Loan, the Series 2026A/B Guaranteed Mortgage Securities, and the DPA Second Mortgage Loans in an amount equal to ___% of the outstanding Series 2026A/B Guaranteed Mortgage Securities per annum payable semi-annually beginning _____, 2026, and on each _____ and _____ thereafter. Such fees are hereby established by the Corporation as the “**Corporation Fees**” and shall be payable on such dates and in such amounts so that such payments shall not adversely affect the then-current rating on the Series 2026A/B Bonds by each Rating Agency then rating the Series 2026A/B Bonds at the request of the Corporation.

SECTION 5.03 Compensation of Trustee.

In furtherance of the provisions of Section 1108 of the General Indenture, it is agreed that the Trustee shall receive a fee of ___% of the outstanding Series 2026A/B Guaranteed Mortgage Securities per annum payable semi-annually beginning _____, and on each _____ and _____ thereafter in the amounts and subject to the limitations and conditions set forth in the Fee Schedule (the “**Trustee Fees**”).

SECTION 5.04 No Reserve Requirement.

The Corporation does not require establishment of a Reserve Requirement with respect to the Series 2026A/B Bonds, and no subaccount shall be established within the Reserve Fund in connection with the Series 2026A/B Bonds.

SECTION 5.05 Continuing Disclosure.

The Corporation hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Corporation to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the Indenture; however, the Trustee may (and, at the written direction of the Holders of at least a majority in aggregate principal amount of

Outstanding Series 2026A/B Bonds who have provided the Trustee with adequate security and indemnity, shall) or any holder or Beneficial Owner of a Series 2026A/B Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Corporation to comply with its obligations under this Section. For purposes of this Section, Beneficial Owner shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026A/B Bonds (including persons holding Series 2026A/B Bonds through nominees, depositories, or other intermediaries).

ARTICLE VI MISCELLANEOUS

SECTION 6.01 Limited Obligations of Corporation.

The Series 2026A/B Bonds shall be special, limited obligations of the Corporation payable solely from the revenues and assets pledged therefor pursuant to the General Indenture and this Series 2026A/B Indenture. The Series 2026A/B Bonds do not constitute a debt, liability, or obligation, either general or special, of the State or any political subdivision thereof. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to payment of the Series 2026A/B Bonds. The Corporation has no taxing power.

THE SERIES 2026A/B BONDS, THE PREMIUM IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2026A/B BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE CORPORATION, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE SERIES 2026A/B BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE CORPORATION. THE CORPORATION HAS NO TAXING POWER.

THE STATE OF TEXAS IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THE SERIES 2026A/B BONDS OR OTHER OBLIGATIONS AND THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE OF TEXAS ARE NOT PLEDGED, GIVEN OR LOANED TO THE PAYMENT OF THE BONDS.

THE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION, OR ANY OTHER PERSON EXECUTING THE SERIES 2026A/B BONDS OF THE CORPORATION SHALL NOT BE PERSONALLY LIABLE ON THE SERIES 2026A/B BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE, OR DELIVERY THEREOF WHILE ACTING WITHIN THE SCOPE OF THEIR AUTHORITY.

SECTION 6.02 Immunity of Corporation Parties.

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Corporation contained in this Series 2026A/B Indenture, any other Corporation Documents, or in any Series 2026A/B Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Corporation contained in any agreement, instrument, or certificate executed in connection with the Program or the issuance and sale of the Series 2026A/B Bonds, against any of the Corporation Parties, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any of the Corporation Parties, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Corporation with the Trustee, or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Corporation Party (to the extent any such liability exists) is, by the execution of the Bonds, this Series 2026A/B Indenture, and the other Corporation Documents, and as a condition of, and as part of the consideration for, the execution of the Series 2026A/B Bonds, this Series 2026A/B Indenture, and the other Corporation Documents, expressly waived and released.

SECTION 6.03 No Pecuniary Liability of Corporation.

No agreements or provisions contained herein, or any agreement, covenant, or undertaking by the Corporation in connection with the Program or the issuance, sale, remarketing, and/or delivery of the Series 2026A/B Bonds shall give rise to any pecuniary liability of the Corporation or a charge against its general credit, or shall obligate the Corporation financially in any way, except as may be payable from the Trust Estate pledged hereby for the payment of the Series 2026A/B Bonds and their application as provided in this Series 2026A/B Indenture. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Corporation, or the breach thereof, shall constitute an indebtedness of the Corporation within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against the Corporation's general credit.

SECTION 6.04 Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Series 2026A/B Indenture on the part of the Corporation or any bond service provider to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Series 2026A/B Indenture.

SECTION 6.05 Counterparts.

This Series 2026A/B Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6.06 Survival.

Notwithstanding the payment in full of the Series 2026A/B Bonds and the discharge of this Series 2026A/B Indenture, all provisions in this Series 2026A/B Indenture concerning (a) the interpretation of this Series 2026A/B Indenture, (b) the governing law, (c) the forum for resolving disputes, (d) the Corporation's right to rely on facts or certificates, and (e) the lack of pecuniary liability of the Corporation and the State, shall survive and remain in full force and effect.

SECTION 6.07 Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Sections of this Series 2026A/B Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Series 2026A/B Indenture.

SECTION 6.08 Facsimile/Electronic Mail Communications.

Any notice given shall be given in accordance with Section 1206 of the General Indenture.

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Effective Date. The Texas State Affordable Housing Corporation has caused these presents to be signed in its name and behalf and to evidence its acceptance of the trusts hereby created and the Trustee has caused these presents to be signed in its name and behalf by its duly authorized officer, all as of the date set forth above.

**TEXAS STATE AFFORDABLE HOUSING
CORPORATION**

By: _____
Name: David Long
Title: President

Attest:

By: _____
Name: _____
Title: Secretary

[SEAL OF ISSUER]

**COMPUTERSHARE TRUST COMPANY,
N.A., as Trustee**

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF SERIES 2026A/B BONDS

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
HOMEOWNERSHIP MORTGAGE REVENUE BOND
SERIES 2026[A/B] [NON-AMT/TAXABLE]**

RA-_____ \$ _____

<u>Dated Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
_____, 2026	_____%		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: ***** DOLLARS

THE TEXAS STATE AFFORDABLE HOUSING CORPORATION (the “Corporation”), a public nonprofit corporation duly created, organized and existing pursuant to Subchapter Y of Chapter 2306, Texas Government Code, as amended, for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner named above or registered assigns or legal representative, on the Maturity Date specified above, upon the presentation and surrender hereof at the designated corporate trust operations office of Computershare Trust Company, N.A., the Principal Sum specified above, and to pay solely from the same sources, interest on said sum from the date hereof at the Interest Rate per annum specified above from the Dated Date indicated above to the Maturity Date specified above (unless redeemed prior to such Maturity Date). Interest on this bond shall be payable on the first day of each _____ and _____, commencing _____, until maturity or earlier redemption. If this bond is held in book-entry-only form, it will be registered in the name of a securities depository or its nominee, which will initially be Cede & Co., as nominee for The Depository Trust Company. Payments of interest on and principal of this bond shall be made to the Securities Depository in accordance with its procedures. If this bond is not held in book-entry form, interest hereon shall be payable by check or draft payable to the person in whose name this bond is registered at the close of business on the fifteenth day (whether or not a Business Day) preceding each Interest Payment Date. The principal, redemption price, if any, and interest on this bond are payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is one of a duly authorized series of bonds of the Corporation designated “Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT)” (the “Series 2026A Bonds”) in the aggregate principal amount of \$_____. [“Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable)” (the “Series 2026B Bonds”) in the aggregate principal amount of \$_____]. The Series 2026A Bonds and the Series 2026B Bonds, together, are the Series 2026A/B Bonds and are issued pursuant to a General Indenture of Trust, dated as of _____, 2026 (the “General Indenture”), and a Series 2026A/B Indenture, dated as of October 1, 2026 (the “Series 2026A/B

Indenture”), each between the Corporation and the Trustee, which authorize the issuance of the Series 2026A/B Bonds and designates the Trustee as Depository, Paying Agent and Registrar with respect to the Series 2026A/B Bonds.

The holder of this Series 2026A/B Bond should make reference to the General Indenture, the Series 2026A/B Indenture and any and all supplements thereto and modifications and amendments thereof (collectively, the “Indenture”) and to the Act for a description of the pledge and covenants securing the Series 2026A/B Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Series 2026A/B Bonds with respect thereto and the terms and conditions upon which the Series 2026A/B Bonds are issued. Copies of the General Indenture and the Series 2026A/B Indenture are on file at the principal corporate trust office of the Trustee.

THE SERIES 2026A/B BONDS, THE PREMIUM IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2026A/B BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE CORPORATION, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CORPORATION, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE SERIES 2026A/B BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE CORPORATION. THE CORPORATION HAS NO TAXING POWER.

THE STATE OF TEXAS IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THE SERIES 2026A/B BONDS OR OTHER OBLIGATIONS AND THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE OF TEXAS ARE NOT PLEDGED, GIVEN OR LOANED TO THE PAYMENT OF THE BONDS.

THE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION, OR ANY OTHER PERSON EXECUTING THE SERIES 2026A/B BONDS OF THE CORPORATION SHALL NOT BE PERSONALLY LIABLE ON THE SERIES 2026A/B BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE, OR DELIVERY THEREOF WHILE ACTING WITHIN THE SCOPE OF THEIR AUTHORITY.

Pursuant to the Indenture, additional series of parity bonds and subordinated bonds may be issued from time to time pursuant to additional series indentures in one or more series and in various principal amounts, which may mature at different times, may bear interest at different rates, and otherwise may vary as provided in the General Indenture or any indenture amendatory thereof or supplemental thereto. The aggregate principal amount of parity bonds (the “Bonds”) which may be issued under the General Indenture is not limited except as provided therein, in any series indenture or in the Act, and all Bonds to be issued thereunder will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the General Indenture. To the extent and in the manner permitted by the General Indenture, the Series 2026A/B Indenture,

or any supplement or indenture amendatory thereof or supplemental thereto, may be amended by the Corporation with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding to which the amendment applies. No such amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentage of Bonds, the consent of the holders of which is required to effect any such amendment, or shall change or modify any of the rights or obligations of the Trustee without its written consent thereto.

The Series 2026A/B Bonds are issuable in denominations of \$5,000 and any integral multiple thereof. At the designated principal corporate trust office of the Trustee, in the manner and subject to the limitations and conditions provided in the General Indenture and the Series 2026A/B Indenture and without cost, except for any tax or other governmental charge, Series 2026A/B Bonds may be exchanged for an equal aggregate principal amount or maturity amount of registered Series 2026A/B Bonds without coupons of the same series and maturity, of other authorized denominations and bearing interest at the same rate.

The Series 2026A/B Bonds are subject to redemption under the circumstances, on the dates, in the amounts and at the prices as set forth in the Indenture.

If any or all of the Series 2026A/B Bonds are called for redemption, notice of such redemption shall be mailed, by first-class mail, postage prepaid, not less than twenty (20) days (or such shorter period as may be acceptable to the then-registered owners) before the redemption date to the registered owners of any Series 2026A/B Bonds or portions thereof to be redeemed, but failure to so mail any such notice with respect to any Series 2026A/B Bond or any defect therein shall not affect the validity of the proceedings for the redemption of any other Series 2026A/B Bonds. Notice of redemption having been given as aforesaid, the Series 2026A/B Bonds or portions thereof so called for redemption shall become due and payable at the applicable redemption price herein provided, to the extent that moneys are deposited for that purpose on or prior to the redemption date and, from and after the date so fixed for redemption, interest on the Series 2026A/B Bonds or portions thereof so called for redemption shall cease to accrue. If a portion of this Series 2026A/B Bond shall be called for redemption, a new Series 2026A/B Bond, or Bonds of the same series in a principal amount or maturity amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

The transfer of this Series 2026A/B Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Registrar, but only in the manner and subject to the limitations and conditions provided in the General Indenture and upon surrender and cancellation of this Series 2026A/B Bond. Upon any such registration of transfer, the Corporation shall execute, and the Trustee shall authenticate and deliver in exchange for this Series 2026A/B Bond a new registered Series 2026A/B Bond or Series 2026A/B Bonds without coupons, registered in the name of the transferee, of authorized denominations, of the same series in an aggregate principal amount or maturity amount equal to the principal amount of this Series 2026A/B Bond, of the same maturity and bearing interest at the same rate.

It is hereby certified and recited that all conditions, acts and things required by law and the General Indenture to exist, to have happened and to have been performed precedent to and in the

issuance of this Series 2026A/B Bond, exist, have happened and have been performed and that the Series 2026A/B Bonds, of which this is one, together with all other indebtedness of the Corporation is within every debt and other limit prescribed by the laws of the State of Texas.

This Series 2026A/B Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this Series 2026A/B Bond shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon or registered by the Comptroller of Public Accounts of the State of Texas, as applicable.

IN WITNESS WHEREOF, the Corporation has caused this Series 2026A/B Bond to be signed in its name and on its behalf by the manual or facsimile signature of an Authorized Representative and has caused this Series 2026A/B Bond to be dated the Dated Date shown above.

**TEXAS STATE AFFORDABLE HOUSING
CORPORATION,**
as Issuer

By: _____
Name: David Long
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary

[SEAL OF ISSUER]

CERTIFICATE OF AUTHENTICATION

This Series 2026A/B Bond is one of the bonds described in the within mentioned Series 2026A/B Indenture.

Date of Authentication: _____, 2026

COMPUTERSHARE TRUST COMPANY,
N.A., as Trustee

By: _____
Name: _____
Title: _____

**FORM OF COMPTROLLER'S REGISTRATION TO APPEAR ON INITIAL
SERIES 2026A/B BONDS ONLY.**

**REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER)
OF PUBLIC ACCOUNTS) REGISTER NO. _____
THE STATE OF TEXAS)

I HEREBY CERTIFY that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
(Please insert Social Security or other Taxpayers Identification Number of transferee)

(Please Print or Typewrite Name and Address of Transferee)

the within Bond, and all rights thereunder, and hereby does irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed by: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the Bond in every particular, without alteration enlargement or any change whatever.

EXHIBIT B
RESERVED

EXHIBIT C

ALLOCATION OF AMOUNTS DEPOSITED IN THE SERIES 2026A/B MORTGAGE LOAN ACCOUNT

Series 2026A/B Mortgage Loan Account Deposits

Acquisition of Series 2026A/B Mortgage Loans	\$ _____
Acquisition of DPA Second Mortgage Loans	_____
Total	\$ _____

EXHIBIT D

OFFICER'S CERTIFICATE PER SECTION 303(B) OF GENERAL INDENTURE

In accordance with Section 303(B) of General Indenture of Trust (the “**General Indenture**”) dated _____, 2026 by and between Texas State Affordable Housing Corporation (the “**Corporation**”) and Computershare Trust Company, N.A., as trustee (the “**Trustee**”), the Corporation hereby certifies pursuant to this Officer's Certificate in connection with the captioned Series 2026A Bonds and Series 2026B Bonds (together, the “**Bonds**”) that:

A. The tables below describe the Mortgage Loan Accounts from which payments are to be made to the Master Servicer for the purchase of Guaranteed Mortgage Securities:

SERIES 2026A/B GUARANTEED MORTGAGE SECURITIES TO BE PURCHASED					
Cusip	MBS Principal Balance	Type	Loan Rate	Pass-Through Rate	Payment to Master Servicer from Series 2026A/B Mortgage Loan Account

[The Trustee is hereby further instructed to disburse \$_____ from the Series 2026A Downpayment Assistance Account to reimburse the Special Program Fund for amounts to fund the DPA Second Mortgage Loans associated with the foregoing Series 2026A/B Guaranteed Mortgage Securities.]

B. Each Qualified Mortgage Loan backing the Guaranteed Mortgage Securities to be purchased fully satisfies the provisions of Section 304 of the General Indenture.

C. This Officer's Certificate may be relied upon by the Trustee and shall be maintained in the Trustee's possession, subject at all times during normal business hours to inspection by the Corporation.

D. During the period of disbursement of any of the foregoing Mortgage Loan Accounts, the Trustee shall provide a monthly report in the form of an account statement to be made by an officer or employee of the Trustee covering all receipts and amounts then credited to each Mortgage Loan Account, as well as any securities specifically pledged or provided therefor, any investment thereof, and all disbursements made pursuant to the provisions of Section 303 of the General Indenture.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this ____ day of _____, 202_ with respect to the Series 2026A Bonds and the Series 2026B Bonds.

**TEXAS STATE AFFORDABLE HOUSING
CORPORATION**

By: _____
Name: David Long
Title: President

EXHIBIT E
CLOSING MEMORANDUM

attached

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

**Bond Document No. 3:
Preliminary Official Statement**

PRELIMINARY OFFICIAL STATEMENT DATED [____], 2026**NEW ISSUES—BOOK ENTRY ONLY****Expected Rating: S&P “[AA+]”
(See “Rating”)**

Under applicable law, subject to continuing compliance by the Issuer and others with certain covenants in the Agreements and the Indenture and related financing documents, and in reliance upon representations and conclusions in certificates, studies and reports of the Issuer and certain other participants in the financing, interest on the Series 2026A Bonds is not includable in gross income of the owners thereof for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. See “Tax Matters—Series 2026A Bonds.” Interest on the Series 2026B Bonds is includable in gross income of the owners thereof for federal income tax purposes. See “Tax Matters—(Taxable) Series 2026B Bonds.”

\$100,000,000***TEXAS STATE AFFORDABLE HOUSING CORPORATION****Homeownership Mortgage Revenue Bonds****\$75,000,000* Series 2026A (Non-AMT)****\$25,000,000* Series 2026B (Taxable)**

Dated: Date of Delivery

Due: See Inside Front Cover

The above-captioned bonds (the “Series 2026A/B Bonds”) will be issued in book-entry, fully registered form in denominations of \$5,000 principal amount or any integral multiple thereof. The Series 2026A/B Bonds will bear interest from the delivery date to their maturity date or prior redemption date at the rates set forth herein and will be payable on each March 1 and September 1, commencing March 1, 2027, by Computershare Trust Company, N.A., as trustee (the “Trustee”), to Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Series 2026A/B Bonds. See “The Series 2026A/B Bonds—Payment, Transfer and Exchange.”

The Series 2026A/B Bonds will be issued and secured under the terms of a General Indenture of Trust dated as of October 1, 2026 (the “General Indenture”), between the Texas State Affordable Housing Corporation (the “Issuer”) and the Trustee, as supplemented by the Series 2026A/B Indenture dated as of October 1, 2026 (the “Series 2026A/B Indenture” and together with the General Indenture, the “Indenture”) between the Issuer and the Trustee. The Series 2026A/B Bonds will be issued to make funds available, together with other available funds of the Issuer, to finance qualifying mortgage loans for single family residences located in the State of Texas through the purchase by the Trustee on behalf of the Issuer of fully-modified mortgage-backed securities (the “Certificates”) as well as related downpayment assistance second mortgage loans (the “DPA Second Mortgage Loans”). The Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”). See “Introduction,” “Security for the Series 2026A/B Bonds” and “GNMA Mortgage-Backed Certificate Program.”

The Series 2026A/B Bonds are subject to redemption prior to maturity as described herein. See “The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds” and “Certain Assumptions and Risk Factors.”

The Series 2026A/B Bonds are special, limited obligations of the Issuer, payable solely out of the revenues, receipts and security pledged therefor under the Indenture. The Series 2026A/B Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Series 2026A/B Bonds do not constitute a debt or obligation of the State of Texas, or any political subdivision, agency or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Issuer except as provided in the Indenture. The Issuer has no taxing power. The Series 2026A/B Bonds are not obligations of, or guaranteed by, the United States of America, GNMA, or any other agency of the United States of America.

The Series 2026A/B Bonds are offered, when, as and if issued, subject to the approval by the Issuer, and the approval of certain legal matters by the Attorney General of the State of Texas, and Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel. cfX Incorporated will act as financial advisor to the Issuer in connection with the issuance of the Series 2026A/B Bonds. Certain legal matters will be passed upon for the Issuer by Barnes & Thornburg LLP,

* Preliminary, subject to change.

Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP. It is expected that the Series 2026A/B Bonds will be available for delivery through the facilities of DTC on or about [October 8], 2026.

The date of this Official Statement is [_____], 2026.

RAYMOND JAMES

FIDELITY CAPITAL MARKETS

MATURITY SCHEDULE*

TEXAS STATE AFFORDABLE HOUSING CORPORATION Homeownership Mortgage Revenue Bonds \$75,000,000 Series 2026A (Non-AMT)

\$2,880,000 Principal Amount of Series 2026A Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP 88271H[†]</u>
3/1/2037	\$690,000	%	%	
9/1/2037	700,000			
3/1/2038	735,000			
9/1/2038	755,000			

\$55,045,000 Principal Amount of Series 2026A Term Bonds

\$5,060,000 []% Series 2026A Term Bonds Due September 1, 2041 (Price: []%) (CUSIP: 88271H[][†])
\$10,905,000 []% Series 2026A Term Bonds Due September 1, 2046 (Price: []%) (CUSIP: 88271H[][†])
\$16,460,000 []% Series 2026A Term Bonds Due September 1, 2051 (Price: []%) (CUSIP: 88271H[][†])
\$22,620,000 []% Series 2026A Term Bonds Due September 1, 2056 (Price: []%) (CUSIP: 88271H[][†])

\$17,075,000 Principal Amount of Series 2026A PAC Bonds

\$17,075,000 []% Series 2026A PAC Bonds Due September 1, 2056 (Price: []%[‡]) (CUSIP: 88271H[][†])

* Preliminary, subject to change.

[†] CUSIP data used in this Official Statement is provided by FactSet Research Systems. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Issuer nor the Underwriter takes responsibility for the accuracy of the CUSIP numbers, which are being provided solely for the convenience of the owners of the Bonds.

[‡] Priced to first optional call date of March 1, 2035.

MATURITY SCHEDULE*

TEXAS STATE AFFORDABLE HOUSING CORPORATION Homeownership Mortgage Revenue Bonds \$25,000,000 Series 2026B (Taxable)

\$15,780,000 Principal Amount of Series 2026B Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP 88271H[†]</u>
9/1/2027	\$620,000	%	%	
3/1/2028	565,000			
9/1/2028	580,000			
3/1/2029	605,000			
9/1/2029	620,000			
3/1/2030	640,000			
9/1/2030	665,000			
3/1/2031	680,000			
9/1/2031	710,000			
3/1/2032	725,000			
9/1/2032	755,000			
3/1/2033	775,000			
9/1/2033	800,000			
3/1/2034	825,000			
9/1/2034	855,000			
3/1/2035	885,000			
9/1/2035	910,000			
3/1/2036	935,000			
9/1/2036	970,000			
3/1/2037	395,000			
9/1/2037	410,000			
3/1/2038	420,000			
9/1/2038	435,000			

\$9,220,000 Principal Amount of Series 2026B Term Bonds

\$2,925,000 []% Series 2026B Term Bonds Due September 1, 2041 (Price: []%) (CUSIP: 88271H[][†])
 \$6,925,000 []% Series 2026B Term Bonds Due September 1, 2046 (Price: []%) (CUSIP: 88271H[][†])

* Preliminary, subject to change.

[†] CUSIP data used in this Official Statement is provided by FactSet Research Systems. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Issuer nor the Underwriter takes responsibility for the accuracy of the CUSIP numbers, which are being provided solely for the convenience of the owners of the Bonds.

No broker, dealer or other person has been authorized by the Issuer to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026A/B Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein by the Issuer has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026A/B Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

THE SERIES 2026A/B BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2026A/B BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTION IN WHICH THESE SECURITIES HAVE BEEN QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

All information for investors regarding the issuer and the Series 2026A/B Bonds is contained in this Official Statement. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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\$100,000,000*
TEXAS STATE AFFORDABLE HOUSING CORPORATION
Homeownership Mortgage Revenue Bonds
\$75,000,000* Series 2026A (Non-AMT)
\$25,000,000* Series 2026B (Taxable)

INTRODUCTION

This Official Statement (including the cover page and appendices) sets forth certain information relating to the sale and issuance by the Texas State Affordable Housing Corporation (the “Issuer”) of its \$100,000,000* aggregate principal amount of Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) (the “Series 2026A Bonds”) and Series 2026B (Taxable) (the “Series 2026B Bonds”) (collectively the “Series 2026A/B Bonds”). The Series 2026A/B Bonds will be issued pursuant to Subchapter Y of Chapter 2306 of the Texas Government Code, as amended (the “Act”), and one or more resolutions adopted by the Issuer. The Series 2026A/B Bonds will be issued and secured under a General Indenture of Trust dated as of October 1, 2026 (the “General Indenture”), between the Issuer and Computershare Trust Company, N.A., as trustee (the “Trustee”), as supplemented by a Series 2026A/B Indenture dated as of October 1, 2026 (the “Series 2026A/B Indenture” and, together with the General Indenture, the “Indenture”) between the Issuer and the Trustee.

The Series 2026A/B Bonds are the first series of Bonds issued under the General Indenture. The Series 2026A/B Bonds and any Additional Bonds issued in the future under the Indenture are hereinafter collectively referred to as the “Bonds,” and shall constitute parity obligations, equally and ratably secured by the Issuer under the Indenture. Certain provisions of the Indenture are summarized below in “Flow of Funds” and “The General Indenture.” Capitalized terms used in this Official Statement and not otherwise defined are defined in “Appendix A—Definitions.”

The Series 2026A/B Bonds are subject to redemption prior to maturity as described herein. Purchasers of the Series 2026A/B Bonds (and particularly the purchasers of the Series 2026A/B PAC Bonds and the Series 2026A/B Term Bonds sold at a premium) should understand that under certain circumstances described herein the Series 2026A/B Bonds are subject to mandatory redemption at 100% of the principal amount thereof, plus accrued interest. See “The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds” and “Certain Assumptions and Risk Factors.”

Under the Issuer’s single family mortgage loan program (the “Program”), the Issuer is permitted to issue the Series 2026A/B Bonds to finance single family mortgage loans to certain borrowers whose annual income does not exceed 80% of the greater of the state or local median family income. Further, to qualify for a Mortgage Loan, the Eligible Borrowers must also meet all the requirements of the Act, Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Issuer. See “The Program” for a detailed description of these requirements.

The Issuer expects to use the proceeds of the Series 2026A/B Bonds to finance (a) Mortgage Loans (including any participations therein, the “Series 2026A/B Mortgage Loans”) through the purchase of Certificates (including any participations therein, the “Series 2026A/B Guaranteed Mortgage Securities”) backed by 2026 Series A/B Mortgage Loans, and (b) DPA Second Mortgage Loans (each a “2026A DPA Second Mortgage Loan”) to provide down payment and closing cost assistance to borrowers in connection with their Series 2026A/B Mortgage Loans. See “Plan of Finance and Sources and Uses of Funds” below.

* Preliminary, subject to change.

The Mortgage Loans will be originated under the Program by participating lenders (each a “Lender” and collectively the “Lenders”) pursuant to the terms of a Mortgage Origination Agreement between each Lender and the Issuer (each a “Lender Agreement” and collectively the “Lender Agreements”), the Program Guidelines and other Program Documents. The Mortgage Loans, other than the DPA Second Mortgage Loans, are required to meet all Program requirements, which include the requirement that each Mortgage Loan be (i) insured by the Federal Housing Administration (“FHA”), pursuant to the National Housing Act, as amended, (ii) guaranteed by the Department of Veterans Affairs (“VA”), pursuant to the Servicemen’s Readjustment Act of 1944, as amended, or (iii) guaranteed by the Rural Housing Service of the United States Department of Agriculture (“USDA-RHS”), pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended. After origination, the Lenders will sell the Mortgage Loans on a servicing-released basis to the Servicer (as defined below).

The Lenders and the Issuer will review the Mortgage Loans and the borrower information, and other matters as necessary to determine compliance with the requirements of the Program, as more fully set forth in the Lender Agreements and the Program Guidelines. The Issuer will act as compliance agent for the Program.

The servicer under the Program is Lakeview Loan Servicing, LLC (the “Servicer”). Pursuant to the terms of a Servicing and Sale Agreement dated as of February 1, 2019, as amended, between the Issuer and Servicer (the “Servicing Agreement”), the Servicer will purchase the Mortgage Loans, other than the DPA Second Mortgage Loans, from the Lenders, and pool the Mortgage Loans, other than the DPA Second Mortgage Loans, into pass-through certificates (the “GNMA Certificates”) backed by Mortgage Loans and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”), and issued by the Servicer. The Servicer will service all of the Mortgage Loans, including the DPA Second Mortgage Loans. The Servicer is a GNMA-approved servicer of FHA-insured, VA-guaranteed and USDA-RHS-guaranteed mortgage loans, and an authorized issuer of GNMA Certificates.

Following issuance of the GNMA Certificates, the Servicer will sell the GNMA Certificates to the Trustee and the Trustee will purchase the GNMA Certificates with the proceeds of the Series 2026A/B Bonds. The GNMA Certificates will be pledged under the Indenture to provide for the payment of the principal of and interest on the Series 2026A/B Bonds. The Trustee will also use the proceeds of the Series 2026A/B Bonds to purchase the DPA Second Mortgage Loans related to the first mortgage loans financed under the Program. See “Security for the Series 2026A/B Bonds.”

Brief descriptions of the Issuer, the Series 2026A/B Bonds, the GNMA Mortgage-Backed Certificate Program, the Program, together with summaries of certain provisions of the Indenture, and the Agreements, follow in this Official Statement. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026A/B Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements.

THE ISSUER

Texas State Affordable Housing Corporation was incorporated in May 1994 under the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon’s Annotated Texas Civil Statutes, as amended (now codified as V.T.C.A. Business Organizations Code, Chapter 22, as amended). The Issuer is a public non-profit corporation created by statute. The members of the Board of Directors are appointed by the Governor of the State, with the advice and consent of the State Senate. The Issuer is subject to significant state oversight, including audit by the State Auditor and debt issuance review and approval by the Texas

Bond Review Board. The enabling legislation for the Issuer, as amended, may be found at Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq.

The Issuer is governed by a Board of Directors with five members. The current members of the Board of Directors are:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Lemuel Williams	Chairperson	February 1, 2027
Valerie Vargas Cardenas	Vice Chairperson	February 1, 2031
David Lewis	Director	February 1, 2031
David Rassin	Director	February 1, 2029
Ernest Richards	Director	February 1, 2027

David Long serves as President of the Issuer. Mr. Long has been employed by the Issuer since October 2001. Janie Taylor serves as Executive Vice President of the Issuer. Ms. Taylor has been employed by the Issuer since August 2006. Melinda Smith serves as Chief Financial Officer of the Issuer and has been employed by the Issuer since August 2001. Rebecca DeLeon serves as Corporate Secretary of the Issuer and has been employed by the Issuer since March 2018.

The Issuer is organized, operated and administered in accordance with the Issuer's enabling legislation. The Issuer has received a determination letter from the Internal Revenue Service recognizing the Issuer as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer's Articles of Incorporation provide, among other things, that the public purpose of the Issuer is to perform such activities and services that the Issuer's Board of Directors determines will promote the public health, safety and welfare through the provision of adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income, including single family mortgage revenue bond programs such as the program described herein. See "The Program."

The Series 2026A/B Bonds are special, limited obligations of the Issuer, payable solely out of the revenues, receipts, and security pledged therefor under the Indenture. The Series 2026A/B Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Series 2026A/B Bonds do not constitute a debt or obligation of the State of Texas, or any political subdivision, agency or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Issuer except as provided in the Indenture. The Issuer has no taxing power. The Series 2026A/B Bonds are not obligations of, or guaranteed by, the United States of America, GNMA or any other agency of the United States of America.

Like virtually all Texas state agencies, the Issuer is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended) and is subject to "sunset" (abolishment) on September 1, 2029. If sunset were to occur, the Texas Sunset Act provides for the continued payment of the Issuer's bonds in accordance with their terms and the designation of an appropriate state agency to carry out all covenants with respect to such bonds.

THE SERIES 2026A/B BONDS

General

The Series 2026A/B Bonds are dated their Date of Delivery and bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. The Issuer is

issuing the Series 2026A/B Bonds as fully registered bonds which, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC is acting as securities depository for the Series 2026A/B Bonds.

Purchases of Series 2026A/B Bonds are being made in book-entry form only and in denominations of \$5,000 or integral multiples thereof, not exceeding the principal amount maturing on any principal payment date (an “Authorized Denomination”) through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2026A/B Bonds will not receive physical delivery of bond certificates so long as DTC or a successor act as the securities depository with respect to the Series 2026A/B Bonds. See “Appendix B – Book-Entry Only System.”

Payment Provisions

The Trustee shall pay interest semiannually on March 1 and September 1 of each year (each an “Interest Payment Date”), commencing March 1, 2027, until maturity or earlier redemption. Interest on the Series 2026A/B Bonds will be computed on the basis of a 360-day year of twelve 30-day months from their original issue date or the most recent Interest Payment Date, whichever is later. The Trustee shall pay interest to the owners of record in the bond registration books maintained by the Trustee at the close of business on the fifteenth (15th) day (whether or not a business day) preceding each Interest Payment Date (the “Record Date”). The Trustee shall pay the principal of the Series 2026A/B Bonds at maturity or earlier date of redemption, together with all interest accrued to such date and any redemption price, upon presentation and surrender of the Series 2026A/B Bonds at the Trustee’s designated corporate trust office. If a payment of interest, principal or the redemption price of Series 2026A/B Bonds is to be made on a day that is not a Business Day, it will be made on the next succeeding Business Day with the same force and effect as if made on the date of payment, and no interest shall accrue thereon for the period after such date.

The foregoing procedures and methods for payment will apply if the provisions for global book-entry bonds as described below cease to be in effect and will apply to the holding and transfer of Series 2026A/B Bonds by DTC subject to certain modifications provided for in a Letter of Representations between the Issuer and DTC. **SO LONG AS DTC OR ITS NOMINEE IS THE REGISTERED OWNER OF THE SERIES 2026A/B BONDS, PAYMENT OF THE PRINCIPAL OR THE REDEMPTION PRICE THEREOF AND THE INTEREST THEREON WILL BE MADE BY WIRE TRANSFER DIRECTLY TO DTC OR ITS NOMINEE.** See Appendix B – “Book-Entry Only System.”

Registration and Transfer of the Series 2026A/B Bonds

The Trustee shall maintain at its designated trust office, books for the registration and transfer of the Series 2026A/B Bonds. Upon presentation thereof for such purpose, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as they or the Trustee may prescribe, any Series 2026A/B Bond entitled to registration or transfer. Each Series 2026A/B Bond will be transferable only upon the books of the Trustee, at the request of the registered owner thereof in person or by his or her attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney. In the event of a transfer of any such Series 2026A/B Bond, the Trustee will issue in the name of the transferee a new registered Series 2026A/B Bond of the same aggregate principal amount and maturity as the surrendered Series 2026A/B Bond. The Series 2026A/B Bonds may be exchanged at the principal office of the Trustee for an equal aggregate principal amount of Series 2026A/B Bonds of the same maturity of other Authorized Denominations.

In each case in which Series 2026A/B Bonds are transferred or exchanged, the Issuer will execute, and the Trustee will authenticate, as required, and deliver Series 2026A/B Bonds to the transferee or the Bondholder making the exchange. The Issuer will not be obligated to make any such exchange or transfer of Series 2026A/B Bonds, in the case of any proposed redemption of Series 2026A/B Bonds, during the ten (10) days preceding the date of transmitting notice of such redemption.

The Issuer and the Trustee may deem and treat the person in whose name any Outstanding Series 2026A/B Bond shall be registered upon the books of the Issuer to be the absolute owner of such Series 2026A/B Bond, whether such Series 2026A/B Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, and interest on such Series 2026A/B Bond and for all other purposes, and all such payments so made to any such registered owner or upon his or her written order or to his or her legal representative shall be valid and effectual to satisfy and discharge the liability upon such Series 2026A/B Bond to the extent of the sum or sums so paid, and none of the Issuer or the Trustee shall be affected by any notice to the contrary.

Redemption of Series 2026A/B Bonds*

Optional Redemption. The Series 2026A/B Bonds, other than the Series 2026A PAC Bonds, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, at any time on or after March 1, 2035, from any source of funds, at a redemption price equal to the principal amount thereof plus accrued interest, if any, to but not including the date fixed for redemption.

The Series 2026A PAC Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, at any time on or after March 1, 2035, from any source of funds, at the Redemption Prices listed below, together with accrued interest to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 1, 2035	_____%
On or after September 1, 2035	100.000%

If the Series 2026A PAC Bonds are redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by straight-line interpolation between the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

Scheduled Sinking Fund Redemptions.

(i) The Series 2026A Term Bonds maturing September 1, 2041 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2039	\$775,000
9/1/2039	805,000
3/1/2040	830,000
9/1/2040	855,000

* Preliminary, subject to change.

3/1/2041	885,000
9/1/2041 ¹	910,000

¹ Final Maturity.

(ii) The Series 2026A Term Bonds maturing September 1, 2046 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2042	\$ 940,000
9/1/2042	975,000
3/1/2043	1,000,000
9/1/2043	1,035,000
3/1/2044	1,075,000
9/1/2044	1,100,000
3/1/2045	1,135,000
9/1/2045	1,180,000
3/1/2046	1,215,000
9/1/2046 ¹	1,250,000

¹ Final Maturity.

(iii) The Series 2026A Term Bonds maturing September 1, 2051 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2047	\$1,420,000
9/1/2047	1,470,000
3/1/2048	1,515,000
9/1/2048	1,555,000
3/1/2049	1,620,000
9/1/2049	1,660,000
3/1/2050	1,715,000
9/1/2050	1,785,000
3/1/2051	1,825,000
9/1/2051 ¹	1,895,000

¹ Final Maturity.

(iv) The Series 2026A Term Bonds maturing September 1, 2056 and bearing an interest rate of []% are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2052	\$1,950,000
9/1/2052	2,015,000
3/1/2053	2,080,000
9/1/2053	2,150,000
3/1/2054	2,215,000
9/1/2054	2,285,000
3/1/2055	2,365,000
9/1/2055	2,440,000
3/1/2056	2,515,000
9/1/2056 ¹	2,605,000

¹ Final Maturity.

(v) The Series 2026A Term Bonds maturing September 1, 2056 and bearing an interest rate of []% (the “Series 2026A PAC Bonds”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2047	\$620,000
9/1/2047	645,000
3/1/2048	660,000
9/1/2048	680,000
3/1/2049	705,000
9/1/2049	730,000
3/1/2050	750,000
9/1/2050	775,000
3/1/2051	800,000
9/1/2051	825,000
3/1/2052	855,000
9/1/2052	880,000
3/1/2053	910,000
9/1/2053	935,000
3/1/2054	970,000
9/1/2054	1,000,000
3/1/2055	1,030,000
9/1/2055	1,065,000
3/1/2056	1,100,000
9/1/2056 ¹	1,140,000

¹ Final Maturity.

(vi) The Series 2026B Term Bonds maturing September 1, 2041 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date

referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2039	\$450,000
9/1/2039	465,000
3/1/2040	475,000
9/1/2040	495,000
3/1/2041	510,000
9/1/2041 ¹	530,000

¹ Final Maturity.

(vii) The Series 2026B Term Bonds maturing September 1, 2046 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2042	\$545,000
9/1/2042	555,000
3/1/2043	580,000
9/1/2043	605,000
3/1/2044	610,000
9/1/2044	640,000
3/1/2045	660,000
9/1/2045	675,000
3/1/2046	700,000
9/1/2046 ¹	725,000

¹ Final Maturity.

Redemption from Unexpended Proceeds. The Series 2026A/B Bonds are subject to special redemption at the option of the Issuer, in whole or in part, at any time, from and to the extent that proceeds thereof deposited in the Series 2026A/B Mortgage Loan Account are not applied to the purchase of Series 2026A/B Mortgage Loans, Series 2026A/B Guaranteed Mortgage Securities or Series 2026A DPA Second Mortgage Loans (“Series 2026A/B Unexpended Proceeds”), at a redemption price equal to (i) in the case of the Series 2026A Bonds other than the Series 2026A PAC Bonds, the principal amount thereof, without premium, plus accrued interest to the redemption date, and (ii) in the case of the Series 2026A PAC Bonds, equal to a price of par, plus accrued interest to the redemption date, plus the unamortized premium thereon as determined by the Issuer by a straight-line amortization of the original issue premium on the Series 2026A PAC Bonds between the date of issue and September 1, 2035. The Series 2026A PAC Bonds Applicable Amounts set forth below for each semiannual period are to be reduced on a proportionate basis to the extent that amounts are applied to the redemption of the Series 2026A PAC Bonds from unexpended proceeds as described above. The Issuer shall determine or cause to be determined the amount of any remaining Series 2026A/B Unexpended Proceeds, if any, and shall apply such amount to the redemption of Series 2026A Bonds on or before [_____], 2030 (the “Nonorigination Redemption Date”), as shall

be necessary in the opinion of the Issuer, upon consultation with Bond Counsel, to meet the requirements of Section 143(a)(2)(D) of the Code. Series 2026A/B Bonds redeemed with Series 2026A/B Unexpended Proceeds will be redeemed on a pro rata basis, unless otherwise directed by the Issuer (provided that such direction shall not impact the weighted average life of the Series 2026A PAC Bonds).

Special Redemption from Prepayments and Excess Revenues. The Series 2026A/B Bonds are subject to special redemption at the option of the Issuer, in whole or in part, on any Business Day, at the principal amount so called for redemption plus accrued interest thereon, without premium, from Prepayments under the General Indenture and from Revenues which are not required to make Debt Service Payments under the General Indenture (“Excess Revenues”). Prepayments of and Excess Revenues from Mortgage Loans other than the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities, may be applied to the redemption of the Series 2026A PAC Bonds, but only to the extent that such redemptions do not cause the outstanding balance of the Series 2026A PAC Bonds to be less than the Series 2026A PAC Bonds Applicable Amount set forth under “ – Redemption of the Series 2026A PAC Bonds” in the table below. Except as set forth below, Prepayments of and Excess Revenues from the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities may be used, at the direction of the Issuer, to redeem any Bonds, including Bonds other than the Series 2026A/B Bonds.

Redemption of the Series 2026A PAC Bonds. - The Series 2026A PAC Bonds are subject to mandatory redemption from, and to the extent received, Directed Series 2026A/B Principal Payments. “Directed Series 2026A/B Principal Payments” means, with respect to any redemption date, repayments and Prepayments from Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) financed with the proceeds of the Series 2026A/B Bonds, less the sum of the principal amount of any Series 2026A/B Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no such Series 2026A/B Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or Sinking Fund Payment amount of such Series 2026A/B Bonds).

Such Directed Series 2026A/B Principal Payments are to be applied to the special redemption of the Series 2026A PAC Bonds on a cumulative basis (inclusive of Series 2026A PAC Bonds redeemed in prior periods, including by mandatory redemption from Sinking Fund Installments and special redemption from Mortgage Prepayments, Mortgage Repayments and excess Revenues, if any) so that the aggregate principal amount of the Series 2026A PAC Bonds outstanding on such redemption date is not less than the Outstanding PAC Bonds Amounts as set forth in the following table. The Series 2026A PAC Bonds shall be redeemed on one or more days during each semiannual period ending on March 1 and September 1, commencing with the period ending September 1, 2027, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date to the extent that, after giving effect to such redemption, the aggregate principal amount of the Series 2026A PAC Bonds outstanding on such redemption date is not less than the Outstanding PAC Bonds Amounts as set forth in the table below.

The Outstanding PAC Bonds Amount as of each Bond Payment Date following redemption of the Series 2026A PAC Bonds is as follows:

<u>Redemption Period Ending</u>	<u>Outstanding PAC Bonds Amount</u>
10/8/2026	\$17,075,000
3/1/2027	17,075,000
9/1/2027	16,905,000
3/1/2028	16,410,000
9/1/2028	15,625,000
3/1/2029	14,565,000
9/1/2029	13,245,000

3/1/2030	11,860,000
9/1/2030	10,520,000
3/1/2031	9,215,000
9/1/2031	7,960,000
3/1/2032	6,730,000
9/1/2032	5,555,000
3/1/2033	4,420,000
9/1/2033	3,325,000
3/1/2034	2,275,000
9/1/2034	1,270,000
3/1/2035	315,000
9/1/2035	0

¹ The amount is determined by utilizing the standard prepayment model of the Securities Industry and Financial Markets Association and a Mortgage Loan prepayment rate equal to 50% of the standard prepayment model. See “Projected Weighted Average Lives of the PAC Bonds” herein.

If the Directed Series 2026A/B Principal Payments are insufficient in any semiannual period to redeem the Series 2026A PAC Bonds in the amount described above, the Series 2026A PAC Bonds will continue to be redeemable in future semiannual periods from Directed Series 2026A/B Principal Payments received in such future semiannual period in the same manner as described above. If there are excess Directed Series 2026A/B Principal Payments with respect to any semiannual period, such excess may be applied by the Issuer to any authorized purpose under the General Indenture, including the redemption of other Bonds as described under “ – Special Redemption from Prepayments and Excess Revenues” above or the Series 2026A PAC Bonds, if necessary, under the Code.

The Issuer may redeem the Series 2026A PAC Bonds from any amounts available under the General indenture other than Directed Series 2026A/B Principal Payments to the extent that such redemption will not reduce the outstanding principal amount of the Series 2026A PAC Bonds to an amount less than the Outstanding PAC Bonds Amounts shown in the table above for each applicable period, unless necessary, under the Code, as such amounts may have been adjusted due to a redemption of the PAC Bonds from Unexpended Proceeds, as described above.

If the Series 2026A PAC Bonds are redeemed on a date other than a Bond Payment Date, the Series 2026A PAC Bonds Applicable Amount as of such redemption date will be determined by straight-line interpolation between the Outstanding PAC Bonds Amounts for the Bond Payment Dates immediately preceding and succeeding such redemption date.

If the Series 2026A PAC Bonds are redeemed from Unexpended Proceeds, the Series 2026A PAC Bonds Applicable Amounts set forth for each semiannual period will be reduced on a proportionate basis unless otherwise directed by the Issuer (provided that such direction shall not impact the weighted average life of the Series 2026A PAC Bonds).

The weighted average life of a security refers to the average length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The projected .weighted average lives of the Series 2026A PAC Bonds will be influenced by, among other factors, the rate at which all amounts received by the Issuer or the Trustee representing the recovery of all or a portion of Principal Receipts received by the Issuer with respect to such Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities.

Payments of mortgage loans are commonly projected in accordance with a prepayment standard or model. The results of the model used in this Official Statement have been calculated using the Securities Industry and Financial Markets Association (“SIFMA”) (formerly the Public Securities Association (“PSA”)) prepayment standard or model (the “PSA Prepayment Benchmark”) which is based on an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. The PSA Prepayment Benchmark assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first thirty (30) months of the respective lives and then assumes a constant prepayment rate of the unpaid principal balance for the remaining life of the mortgage loans. “100% PSA” assumes prepayment rates of 0.2% of mortgage loans and an additional 0.2% per year in each month thereafter (for example, 0.4% per year in the second month) until the thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the pool of mortgage loans, 100% PSA assumes a constant prepayment rate of 6% per year. Multiples will be calculated from this prepayment rate standard; e.g. “200% PSA” assumes prepayment rates will be 0.4% per year in month one, 0.8% per year in month two, reaching 12% per year in month 30 and remaining constant at 12% per year thereafter. “0% PSA” assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

The achievement of certain results or other expectations contained in this section involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied in this section. The Issuer does not expect or intend to issue any updates or revisions to this section if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

The following table of Projected Weighted Average Lives of the 2026A PAC Bonds (the “Table”) is based on certain hypothetical assumptions including, among other assumptions some or all of which are unlikely to reflect actual experience), that:

(a) the Series 2026A/B Guaranteed Mortgage Securities are purchased from _____ to _____ with a weighted average origination date of approximately _____, a weighted average coupon of _____.____% and a weighted average pass-through rate of _____.____%;

(b) 100% of the Series 2026A/B Guaranteed Mortgage Securities will be Ginnie Mae Securities;

(c) the Series 2026A/B Mortgage Loans will have an original term of 30 years and will be payable in approximately equal monthly installments of principal and interest over 360 months;

(d) all Series 2026A/B Mortgage Loans are prepaid at the indicated percentage of the PSA Prepayment Benchmark;

(e) all Principal Receipts of the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities are timely received;

(f) Prepayments on the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities will be used to redeem Series 2026A/B Bonds as described in “THE SERIES 2026A/B BONDS — Redemption Provisions — Redemption of the Series 2026A PAC Bonds” above, and the Issuer does not direct the Trustee to apply such amounts to other purposes as may be permitted by the Indenture;

(g) moneys on deposit in the Revenue Fund related to any other Series of Bonds will not be applied to redeem Series 2026A/B Bonds or purchase Mortgage Loans related to the Series 2026A/B Bonds;

(h) Principal Receipts of and Excess Revenues from the Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities will not be applied to redeem other Series of Bonds or purchase Mortgage Loans related to such other Series; and

(i) no Investment revenues from any other Series of Bonds will be used to redeem Series 2026A/B Bonds.

The computation of the projected weighted average lives of the 2026A PAC Bonds under each of the scenarios presented in the Table is based on one of two sets of indicated assumptions about the exercise of the Optional Redemption provision pursuant the 2026A/B Series Indenture:

(a) In the case of scenarios labeled “Optional Call Not Exercised,” it is assumed that the Issuer will not exercise its right to optionally redeem the Series 2026A PAC Bonds.

(b) In the case of scenarios labeled “Optional Call Exercised,” it is assumed that the Issuer will exercise its right optionally to redeem all then-eligible Series 2026A PAC Bonds on [_____ 1, 203_____].

Based on such assumptions, the following table indicates the projected weighted average lives of the Series 2026A PAC Bonds.

Projected Weighted Average Lives (in years) of the Series 2026A PAC Bonds

<u>% of PSA</u>		
<u>Prepayment</u>	<u>Optional Call</u>	<u>Optional</u>
<u>Benchmark</u>	<u>Not Exercised</u>	<u>Call Exercised</u>
0%	27.1	8.4
25	10.8	6.7
50	5.0	5.0
75	5.0	5.0
100	5.0	5.0
200	5.0	5.0
300	5.0	5.0
400	5.0	5.0
500	5.0	5.0
600	5.0	5.0
700	5.0	5.0

The PSA Prepayment Benchmark does not purport to be a prediction of the anticipated rate of prepayments of the 2026A/B Mortgage Loans, and there is no assurance that the prepayments of the 2026A/B Mortgage Loans will conform to any of the assumed prepayment rates. See “Certain Assumptions and Risk Factors—Prepayment and Redemption Considerations” herein for a discussion of certain factors that may affect the rate of Prepayments of the 2026A/B Mortgage Loans.

Bondholders owning less than all of the Series 2026A PAC Bonds may experience redemptions at a rate that varies from the projected weighted average lives shown in the Series 2026A PAC Bonds Projected Weighted Averages Lives Table.

The Issuer makes no representation as to the percentage of the principal balance of the 2026A/B Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment.

Special “Ten Year Rule” Mandatory Redemption. The “Ten-Year Rule” (Section 143(a)(2)(A)(iv) of the Code) requires that repayments and Prepayments of principal on Mortgage Loans must be used to redeem the Series of tax-exempt Bonds that financed such Mortgage Loans to the extent such repayments and Prepayments are received more than 10 years after such Series was issued as a tax-exempt bond. Such repayments and Prepayments, when received, are referred to herein as “Restricted Principal Receipts.” The Ten Year Rule generally limits the Issuer’s ability to cross-call Bonds from Restricted Principal Receipts.

To comply with the Ten Year Rule, with respect to the Series 2026A/B Mortgage Loans and the Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans expected to be acquired with moneys made available upon the issuance of the Series 2026A Bonds, the following cumulative percentage of scheduled Series 2026A/B Principal Repayments and Prepayments on such Series 2026A/B Mortgage Loans and Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) and Series 2026A DPA Second Mortgage Loans financed with the proceeds of the Series 2026A/B Bonds received on or after the following dates is required to be applied no later than the close of the first semiannual period beginning after the date of receipt to the retirement of the Series 2026A Bonds through payment thereof at maturity or redemption:

Start Date	End Date	Percent
October 8, 2026	October 7, 2036	0.0%
October 8, 2036	Final Maturity	100.0%

Unless the Ten Year Rule is repealed, all “Ten Year Rule” redemptions from Restricted Principal Receipts with respect to the Series 2026A/B Mortgage Loans, the Series 2026A/B Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans financed with moneys made available upon the issuance of the Series 2026A Bonds shall be applied to redeem Series 2026A Bonds.

Purchase in Lieu of Redemption. Series 2026A/B Bonds may be purchased in lieu of redemption as set forth in the Officer’s Certificate delivered to the Trustee, at a purchase price not exceeding the redemption price applicable on the next date when Series 2026A/B Bonds are redeemable (provided that such purchase price may exceed the applicable redemption price unless the amount of such excess shall be paid from moneys not pledged under the General Indenture, or moneys which could otherwise be released to the Issuer pursuant to the General Indenture.

Partial Redemption. If less than all of the Series 2026A/B Bonds are to be redeemed at any time, the Issuer shall direct the maturities and principal amounts thereof to be redeemed. If less than all Bonds of like Series, tenor, interest rate and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed while the Series 2026A/B Bonds are held in the DTC book-entry system will be made as a “Pro-Rata Pass-Through Distribution of Principal” by DTC. Such redemption procedure will result in a pro rata redemption of Series 2026A/B Bonds among DTC Participants, but may not ensure a pro rata redemption of Series 2026A/B Bonds among all Beneficial Owners thereof.

Notice of Redemption. The Trustee will transmit notice of redemption to the registered owners of the Series 2026A/B Bonds to be redeemed not less than twenty (20) days prior to the redemption date (or such shorter period as may be acceptable to the securities depository (if applicable) or the then-registered owner). Such notice shall specify the redemption date, the redemption price, the place and manner of payment and that from the redemption date interest will cease to accrue on the Series 2026A/B Bonds which are the subject of such notice and shall include such other information as the Trustee shall deem appropriate

or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard.

PLAN OF FINANCE AND SOURCES AND USES OF FUNDS

Upon issuance of the Series 2026A/B Bonds, the proceeds of the Series 2026A/B Bonds, together with other money from the sources described below, will be applied as follows:

Sources

Series 2026A Bond Principal	\$75,000,000.00
[Series 2026A Bond Premium]	
Series 2026B Bond Principal	25,000,000.00
[Series 2026B Bond Premium]	
Issuer Funds	
TOTAL	\$

Uses

Series 2026A/B Mortgage Loan Account	\$
Series 2026A Downpayment Assistance Account	
Series 2026A/B Revenue Account	
Series 2026A/B Cost of Issuance Account ¹	
TOTAL	\$

¹ Amounts deposited in the Series 2026A/B Cost of Issuance Account will be applied to pay costs of issuance, including, but not limited to, the fees and expenses of the Issuer, the Underwriters, Bond Counsel and Disclosure Counsel, the Financial Advisor, the rating agency fee, the Trustee's initial fees and expenses, and other costs relating to the issuance of the Series 2026A/B Bonds.

The Issuer expects to use moneys deposited into the Series 2026A/B Mortgage Loan Account to purchase approximately \$_____ of Series 2026A/B Guaranteed Mortgage Securities on or about the date of delivery of the Series 2026A/B Bonds and to purchase approximately \$_____ of Series 2026A/B Guaranteed Mortgage Securities on or before _____ 1, 2026. Such Series 2026A/B Guaranteed Mortgage Securities are expected to have a weighted average term of 360 months, a weighted average coupon of ____% and a weighted average pass-through rate of ____%. The Issuer also expects to use amounts in the Series 2026A Downpayment Assistance Account to provide approximately \$_____ of down payment and closing cost assistance in the form of the DPA Second Mortgage Loans in connection with the Series 2026A/B Mortgage Loans.

SECURITY FOR THE SERIES 2026A/B BONDS

General

The Series 2026A/B Bonds are special, limited obligations of the Issuer, payable solely out of the revenues, receipts, and security pledged therefor under the Indenture. The Series 2026A/B Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Series 2026A/B Bonds do not constitute a debt or obligation of the State of Texas, or any political subdivision, agency or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Issuer except as provided in the

Indenture. The Issuer has no taxing power. The Series 2026A/B Bonds are not obligations of, or guaranteed by, the United States of America, GNMA or any other agency of the United States of America.

Under the Indenture, the Series 2026A/B Bonds are secured by an assignment and pledge of, and security interest in, (i) all Revenues, proceeds of the Bonds, Funds, Accounts, Qualified Mortgage Loans (including any DPA Second Mortgage Loans), rights, interests, collections, and other property pledged to the payment of any Bonds pursuant to the General Indenture or any Series Indenture (the “Trust Estate”).

The term “Revenues” means (a) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by the Issuer from Mortgage Loans, including DPA Second Mortgage Loans, and Guaranteed Mortgage Securities, including Prepayments, (b) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds, (c) all payments and receipts received by the Issuer under a Qualified Hedge Agreement and (d) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to the Indenture and all other payments and receipts received with respect to Mortgage Loans, including the proceeds of any mortgage insurance claims (but excluding Service Charges, Escrow Payments, or other financing, commitment or similar fees or charges of the Issuer or a Mortgage Lender at or prior to the time of financing or purchasing a Mortgage Loan).

The Servicer is obligated [pursuant to the Servicing Agreement] to pay the principal of and interest on the GNMA Certificates in an amount equal to (i) the scheduled principal and interest due on the underlying Qualified Mortgage Loans (less the related servicing and guaranty fees), whether or not the Servicer has received such principal and interest payments on the underlying Qualified Mortgage Loans, and (ii) prepayments on the underlying Qualified Mortgage Loans received by the Servicer. GNMA guarantees the timely payment of principal of and interest on the GNMA Certificates. See “GNMA Mortgage-Backed Certificate Program.”

No Reserve Fund Deposit

The General Indenture establishes a Reserve Fund and authorizes a deposit thereto if required in connection with the issuance of any series of Bonds. No deposit to the Reserve Fund is required in connection with the issuance of the Series 2026A/B Bonds and, as such, no deposit will be made to the Reserve Fund in connection with the issuance of the 2026A/B Bonds.

Investments

The Issuer is permitted to invest funds on deposit in the Indenture in Investments as described in “The General Indenture” below. Investments may include other investments with different characteristics which an Authorized Representative deems to be in the interest of the Issuer, as reflected in an Officer’s Certificate or in a Supplemental Indenture or a Series Indenture, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then-current rating on the Series 2026A/B Bonds by each Rating Agency then rating the Series 2026A/B Bonds at the request of the Issuer.

Moneys deposited in the Accounts established with respect to the Series 2026A/B Bonds will be invested in Investments. An investment agreement qualifying as an Investment may be delivered, from time to time, in connection with the Series 2026A/B Bonds or any other Series of Bonds. Such investment agreements and any related guarantees are herein referred to as the “Investment Agreements.” In each case, the Investment Agreements must be consistent with, and permit a continuation of, the then-current rating

on the Series 2026A/B Bonds by each Rating Agency then rating the Series 2026A/B Bonds at the request of the Issuer.

In the event of a failure to receive timely payment on any Investment, including any Investment Agreement, the ability of the Issuer to pay principal of and interest on the Series 2026A/B Bonds could be adversely affected.

Valuation of Assets

As of each Interest Payment Date and as of the date of issuance of any Series of Bonds, the Issuer is required to compute the value of certain assets in accordance with the terms of the General Indenture. The computation of asset value is for certain purposes under the General Indenture, including issuance of Series of Bonds and the release of amounts free and clear of the pledge of the General Indenture, and is not indicative of the market value of such assets. Asset value is subject to fluctuation as a result of prepayments, foreclosures, purchases of additional Mortgage Loans and Guaranteed Mortgage Securities, issuance of additional Series of Bonds and the release and expenditure of funds. On the delivery date of the Series 2026A/B Bonds, the asset value is expected to be approximately \$_____ and the aggregate principal amount of the Outstanding Bonds is expected to be \$_____. The amount of asset value in excess of 100% of the Outstanding Bonds (the “**Parity Test**”) is available to the Issuer, subject to certain other conditions (including satisfaction of the Cash Flow Test hereinafter described), for any purpose under the Act, including other Programs of the Issuer. The Issuer has no present intention to release any assets from the lien of the Indenture.

The value of the assets pledged under the General Indenture is computed as follows:

- (1) For a Mortgage Loan (including any Guaranteed Mortgage Security), the unpaid principal amount thereof;
- (2) Cash and Investments held in a Mortgage Loan Account for the first two years after the issuance of the Bonds funding that Account, at the par amount thereof; and
- (3) For other Investments and deposits: (a) the principal amount or amortized cost of an Investment, whichever is lower, if it matures more than twenty-four (24) months after the date of computation or is held subject to a repurchase agreement, and (b) the principal amount of a deposit or of an Investment that matures within twenty-four (24) months after the date of computation and is not held subject to a repurchase agreement, provided further that (c) accrued interest shall be excluded from each such computation.

Additional Bonds

The General Indenture permits the issuance of Additional Bonds without limitation as to amount (except as may be limited by law) to provide funds for the purposes of making or purchasing Qualified Mortgage Loans and Guaranteed Mortgage Securities and refunding Outstanding Parity Bonds issued under the General Indenture, but only upon satisfying certain conditions set forth in the General Indenture, including the Parity Test and the Cash Flow Test. The Series 2026A/B Bonds, any Outstanding Parity Bonds and any Additional Bonds issued under the General Indenture on parity will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Indenture.

The Issuer has also reserved the right to issue other obligations not secured by the pledge and lien of the General Indenture.

The Issuer is permitted under the General Indenture to issue bonds that are secured on a subordinate basis to the Series 2026A/B Bonds (“Subordinated Bonds”). No Subordinated Bonds will be issued in connection with the Series 2026A/B Bonds.

GNMA MORTGAGE-BACKED CERTIFICATE PROGRAM

The summary of the GNMA Mortgage-Backed Certificate Program, GNMA Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the applicable GNMA guide or guides and to the GNMA Certificates and other documents for full and complete statements of their provisions.

None of the Issuer, the Trustee, the Underwriters, the Financial Advisor, Bond Counsel, Disclosure Counsel or counsel to the Underwriters has independently verified such information, and none assumes responsibility for the accuracy of such information.

GNMA is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development (“HUD”), with its principal office in Washington, D.C. GNMA is authorized by Section 306(g) of Title III of the National Housing Act, as amended (the “Housing Act”), to guarantee the timely payment of the principal of, and interest on, certificates which represent an undivided interest in a pool of mortgage loans insured by FHA under the Housing Act or Title V of the Housing Act of 1949, or guaranteed by VA under the Servicemen’s Readjustment Act of 1944, as amended, of Chapter 37 of Title 38, United States Code. Section 306(g) further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated October 12, 1969, of an Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed certificates of the type to be delivered to the Trustee on behalf of the Issuer are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.” In order to meet its obligations under such guaranties, GNMA, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranties of the timely payment of the principal of or interest on all GNMA Certificates. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement GNMA’s guaranties. Under the terms of its guaranties, GNMA warrants that, in the event it is called upon at any time to make payment on its guaranties, it will, if necessary, in accordance with Section 306(d) of Title III of the Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

To issue GNMA Certificates, the Servicer is required first to apply to and receive from GNMA a Commitment to Guarantee Mortgage-Backed Securities (“GNMA Commitment”). A GNMA Commitment authorizes the Servicer to issue GNMA Certificates up to a stated amount during a one-year period following the date thereof. The Servicer is obligated to pay the GNMA commitment fees. The Servicer is also obligated to pay the monthly GNMA guaranty fees.

Each GNMA Certificate is to be backed by a mortgage pool consisting of Mortgage Loans in a minimum aggregate amount approved by GNMA. Each GNMA I Certificate will be a “mortgage loan pass-through” certificate which will require the Servicer to pass through to the paying and transfer agent therefor (the “GNMA Paying Agent”) by the fifteenth day of each month (or the sixteenth day, if such day is not a business day, provided that, if neither the fifteenth nor the sixteenth day is a business day, then the first business day prior to the fifteenth day of the month), the regular monthly payments on the Mortgage Loans

(less the GNMA guaranty fee and the Servicer's servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Servicer in the previous month. Each GNMA II Certificate will require the Servicer to pass through to the GNMA Paying Agent, by the nineteenth day of each month (or the twentieth day, if such day is not a business day; provided that, if neither the nineteenth nor the twentieth day is a business day, then the first business day prior to the nineteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA guaranty fee and the Servicer's servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Servicer in the previous month. The GNMA Paying Agent is then required to pass through to the Trustee on or before the third business day following the nineteenth day of each month the scheduled payments received from the Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA, upon execution of the GNMA Guaranty Agreement, issuance of a GNMA Certificate by the Servicer, and subsequent sale of such GNMA Certificate to the Trustee, will have guaranteed to the Trustee as holder of such GNMA Certificate the timely payment of principal of and interest on such GNMA Certificate.

CERTAIN TRANSACTION ASSUMPTIONS AND RISK FACTORS

The foregoing is intended only as a summary of transaction assumptions and certain risk factors attendant to an investment in the Series 2026A/B Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the documents referred to herein.

Transaction Assumptions

The Series 2026A PAC Bonds will be sold at a price in excess of their principal amount. Each Series 2026A/B Bond purchaser (including secondary market purchasers) should consider that the Series 2026A/B Bonds of each maturity are subject to redemption (or purchase in lieu of redemption) at par (except for mandatory redemptions of the Series 2026A PAC Bonds from unexpended funds on the Nonorigination Redemption Date) from various sources, including mandatory sinking fund payments, amounts in the Revenue Fund that represent Prepayments and Excess Revenues, and from optional redemptions described herein. See "The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds."

The ability of the Issuer to pay principal of and interest on the Series 2026A/B Bonds depends upon the receipt of sufficient and timely payments of principal of and interest on the GNMA Certificates and the investment of moneys held under the Indenture in Investment Securities. Timely payment of principal and interest on the Series 2026A/B Bonds is anticipated to occur based on numerous assumptions, including, but not limited to, the following assumptions:

1. The Trustee shall purchase with proceeds of the Series 2026A/B Bonds, and available funds of the Issuer's, approximately \$_____ in principal amount of GNMA Certificates bearing interest at the stated coupon of approximately _____% per annum at a weighted average purchase price equal to approximately _____% of the principal amount thereof. The Mortgage Loans will have terms of 30 years and bear interest at the rate of _____% per annum. The Mortgage Loan Rate and the Pass-Through Rate are subject to increase or decrease.

2. The Trustee shall purchase with proceeds of the Series 2026A Bonds, and available funds of the Issuer, approximately \$_____ in Series 2026A DPA Second Mortgage Loans at a purchase price of 100% of the principal amount thereof. Such Series 2026A DPA Second Mortgage Loans will be

non-amortizing loans, junior and subordinate to the related first mortgage loan, with a stated rate of interest of 0% and a term of 360 months. Series 2026A DPA Second Mortgage Loans feature a principal amount that is due upon the final maturity of thirty years or upon the earliest to occur of any of the following events: (i) the termination of the first mortgage loan, (ii) the sale of the related home or the institution of foreclosing procedures thereon, (iii) the home ceases to be the borrower's primary residence, or (iv) there is a default under the agreements between the mortgagor and the issuer related to such down payment assistance. The Issuer may modify the down payment assistance programs and develop new down payment assistance programs as part of its homeownership lending programs.

3. Payments on the GNMA Certificates will be made on a timely basis.
4. Timely payment of interest and principal of Investment Securities purchased with moneys on deposit in the Special Program Fund and the Revenue Fund.
5. The Trustee will redeem Series 2026A/B Bonds on a timely basis in accordance with the provisions of the Indenture.
6. The Issuer's Program Expenses will be paid on a timely basis and in the correct amounts shall not exceed:
 - (i) for the semi-annual Issuer Fee 1/2 of [0.25%] of the outstanding principal amount of Series 2026A/B Guaranteed Mortgage Securities beginning on _____, ____; and
 - (ii) for the semi-annual Trustee Fee 1/2 of [0.03%] of the outstanding principal amount of the Series 2026A/B Bonds beginning on _____, ____.

The final maturity date of the Series 2026A/B Bonds is based upon the assumption that none of the Series 2026A/B Guaranteed Mortgage Securities or related Series 2026A DPA Second Mortgage Loans will be prepaid. In the event of such prepayment, an appropriate portion of the Series 2026A/B Bonds will be specially redeemed as provided for in the Indenture and as described above under the caption "The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds—Special Redemption from Prepayments and Excess Revenues." No reliable prediction may be made with regard to the level of Prepayments in full or other early terminations of 2026A/B Guaranteed Mortgage Securities or related Series 2026A DPA Second Mortgage Loans and the resulting special mandatory redemption of the Series 2026A/B Bonds. This is particularly true in the case of the 2026A/B Mortgage Loans which are expected to be originated at a rate below current market rates for comparable mortgage loans, which must comply with the requirement that persons assuming a Mortgage Loan must meet the requirements of the Code, if applicable, and the Act and which may have an associated DPA Second Mortgage Loan. The Issuer expects prepayments of the 2026A/B Mortgage Loans, and it is therefore probable that the Series 2026A/B Bonds will be redeemed prior to their stated maturities.

The assumptions set forth above are only assumptions, are not complete, and subsequent events may not correspond to such assumptions. Moneys in the Series 2026A/B Cost of Issuance Account, will not be available to pay the Series 2026A/B Bonds.

General Risk Factors

The purchase of the Series 2026A/B Bonds involves certain investment considerations and risks discussed throughout this Official Statement. Prospective purchasers of the Series 2026A/B Bonds should make a decision to purchase the 2026A/B Bonds only after reviewing the entire Official Statement and making an independent evaluation of the information contained and cited herein. Certain of those

investment considerations and risks are summarized below. This summary is not intended to be definitive or exhaustive, and the order in which the following investment considerations and risks are presented is not intended to reflect their relative significance. Also see “Tax Matters” herein for a discussion of the conditions under which interest on the Series 2026A Bonds may not be exempt from federal income taxation.

Risks of Nonorigination

There are numerous reasons why Mortgage Loans may not be originated. One significant risk is the availability of other loan programs, including programs offered by the Issuer (see “Risks Related to Other Programs of the Issuer”), other housing finance agencies, corporations, authorities or other profit or nonprofit entities in the State of Texas, that have loan terms which are more attractive than those offered by the Program, such as lower mortgage rates or greater down payment and closing cost assistance. Another significant risk is that prevailing mortgage interest rates could decline sufficiently to make the terms of the Mortgage Loans unattractive to potential homebuyers. If interest rates decline and the Program is rendered less attractive, the Issuer may determine to issue a new series of bonds that would offer more attractive Mortgage Loan terms. No assurance can be given that the interest rate and payment assistance offered by the Program on the Mortgage Loans will be competitive, or will remain competitive, with other mortgage loans available to eligible mortgagors, including other programs offered by the Issuer.

It is also possible that administrative problems relating to the Program could occur, such as the failure of Lenders to timely submit loan files or sell Mortgage Loans to the Servicer, defective loan files, or the failure of the Servicer to timely purchase Mortgage Loans from Lenders. In addition, the Servicer could fail to pool the Mortgage Loans on a timely basis, fail to convert such pools into GNMA Certificates, or fail to sell the GNMA Certificates to the Trustee on a timely basis.

The dollar amount of commitments to guarantee securities that GNMA can approve and the dollar amount that FHA, VA and USDA-RHS can insure or guarantee in any federal fiscal year are limited by statute and administrative procedures. If an appropriation act is not passed in any federal fiscal year or if GNMA, FHA, VA or USDA-RHS reaches the limit of its authority, or if the FHA maximum loan limit is reduced, or if GNMA, in its sole discretion, or the federal government, alters or amends the GNMA I or II mortgage-backed securities program in such a way as to prevent the Lenders from originating Mortgage Loans, the Lenders might not be able to originate Mortgage Loans and the Servicer may not be able to issue and deliver GNMA Certificates in the anticipated principal amount. In addition, the Servicer may become unqualified to issue GNMA Certificates and a successor Servicer may have to be appointed. The failure to originate Mortgage Loans, or the inability of the Servicer or any other person to issue GNMA Certificates, or the failure to deliver GNMA Certificates to the Trustee in the anticipated amount, would result in the mandatory redemption of Series 2026A/B Bonds.

Further, GNMA could take actions relating to their guaranty or change existing procedure that would result in an inability to timely deliver GNMA Certificates to the Trustee. Under the Program, the Servicer is required to pool Mortgage Loans into GNMA Certificates only, and therefore any changes in the GNMA Certificate program could adversely affect origination of the Mortgage Loans and the delivery of GNMA Certificates for purchase by the Trustee. See “The Program—General.”

To facilitate the operation of the Program, from time to time, the Issuer may use certain of its general operating funds to purchase Guaranteed Mortgage Securities in anticipation of the issuance of Bonds. The Issuer is not obligated to use the proceeds of the Series 2026A/B Bonds or other Bonds in any particular order and, depending upon the respective mortgage loan interest rates, the Issuer may elect, from time to time, to use proceeds of particular Series of Bonds to the exclusion of other Series of Bonds, including the 2026A/B Bonds. Additionally, the Issuer may finance Mortgage Loans originated by Lenders

pursuant to the Program through sources of funding other than the issuance of Bonds. Failure to originate Mortgage Loans in amounts contemplated in connection with the issuance of each Series of Bonds may result in redemption of such Series of Bonds, in whole or in part.

If for any reason described in the preceding paragraphs, or for any other reason, moneys in the Mortgage Loan Account are not applied to the purchase of GNMA Certificates, unexpended moneys in such account will be applied to the mandatory redemption of Series 2026A/B Bonds on the Nonorigination Redemption Date. See “The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds—Redemption from Unexpended Proceeds.”

Risks Related to Other Mortgage Financing Programs of the Issuer

The Issuer also operates alternate programs wherein it makes funds available to enable the Issuer to finance certain qualified FHA-insured, VA-guaranteed, USDA/RD-guaranteed and conventional mortgage loans, including down payment assistance loans, through the acquisition of fully-modified mortgage-backed pass through certificates issued on behalf of and guaranteed as to timely payment of principal and interest by Ginnie Mae, Fannie Mae or Freddie Mac (the “TBA Program”). These certificates are then sold to [Lakeview]. The TBA Program is available to borrowers who may not be first-time homebuyers and whose annual income may be in excess of 80% of the greater of the state or local median family income. Since the TBA Program and the Series 2026A/B Bond Proceeds are both intended to provide financing for similarly situated borrowers, the success of the TBA Program has the potential of disrupting the Issuer’s ability to originate and pool Series 2026A/B Mortgage Loans to be financed by the Series 2026A/B Bonds. However, the Issuer expects the interest rates on the Series 2026A/B Mortgage Loans to be less than the interest rates on the mortgage loans financed pursuant to the TBA Program. See “The Program—Other Mortgage Financing Programs of the Issuer” below.

Prepayment and Redemption Considerations

Prepayments made with respect to Mortgage Loans and Guaranteed Mortgage Securities that are not used to cross-call other Series of Bonds or applied to purchase additional Mortgage Loans and Guaranteed Mortgage Securities, together with certain other excess revenues (including certain scheduled principal payments) and other amounts that are available under the General Indenture, may result in the redemption of some portion of the Series 2026A/B Bonds at par earlier than their respective stated maturities.

The Trustee will receive scheduled payments and prepayments of the principal of each of the GNMA Certificates. Prepayments consist of all principal payments in excess of the regularly scheduled principal payments on the GNMA Certificates, including, but not limited to, payments representing: (i) optional prepayments of Mortgage Loans, (ii) casualty insurance proceeds or condemnation awards applied to the prepayment of Mortgage Loans following a partial or total destruction or condemnation of a residence, (iii) mortgage insurance or guaranty proceeds or other amounts received with respect to Mortgage Loans following acceleration thereof upon the occurrence of an event of default thereunder, (iv) prepayments of the Mortgage Loans required pursuant to applicable rules, regulations, policies and procedures of FHA, USDA/RD, VA or GNMA, (v) prepayments of the Mortgage Loans without notice while under supervision of a trustee in bankruptcy, and (vi) prepayments of the Mortgage Loans in connection with the modification of such loans that results in the removal of Mortgage Loans from the pool of loans backing the related GNMA Certificates (see “– Developments in the Residential Mortgage Market May Adversely Affect Series 2026A/B Bond Yield” below). Prepayments are usually the result of the resale of the premises securing a Mortgage Loan or the refinancing of a Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant effect on the rate of prepayments.

In general, if prevailing interest rates are below the interest rate on the Mortgage Loans, the Mortgage Loans are likely to be subject to higher prepayment rates than if prevailing rates are at or above the interest rates on such Mortgage Loans. Conversely, if interest rates rise, the rate of prepayment would be expected to decrease. A lower rate of principal prepayments than expected on the Series 2026A/B Guaranteed Mortgage Securities would negatively affect the yield on the Series 2026A/B Bonds sold at a discount. A higher rate of principal prepayments than expected on the Series 2026A/B Guaranteed Mortgage Securities would negatively affect the yield of Series 2026A/B Bonds sold at a premium. Because it is impossible to predict with any accuracy the timing and dollar amount of principal prepayments on the Series 2026A/B Guaranteed Mortgage Securities that will be made, investors may find it difficult to analyze the effect of prepayments on the yield on the Series 2026A/B Bonds.

The rate of prepayment on the Mortgage Loans also may be affected by whether, upon a sale of the mortgaged property, the purchaser may assume the Mortgage Loan. Subject to satisfaction of certain terms set forth in the Program, the Mortgage Loans are assumable by qualified purchasers. Assumption of Mortgage Loans, rather than payoff upon a sale or transfer of the related mortgaged property, will reduce the level of prepayments. There is no way to determine the effect that such assumptions or non-assumptions of Mortgage Loans will have on principal payments on the Bonds.

Prepayment rates may be further affected by a provision under current law which may require the borrower of a Mortgage Loan originated under the Program to pay to the United States a portion of the gain upon the disposition of a residence financed if such disposition occurs within nine years from the date of purchase as a recapture of a portion of the borrower's benefit from tax-exempt financing. See "CERTAIN ASSUMPTIONS AND RISK FACTORS – Recapture of Federal Subsidy" herein.

In accordance with the terms of the Indenture and pursuant to an Officer's Certificate, the Issuer may elect to transfer moneys on deposit in the Revenue Fund to one or more Mortgage Loan Accounts to purchase, finance or acquire additional Mortgage Loans or Guaranteed Mortgage Securities, after the payment of (a) debt service on the Bonds (including Sinking Fund Installments and any payments to a Hedge Provider), (b) the Redemption Price of any Bonds called for redemption, (c) the purchase price of Bonds designated to be purchased by an Officer's Certificate, and (d) to the Reserve Fund, of the amount, if any, needed to increase the amount therein to the Reserve Requirement. The use of moneys in the Revenue Fund to purchase, finance or acquire additional Mortgage Loans or Guaranteed Mortgage Securities is known as "recycling." See "The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds" above.

Certain Revenues relating to one Series of Bonds (including moneys received from repayments and Prepayments from Guaranteed Mortgage Securities and down payment assistance loans financed with the proceeds of such Series) in excess of Revenues needed to pay principal and interest currently due on any of the Bonds, to pay expenses or to meet other purposes set forth in the Indenture generally may be used at any time to redeem Bonds of that Series and/or Bonds of certain other Series (subject to limitations, if any, set forth in the applicable Series Indentures), or for recycling. The use of Revenues in respect of one Series to redeem Bonds of another Series is known as "cross-calling." The Series and maturities of Bonds to be cross-called from time to time, if any, will be determined by the Issuer consistent with the Indenture. The Issuer has the right to cross-call and expects to execute a program of cross-calls consistent with its Program goals and objectives but can make no assurances that it will or will not cross-call in the future. In determining whether to redeem the Series of Bonds to which such prepayments and/or repayments are related and/or Bonds of a Series other than the Series of Bonds to which such prepayments and/or repayments are related, the issuer expects to consider a combination of factors, including, but not limited to, the existing Bond interest rates, applicable federal tax law, the expected average lives of the Bonds, and the prevailing interest rates in the municipal bond market. In general, the Issuer expects to cross-call higher interest rate Bonds before lower interest rate Bonds. However, various refunding strategies, the

requirements and restrictions contained in the Indenture, and other tax and economic considerations may cause the Issuer to apply moneys, if available, for cross-calling bonds in a different manner.

So long as any Series 2026A PAC Bonds are outstanding, the Series 2026A/B Indenture limits cross-calling and the recycling of prepayments to finance additional Mortgage Loans to amounts in excess of such Prepayments needed to redeem the 2026A PAC Bonds up to the Outstanding PAC Bonds Amount for the applicable Bond Payment Date. The Issuer may (and currently intends to if permitted by law) issue additional bonds (which may or may not be issued pursuant to the General Indenture), which may finance mortgages at interest rates below the rates provided for the Series 2026A/B Mortgage Loans. Amounts initially deposited in the Series 2026A/B Mortgage Loan Account which are not used to purchase Series 2026A/B Guaranteed Mortgage Securities (or otherwise finance Series 2026A/B Mortgage Loans) may be used to redeem an appropriate portion of the Series 2026A/B Bonds. See “The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds” above.

In addition, the Issuer may provide funds through other programs for the refinancing of Mortgage Loans purchased, acquired or financed with proceeds of the Bonds. If Mortgage Loans are so refinanced and paid in full, such payments would be treated as Prepayments on the Mortgage Loans, resulting in an early redemption of the Bonds. See “The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds” above.

The “Ten-Year Rule” generally requires that Principal Receipts on Mortgage Loans financed with proceeds of tax-exempt bonds must be used to redeem the Series of Bonds that financed such Mortgage Loans to the extent such repayments are received more than 10 years after such Series (or, with respect to Refunding Bonds, the original bond) was issued as a tax-exempt bond. Such repayments, when received, are considered “Restricted Principal Receipts.” The Ten-Year Rule generally limits the Issuer’s ability to cross-call Bonds from Restricted Principal Receipts or to recycle such Restricted Principal Receipts. From time to time, there have been efforts to repeal the Ten-Year Rule. Any repeal of the Ten-Year Rule may lead to increased recycling or to the cross-calling of the Bonds (including, but not limited to, the Series 2026A/B Bonds).

The Issuer is not aware of any means which would allow it to accurately predict the actual level of prepayments it will receive from the GNMA Certificates. Prepayments with respect to the GNMA Certificates allocated to the Series 2026A/B Bonds will be applied to the special redemption from revenues of the Series 2026A/B Bonds, or other Bonds issued under the Indenture at the price and in accordance with the procedures described under the heading “The Series 2026A/B Bonds – Redemption of Series 2026A/B Bonds” herein.

The Issuer’s decision to redeem the Series 2026A/B Bonds or any particular Series of Bonds, to purchase additional GNMA Certificates, and related DPA Second Mortgage Loans, or to undertake any other activity permitted under the General Indenture will be affected by, among other things, redemption restrictions relating to particular Series and maturities of Bonds and the Ten-Year Rule and other considerations under the Code (as defined in the General Indenture) as well as the ability of the Issuer to instead use such funds to purchase additional GNMA Certificates, and related DPA Second Mortgage Loans, at interest rates which are both advantageous to the Issuer and competitive in the then existing mortgage market relevant to the Issuer or to undertake any other activity that is advantageous to the Issuer and is permitted by the General Indenture.

No representation is made as to the actual timing of the origination of the Series 2026A/B Mortgage Loans, the yield to redemption of any Series 2026A/B Bonds, the redemption of any Series 2026A/B Bonds or the rate of prepayment on the Series 2026A/B Mortgage Loans. Investors seeking to maximize yield are urged to make an investment decision with respect to the Series 2026A/B Bonds based upon the investor’s

desired yield to redemption or maturity, the anticipated yield to redemption or maturity of the Series 2026A/B Bonds resulting from the price thereof and the investor's own determination as to (a) the anticipated rate of prepayments with respect to the Mortgage Loans (including the Series 2026A/B Mortgage Loans) and (b) the Issuer's ability and willingness to redeem Bonds and recycle.

Developments in the Residential Mortgage Market May Adversely Affect Series 2026A/B Bond Yield

The residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance and market value of mortgage revenue bonds. In response to increased delinquencies and losses with respect to residential mortgage loans, the federal government, state governments, consumer advocacy groups and others have urged aggressive action to modify mortgage loans to avoid foreclosures and, in response, certain mortgage servicers have established foreclosure avoidance programs for borrowers. In addition, numerous laws, regulations and rules relating to mortgage loans generally, and foreclosure actions particularly, have been enacted by federal, state and local governmental authorities and it is likely that additional laws, regulations and rules will be proposed. These laws, regulations and rules, together with judicial decisions, may result in delays in the foreclosure process, reduced payments by borrowers, modification of the original terms of the mortgage loans (including the Mortgage Loans), including permanent forgiveness of debt, increased prepayments due to the availability of government-sponsored refinancing initiatives and/or increased reimbursable mortgage servicing expenses. Several courts have also taken unprecedented steps to slow the foreclosure process or prevent foreclosure altogether.

Any modification of a Mortgage Loan may result in the removal of such Mortgage Loan from the pool of loans backing the related Guaranteed Mortgage Securities. The principal balance of the removed Mortgage Loan will be distributed on the related Guaranteed Mortgage Securities and will affect expected timing of distributions of principal on the Guaranteed Mortgage Securities, and, therefore, the Series 2026A/B Bonds. Bondholders bear the risk that modifications of the Mortgage Loans may reduce the yield on any Series 2026A/B Bonds purchased at a premium.

Recapture of Federal Subsidy

Federal law requires recapture by the federal government of the federal subsidy provided by certain Mortgage Loans originated under the Program, if a qualified residence financed with such mortgages is sold or otherwise disposed of within nine years of such financing, and the seller exceeds certain income limits. Mortgage Loans financed with proceeds of the Series 2026A Bonds will be subject to such recapture provisions. The maximum recapture amount is approximately 6.25% of the original principal amount of such Mortgage Loan. The portion of this amount that a mortgagor will be required to pay to the federal government depends upon the length of time the residence is held prior to disposition. The recapture amount is limited to 50% of the gain derived on disposition of the residence and is reduced if the mortgagor does not exceed certain income limitations. Such recapture provisions may result in reduced demand for Series 2026A/B Mortgage Loans.

Yield and Prepayment Considerations

The Series 2026A/B Bonds will be sensitive to the rate and the timing of principal payments and prepayments on the respective Mortgage Loans. As a result, actual weighted average lives of the Series 2026A/B Bonds may vary substantially over the lives of such Series 2026A/B Bonds. The yield to the holders of Series 2026A/B Bonds purchased at a discount or premium will be affected by the actual rate of principal prepayments on the Mortgage Loans to the extent such prepayments affect principal payments on the Guaranteed Mortgage Securities. A lower rate of principal prepayments than expected on the Guaranteed Mortgage Securities would negatively affect the yield on the Series 2026A/B Bonds sold at a discount, and a higher rate of prepayments than expected would negatively affect the yield on the Series

2026A/B Bonds sold at a premium. Because it is impossible to predict with any accuracy the timing and dollar amount of principal prepayments that will be made on the Guaranteed Mortgage Securities, investors may find it difficult to analyze the effect of prepayments on the yield on the Series 2026A/B Bonds.

Risks of Remedies and Loss of Tax-Exemption on Series 2026A/B Bonds

The remedies available upon an Event of Default under the Indenture, the Servicing Agreement, the Lender Agreements, the Continuing Disclosure Agreement or other documents or agreements relating to the Series 2026A/B Bonds or the Program, or if a default occurs with respect to any Investment Security, are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the applicable documents may not be readily available or may be limited.

The various legal opinions to be delivered with respect to the Series 2026A/B Bonds and the Program will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Under certain circumstances, interest on the Series 2026A Bonds may be subject to federal income taxation, including on a retroactive basis. See “Tax Matters.”

Investment Obligations.

The Indenture provides that amounts on deposit in any Funds and Accounts under the Indenture may be from time to time invested or reinvested in Investments. The failure to receive timely payment on Investments could adversely affect the Issuer’s ability to pay principal of and interest on the Bonds.

Rating Downgrade

Because the GNMA Certificates are guaranteed by GNMA, any downgrade in the sovereign credit rating of the United States of America by the Rating Agency (see “RATING” herein) likely would result in a downgrade of the Series 2026A/B Bonds by the Rating Agency. Any reduction of the rating in effect for the Series 2026A/B Bonds may adversely affect their market price. See “RATING” herein.

Substitution of Rating Agencies

The Series 2026A/B Bonds have been assigned a long-term credit rating as more fully described under “RATING” herein. Pursuant to the Indenture, the Issuer may substitute such long-term rating with a substantially equivalent rating provided by another nationally recognized statistical rating organization providing long-term ratings with respect to obligations similar to the Series 2026A/B Bonds. No consent of the holders of any Series 2026A/B Bonds shall be required in connection with such substitution.

Business Disruption Risk

General. Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Issuer’s ability to conduct its business. A prolonged disruption in the Issuer’s operations could have an adverse effect on the Issuer’s financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Issuer has developed a Business Continuity and Disaster Recovery Plan (the “Plan”). The Plan is designed to aid the Issuer in (i) taking all reasonable and practical steps to minimize possible exposure to a disaster or potentially damaging event, (ii) initiating

reasonable and appropriate recovery steps in the event of a disaster or potentially damaging event, and (iii) providing for continuity of operations in the event of a disaster or potentially damaging event. No assurances can be given that the Issuer's efforts to mitigate the effects of a disaster or potentially damaging event will be successful in preventing any and all disruptions to its operations should such a disaster or potentially damaging event occur.

Cybersecurity. The Issuer relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Issuer faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance authorities and other public finance entities have been targeted by outside third parties, including technically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the Issuer, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The Issuer uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Issuer conducts regular information security and privacy awareness training that is mandatory for all Issuer staff and regularly conducts risk assessments and tests of its cybersecurity systems and infrastructure. The Issuer's Managed IT Service Provider and Controller focuses on and leads the efforts of the Issuer to keep its cyber assets secure.

Despite its efforts, no assurances can be given that the Issuer's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber attacks have not had a material impact on the financial condition, results or business of the Issuer; however, the Issuer is not able to predict the severity of these attacks. The results of any attack on the Issuer's computer and information technology systems could impact its operations for an unknown period of time, damage the Issuer's digital networks and systems, and damage the Issuer's reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the Issuer's reputation and relationships could adversely affect the Issuer's ability to make loans and issue Series 2026A/B Bonds in the future.

THE PROGRAM

General

The Issuer has established the Program pursuant to the Act as a means of financing the cost of single family residential housing which will provide affordable housing for Eligible Borrowers within the Eligible Loan Area. Reservations for Mortgage Loans under the Program will commence on or about [____], 2026.

The Lenders have agreed to originate and sell Mortgage Loans to the Servicer according to the terms and conditions set forth in the Lender Agreements. See "The Lender Agreements." The Servicer will service all the Mortgage Loans in accordance with the terms of the Servicing Agreement. See "– Servicing" below and "The Servicing Agreement." The Servicer will pool the FHA-guaranteed, VA-guaranteed and USDA-RHS-guaranteed Mortgage Loans and will issue GNMA Certificates the payments of principal and interest of which are guaranteed by GNMA. See "GNMA Mortgage-Backed Certificate Program."

The Lenders will originate the Mortgage Loans on a first-come, first-served basis in accordance with the terms of a Notice of Availability of Funds issued by the Issuer to the Lenders on or before the beginning of the Mortgage Loan reservation period. The Issuer may issue additional Notices of Availability of Funds during the reservation period.

Under the Program, the Lenders may only originate Mortgage Loans to Eligible Borrowers whose annual income does not exceed 80% of the greater of the state or local median family income.

The Issuer has covenanted to make funds continuously available for a 12-month period to finance Mortgage Loans for Residences located in Targeted Areas, in the total principal amount of \$[_____]. The 12-month period begins on the first day Mortgage Loans are available for Targeted Areas under the Program.

Origination and Purchase of Mortgage Loans

Each Lender will be required to use its best efforts to originate Mortgage Loans in accordance with the requirements of the Lender Agreement, the Program Guidelines and other applicable Program Documents, including the applicable loan origination, eligibility, credit underwriting and appraisal standards of FHA, VA or USDA-RHS for mortgage loans which are FHA-insured, VA-guaranteed or USDA-RHS guaranteed, respectively. Each Lender is required to deliver all documents specified in the Lender Agreement, the Program Guidelines and other applicable Program Documents that are required for the review and approval of the Mortgage Loans, to the Servicer and the Issuer (as compliance agent) prior to the date the Mortgage Loans are to be purchased by the Servicer.

Each Lender may collect from each Eligible Borrower or Seller, or both, as permitted by law and applicable federal regulations, at the time any Mortgage Loan is made an origination fee in an amount not to exceed 1.00% of the original principal amount of the Mortgage Loan. Lenders also may collect certain other reasonable and customary fees in accordance with the Agreement.

Down Payment Assistance

The Issuer will initially make funds available to provide down payment and closing cost assistance equal to 5% of initial total Mortgage Loan principal (including mortgage insurance premium) for each Mortgage Loan. The assistance will be provided to each Mortgagor at the closing of the Mortgage Loan in the form of a 30-year deferred second lien. The assistance may be used only to pay all or a portion of the down payment and closing costs associated with the related Mortgage Loan or for reductions in principal of such Mortgage Loan. No portion of the assistance is permitted to be paid to the Mortgagor. Upon sale, transfer or refinance of the senior lien or failure to occupy property as principal residence during the 30-year term, the terms require repayment in full.

Mortgage Loan Terms

Each Mortgage Loan will have a term of 30 years, will provide for substantially level monthly payments of principal and interest to be made on the first day of each month and will be in such principal amounts as conform to the eligibility and credit underwriting standards in the Agreements and the limitations of the FHA, VA or USDA-RHS, as applicable, as of the closing date on the Mortgage Loan. Mortgage Loans purchased by the Servicer also must be current in payments of principal and interest, and must be in compliance with the requirements of the GNMA guidelines.

The Mortgage Loan Rate will be initially established at [_____] % per annum. The Mortgage Loan Rate may be increased or decreased from the initial rate. Any increase or decrease in the Mortgage Loan

Rate will result in a corresponding increase or decrease in the Pass-Through Rate of the related GNMA Certificates.

Moneys in the Special Program Fund will be used to purchase GNMA Certificates backed by Mortgage Loans evidenced by promissory notes secured by deeds of trust on Residences within the Eligible Loan Area. Mortgage Loans originated by Lenders must meet the origination standards set forth in the Lender Agreements and all other Program Documents, including all applicable federal tax requirements.

The acquisition cost of a Residence may not exceed 90% or, in the case of a Residence in a Targeted Area, 110%, of the applicable area purchase price for single family residences in the area in which the Residence is located (the “Maximum Purchase Price”). The initial Maximum Purchase Price limits are based on the safe harbor guidelines set forth in the applicable Internal Revenue Service Revenue Procedure.

In addition, Mortgage Loans will be made only to Eligible Borrowers whose Family Income does not exceed the applicable Maximum Family Income. The Maximum Family Income limits are subject to adjustment from time to time.

Eligible Borrowers are also required to be First-Time Homebuyers except for Residences in Targeted Areas or for qualifying veterans. Further, Mortgage Loans may not be used to refinance existing mortgage loans.

In order to qualify for purchase by the Servicer under the Program, each Mortgage Loan must be FHA-insured, VA-guaranteed or USDA-RHS-guaranteed, and the principal amount of such Mortgage Loan cannot be in excess of the applicable limit imposed by FHA, VA or USDA-RHS, as applicable.

Upon submission of each Mortgage Loan for purchase by the Servicer, the Lender will make certain warranties as to each Mortgage Loan. Further, with respect to each Mortgage Loan, the Eligible Borrower, the Seller and the related Lender are required to submit affidavits (or in the case of the Lender, a certification) regarding compliance with the mortgage eligibility requirements of the Code (and any other requirements of the Program). The Lender Agreements and the Program Guidelines prescribe various procedures to be followed by the Lenders and the Issuer (as compliance agent) in reviewing and verifying the affidavits and information provided by the Eligible Borrower and the Seller.

Servicing

The Servicer will service all Mortgage Loans originated by Lenders and purchased by the Servicer. The Servicer is a GNMA-approved servicer of FHA-insured, VA-guaranteed and USDA-RHS guaranteed mortgage loans. The Servicer will pool the Mortgage Loans into GNMA Certificates and sell them to the Trustee or the Issuer. The Servicing Agreement governs the servicing responsibilities (and other responsibilities) of the Servicer under the Program. The Servicer is required to service the Mortgage Loans in conformity with the applicable GNMA guidelines for servicing. See “The Servicing Agreement.”

In addition to its obligations as described under the caption “GNMA Mortgage-Backed Certificate Program,” the Servicer is required to account for and manage escrows of sums paid by the Mortgagors for payment of taxes, assessments, mortgage and hazard insurance premiums, guaranty premiums and other expenses. Escrows established by the Lenders will be transferred to the Servicer upon purchase of the Mortgage Loans. As compensation for the performance of its servicing duties under the Agreements, the Servicer is entitled to receive a monthly fee equal to one-twelfth of 0.44% of the outstanding principal amount of each Mortgage Loan serviced which backs a GNMA Certificate. Under the Program as it relates to the Series 2026A/B Bonds, the Servicer will pool the Mortgage Loans exclusively into GNMA Certificates. The Servicer also is entitled to retain assumption fees and late charges.

Under the GNMA Certificates, the Servicer is obligated to make monthly advances, regardless of whether principal and interest payments on the Mortgage Loans or any insurance or guaranty proceeds are actually received by the Servicer, which, with respect to any calendar month, are the aggregate amounts of payments of principal and interest on the Mortgage Loans which were due and payable on or before the first day of such month and which were delinquent as of the close of business on the business day next preceding the remittance date of such month.

The Servicer may be reimbursed for such advance payments made on a Mortgage Loan either from insurance proceeds, guaranty proceeds, liquidation proceeds or collections from Mortgagors. If such reimbursements are not made from such sources, neither the Issuer nor the Trustee is obligated to make such reimbursements. If the Servicer fails to make the payments under the GNMA Certificates, GNMA is obligated to make such payments.

The Servicer must maintain in effect at all times and at its expense a blanket fidelity bond and an errors and omissions insurance policy covering all officers, employees and other persons acting on behalf of the Servicer.

Assumption of Mortgage Loans and transfers of Residences are permitted subject to the conditions described in the Agreements. See “The Servicing Agreement.” Prepayments of the Mortgage Loans in whole or in part are permitted under the Program without penalty; any such prepayments will be passed through under the GNMA Certificates. The Series 2026A/B Bonds are subject to mandatory redemption to the extent the Trustee receives amounts under the GNMA Certificates representing Prepayments. See “The Series 2026A/B Bonds—Redemption of Series 2026A/B Bonds—Special Redemption from Prepayments and Excess Revenues.”

Servicer Information

The following information relates to and was supplied by Lakeview Loan Servicing, LLC (“Lakeview”). Such information has not been verified by the Issuer, the Underwriters, the Financial Advisor, Bond Counsel, Disclosure Counsel or counsel to the Underwriters, and is not guaranteed as to completeness or accuracy.

As of March 31, 2026, Lakeview serviced approximately 3 million single-family mortgage loans, with an aggregate principal balance of approximately \$804.8 billion. Lakeview currently services single-family mortgage loans for state and local housing finance authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of March 31, 2026, according to its unaudited quarterly financial statements, Lakeview had total assets of approximately \$33.1 billion and a net worth of \$10.4 billion. For the three months ending March 31, 2026, Lakeview originated and purchased single-family mortgage loans in the total principal amount of approximately \$46.6 billion.

Lakeview is (i) an FHA- and VA-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae approved seller and servicer of Fannie Mae securities and (iv) a Freddie Mac approved seller and servicer of Freddie Mac securities. Lakeview is not liable for the payment of the principal of the Bonds or the interest or redemption premium, if any thereon.

The information set forth in the preceding paragraph was supplied by Lakeview and has not been verified by the Issuer or the Underwriters. While Lakeview has supplied the information in the preceding

paragraph, it is not otherwise responsible for the accuracy or completeness of this Official Statement or the payment of the Series 2026A/B Bonds.

Outstanding Single Family Mortgage Revenue Bonds

Through earlier single family mortgage programs outside the Indenture (the “Prior Single Family Programs”), the Issuer had issued single family mortgage bonds (the “Prior Single Family Bonds”) to purchase GNMA and Fannie Mae Certificates representing mortgage loans financing single-family residences in the State. The Prior Single Family Bonds were issued under separate bond indentures of the Issuer and are not secured by the Indenture.

The following table sets forth certain information regarding the Issuer’s Prior Single Family Bonds as of June 1, 2026.

Series of Bonds	Dated	Amount Issued	Amount Outstanding	Final Maturity	Coupon Rates
Series 2011A	February 24, 2011	\$ 22,000,000	\$ 240,000	September 1, 2028	5.15% - 5.25%
Series 2013A	February 14, 2013	30,700,0	2,785,000	September 1, 2041	2.70%
Series 2019A	May 9, 2019	40,000,0	9,125,000	September 1, 2050	2.30% - 4.25%
Series 2023A	February 28, 2023	60,000,0	53,635,000	September 1, 2053	2.75% - 5.50%
Series 2024A	March 6, 2024	56,930,000	53,840,000	September 1, 2054	3.25% - 6.00%
Series 2024B	March 6, 2024	18,070,000	17,140,000	September 1, 2054	4.87% - 6.00%
Total		\$227,700,000	\$136,765,000		

Other Mortgage Financing Programs of the Issuer

In 2012, the Issuer created its TBA Program under the “Home Sweet Texas” program (the “Home Sweet Texas Program”). The Home Sweet Texas Program offers first mortgage loans and down payment assistance grants or deferred forgivable second loans to qualified homebuyers within the state. The Issuer also created its Texas Heroes Program (the “Texas Heroes Program”) in [YEAR], which offers first mortgage loans and down payment assistance grants or deferred forgivable second loans for teachers, first responders, corrections officers, and veterans. The total aggregate principal amount of mortgage loans financed under the Home Sweet Texas Program and Texas Heroes Program financed through the TBA mortgage-backed security market in each calendar year since 2021 is set forth below:

Calendar Year	Mortgage Volume	Number of Households Served
2021	\$4,829,237,752	22,201
2022	\$2,558,720,885	10,430
2023	\$2,743,973,364	11,240
2024	\$2,129,036,893	8,733
2025	\$2,389,386,061	9,563
2026 ⁽¹⁾	\$855,661,322	3,410

⁽¹⁾ As of [April 30], 2026.

Both of the Home Sweet Texas Program and Texas Heroes Program continue to exist and will run concurrently with the Program financed by the Bonds, including the Series 2026A/B Bonds. **None of the mortgage loans (or the related mortgage-backed securities) originated under the Home Sweet Texas Program and the Texas Heroes Program are pledged as security for the Bonds.**

THE GENERAL INDENTURE

The following is a summary of certain provisions of the Indenture. The summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Indenture. For a description of certain other provisions of the Indenture relating to the Series 2026A/B Bonds, see “The Series 2026A/B Bonds,” “Security for the Series 2026A/B Bonds” and “Flow of Funds.” Copies of the General Indenture are available from the Issuer or the Trustee.

Mortgage Loan Accounts

Each Series Indenture shall establish a separate Mortgage Loan Account to be held by the Trustee, to record the receipt and disbursement of any proceeds of the Series of Bonds therein authorized for the making, purchase or financing of Qualified Mortgage Loans (including Guaranteed Mortgage Securities) or Mortgage Loans or for the financing of Qualified Mortgage Loans previously made or purchased. Upon the acquisition of Qualified Mortgage Loans with proceeds of a particular Series of Bonds, the Trustee shall credit such Qualified Mortgage Loans to the applicable Account under the Revenue Fund.

The Trustee shall, from time to time, apply moneys held in each Mortgage Loan Account for the purpose of making or purchasing Qualified Mortgage Loans or Mortgage Loans (including Guaranteed Mortgage Securities) or of reimbursing the Issuer for payments made by it from other funds for that purpose, upon receipt by the Trustee of an Officer’s Certificate stating:

- (1) The Mortgage Loan Account from which the payment is to be made, and the amount, manner and recipient of the payment, which may be made to the Issuer or to a Mortgage Lender; and
- (2) That each Qualified Mortgage Loan fully satisfied the provisions set forth below under the caption “Qualification of Mortgage Loans.”

All interest and other income received from the deposit and investment of money in Mortgage Loan Accounts shall be transferred by the Trustee, as received, to the Revenue Fund.

The Issuer may, by Officer’s Certificate, direct the Trustee to transfer amounts in any Mortgage Loan Account to the Revenue Fund. Amounts transferred to the Revenue Fund may, by Officer’s Certificate, be re-transferred to the Mortgage Loan Account subject to limitations set forth in the General Indenture.

Qualification of Mortgage Loans

Each Qualified Mortgage Loan made, purchased, or financed from Bond proceeds shall conform to the terms, conditions, provisions, and limitations stated in the General Indenture and any applicable Series Indenture except to the extent, if any, that a variance therefrom is required by any agency or instrumentality of the United States guaranteeing or insuring or otherwise assisting in the payment of the Qualified Mortgage Loan.

Each Qualified Mortgage Loan made by the Issuer shall be made for the purpose of financing residential housing for a person or family of low, very low or extremely low income as defined in the Act and rules adopted by the Issuer pursuant thereto.

The Issuer may participate in a Qualified Mortgage Loan with another party or parties, so long as the interest of each shall have equal priority as to lien in proportion to the amount of the Qualified Mortgage

Loan secured, but such interests need not be equal as to interest rate, time or rate of amortization or otherwise.

As of each Interest Payment Date, to the extent the Parity Test is not satisfied, the Issuer will direct the Trustee to transfer moneys from the Special Program Fund to the Revenue Fund or to one or more Mortgage Loan Accounts. From the amount so transferred to Mortgage Loan Accounts, the Trustee shall purchase additional Qualified Mortgage Loans, and from the amount so transferred to the Revenue Fund, the Trustee shall purchase Investments, as directed by Officer's Certificate, at prices such that the aggregate Value of such Qualified Mortgage Loans and Investments, with any cash retained from the amounts transferred, will increase so far as possible to satisfy the Parity Test. The amount and use of funds transferred to any Mortgage Loan Account pursuant to this paragraph shall be subject to the following special conditions:

(1) the aggregate amount so transferred to a Mortgage Loan Account at any time shall not exceed the aggregate principal amount of Prepayments of Mortgage Loans theretofore made or purchased from that Account; and

(2) Mortgage Loans so purchased shall conform to all of the provisions of the General Indenture.

The Issuer shall enter into a Servicing Agreement with respect to each Mortgage Loan unless it determines to service the Mortgage Loan itself.

Deposits of Mortgage Loan Revenues

The Issuer will collect and deposit, or will cause Servicers to collect and deposit, with the Trustee, or with depositories in the name of the Trustee, as soon after receipt as practicable, all Revenues derived from Qualified Mortgage Loans, including DPA Second Mortgage Loans and Defaulted Mortgage Loans, and the Trustee shall credit all such receipts to the Revenue Fund.

Revenue Fund

Subject to the terms of the related Series Indenture, on or before each Interest Payment Date, and at other times as directed by an Officer's Certificate, the Trustee shall withdraw from any money in the Revenue Fund and make the following payments, or credit to each of the following Funds and Accounts the amount indicated in the following tabulation, or so much thereof as remains after first making such payment or paying into each Fund or Account preceding it in the following tabulation the amount indicated:

(1) to pay debt service on the Bonds (including Sinking Fund Installments) and any payments to a Hedge Provider;

(2) to pay the Redemption Price of any Bonds called for redemption in accordance with Article VII of the General Indenture and any Series Indenture;

(3) to the purchase of Bonds designated in the Officer's Certificate in accordance with the provisions of the General Indenture with respect to selection of Bonds to be purchased or redeemed;

(4) to the Reserve Fund, the amount, if any, needed to increase the amount therein to the Reserve Requirement;

(5) to one or more Mortgage Loan Accounts or to pay Program Expenses or payments to a Hedge Provider, as directed by Officer's Certificates furnished to the Trustee;

(6) to one or more other Funds or Accounts as may be established by and as may be directed in any Series Indenture or Officer's Certificate; and

(7) the remainder shall be held in the Revenue Fund until and unless directed by Officer's Certificate to be transferred (i) to the Special Program Fund, (ii) to make payments to a Hedge Provider or (iii) such remainder or any part thereof may be directed by an Officer's Certificate to be withdrawn for use for any purpose authorized by the Act, free and clear of any lien or pledge created by this General Indenture, but only upon the filing of an Officer's Certificate demonstrating that the Parity Test and the Cash Flow Test will still be satisfied after giving effect to such withdrawal or transfer.

The Trustee shall withdraw moneys from the Revenue Fund for application by the Trustee or the Paying Agents to the payment of unpaid interest on and principal of the Bonds when due. Moneys held in the Revenue Fund for the payment of Sinking Fund Installments shall be applied to the purchase or redemption of Bonds to which such Sinking Fund Installments relate. No such money may be used to purchase Bonds less than twenty-five days prior to the Sinking Fund Installment Date, or at a price higher than the then applicable Redemption Price.

Money in the Revenue Fund may be used to purchase Bonds designated in the Officer's Certificate, at a purchase price not exceeding the Redemption Price applicable on the next date when such Bonds are redeemable from said Fund, respectively, under the provisions of the applicable Series Indentures (provided that such purchase price may exceed the applicable Redemption Price if and to the extent the amount of such excess shall be paid from moneys not pledged under the General Indenture, or moneys which could otherwise be released to the Issuer pursuant to the General Indenture). The Issuer will not at any time cause Bonds to be purchased or redeemed, if this would have any material adverse effect on its ability to pay, when due, the Principal Installments of and interest on the Bonds Outstanding after such purchase or redemption.

Interest and other income derived from the investment or deposit of money in the Revenue Fund shall be retained in the Revenue Fund as received.

Deficiencies in the Revenue Fund

Not later than twenty-five (25) days before each Interest Payment Date and each Principal Installment Date, the Trustee shall notify the Issuer in writing if the aggregate amount in the Revenue Fund is expected to be insufficient to pay the interest and all Principal Installments then due and payable, and shall state the estimated amount of such deficiency. Within ten (10) days after receiving any such notice, the Issuer shall deliver to the Trustee an Officer's Certificate stating the amount, if any, which the Issuer will pay to the Trustee, or will direct the Trustee to transfer within five (5) days thereafter, for deposit in said Accounts, from the general account in the Special Program Fund, from a designated Mortgage Loan Account or from the proceeds of refunding Bonds.

If the amount in the Revenue Fund five (5) days before any Interest Payment Date is not sufficient to pay all interest then due, or is not sufficient to pay all Principal Installments then due, the Trustee shall withdraw the amount of such deficiency from the Reserve Fund for credit to the Revenue Fund to make such payments.

If there remains a deficiency in the Revenue Fund after withdrawing all money in the Reserve Fund, the Trustee shall transfer money to restore the deficiency from any other Fund or Account established by this General Indenture, except as may be otherwise expressly set forth in any Series Indenture or Supplemental Indenture.

Reserve Fund

The Issuer shall at all times maintain the Reserve Fund at its requirement and do and perform or cause to be done and performed each and every act and thing with respect to the Reserve Fund provided to be done or performed by or on behalf of the Issuer or the Trustee. The amount of the deposit to the Reserve Fund, if any, in connection with the issuance of any Series of Bonds shall be set forth in the related Series Indenture.

If the Revenue Fund lacks sufficient and available amounts to provide for the payment when due of Principal Installments of and interest on the Bonds, the Trustee shall withdraw from the Reserve Fund, if required and if containing any funds, and pay into the Revenue Fund the amount of the deficiency. The Trustee shall notify the Issuer in writing prior to any such withdrawal from the Reserve Fund. If, on the Principal Installment Date, all withdrawals from the Reserve Fund have been made as required on the same or any prior date by any other provision of General Indenture, within five (5) days thereafter the Trustee shall withdraw any amount therein in excess of the Reserve Requirement and credit it to the Revenue Fund unless otherwise directed in an Officer's Certificate.

The Issuer may satisfy the Reserve Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Series Indenture establishing such Reserve Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments and the obligation of the Issuer to reimburse the issuer of any such credit instruments for any such claims or draws shall be set forth in the Series Indenture establishing such Reserve Requirement; provided, however, that the obligation of the Issuer to reimburse such issuer shall be subordinate to the payment of the principal of and interest on the Bonds.

Special Program Fund

The General Indenture establishes a Special Program Fund, to be held and applied by the Trustee, in which the Issuer may deposit, at any time, any available funds not pledged under the General Indenture, including, but not limited to, proceeds of a Series of Bonds, or other funds previously pledged under an indenture securing obligations satisfied and discharged by the issuance of a Series of refunding Bonds, if such proceeds or other funds are not needed to accomplish such satisfaction and discharge. Money so deposited shall be held in a general account in the Special Program Fund and, until disbursed or committed to be disbursed as provided below, shall be available to restore deficiencies in other Funds and Accounts, as provided in the General Indenture.

Subject to the foregoing, amounts in the general account in the Special Program Fund shall be disbursed or transferred, as directed by Officer's Certificates, to effectuate (a) loans by the Issuer to provide special assistance to eligible sponsors, mortgagors or occupants of housing for persons and families of low and moderate income in paying the cost of development, rental or ownership of such housing or (b) reappropriations to any fund or account pertaining to any other program for any purpose authorized by the Act.

The full amount committed at any time by the Issuer for a special assistance loan shall be transferred by the Trustee to a separate restricted account in the Special Program Fund. Such loans shall be disbursed from the restricted account at times and in amounts directed by Officer's Certificates, and repayments

thereof shall be credited upon receipt to the general account. The Issuer also may direct the Trustee to establish one or more separate restricted accounts for any lawful purpose of the Issuer, including security for any obligation of the Issuer. Funds held in a restricted account or disbursed pursuant to reappropriation shall no longer be available for transfer to any other Fund or Account, except as provided in the directions to the Trustee relating to the establishment of such restricted account.

Unless otherwise set forth in a Series Indenture or an Officer's Certificate, at such time as any Series of Bonds is no longer outstanding and the related Series Indenture has been discharged, all moneys, assets and investments allocated to such Series (other than any cash and investments held by the Trustee in connection with a defeasance of such Series) shall be credited to the Special Program Fund.

Hedging Transaction

A Hedge Agreement is a Qualified Hedge Agreement if, at the time of execution of such Hedge Agreement, (1) the provider of the Hedge Agreement is a Qualified Hedge Institution or the provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Hedge Institution and (2) the Issuer designate the Hedge Agreement as a Qualified Hedge Agreement by an Officer's Certificate.

If the Issuer enters into any Qualified Hedge Agreement with respect to any Bonds and the Issuer has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to specified Bonds, then during the term of the Qualified Hedge Agreement and so long as the Hedge Provider of the Qualified Hedge Agreement is not in default:

(8) for purposes of any calculation of debt service, the interest rate on the Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Bonds had interest payments equal to the interest payable on those Bonds less any payments reasonably expected to be made to the Issuer by the Hedge Provider and plus any payments reasonably expected to be made by the Issuer to the Hedge Provider in accordance with the terms of the Qualified Hedge Agreement (other than fees, expenses or termination payments payable to such Hedge Provider for providing the Qualified Hedge Agreement);

(9) any such payments (other than fees, expenses and termination payments) required to be made by the Issuer to the Hedge Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Revenue Fund pursuant to the General Indenture, unless otherwise specified by the Issuer to be paid from other moneys;

(10) any such payments received by or for the account of the Issuer from the Hedge Provider pursuant to such Qualified Hedge Agreement shall constitute Revenues and be deposited in the Revenue Fund; and

(11) fees not equivalent to regular Bond debt service payments, as well as expenses and termination payments, if any, payable to the Hedge Provider may be paid from amounts on deposit in the Revenue Fund pursuant to the General Indenture, or such other funds as are specifically designated by the Issuer, in each case if and to the extent expressly provided in the Qualified Hedge Agreement or applicable Series Indenture.

Pledge of Trust Estate

The Trust Estate has been pledged to the payment of the principal and Redemption Price of, Sinking Fund Installments with respect to and interest on the Bonds in accordance with the terms and provisions of

the General Indenture, and the Trustee has been granted a security interest therein. The Trustee shall file or cause to be filed or recorded all such financing statements, continuation statements and other instruments as may be necessary to perfect, and maintain perfected, such security interests to the extent that such perfection can be accomplished by such filing. The Issuer may pledge additional assets and revenues to the Bonds or any Series of Bonds pursuant to a Supplemental Indenture or a Series Indenture.

Payment of Bonds

The Issuer shall duly and punctually pay or cause to be paid, solely from amounts available in the Trust Estate, the principal of and interest on the Bonds, at the dates and places and in the manner mentioned in such Bonds, according to the true intent and meaning thereof, and shall pay or cause to be paid to the Trustee any part of any Sinking Fund Installments pursuant to any provision of General Indenture and any related Series Indenture, all from the Trust Estate pledged under the General Indenture and any other assets pledged pursuant to a Series Indenture; provided, that the Bonds shall be special, limited obligations of the Issuer.

Accounts and Reports

The Issuer shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of their transactions relating to the Program and all Funds and Accounts established by or pursuant to the General Indenture.

Cash Flow Certificates

The Issuer shall file a Cash Flow Certificate with the Trustee (i) whenever a Series of Bonds are issued pursuant to the General Indenture and a related Series Indenture, (ii) prior to or concurrent with the conversion (i.e., in conjunction with the resetting of the interest rate determination method thereon) of any Series of Bonds, (iii) no later than six (6) months following the end of each Fiscal Year and (iv) at such other times as required by the General Indenture or as may be required by a Supplemental Indenture, and may file a Cash Flow Certificate at any time in its discretion, provided that the Issuer is not required to file a Cash Flow Certificate as aforesaid if the Issuer certifies to the Trustee that the assumptions for the most recently filed Cash Flow Certificate still reflect the Issuer's reasonable expectations, and provided further that the Issuer is not required to file a Cash Flow Certificate as required by (iii) above if the Issuer notifies each Rating Agency then rating the Bonds at the request of the Issuer of the Issuer's intention to not prepare a new Cash Flow Certificate and each such Rating Agency does not object to the same within ten (10) days, in which case such most recently filed Cash Flow Certificate shall be deemed a newly filed Cash Flow Certificate as required aforesaid.

A Cash Flow Certificate shall set forth projected Revenues, Program Expenses and the interest payments and Principal Installments for each Bond Year during which Bonds will be Outstanding based upon the reasonable expectations of the Issuer at the time such Certificate is filed. The Cash Flow Certificate shall also set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Issuer's reasonable expectations at the time such Cash Flow Certificate is filed.

Supplements and Amendments to the General Indenture

The General Indenture may be amended or supplemented at any time without the consent of any of the Bondholders or of the Trustee for the following purposes:

- (1) To close the General Indenture against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the General Indenture on the issuance in future of Bonds or of other notes, bonds, obligations or evidences of indebtedness;
- (2) To add to the covenants or agreements of the Issuer in the General Indenture other covenants or agreements to be observed by the Issuer which are not contrary to or inconsistent with the General Indenture as theretofore in effect;
- (3) To add to the limitations or restrictions in the General Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the General Indenture as theretofore in effect;
- (4) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the General Indenture;
- (5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the General Indenture, of the Revenues or any other money, securities, Funds or Accounts; or
- (6) To specify, determine or authorize by Series Indenture any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with the General Indenture as theretofore in effect.

Supplemental Indentures Not Affecting Bondholders

The General Indenture may be amended or supplemented at any time without the consent of any of the Bondholders or of the Trustee to modify any of the provisions of the General Indenture or to release the Issuer from any of the obligations, covenants, agreements, limitations, conditions or restrictions contained in the General Indenture, provided that:

- (1) No Bonds are Outstanding at the time the resolution becomes effective; or
- (2) Such resolution, by its terms, is applicable only to the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Issuer in relation to the Holders of Bonds issued after it becomes effective.

Supplemental Indentures Effective Upon Consent of Trustee

The General Indenture may be amended or supplemented at any time with the consent of the Trustee, but without the consent of any of the Bondholders, for any of the following purposes:

- (1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the General Indenture;
- (2) To insert such provisions clarifying matters or questions arising under the General Indenture as are necessary or desirable and are not contrary to or inconsistent with the General Indenture as theretofore in effect; or
- (3) To make any other change as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondholders (and the Trustee may rely upon the respective opinions of the nationally recognized Rating Agencies then rating the Bonds at the

request of the Issuer as to whether the then-current rating of the Bonds will be adversely affected as conclusively establishing whether the change is materially adverse to the security of the Bondholders).

Supplements or Amendments with Consent of Holders

The General Indenture may be amended or supplemented at any time for any purpose with the written consent of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given; provided that if such modification or amendment, by its terms, will not take effect so long as any Bonds of any specified Series, maturity and interest rate remain outstanding or will not affect the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Issuer in relation to the Holders of such Bonds, the consent of the Holders of such Bonds shall not be required, and such Bonds shall not be deemed to be outstanding for the purpose of any such calculation of Outstanding Parity Bonds; and provided further that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Parity Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the description of Bonds, the consent of the Holders of which is required to effect any such modification or amendment. No such modification or amendment shall change or modify any of the rights or obligations of any Bond Service Provider without the filing with the Trustee of the Bond Service Provider's written consent.

The General Indenture may be amended or supplemented at any time for any purpose with the consent of at least a majority of the Bondholders in principal amount of the Bonds Outstanding at the time such consent is given, except that none of the rights or obligations of a Bond Service Provider may be changed or modified without its written consent.

Defeasance

The pledge of Revenues and other moneys, securities and funds in the General Indenture, and the covenants, agreements and other obligations of the Issuer to the Bondholders therein, will be discharged and satisfied, if the Issuer shall pay or cause to be paid to the Holders of the Bonds and coupons the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the General Indenture.

Any Bonds for the payment or redemption of which moneys shall have been deposited with the Trustee by or on behalf of the Issuer, whether at or prior to the maturity or the redemption date of such Bond shall be deemed to have been paid within the meaning of the General Indenture; provided that if any Bond is to be redeemed prior to its maturity, all action necessary to call such Bond for redemption shall have been taken, and notice of such redemption shall have been duly given, or provision satisfactory to the Trustee shall have been made for the giving of such notice. Any moneys so held by the Trustee shall be invested, at the direction of an Authorized Representative of the Issuer, in Investments maturing on or before the date when payment to the Holder of the Bond or interest coupon is due, and all interest and earnings on such Investments shall be deposited in the Revenue Fund.

Any Bonds, whether at or prior to the maturity or the redemption date or Interest Payment Date, shall be deemed paid if:

- (1) In case such Bond is to be redeemed prior to its maturity, there shall have been taken all action necessary to call such Bond for redemption, and notice of such redemption shall

have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(2) There shall have been deposited with the Trustee by or on behalf of the Issuer either (i) moneys in an amount which shall be sufficient, or (ii) Governmental Obligations (not redeemable at the option of the issuer thereof) will provide money which, together with the money, if any, deposited with the Trustee as the same time, shall be sufficient to pay when due the principal, or the Redemption Price to become due on said Bonds, on the redemption date or maturity date thereof, as the case may be, as confirmed by a verification report prepared by an independent certified accounting firm or similarly qualified firm; and

(3) Neither such Investments, nor any money so deposited with the Trustee, nor any money received by the Trustee on account of principal or interest on said Investments may be withdrawn or used for any purpose other than, and all such money shall be held in trust for and be applied to the payment, when due, of the principal, redemption premiums or interest for the payment or redemption of which they were deposited.

Refunding Bonds

Upon compliance with certain provisions of the General Indenture, Bonds may be issued thereunder to refund Bonds previously issued under the General Indenture or other obligations issued under the provisions of any prior indentures of the Issuer.

Events of Default

Each of the following shall constitute an event of default under the General Indenture:

(1) Interest on any of the Bonds shall become due on any date and shall not be paid on said date, or the principal or Redemption Price of any of the Bonds shall become due on any date, whether at maturity or upon call for redemption, and shall not be paid on said date;

(2) Bonds subject to redemption by operation of Sinking Fund Installments shall not have been redeemed and paid in the amount required in the Indentures on any date;

(3) A default shall be made in observance or performance of any covenant, contract or other provision in the Bonds or Indenture contained, and such default shall continue for a period of ninety (90) days after written notice of the Issuer from a Bondholder or from the Trustee specifying such default and requiring the same to be remedied; or

(4) There shall be filed a petition seeking a composition of indebtedness of the Issuer under any applicable law or statute of the United States or of the State.

Remedies

Upon the happening and continuance of an event of default, the Trustee may, and shall upon the written request of the Holders of not less than a majority in principal amount of the Bonds affected by an event of default described in clause (1) or (2) of “Events of Default” above, or not less than a majority in principal amount of all Bonds if the event of default is one described in clause (3) or (4) of “Events of Default” above, proceed to protect the rights of the Bondholders under the laws of the State or under the General Indenture. No Bondholder shall have the right to institute any proceedings for any remedy under the Indentures unless the Trustee, after being so requested to institute such proceedings by not less than a

majority in principal amount of the Bonds then Outstanding (or if such event is an event of default described in clause (1) or (2) of “Events of Default” above, not less than a majority in principal amount of the Bonds then Outstanding of the Series with respect to which such Event of Default has happened), and offered satisfactory indemnity, shall have refused or neglected to comply with such request within a reasonable time and unless the proceeding is brought for the ratable benefit of all Holders of all Bonds. However, nothing in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on such Holders’ Bonds.

Application of Money after Default

All money collected by the Trustee at any time pursuant to the General Indenture, subject to the limitations set forth in the General Indenture, except to the extent, if any, otherwise directed by the court, be paid by the Trustee into the Revenue Fund and other funds described in Article IV of the General Indenture, and shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the General Indenture with respect to such Funds and Accounts.

If at any time the amounts in the Revenue Fund and any other funds held by the Issuer or Bond Service Providers available for the payment of interest or principal or Redemption Price then due with respect to Bonds shall be insufficient for such payment, such amounts (other than amounts held for the payment or redemption of particular Bonds as provided in the General Indenture) shall be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due (including regularly scheduled payments due under a Qualified Hedge Agreement which are equivalent to Bond interest, but not including fees, expenses or payments due upon the early termination of a Qualified Hedge Agreement), in the order of the maturity of such installments, and if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by required call for redemption as part of a Sinking Fund Installment, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds so due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all the Bonds shall have become or have been declared due and payable, such amounts (other than amounts held for the payment or redemption of particular Bonds as provided in the General Indenture) shall be applied to the payment of the principal and interest (including regularly scheduled payments due under a Qualified Hedge Agreement which are equivalent to Bond interest, but not including fees, expenses or payments due upon the early termination of a Qualified Hedge Agreement) then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

The Trustee

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by the General Indenture by giving not less than sixty (60) days' written notice to the Issuer and transmitting notice thereof, at the Trustee's expense, to the Holders of all Outstanding Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice, unless previously a successor shall have been appointed by the Issuer or Bondholders as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed. The Trustee's rights to indemnity and reimbursement of outstanding fees and expenses shall survive the Trustee's resignation.

The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, or by the Issuer so long as there is no Event of Default in existence pursuant to the General Indenture, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Issuer. Such instrument shall provide for an effective date not less than thirty (30) days after the date of delivery to the Trustee, and shall make such other provisions for transfer of duties to the successor trustee as shall be deemed reasonably necessary in the sole discretion of the Issuer. Copies of each such instrument shall be delivered by the Issuer to the Trustee and any successor thereof. The Trustee's rights to indemnity and amounts then due and payable shall survive any such removal.

In case at any time the Trustee, or any successor thereof, shall resign or shall be removed by action of the Bondholders, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed or if any public office shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Issuer, the predecessor Trustee and any other Bond Service Providers. Pending such appointment, the Issuer shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by Bondholders as herein authorized.

In case at any time the Trustee, or any successor thereof, shall be removed by the Issuer, the Issuer shall forthwith appoint a Trustee to fill such vacancy. Notice of such appointment shall be mailed to each Bondholder. Any successor Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Trustee appointed by Bondholders.

If in a proper case, no appointment of a successor Trustee shall be made pursuant to the foregoing provisions within forty-five (45) days after the Trustee shall have given to the Issuer notice as described above with respect to resignation of the Trustee, or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any other Bond Service Provider or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee.

Any Trustee appointed under the provisions described in the preceding three paragraphs in succession to the Trustee shall be a trust company or bank having the powers of a trust company within or outside the State, having capital surplus and undivided profits aggregating at least \$50,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all of the duties imposed upon it by the General Indenture.

THE LENDER AGREEMENTS

The following is a summary of certain provisions of the Lender Agreements; the summary is qualified in its entirety by references to the Lender Agreements.

Lender Qualifications

Lenders must qualify to be participating Lenders under the Program and must be approved by the Issuer and the Servicer. Each Lender must execute a Lender Agreement with the Issuer. Each Lender must also execute a Loan Correspondent Purchase and Sale Agreement with the Servicer.

Each Lender originating FHA Mortgage Loans, USDA-RHS Mortgage Loans or VA Mortgage Loans is required to be an FHA-approved, USDA-RHS-approved or VA-approved mortgagee, respectively.

Covenants Relating to the Tax-Exempt Status of Bonds

The Issuer and the Lenders have covenanted in the Lender Agreements not to knowingly take, permit, or fail to take any action if such action or inaction would impair the excludability of the interest on the Series 2026A Bonds from gross income for federal tax purposes pursuant to the Code.

Origination and Closing of Mortgage Loans

Each Lender agrees to use its best efforts to originate Mortgage Loans under the Program for sale to the Servicer. Each Lender will sell the Mortgage Loans to the Servicer at the applicable Mortgage Loan Sale Price. The Lenders will be notified of the availability of funds under the Program, and various Program terms, by a Notice of Availability of Funds provided by the Issuer to the Lenders.

Mortgage Loan Terms

All Mortgage Loans are to be originated in accordance with the loan origination, eligibility and credit underwriting standards in effect under the Program Documents, including the Lender Agreement, the Program Guidelines and the GNMA guidelines. In addition, each Mortgage Loan: (1) must be made to an Eligible Borrower to finance a Residence which is the principal residence of the Eligible Borrower; (2) must be evidenced by a Mortgage Note and secured by a Mortgage creating a first lien on such Residence, subject to permitted encumbrances; (3) must bear interest at the applicable rate, which interest will be payable in arrears and which includes amounts equal to the servicing fee; (4) must have a term of 30 years and must provide for level monthly payments and full amortization over the term thereof; (5) must provide for payments to be due on the first day of each month and for an initial principal payment not later than the first day of the second month following the Mortgage Loan closing date, and may include provision for a grace period not exceeding 15 days and late payment charges in amounts not in excess of the customary charges permitted by FHA, VA or USDA-RHS and GNMA, as applicable; (6) must be in a principal amount not exceeding such amount as conforms to the eligibility and credit underwriting standards specified in the Agreements and the limitations of FHA, VA, USDA-RHS and/or GNMA, as applicable, as of the date of Mortgage Loan closing; (7) must be the subject of FHA Insurance, a VA guaranty or a USDA-RHS guaranty; (8) must restrict the assumption of the Mortgage Loan as required under the Program Documents; (9) must be the subject of a title insurance policy or have a valid commitment therefor; (10) must be current in payments of principal, interest, taxes and insurance; (11) must relate to a Residence the Purchase Price of which is not in excess of the Maximum Purchase Price; (12) must comply in all respects with the GNMA guidelines and FHA, VA and USDA-RHS rules and regulations, as applicable, and all Program Documents; and (13) must be eligible for pooling into GNMA Certificates.

Verification of Mortgage Eligibility Requirements

The Issuer will act as compliance agent under the Program and will be responsible for approving the qualification of each Eligible Borrower under the applicable Program rules. In connection with the Issuer's determination, the Lender must do the following: (1) obtain affidavits of the Mortgagor, the Seller and Lender in the forms prescribed by the Program Guidelines, evidencing compliance by the borrower with the eligibility requirements of the Program; (2) review the contents of the Mortgagor's affidavit with the Mortgagor prior to the execution thereof; (3) obtain the Mortgagor's federal tax returns to verify that the Mortgagor did not claim deductions on the residence; (4) perform such additional verification procedures as required under the Program Guidelines to enable the Issuer to verify that the borrower eligibility requirements of the Program are satisfied as of the date of execution of the Mortgage Loan; and (5) review the draft settlement statement to assure that all fees and charges and settlement and financing costs comply with the requirements of the Program Documents.

Approval and Purchase

Any Mortgage Loan with respect to which the related Mortgage Loan file is deemed to be defective, or any Mortgage Loan which is otherwise not acceptable for purchase in accordance with the terms of the Program Documents, may be returned to the Lender to be cured, if possible, or may be held by the Servicer pending correction of such defect. The Servicer is only required to purchase non-defective Mortgage Loans. The purchase of an approved Mortgage Loan by the Servicer from the Lender will take place on a Mortgage Loan purchase date designated by the Servicer and at the applicable Mortgage Loan sales price.

Fees and Charges at Mortgage Loan Closing

At the Mortgage Loan closing, a Lender may collect from the Eligible Borrower or Seller on behalf of Eligible Borrower a 1% origination fee, and retain all reasonable and customary closing charges, including insurance premiums and warehouse fees, to the extent that such charges are permitted by law and do not exceed the reasonable and customary amounts charged by the Lender for mortgage loans not funded from the proceeds of tax-exempt bonds. Any amounts collected prior to the Mortgage Loan closing will be credited to the proper party at such closing.

Defects

Each Lender agrees to repurchase any defective Mortgage Loan from the Servicer in accordance with the provisions of the Loan Correspondent Purchase and Sale Agreement, the Lender Agreement and any other applicable Program Document. Additionally, each Lender agrees to reimburse the Issuer the down payment and closing cost assistance provided for each such defective Mortgage Loan in accordance with the terms of the Lender Agreement.

THE SERVICING AGREEMENT

The following is a summary of certain provisions of the Servicer Agreement; the summary is qualified in its entirety by references to the Servicer Agreement.

Covenants Relating to the Tax-Exempt Status of the Series 2026A Bonds

The Issuer and the Servicer have covenanted in the Servicing Agreement not to knowingly take, permit, or fail to take any action if such action or inaction would impair the excludability of the interest on the Series 2026A Bonds from gross income for federal tax purposes pursuant to the Code.

Servicing Duties

See “The Program—Servicing” for a summary of certain of the servicing duties of the Servicer under the Program.

The Servicer will service all Mortgage Loans purchased from Lenders and will have the authority to do all things in connection with such servicing which it deems necessary or desirable. The Lender Agreements require the Lenders to sell the Mortgage Loans to the Servicer on a servicing-released basis. The Servicer will pay a servicing release amount to the Issuer in the amount set forth in the Servicing Agreement. Additional servicing compensation in the form of late payment charges or otherwise may be received by the Servicer to the extent permitted by law and not contrary to the terms of the Servicing Agreement.

The Servicer is required to pay all expenses incurred by it in connection with its servicing activities under the Servicing Agreement (including maintenance of an errors and omissions insurance policy and fidelity bond) and is not entitled to reimbursement, except as specifically provided in the Servicing Agreement.

The Servicer is required to service Mortgage Loans in accordance with the servicing standards as set forth in the Servicing Agreement and the loan servicing requirements of GNMA and FHA, VA or USDA-RHS, as applicable.

Review of Mortgage Loans

The Issuer is responsible for the review of each Mortgage Loan to determine compliance with the Program requirements under the Act and the Code. In performing such review, the Issuer is required to use reasonable efforts to satisfy itself that the mortgagor, mortgage loan and residence eligibility requirements of the Program (including the requirements of the Code) are met with respect to each Mortgage Loan, and that the Lender originating such Mortgage Loan has complied with the verification requirements of the Lender Agreement and the Program Guidelines.

The Servicer is responsible for establishing compliance of the Lender and the Mortgage Loan with the terms of the Loan Correspondent Purchase and Sale Agreement.

Compensation of Servicer

As compensation for the performance of its servicing duties under the Agreements, the Servicer is entitled to receive a monthly fee equal to one-twelfth of 0.44% of the outstanding principal amount of each Mortgage Loan serviced which backs a GNMA Certificate.

Assumption Agreements

The Servicer will not permit the assumption of any Mortgage Loan unless an assumption agreement is entered into by the assuming Mortgagor which provides for the assumption of the indebtedness by such person. Assumptions also are not permitted unless the assuming Mortgagor qualifies as an Eligible Borrower under the Lender Agreement and the Program Guidelines, and the Mortgage Loan remains insured or guaranteed under all applicable insurance or guarantees. In such event, the Servicer may release the original Mortgagor from liability under the Mortgage and the Mortgage Note. The interest rate on the Mortgage Note may not be changed in connection with any assumption.

TAX MATTERS – SERIES 2026A BONDS

General

In the opinion of Bond Counsel, under applicable law, subject to continuing compliance by the Issuer and others with certain covenants in the Agreements and the Indenture and related financing documents, and in reliance upon representations and conclusions in certificates, studies and reports of the Issuer and certain other participants in the financing, interest on the Series 2026A Bonds is not includable in gross income of the owners thereof for federal income tax purpose and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals.

In expressing its opinion with respect to the Series 2026A Bonds, Bond Counsel will rely on certain representations of the Issuer and others as to matters solely within the knowledge of such persons. No independent investigation will be made by Bond Counsel with respect to certain of those matters.

For taxable years beginning after 2022, the Code imposes a minimum tax of fifteen percent (15%) of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax exempt obligations, such as the Series 2026A Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2026A Bonds.

Bond Counsel's opinion with respect to the Series 2026A Bonds is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and representations and covenants of the Issuer described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel and such opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations, which may include bonds such as the Series 2026A Bonds. If an audit of such Series 2026A Bonds is commenced, under current procedures the Service is likely to treat the Issuer as the "taxpayer," and the owners of the Series 2026A Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series 2026A Bonds, the Issuer may have different or conflicting interests from the owners of such Series 2026A Bonds. Public awareness of any future audit of the Series 2026A Bonds could adversely affect the value and liquidity of the Series 2026A/B Bonds during the pendency of the audit, regardless of its ultimate outcome.

Ownership of the Series 2026A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income credit, corporations subject to the alternative minimum tax on adjusted financial statement income and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers of the Series 2026A Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Series 2026A Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Series 2026A Bonds. Prospective purchasers of the 2026A Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Sections 143 and 146 through 150 of the Code and applicable regulations provide that the interest on an issue of bonds (such as the Series 2026A Bonds), the proceeds of which are used to provide mortgages on owner-occupied residences, is not includable in gross income of the owners thereof for federal income tax purposes pursuant to section 103(a) of the Code if such bonds are “qualified mortgage bonds,” and, among other requirements, are issued in fully registered form. The term “qualified mortgage bonds” means bonds that are part of an issue that meet the requirements summarized below. The Series 2026A Bonds are intended to qualify as “qualified mortgage bonds.”

Mortgage Eligibility Requirements

Residence Requirements. All the residences for which financing is provided with the proceeds of an issue of qualified mortgage bonds must be located within the jurisdiction of the Issuer and must be single family residences which, at the time of execution or assumption of the respective mortgages, can reasonably be expected to become the principal residences of the respective mortgagors within a reasonable time after the financing is provided.

Prior Homeownership Limitations. At least 95% of the net proceeds of an issue of qualified mortgage bonds must be for mortgagors who did not have a present ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage. However, this limitation does not apply to loans for “targeted area” residences and loans to Qualified Veterans.

Purchase Price Requirements. Each residence for which financing is provided with the proceeds of an issue of qualified mortgage bonds must have an acquisition cost not exceeding 90% of the average area purchase price. However, in the case of a targeted area residence, the acquisition cannot exceed 110% of the average area purchase price. The applicable regulations permit an issuer to rely upon average area purchase price limitations published by the Internal Revenue Service as safe harbor limitations or to utilize other limitations if the issuer has more accurate and comprehensive data than the safe harbor limitations.

The Maximum Purchase Price limits are set forth in the Program Guidelines and are based on limits set forth in revenue procedures published from time to time by the Internal Revenue Service, and other sources.

Income Limitations. Under applicable federal tax law, the maximum family income of the persons who are provided financing under an issuance of qualified mortgage bonds cannot exceed 100% (for families of 2 or less) or 115% (for families of 3 or more) of the greater of the state or local median family income. In the case of any financing provided for targeted area residences in qualified census tracts or areas of chronic economic distress, the maximum family income is unlimited for one-third of the mortgage loans, and the limit for the remaining two-thirds is 120% (for families of 2 or less) or 140% (for families of 3 or more) of the applicable median family income. The maximum family income limits are set forth in the Agreements. Under the Program, Eligible Borrower’s annual family income cannot exceed 80% of the greater of the state or local median family income.

New Mortgage Requirement. No part of the proceeds of an issue of qualified mortgage bonds may be used to acquire or replace an existing mortgage. All the lendable proceeds of an issue must be used to

provide new mortgages to persons who did not have an existing mortgage (whether or not paid off) on the residence at any time prior to the execution of the new mortgage. An exception from the new mortgage requirement is provided for the replacement of construction period loans, bridge loans and other similar temporary initial financing having a term not exceeding 24 months or for qualified subprime loans.

Assumption Requirements. In the event of the assumption of a mortgage financed with the proceeds of a qualified mortgage bond issue, the residence requirements, prior homeownership limitation, purchase price requirements and income limitations must be satisfied at the time of the assumption as if the loan were being made for the first time.

Volume Cap Limitations. Section 146 of the Code provides that the aggregate amount of “private activity bonds,” including qualified mortgage bonds, issued by an issuer during the calendar year may not exceed the allocated portion of the State’s volume cap. The Issuer has obtained allocation of volume cap from the Texas Bond Review Board in an amount sufficient to permit the issuance of the Series 2026A Bonds as qualified mortgage bonds.

Targeted Area Requirements. An amount equal to at least 20% of the Series 2026A Bond proceeds must be made available for owner financing in Targeted Areas for at least one year from the time such owner financing is first made available for Targeted Area loans.

Arbitrage Requirements

An issue of qualified mortgage bond (such as the Series 2026A Bonds) must satisfy the arbitrage requirements of sections 143 and 148 of the Code. In part, such requirements are as follows: (i) the effective rate of interest on mortgages provided with proceeds of qualified mortgage bonds may not exceed the yield on such bonds by more than 1.125% and, in calculating the effective interest rate on the mortgages, there must be taken into account all amounts borne by the mortgagor either directly or indirectly and (ii) arbitrage earned on nonmortgage investments must be paid to the United States.

Compliance with Tax Requirements

Section 143 of the Code and the applicable regulations provide that, with respect to each issue of qualified mortgage bonds, the targeted area requirements and clause (i) of the arbitrage requirements discussed above are met if the issuer attempts in good faith to meet such requirements by taking all reasonable steps to assure compliance and if any failure to meet such requirements is due to inadvertent error. With respect to the mortgage eligibility requirements, section 143 of the Code and the applicable regulations provide that such requirements are met, with respect to each issue of qualified mortgage bonds, if (i) the issuer attempts in good faith to meet such requirements before the mortgages are originated including establishing reasonable procedures and conducting reasonable investigations, (ii) at least 95% of the proceeds of the issue used for mortgages are used for mortgages which meet all of the mortgage eligibility requirements at the time of execution or assumption, and (iii) any failure to meet such requirements is corrected within a reasonable period of time after such failure is discovered or should have been discovered through the exercise of reasonable diligence. Consequently, a failure to satisfy the mortgage eligibility requirements at any time during the term of each issue of tax-exempt bonds could result in the interest on such bonds being includable in gross income for federal tax purposes retroactively to the date of issuance (as determined for federal tax purposes).

Certain procedures and safeguards have been incorporated into the Agreements and the Indenture to ensure compliance with the requirements of section 143 of the Code with respect to the Series 2026A Bonds. Furthermore, the Issuer, the Servicer, each Lender and the Trustee have each covenanted in the Agreements to follow such procedures toward compliance with such requirements. The Issuer and the

Trustee have also made certain representations and covenants relevant to the tax status of interest on the Series 2026A Bonds in the Indenture and the Agreements.

Subject to the condition that the parties continuously comply with the above-referenced covenants and in reliance upon certain representations of the Issuer and others in certain certificates and any required verification report, Bond Counsel will provide its opinion to the effect that, under applicable law, interest on the Series 2026A/B Bonds will not be includable in gross income of the owners thereof for purposes of federal income taxation, and that interest on such Series 2026A Bonds will not be a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Failure to comply with certain of such covenants and representations could cause interest on the Series 2026A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026A Bonds.

Tax Accounting Treatment of Premium and Discount on Certain Series 2026A Bonds

The initial public offering price of certain Series 2026A Bonds, which includes the Series 2026A PAC Bonds (collectively the “Series 2026A Premium Bonds”), may be greater than the amount payable on such Series 2026A Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of Series 2026A Premium Bonds (assuming that a substantial amount of the Series 2026A Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Series 2026A Premium Bonds. The basis for federal income tax purposes of a Series 2026A Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Series 2026A Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity.

Purchasers of the Series 2026A Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on such Series 2026A Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of [Series 2026B Premium PAC Bonds].

The initial public offering price of certain Series 2026A Bonds (the “Discount Series 2026A Bonds”) may be less than the amount payable on such Series 2026A Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Series 2026A Bond (assuming that a substantial amount of the Discount Series 2026A Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Series 2026A Bond. A portion of such original issue discount allocable to the holding period of such Discount Series 2026A Bond by the initial purchaser will, upon the disposition of such Discount Series 2026A Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series 2026A Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Series 2026A Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Series 2026A Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Series 2026A Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Series 2026A Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Series 2026A Bond was held) is includable in gross income.

Owners of Discount Series 2026A Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Series 2026A Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Series 2026A Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Series 2026A Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

TAX MATTERS – (TAXABLE) SERIES 2026B BONDS

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Series 2026B Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Series 2026B Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Series 2026B Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Series 2026B Bonds as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and acquire such Series 2026B Bonds for investment and not as a dealer or for resale. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2026B BONDS.

Payments of Stated Interest on the Series 2026B Bonds

The stated interest paid on the Series 2026B Bonds will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Original Issue Discount of the Series 2026B Bonds

If a substantial amount of the Series 2026B Bonds of any stated maturity is purchased at original issuance for a purchase price (the “Issue Price”) that is less than their stated redemption price at maturity by more than one quarter of one percent times the number of complete years to maturity, the Series 2026B Bonds of such maturity will be treated as being issued with “original issue discount.” The amount of the original issue discount will equal the excess of the stated redemption price at maturity of such Series 2026B Bonds over its Issue Price, and the amount of the original issue discount on the Series 2026B Bonds will be amortized over the life of the Series 2026B Bonds using the “constant yield method” provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Series 2026B Bonds, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Series 2026B Bonds that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Series 2026B Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner’s gross income while the beneficial owner holds the Series 2026B Bonds will increase the adjusted tax basis of the Series 2026B Bonds in the hands of such beneficial owner.

Premium on Series 2026B Bonds

If a beneficial owner purchases a Series 2026B Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Series 2026B Bond with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Series 2026B Bond and may offset interest otherwise required to be included in respect of the Series 2026B Bond during any taxable year by the amortized amount of such excess for the taxable year. Series 2026B Bond premium on a Series 2026B Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Series 2026B Bond. However, if the Series 2026B Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Series 2026B Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Medicare Contribution Tax

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Series 2026B Bonds should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Series 2026B Bonds as well as gain on the sale of a Series 2026B Bond.

Disposition of Series 2026B Bonds and Market Discount

A beneficial owner of Series 2026B Bonds will generally recognize gain or loss on the redemption, sale or exchange of a Series 2026B Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Series 2026B Bonds. Generally, the beneficial owner's adjusted tax basis in the Series 2026B Bonds will be the beneficial owner's initial cost, increased by the original issue discount previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Series 2026B Bonds.

Under current law, a purchaser of a Series 2026B Bond who did not purchase the Series 2026B Bonds in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Series 2026B Bonds, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Series 2026B Bonds by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Series 2026B Bonds. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Series 2026B Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Series 2026B Bonds could have a material effect on the market value of the Series 2026B Bonds.

Legal Defeasance

If the Issuer elects to defease the Series 2026B Bonds by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Series 2026B Bonds (a "legal defeasance"), under current tax law, a beneficial owner of Series 2026B Bonds may be deemed to have sold or exchanged its Series 2026B Bonds. In the event of such a legal defeasance, a beneficial owner of Series 2026B Bonds generally would recognize gain or loss in the manner described above. Ownership of the Series 2026B Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Series 2026B Bonds.

Backup Withholding

Under section 3406 of the Code, a beneficial owner of the Series 2026B Bonds who is a United States person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Series 2026B Bonds. This withholding applies if such beneficial owner of Series 2026B Bonds: (i) fails to furnish to payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Series 2026B Bonds. Beneficial owners of the Series 2026B Bonds should consult their own

tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations

Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Series 2026B Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Series 2026B Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Series 2026B Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Series 2026B Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 EXP or Form W-8 IMY, as applicable, provided the payor does not have actual knowledge that such person is a United States person.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial United States owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2026B Bonds and sales proceeds of Series 2026B Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments

Subject to certain exceptions, interest payments made to beneficial owners with respect to the Series 2026B Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Series 2026B Bond for U.S. federal income tax purposes.

CONTINUING DISCLOSURE

General

Pursuant to the terms of a Continuing Disclosure Agreement with respect to the Series 2026A/B Bonds (the “Disclosure Agreement”), the Issuer will send or cause to be sent to the MSRB, through its EMMA system, certain financial information and operating data and notices of certain events, pursuant to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission (the “Rule”). The Disclosure Agreement is expected to be executed in substantially the form attached to this Official Statement as Appendix D.

A failure by the Issuer to comply with the Disclosure Agreement will not constitute a default under the Indenture, although bondholders will have any available remedy at law or in equity, including seeking mandate or specific performance by court order to cause the Issuer to comply with its obligations under the Disclosure Agreement. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026A/B Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026A/B Bonds and their market price.

The Continuing Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Owners or beneficial owners from time to time of the Series 2026A/B Bonds, and shall create no rights in any other person or entity. UNDER NO CIRCUMSTANCES SHALL THE ISSUER, THE TRUSTEE, OR THE DISSEMINATION AGENT BE LIABLE TO A BONDHOLDER OR BENEFICIAL OWNER OF ANY SERIES 2026A/B BOND OR ANY OTHER PERSON, IN CONTRACT OR IN TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE TRUSTEE, OR THE DISSEMINATION AGENT, RESPECTIVELY UNDER THE CONTINUING DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS AGREEMENT. EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR “MANDAMUS” OR SPECIFIC PERFORMANCE. THE TRUSTEE IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

Past Compliance

During the past five years the Issuer did not make timely filings on EMMA of two bond upgrade notices from Moody’s Investors Service, Inc. dated May 4, 2021 related to the Issuer’s Series 2011A and Series 2013A single family bond issues and the Issuer’s Series 2011B single family bond issue. On January 4, 2023, the Issuer filed notice of such upgrades on the currently outstanding bonds. Additionally, the Issuer did not timely file the Annual Bond Disclosure Report for fiscal year 2022 relating to the Series 2011A and Series 2013A single family bond issues although the report was uploaded to EMMA on March 18, 2023 for CUSIPs related to Series 2011A and on January 5, 2024 for the CUSIP related to Series 2013A. Lastly, the Dissemination Agent did not always make timely filings on EMMA of bond calls resulting from mortgage loan prepayments. **[TO BE UPDATED AS NEEDED]**

ELIGIBILITY FOR INVESTMENT

Under the authority of the Act, the Series 2026A/B Bonds are legal and authorized investments for any banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and sinking funds of cities, towns, villages, counties, school districts and other political corporations or subdivisions of the State of Texas. The Series 2026A/B Bonds are also

declared eligible under the terms of the Act to secure the deposit of any and all public funds of the State of Texas and any and all public funds of cities, towns, villages, counties, school districts and other political corporations or subdivisions of the State of Texas, and are deemed to be lawful and sufficient security for such deposits at their face value. The Issuer has not made any investigation of any other rules, regulations or laws which may affect eligibility of the Series 2026A/B Bonds for investment or to secure the deposit of public funds.

NO LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, which affects the existence of the Issuer or its governing body or the titles of its officers to their respective offices or seeks to prohibit, restrain or enjoin the sale of the Series 2026A/B Bonds, or the revenues or assets pledged to the payment of the principal of, redemption premium, if any, and interest on the Series 2026A/B Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2026A/B Bonds, the Indenture, the Agreements or the Continuing Disclosure Agreement.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2026A/B Bonds by the Issuer are subject to the approving opinions of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Bond Counsel. The forms of the approving opinions of Bond Counsel are set forth in Appendix C-1 and Appendix C-2 hereto. Certain legal matters will be passed upon for the Issuer by Barnes & Thornburg LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP.

FINANCIAL ADVISOR

cfX Incorporated (the “Financial Advisor”) is employed by the Issuer as an independent financial advisor in connection with the issuance of the Series 2026A/B Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Series 2026A/B Bonds is contingent upon the issuance and delivery of the Series 2026A/B Bonds. cfX Incorporated, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal, state or local tax status of the Series 2026A/B Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies.

cfX Incorporated has provided the following for inclusion in this Official Statement: cfX Incorporated has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Issuer with respect to the issuance of the Series 2026A/B Bonds, but it does not guarantee the accuracy or completeness of such information. cfX Incorporated did not participate in the underwriting of the Series 2026A/B Bonds. The participation of cfX Incorporated should not be seen as a recommendation to buy or sell the Series 2026A/B Bonds, and investors should seek the advice of their accountants, lawyers and registered representatives as appropriate. Fees payable to the Financial Advisor are contingent upon the issuance of the Series 2026A/B Bonds.

UNDERWRITING

Raymond James & Associates, Inc. and Fidelity Capital Markets, a division of National Financial Services LLC (the “Underwriters”) have agreed to purchase from the Issuer all the Series 2026A/B Bonds at a total purchase price equal to the sum of the products of the principal amount of each maturity times the related offering price set forth on the inside cover page hereof. The Issuer has agreed to pay the Underwriters \$[] for their fees and expenses relating to the Series 2026A/B Bonds (including the fees and expenses of their counsel). The Series 2026A/B Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering price, and such initial offering price may be changed from time to time.

Fidelity Capital Markets, a division of National Financial Services LLC (“FCM”), an underwriter of the Bonds, has entered into an agreement with its affiliate broker dealer, Fidelity Brokerage Services LLC (“FBS”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to this agreement, FCM may compensate FBS for any bonds sold via the FBS distribution channels to its customers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal management, hedging, financing and brokerage activities. The Underwriters and their affiliates, from time to time, may have performed, and may in the future perform, various investment banking services for the Issuer, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer.

RATING

It is a condition to the issuance and delivery of the Series 2026A/B Bonds that the Series 2026A/B Bonds have been assigned a rating of “[AA+]” by S&P Global Ratings, a Standard and Poor’s Financial Services LLC business (the “Rating Agency”). No application has or will be made to any other rating agency for a rating on the Series 2026A/B Bonds. The assigned rating reflects only the views of the Rating Agency at the time such rating is given, and the Issuer makes no representation as to the appropriateness of such rating. An explanation of the significance of a rating may be obtained from the Rating Agency.

The Issuer has provided the Rating Agency information and materials relating to the Series 2026A/B Bonds, including information and materials that have not been included in this Official Statement. Generally, a rating agency bases its rating on such information and materials and on investigations, studies and assumptions by such rating agency. There is no assurance that the rating initially assigned to the Series 2026A/B Bonds will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the Rating Agency, if in its sole judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating can be expected to have an adverse effect on the market price of the Series 2026A/B Bonds.

MISCELLANEOUS

This Official Statement is submitted in connection with the issuance and delivery of the Series 2026A/B Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchaser or the Owner of any Series 2026A/B Bond. Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

By: _____
President

APPENDIX A

DEFINITIONS

Certain capitalized terms used in this Official Statement and not otherwise defined under “Introduction” or elsewhere herein are set forth below. In some cases such definitions represent a condensed or otherwise modified form of the definition set forth in the Indenture or the Agreements. Reference is made to the Indenture and the Agreements for the complete definitions of such terms and for other capitalized terms that are not defined in this Official Statement.

“Act”: Subchapter Y of Chapter 2306, Texas Government Code, as amended from time to time.

“Agreements”: the Servicing Agreement and the Lender Agreements.

“Authorized Representative”: the Chair, Vice Chair, President or Executive Vice President of the Issuer, or any other legally authorized signatory of the Issuer.

“Bond”: any Bond authorized under the General Indenture and issued pursuant to a Series Indenture.

“Bond Counsel”: Norton Rose Fulbright US LLP or any nationally recognized bond counsel who is either currently under contract to provide such services to the Issuer or is acceptable to the Issuer.

“Bond Service Provider”: the Trustee, a Depository, or a Paying Agent.

“Bond Year”: means, with respect to the Series 2026A Bonds, a twelve-month period ending on August 31st of each year, except that the first Bond Year shall commence on the date of delivery of the Series 2026A Bonds and shall end on August 31, 20[27].

“Bondholder” or “Holder”: the registered owner of any Outstanding Bond or Bonds.

“Cash Flow Certificate”: an Officer’s Certificate meeting the requirements of the General Indenture.

“Cash Flow Test”: projected annual Revenues sufficient to pay projected Program Expenses and scheduled Interest Requirements and Principal Requirements, all as set forth in a Cash Flow Certificate pursuant to the General Indenture.

“Certificate”: fully-modified mortgage-backed securities purchase by the Trustee on behalf of the Issuer.

“Chair”: the Chair of the Board of Directors of the Issuer.

“Closing Date”: [_____], 2026, the date of issuance and delivery of the Series 2026A/B Bonds.

“Code”: the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder; each reference to a Section of the Code herein shall be deemed to include the United States Treasury regulations proposed or in effect thereunder and applied to the Bonds or the use of the proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Continuing Disclosure Agreement”: means that certain Continuing Disclosure Agreement between the Issuer and _____, as the dissemination agent, dated the date of issuance of the Series 2026A/B Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Cost of Issuance”: all items of expense payable or reimbursable directly or indirectly by the Issuer and related to the authorization, sale and issuance of Bonds and the financing and purchase of Qualified Mortgage Loans.

“Credit Facility”: a letter of credit, standby bond purchase agreement, bond insurance policy, credit commitment, line of credit, guaranty, surety bond or other credit facility, issued with respect to any Bonds by a state chartered banking corporation, national banking association or other financial institution or any insurance company with an investment grade rating on its outstanding long-term senior unsecured and uninsured obligations from any Rating Agency.

“Depository”: each financial institution appointed pursuant to the General Indenture to act as depository, and any successor thereof designated by or pursuant to Article XI of the General Indenture.

“Directed Series 2026A/B Principal Payments”: with respect to any redemption date, repayments and Prepayments from Series 2026A/B Mortgage Loans or Series 2026A/B Guaranteed Mortgage Securities, less the principal amount of any Series 2026A/B Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no such Series 2026A/B Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or Sinking Fund Payment amount of such Series 2026A/B Bonds).

“DPA Second Mortgage Loan”: means a Qualified Mortgage Loan secured by a subordinate lien made for the purpose of providing down payment and closing cost assistance in connection with a Series 2026A/B Mortgage Loan.

“Escrow Payment”: all payments made by or on behalf of an eligible borrower of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

“Excess Revenues”: means Revenues under the General Indenture which are not required to make Debt Service Payments under the General Indenture.

“Executive Vice President”: the Executive Vice President of the Issuer.

“Fannie Mae”: the Federal National Mortgage Association, its successors and assigns.

“FHA”: the Federal Housing Administration of the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States of America to which the powers of the Federal Housing Administration have been transferred.

“FHA Insurance”: FHA mortgage insurance issued by the FHA under one of its insurance programs pursuant to Sections 203(b) (Home Unsubsidized), 203(k), 203(h), 221(d)(2) and 234(c) (Condominium Ownership) of the National Housing Act.

“FHA-Insured”: insured under FHA Insurance.

“Fiscal Year”: the period of twelve (12) calendar months commencing on September 1 in any calendar year and ending on August 31 in the following year.

“Freddie Mac”: the Federal Home Loan Mortgage Corporation, its successors and assigns.

“Funds” and “Accounts”: Funds and Accounts, including any subaccounts, established pursuant to this General Indenture, any Supplemental Indenture, or any Series Indenture.

“General Indenture”: the General Indenture of Trust, dated as of [____], 2026, as it may from time to time be amended, modified, or supplemented as herein provided.

“GNMA”: the Government National Mortgage Association, its successors and assigns.

“Governmental Obligations”: (a) direct obligations of the United States of America, and (b) obligations the timely payment of the principal of, and interest on, which is fully and unconditionally guaranteed by the United States of America, and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

“Guaranteed Mortgage Securities”: mortgage-backed securities guaranteed as to payment of principal and interest by GNMA, Fannie Mae, Freddie Mac, or any other agency or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase or guarantee timely payment of Qualified Mortgage Loans backed by or representing Mortgage Loans.

“Hedge Agreement”: a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Issuer providing for payments between the parties based on levels of, or changes in, interest rates or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate floors, or caps, options, puts or calls, which allows the Issuer to manage or hedge payment, rate, spread or similar risk with respect to all or a portion of any Series of Bonds or any assets pledged under the General Indenture.

“Hedge Provider”: any person or entity providing a Hedge Agreement pursuant to an agreement with or upon the request of the Issuer.

“Home”: real property and improvements thereon, including, but not limited to, a condominium unit, which consists of not more than four dwelling units owned by one Mortgagor.

“Interest Payment Date”: each [____] 1 and [____] 1 with respect to the Series 2026A/B Bonds, and with respect to any other Series of Bonds, the date on which interest on any Series of Bonds is required to be paid under the applicable Series Indenture.

“Interest Requirement”: as of any particular date of computation, the sum of the unpaid interest then due plus the interest to accrue on all Outstanding Bonds to the first day of the following month, plus the additional amount of such interest to accrue to their next respective Interest Payment Dates. Interest Requirement shall also include any regular payments under a Qualified Hedge Agreement if so specified by a Series Indenture or an Officer’s Certificate, but shall not include any fees, expenses or termination payments.

“Investments”: any of the following which at the time are certified to the Trustee in an Officer’s Certificate as (a) legal investments for Bond Service Providers under the laws of the State for moneys held

hereunder which are then proposed to be invested therein and (b) permitted by the then effective investment policy of the Issuer:

(i) Governmental Obligations;

(ii) Direct and general obligations of any state within the United States of America or of any political subdivision of such a state, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency then rating the Bonds at the request of the Issuer;

(iii) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer's Home Administration (or its successor, the Rural Housing and Community Development Service), GNMA, Small Business Administration, Resolution Funding Corporation, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof;

(iv) Repurchase agreements, provided that such obligation is (1) rated in one of the three highest rating categories by any Rating Agency then rating the Bonds at the request of the Issuer or (2) continuously and fully collateralized by such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times equal to at least the principal amount of such obligation;

(v) Certificates of deposit, time deposits, demand deposits, and other deposit products, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits, demand deposits, and other deposit products shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully collateralized by an irrevocable letter of credit issued by the United States of America or such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits;

(vi) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2;

(vii) Stripped securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York; and

Guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, unless such contract or agreement would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Issuer.

Notwithstanding the foregoing, and subject to State law, it is expressly understood that the definition of Investments shall be, and be deemed to be, expanded and/or amended, or new definitions and related provisions shall be added to this General Indenture, thus permitting investments with different characteristics from those permitted which an Authorized Representative deems from time to time to be in

the interest of the Issuer, as reflected in an Officer's Certificate or in a Supplemental Indenture, unless at the time of inclusion such inclusion would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Issuer, as certified in such Officer's Certificate or Supplemental Indenture.

"Issue Date": the date as of which any Series of Bonds is issued and from which interest thereon accrues, as specified by the applicable Series Indenture.

"Issuer": the Texas State Affordable Housing Corporation, a public nonprofit corporation duly created, organized and existing pursuant to the Act and the laws of the State or any successor thereto.

"Lender": means a mortgage lending institution participating in the Program and executing a Lender Agreement.

"Lender Agreement": means each Mortgage Origination Agreement between the Issuer and a Lender, as amended from time to time.

"Lender Program Guideline Agreements": the [(i) Bond Program Guidelines, (ii) HOME/MRB Bond Program Guidelines, and (iii) Texas State Affordable Housing Corporation Program Lender Agreement Homeownership Bond Program.]

"Liabilities": any and all causes of action (whether in contract, tort or otherwise), claims, actions, damages (including, but not limited to, consequential and punitive damages), demands, judgments, liabilities, losses, suits, fines, penalties, costs and expenses (including, without limitation, costs of investigation, attorney's fees and expenses, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) of every kind, character and nature whatsoever.

"Master Servicer": Lakeview Loan Servicing, LLC, a Delaware limited liability company.

"Mortgage": a mortgage deed or other instrument securing a Mortgage Loan and constituting a lien on a Home, subject only to such encumbrances as are approved by the Issuer.

"Mortgage Lender": any bank, investment bank, mortgage bank or company, pension or retirement fund, savings bank, or savings and loan association which is authorized to do business in the State which is an FHA, USDA/RD, VA-approved Mortgagee, or qualified to sell mortgages to Fannie Mae or to Freddie Mac, or any agency or instrumentality of the United States or the State, making or holding a Mortgage Loan, whether for its own account or as agent of the Issuer, and approved by the Issuer.

"Mortgage Loan": a loan to a Mortgagor, secured by a Mortgage on a Home and evidenced by a promissory note. The definition of "Mortgage Loan" shall not include, unless otherwise provided in a Series Indenture, any Mortgage Loan which is not credited to the Mortgage Loan Account, the Revenue Fund or other Fund or Account established under the General Indenture.

"Mortgage Loan Accounts": the Accounts so designated which may be established pursuant to the General Indenture.

"Mortgagor": the obligor or joint obligors on a Mortgage Loan.

"National Housing Act": the National Housing Act of 1937, as amended, 12 U.S.C. § § 1716 et seq.

["Nonorigination Redemption Date": with respect to the Series 2026A/B Bonds, [____], 20[____], the date set forth in the Series 2026A/B Indenture upon which Series 2026A/B Bonds may be redeemed from Series 2026A/B Unexpended Proceeds, or any extended date established pursuant to the conditions provided in the Series 2026A/B Indenture.]

"Note": any obligation not designated as a bond, issued by the Issuer pursuant to the Act to make or purchase an obligation which is then, or thereafter becomes, a Qualified Mortgage Loan.

"Officer's Certificate": a certificate signed by an Authorized Representative.

"Outstanding": a reference as of any particular time to all Bonds theretofore delivered except (a) any Bond cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Issuer or by any other Bond Service Provider, at or before that time, (b) any Bond for the payment or redemption of which either moneys or Investments in the amounts, of the maturities and otherwise described and required under the provisions of the General Indenture with respect to defeasance of Bonds has been deposited with one or more Bond Service Providers in trust (whether upon or prior to the maturity or redemption date of the Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption has been given or provided for in accordance with Article VII of the General Indenture, (c) any Bond in lieu of or in substitution for which another Bond has been delivered pursuant to the redemption, purchase, and cancellation provisions of the General Indenture and (d) any Bond owned by the Issuer.

"Parity Test": the Value equals or exceeds one hundred percent (100%) of all Outstanding Bonds.

"Paying Agent": any bank, financial institution or other organization appointed by or pursuant to the General Indenture, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this General Indenture, including Computershare Trust Company, N.A. acting as paying agent with respect to the Series 2026A/B Bonds.

"Persons or families of low, very low and extremely low income": an individual or household whose income qualifies as low income, very low income or extremely low income as determined from time to time by Chapter 2306, Texas Government Code, as amended or the Issuer's board of directors in a manner consistent with federal housing programs.

"Prepayment": any money received from a payment of principal on a Mortgage Loan in excess of the scheduled payments of principal then due or from the sale of a Mortgage Loan.

"President": the President of the Issuer.

"Principal Assets": as of any date of computation of Value, all Mortgage Loans, Guaranteed Mortgage Securities, deposited cash, and Investments in all Mortgage Loan Accounts, in the Reserve Fund, and in the Revenue Fund, other than Investments and cash held pursuant to the General Indenture or to pay accrued interest on Outstanding Bonds.

"Principal Installment": as of any particular date of computation, an amount equal to the principal amount of Outstanding Bonds which mature on a single future date, reduced by the aggregate amount of any Sinking Fund Installments payable before that date toward the retirement of such Outstanding Bonds, but including the remaining amount as a Sinking Fund Installment payable on said future date.

"Principal Installment Date": the date on which a Principal Installment is payable.

“Principal Office”: with respect to a Bond Service Provider, its principal or head office or corporate trust or principal trust office in the city in which the Bond Service Provider is described as being located.

“Principal Requirement”: as of any particular date of computation, for all Bonds then Outstanding, the sum of (i) all unpaid Principal Installments then due, plus (ii) all Principal Installments to become due within twelve (12) months thereafter.

“Program”: the Issuer’s programs of financing or purchasing Qualified Mortgage Loans, including the payment, when due, of principal of and redemption premium, if any, and interest on Notes and Bonds.

[“Program Documents”: means the Indenture, the Servicing Agreement, the Lender Agreements, the Program Guidelines, the Loan Correspondent Purchase and Sale Agreement and all other documents relating to the Program.]

“Program Expenses”: all the Issuer’s expenses of administering the Program under the General Indenture and the Act and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Trustee, any Depository and Paying Agent; Cost of Issuance not paid from proceeds of Bonds; payments to pension, retirement, health and hospitalization funds; Hedge Agreement payments so designated by an Authorized Representative including, without limitation, payments due upon the early termination of a Hedge Agreement; Credit Facility fees; bond insurer fees; financial advisory fees, rebate analyst fees, accounting and consulting fees, attorneys’ fees, remarketing agent fees; and any other expenses and fees required or permitted to be paid by the Issuer under the provisions of the General Indenture, any Supplemental Indenture or any Series Indenture, all to the extent properly allocable to the Program.

[“Program Guidelines”: means the written guidelines for the Program established by the Issuer, which are subject to amendment from time to time.]

“Qualified Hedge Agreement”: a Hedge Agreement which meets the tests set forth in the General Indenture.

“Qualified Hedge Institution”: (a) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time a Qualified Hedge Agreement is entered into by the Issuer are rated in any of the three highest rating categories by each Rating Agency then rating the Bonds at the request of the Issuer, or (b) GNMA, Fannie Mae, Freddie Mac or any successor thereto, or any other federal agency or instrumentality the obligations of which are backed by the full faith and credit of the United States of America; and further provided that it is expressly understood that the definition of the Qualified Hedge Institution shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the General Indenture, thus permitting a Qualified Hedge Agreement with a different entity from those permitted which an Authorized Representative deems from time to time to be in the interest of the Issuer, as reflected in an Officer’s Certificate or in a Supplemental Indenture, if at the time of inclusion such

inclusion will not, in and of itself, adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Issuer, as certified in such Officer's Certificate or Supplemental Indenture.

"Qualified Mortgage Loan": (a) a Mortgage Loan satisfying the conditions set forth in the General Indenture or (b) a Guaranteed Mortgage Security backed by a pool of Qualified Mortgage Loans.

"Rating Agency": a nationally recognized statistical rating organization which is registered with the United States Securities and Exchange Commission in accordance with the Credit Rating Agency Reform Act of 2006.

"RD": the Rural Development Service of the U.S. Department of Agriculture (formerly, the Farmers Home Administration "FHA") or other corporation or instrumentality created or chartered by the United States to which the powers of RD have been transferred.

"RD Guaranty": a guaranty by RD under the successor to the FmHA Section 502 Guaranteed Homeownership Rural Housing Loan Program.

"Redemption Price": as of any date of redemption before maturity, the principal amount of a Bond, or any portion thereof, plus the applicable premium, if any, payable upon redemption thereof in accordance with its terms.

"Reserve Fund": the Fund so designated which is established and created by the General Indenture.

"Reserve Requirement": as of any particular date of computation, an amount of money equal to the sum of the amounts required by each Series Indenture to be maintained in the Reserve Fund with respect to the Series of Bonds authorized thereby, if any.

"Residential Housing": a specific work or improvement within the state undertaken primarily to provide adequate, safe, and sanitary housing that is in compliance with [the Act and Title II of the Americans with Disabilities Act, 42 U.S.C.A. § 12131 et seq.], for persons of low, very low and extremely low income, including, but not limited to, the acquisition, construction, rehabilitation, or improvement of land, buildings, and improvements thereto in connection with condominiums, single family homes, townhouses, and non-housing facilities appurtenant thereto.

"Restricted Principal Receipts": means Series 2026A Principal Repayments and Series 2026A Prepayments received on and after _____, 20__.

"Revenue Fund": the Fund so designated which is established by the General Indenture.

"Revenues": (a) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by the Issuer from, Mortgage Loans and Guaranteed Mortgage Securities, including Prepayments, (b) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds, (c) all payments and receipts received by the Issuer under a Qualified Hedge Agreement and (d) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to this General Indenture and all other payments and receipts received with respect to Mortgage Loan, including the proceeds of any mortgage insurance claims (but excluding Service Charges, Escrow Payments, or other financing, commitment or similar fees or charges of the Issuer or a Mortgage Lender at or prior to the time of financing or purchasing a Mortgage Loan).

“Scheduled Sinking Fund Redemptions”: means the amount designated for any particular due date in the Series 2026A/B Indenture for the retirement of Series 2026A Term Bonds on the Series 2026B Term Bonds, as applicable, on an unconditional basis.

“Serial Bonds”: Bonds so designated in a Series Indenture.

“Series”: all Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the General Indenture.

“Series Indenture”: an indenture of the Issuer authorizing the issuance of Bonds pursuant to the General Indenture.

“Series 2026A Bonds”: means the Issuer’s Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT), authorized pursuant to this Series 2026A/B Indenture and the General Indenture in the aggregate principal amount of \$_____.

“Series 2026A Downpayment Assistance”: means the original principal amount of a DPA Second Mortgage Loan.

“Series 2026A Downpayment Assistance Account”: means the account so established in accordance with Sections 3.04(e) hereof.

“Series 2026A PAC Bonds”: the Series 2026A Bonds maturing on _____, 20__, in the principal amount of \$_____.

“Series 2026A Term Bonds” the Series 2026A Bonds maturing _____, 20__, _____, 20__, _____, 20__, and the Series 2026A PAC Bond.

“Series 2026A/B Bonds”: , together, the Series 2026A Bonds and the Series 2026B Bonds.

“Series 2026A/B Cost of Issuance Account”: means the account so established in accordance with Section 3.04(c) hereof.

“Series 2026A/B Guaranteed Mortgage Securities”: means the Guaranteed Mortgage Securities purchased by the Trustee with proceeds of the Series 2026A/B Bonds and backed by Serie 2026A/B Mortgage Loans.

“Series 2026A/B Indenture”: means the Series 2026A/B Indenture, dated as of _____, 2026, between the Issuer and the Trustee, authorized and executed in accordance with the General Indenture.

“Series 2026A/B Interest Subaccount”: means the subaccount so established in accordance with Section 3.04(b) hereof.

“Series 2026A/B Loan Prepayments”: means Prepayments on Series 2026A/B Mortgage Loans.

“Series 2026A/B Mortgage Loan”: means a Qualified Mortgage Loan originated in connection with the issuance of the Series 2026A/B Bonds which (a) is FHA-Insured or VA-Guaranteed, (b) has an RD Guaranty, or (c) is a conventional mortgage loan and which satisfies the requirements of this Series 2026A/B Indenture and Section 303 of the General Indenture.

“Series 2026A/B Mortgage Loan Account”: means the account so established in accordance with Section 303 of the General Indenture and Section 3.04(a) hereof.

“Series 2026A/B Prepayments”: unscheduled payments of principal from the Series 2026A/B Mortgage Loans.

“Series 2026A/B Principal Repayments”: the scheduled payments of principal then due or from the sale of Series 2026A/B Mortgage Loans.

“Series 2026A/B Principal Subaccount”: means the subaccount so established in accordance with Section 3.04(b) hereof.

“Series 2026A/B Revenue Account”: means the account so established in accordance with Article IV of the General Indenture and Section 3.04(b) hereof.

“Series 2026A/B Unexpended Proceeds”: means the proceeds of the Series 2026A/B Bonds deposited in the Series 2026A/B Mortgage Loan Account which are not applied to the purchase of Series 2026A/B Mortgage Loans, Series 2026A/B Guaranteed Mortgage Securities or DPA Second Mortgage Loans.

“Series 2026B Bonds”: means the Issuer’s Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable), authorized pursuant to this Series 2026A/B Indenture and the General Indenture in the aggregate principal amount of \$_____.

“Series 2026B Serial Bonds”: the Series 2026B Bonds maturing on each _____ and _____ as set forth in Section 3.02(a) hereof.

“Series 2026B Term Bonds”: the Series 2026B Bonds maturing _____, 20__ and _____, 20__.

“Service Charge”: any charge authorized to be deducted by a Servicer from payments on a Mortgage Loan and any reimbursement of the cost of servicing by the Issuer, before deposit of the payments with the Trustee.

“Servicer”: the public or private institution (including the Trustee or a Depository) with which the Issuer shall execute a Servicing Agreement.

“Servicing Agreement”: a contractual agreement of the Issuer with a Servicer for the servicing of Qualified Mortgage Loans.

“Sinking Fund Installment”: any amount of money required by or pursuant to a Series Indenture to be paid on a specified date by the Issuer toward the retirement of any particular Term Bonds before maturity.

“Sinking Fund Installment Date”: the date on which a Sinking Fund Installment is payable.

“Special Program Fund”: the Fund so designated which may be established pursuant to the General Indenture, including any general account or restricted account therein.

“State”: the State of Texas.

“Subordinated Bonds”: Bonds authorized by the General Indenture and issued pursuant to a Series Indenture which by their terms are junior in right of payment to Bonds.

“Supplemental Indenture”: any indenture of the Issuer amending or supplementing this General Indenture, adopted and becoming effective in accordance with the terms of the General Indenture.

“Term Bonds”: Bonds so designated in a Series Indenture.

“Trust Estate”: all Revenues, proceeds, Funds, Accounts, Qualified Mortgage Loans, rights, interests, collections, and other property pledged to the payment of any Bonds pursuant to the General Indenture or any Series Indenture.

“Trustee”: the trustee appointed by or pursuant to the General Indenture, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the General Indenture.

“VA”: the Veterans Administration, an agency of the United States of America, or any successor to its functions.

“VA-Guaranteed”: guaranteed by the VA under the Serviceman’s Readjustment Act of 1944, as amended.

“VA Guaranty”: a guaranty by the VA under the Serviceman’s Readjustment Act of 1944, as amended, meeting the requirements of the GNMA Guide, as defined in the Program Documents.

“Value”: a periodic valuation of Principal Assets to be made in an Officer’s Certificate, which may rely on the most recent Cash Flow Certificate, at the times required in the General Indenture (and not for financial reporting), at amounts computed for the several categories of Principal Assets, respectively, as follows:

- (a) for a Mortgage Loan, the unpaid principal amount thereof;
- (b) for any amount of cash and Investments held in a Mortgage Loan Account at any computation date within two (2) years after the Issue Date of the Series of Bonds issued to establish the Mortgage Loan Account, the par amount thereof; and
- (c) for other Investments and deposits: (i) the principal amount or amortized cost of an Investment, whichever is lower, if it matures more than twenty-four (24) months after the date of computation or is held subject to a repurchase agreement and (ii) the principal amount of a deposit or of an Investment that matures within twenty-four (24) months after the date of computation and is not held subject to a repurchase agreement, provided further that (iii) accrued interest shall be excluded from each such computation.

“Vice Chair”: the Vice-Chair of the Board of Directors of the Issuer.

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, acts as securities depository for the Series 2026A/B Bonds (for purposes of this section, the Series 2026A/B Bonds will be referred to as the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Securities and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC by the Trustee.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Issuer or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, DTC's nominee, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee; disbursement of such payments to Direct Participants will be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Tender Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

Portions of the foregoing information regarding the book-entry only system have been provided by DTC. Accordingly, neither the Issuer nor the Underwriters are making any representation concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. There can be no assurance that DTC or the DTC Participants will abide by the procedures described herein or that such procedures will not be changed from time to time. In the event a successor securities depository is designated, it may establish different procedures.

APPENDIX C-1

FORM OF BOND COUNSEL OPINION FOR THE SERIES 2026A BONDS

[Series 2026A/B Bond Closing Date]

WE HAVE ACTED AS BOND COUNSEL for the Texas State Affordable Housing Corporation (the “Issuer”) for the purpose of rendering our opinion with respect to the matters discussed herein in connection with the issuance of \$_____ aggregate principal amount of the Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) (the “Bonds”). We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds. The Bonds are limited obligations of the Issuer payable solely from the sources described therein.

WE HAVE EXAMINED the Bonds and have also examined, and in expressing the opinions hereinafter described we rely upon, original or certified copies of the proceedings of the Board of Directors of the Issuer authorizing issuance of the Bonds; certificates of the Issuer relating to the expected use of proceeds of the Bonds and certain other funds of the Issuer and to other material facts within the sole knowledge of the Issuer, a General Indenture of Trust dated as of October 1, 2026, between the Issuer and Computershare Trust Company, National Association, as trustee (the “Trustee”) and a Series 2026A/B Indenture dated as of October 1, 2026, between the Issuer and the Trustee (collectively, the “Bond Documents”); and such other documents and material and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such certificates.

WE ARE OF THE OPINION, based upon such examination, that under applicable laws of the United States of America and of the State of Texas in force and effect on the date hereof, the Bonds have been duly authorized, executed, and delivered and constitute valid and legally binding limited obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein, except to the extent that the enforcement thereof may be limited by laws of general application relating to bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors or the exercise of judicial discretion in accordance with general principles of equity.

IT IS FURTHER OUR OPINION THAT, assuming continuing compliance after the date hereof by the Issuer and the Trustee with the applicable provisions of the Bond Documents, and in reliance upon representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended (the “Code”), of the owners thereof for federal income tax purposes pursuant to sections 103 and 143 of the Code and existing regulations, published rules and court decisions thereunder and will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals.

WE EXPRESS NO OTHER OPINION with respect to the legal or beneficial ownership of the Bonds for federal income tax purposes or any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of the Bonds. Ownership of tax exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of interest in a financial asset securitization investment trust, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the

earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX C-2

FORM OF BOND COUNSEL OPINION FOR THE SERIES 2026B BONDS

[Series 2026A/B Bond closing date]

WE HAVE ACTED AS BOND COUNSEL for the Texas State Affordable Housing Corporation (the “Issuer”) for the purpose of rendering our opinion with respect to the matters discussed herein in connection with the issuance of \$_____ aggregate principal amount of the Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable) (the “Bonds”). We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds. The Bonds are limited obligations of the Issuer payable solely from the sources described therein.

WE HAVE EXAMINED the Bonds and have also examined, and in expressing the opinions hereinafter described we rely upon, original or certified copies of the proceedings of the Board of Directors of the Issuer authorizing issuance of the Bonds; certificates of the Issuer relating to material facts within the sole knowledge of the Issuer, a General Indenture of Trust dated as of October 1, 2026, between the Issuer and Computershare Trust Company, National Association, as trustee (the “Trustee”) and a Series 2026A/B Indenture dated as of October 1, 2026, between the Issuer and the Trustee (collectively, the “Bond Documents”); and such other documents and material and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such certificates.

WE ARE OF THE OPINION, based upon such examination, that under applicable laws of the State of Texas in force and effect on the date hereof, the Bonds have been duly authorized, executed, and delivered and constitute valid and legally binding limited obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein, except to the extent that the enforcement thereof may be limited by laws of general application relating to bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors or the exercise of judicial discretion in accordance with general principles of equity.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

**Bond Document No. 4:
Bond Purchase Contract**

§ _____
Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)
Series 2026B (Taxable)

Bond Purchase Contract

_____, 2026

Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752
Ladies and Gentlemen:

On the basis of the representations, warranties and covenants contained herein, and the terms and conditions contained herein, Raymond James & Associates, Inc., on behalf of itself and as representative of Fidelity Capital Markets, a division of National Financial Services LLC (together, the “Underwriter”), offers to enter into this Bond Purchase Contract (this “Purchase Contract”), relating to the above-captioned bonds (the “Bonds”), with Texas State Affordable Housing Corporation (the “Issuer”), which Purchase Contract will become binding upon the Issuer and the Underwriter upon your acceptance by execution of this Purchase Contract and its delivery to the Underwriter at or prior to 5:00 p.m., Central time, not later than [_____], 2026.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Issuer and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) nor has it assumed any other obligation to the Issuer except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter has financial and other interests that differ from those of the Issuer; and (v) the Issuer has consulted with its legal counsel and financial advisors to the extent it deemed appropriate in connection with the offering and sale of the Bonds.

1. **Introduction.** The Issuer will issue its Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT), in the aggregate principal amount of \$_____ (the “2026A Bonds”), and its Homeownership Mortgage Revenue Bonds, Series 2026B (Taxable), in the aggregate principal amount of \$_____ (the “2026B Bonds,” and together with the 2026A Bonds, the “Bonds”), pursuant to Subchapter Y of Chapter 2306 of the Texas Government Code, as amended (the “Act”), the Resolution (defined below), and a General Indenture of Trust, dated as of [_____], 2026 (the “General Indenture”), by and between the Issuer and Computershare Trust Company, N.A., as trustee (the “Trustee”), as supplemented by the Series 2026A/B

Indenture, dated as of [October ____], 2026 (the “Series Indenture,” and together with the General Indenture, the “Indenture”), by and between the Issuer and the Trustee. The Bonds will be issued to provide funds to finance Qualified Mortgage Loans (as defined in the Series Indenture) through the purchase of Guaranteed Mortgage Securities (as defined in the Series Indenture and referred to herein as the “Certificates”) and the funding of down payment and closing cost assistance under the Issuer’s homeownership loan program (the “Program”). The financing of the Qualified Mortgage Loans will occur through the purchase by the Trustee (on behalf of the Issuer) of Guaranteed Mortgage Securities backed by the Qualified Mortgage Loans from moneys on deposit in the Series 2026A/B Mortgage Loan Account established under the Indenture.

2. **Purchase, Sale and Delivery of Bonds.** On the basis of the representations and agreements contained herein, but subject to the terms and conditions herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, the Bonds at an aggregate purchase price equal to \$_____ (which is the sum of \$_____, the total initial principal amount of the Bonds[, plus an original issue [premium][discount] of \$_____]). The Bonds will bear interest from their date of delivery, and therefore no accrued interest will be paid as part of the purchase price.

The Bonds will mature on the dates and in the aggregate principal amounts, and bear interest at the rates per annum, shown on Schedule I. The Issuer shall pay on the Closing Date to the Underwriter \$_____ with respect to the 2026A Bonds and \$_____ with respect to the 2026B Bonds (collectively, the “Underwriter’s Fee”) for the Underwriter’s fees and expenses.

The Issuer will deliver the Bonds to the Underwriter against payment of the purchase price therefor by wire transfer payable in immediately available funds to the Trustee. The closing will occur at the offices of Norton Rose Fulbright US LLP, Bond Counsel, at [10:00 a.m.], Central Time, on [_____, 2026], or at such other time or place as the Issuer and the Underwriter shall mutually agree upon (such time being referred to herein as the “Closing Date”). The Bonds shall be delivered in definitive fully registered form, in each case in such form as shall comply with the book-entry system requirements of The Depository Trust Company, New York, New York.

3. **Transaction Documents.** At or prior to the Closing Date, the Issuer shall deliver to the Underwriter the following documents in form and substance satisfactory to the Underwriter:

- (a) a certified copy of the resolution adopted by the Issuer on [June 16, 2026], approving the issuance, sale and delivery of the Bonds (the “Resolution”);
- (b) a certified copy of the executed Indenture;
- (c) a copy of the executed Servicing and Sale Agreement dated as of [February 1, 2019[, as amended on _____]] (the “Servicing Agreement”), between the Issuer and Lakeview Loan Servicing, LLC (the “Servicer”);
- (d) a copy of the form of Mortgage Origination Agreement between the Issuer and each financial institution participating in the Program as a lender (each a “Lender”), and a copy of the Amendment (Relating to Bond-Financed Programs) thereto dated as of

[March 1, 2019], executed by the Issuer and delivered to each Lender (collectively, the “Lender Agreements”);

(e) a copy of the executed Continuing Disclosure Agreement dated as of [October ____], 2026 (the “Continuing Disclosure Agreement”) as [summarized in][attached to] the Official Statement (defined below); and

(f) a copy of the Official Statement of the Issuer relating to the Bonds duly executed on behalf of the Issuer by the President or other duly authorized representative of the Issuer.

The Issuer confirms that it has heretofore made available to the Underwriter copies of the Preliminary Official Statement dated [_____, 2026], relating to the Bonds (the “Preliminary Official Statement”) and has approved the distribution thereof to prospective underwriters and investors. The Issuer hereby represents to the Underwriter that the Preliminary Official Statement was deemed by the Issuer to be “final” as of its date within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934 (the “Rule”), with the exception of information permitted to be omitted therefrom pursuant to such rule.

The Issuer authorizes, ratifies and consents to the use of the Preliminary Official Statement by the Underwriter in connection with the Issuer’s offer, sale and distribution of the Bonds.

Upon the request of the Underwriter (which request shall be made no later than seven (7) business days following the date hereof), the Issuer will deliver to the Underwriter three (3) copies of the Preliminary Official Statement completed with the information permitted to be omitted therefrom by Rule 15c2-12(b) under the Securities Exchange Act of 1934 and such other amendments or supplements as shall have been approved by the Issuer and the Underwriter (the Preliminary Official Statement, as so completed, being hereinafter referred to as the “Official Statement”) duly executed on behalf of the Issuer.

The Issuer approves, and the Underwriter consents to, the delivery of the Preliminary Official Statement and the Official Statement in electronic form.

This Purchase Contract, the Indenture, the Servicing Agreement, the Lender Agreements and the Continuing Disclosure Agreement are referred to herein collectively as the “Issuer Agreements.”

4. Representations and Warranties. The Issuer represents and warrants to the Underwriter as follows:

(a) it is a non-profit corporation duly organized and existing under the laws of the State of Texas (the “State”), and has full legal right, power and authority (i) to enter into this Purchase Contract, (ii) to execute and deliver the Issuer Agreements, (iii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, (iv) to use the proceeds of the Bonds to purchase the Certificates and for other purposes described in the Indenture and (v) to consummate the transactions contemplated by the Issuer Agreements and the Official Statement;

(b) the information set forth in the Official Statement under the captions [“THE ISSUER” and “NO LITIGATION”] does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made not misleading;

(c) it is not in breach of or default under any applicable law or administrative regulation of the State, the United States or any applicable judgment or decree or any payment default with respect to any obligations, in each case, where such default would have a material adverse effect on its ability to perform its obligations hereunder or under the Issuer Agreements; and the execution and delivery of the Issuer Agreements and the Bonds, and the compliance with the provisions thereof, do not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject;

(d) all material approvals, consents and orders of any governmental entity of the State or the United States having jurisdiction which would constitute conditions precedent to the performance by the Issuer of its obligations under the Issuer Agreements and the Bonds have been or will be obtained prior to the Closing Date;

(e) to its knowledge, the terms and provisions of the Issuer Agreements comply in all material respects with the requirements of the Act; and the Issuer Agreements and the Bonds, when executed and delivered by the Issuer, will constitute its valid, legal and binding obligations enforceable in accordance with their terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar law affecting the enforcement of creditors’ rights generally and by public policy considerations which may render the Issuer Agreements or the Bonds unenforceable, and subject to the availability of equitable remedies generally;

(f) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against it affecting its existence or its governing body or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the delivery of the Bonds or the revenues or assets pledged to the payment of the principal of and interest on the Bonds, or the pledge of such revenue or assets, the purchase of the Certificates, or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Agreements, or contesting in any way the completeness or accuracy of the Official Statement, or contesting its powers or any authority for the issuance or delivery of the Bonds or the execution and delivery of the Issuer Agreements;

(g) any certificate signed by one of its Authorized Representatives and delivered to the Underwriter or the Trustee at or prior to the Closing Date shall be deemed a representation by it in connection with this Purchase Contract to the Underwriter or the Trustee as to the statements made therein;

(h) the Bonds, when issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be the Issuer's validly issued and outstanding limited obligations entitled to the benefits of the Indenture;

(i) the Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution and the Indenture, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and

(j) to its knowledge, except as described in the Official Statement, the Issuer has not failed to comply, in all material respects, with any continuing disclosure undertaking during the five-year period preceding the date of the Official Statement.

The Issuer agrees that all representations and covenants made by it herein, and in securities, agreements or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Underwriter, and that all representations and covenants made by the Issuer herein and therein and all the Underwriter's rights hereunder and thereunder shall survive the delivery of the Bonds.

5. Covenants. The Issuer covenants with the Underwriter that:

(a) If between the date of this Purchase Contract and the date ninety (90) days following the end of the underwriting period (as such term is defined in Rule 15c2-12(e)(2) under the Securities Exchange Act of 1934, which may be assumed by the Issuer to be the Closing Date unless otherwise notified by the Underwriter) an event occurs affecting the Issuer, or any transaction contemplated by the Issuer Agreements, which could cause the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact which should be included therein for the purposes for which the Official Statement was to be used or which is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and, if in the opinion of the Issuer or the Underwriter such event requires an amendment or supplement to such Official Statement, the Issuer will change, amend or supplement the Official Statement in a form and in a manner reasonably acceptable to the Underwriter and at the reasonable expense of the Issuer and/or the Underwriter as shall be mutually agreed; provided, however, if such event shall occur on or prior to the Closing Date, the Underwriter, in its sole discretion, shall have the right to terminate its obligations hereunder by written notice to the Issuer, and the Underwriter shall be under no obligation to purchase and pay for the Bonds; and

(b) the Issuer, at no expense to the Issuer, will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, the Issuer shall not be required to register as a dealer or broker in any such state or jurisdiction nor shall it be required to consent to the jurisdiction of such state or jurisdiction.

6. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the 2026A Bonds and shall execute and deliver to the Issuer at the Closing Date an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2026A Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto, the Issuer will treat the first price at which 10% of each maturity of the 2026A Bonds is sold to the public (the “10% Test”) as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of 2026A Bonds. If at that time the 10% Test has not been satisfied as to any maturity of the 2026A Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the 2026A Bonds of that maturity to the public. For purposes of this Section 6(b), if 2026A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2026A Bonds.

(c) The Underwriter confirms that Underwriter offered the 2026A Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the 2026A Bonds for which the 10% Test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “Hold-The-Offering-Price Rule”). So long as the Hold-The-Offering-Price Rule remains applicable to any maturity of the 2026A Bonds, the Underwriter will neither offer nor sell unsold 2026A Bonds of that maturity to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the 2026A Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 2026A Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and any retail or other third-party distribution agreement relating to the initial sale of the 2026A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter (as applicable), each dealer who is a member of the selling group and each broker-dealer that is a party to such retail or other third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold 2026A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2026A Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the 2026A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires,

(B) to promptly notify the Underwriter of any sales of 2026A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2026A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(e) The Issuer acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the 2026A Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to any of the 2026A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2026A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2026A Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the 2026A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the 2026A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2026A Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the 2026A Bonds, as set forth in the retail or other third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail or other third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of

the 2026A Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the 2026A Bonds.

(f) The Underwriter acknowledges that sales of any 2026A Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2026A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2026A Bonds to the public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the 2026A Bonds to the public);

(iii) a purchaser of any of the 2026A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

7. **Establishment of the Issue Price of the 2026B Bonds.** In the event any of the 2026B Bonds are sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, at a price other than the par amount thereof, on or before the Closing Date, the Underwriter shall execute and deliver to Bond Counsel an Issue Price Certificate for the 2026B Bonds prepared by Bond Counsel.

8. **Conditions to Obligations of Underwriter.** The obligation of the Underwriter to purchase and pay for the Bonds at the Closing Date is subject to the accuracy of the representations of the Issuer herein as of the date hereof and as of the Closing Date, to the material accuracy of statements to be made on behalf of the Issuer hereunder, to the material performance by the Issuer of its obligations hereunder and to the following additional conditions precedent:

(a) at the Closing Date, the Resolution, the Issuer Agreements, the Bonds and all official action of the Issuer relating thereto, shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and the Official Statement shall have been executed and shall not have been amended or supplemented except as may have been agreed to by the Underwriter;

(b) the Issuer shall have received the unqualified approving opinion of Norton Rose Fulbright US LLP, Bond Counsel with respect to the exemption of interest on the 2026A Bonds from federal taxation, in form and substance acceptable to the Issuer and the Underwriter;

(c) the Underwriter shall have received the supplemental opinion of Norton Rose Fulbright US LLP, Bond Counsel, dated the Closing Date and addressed to the Issuer, the Underwriter and the Trustee, to the effect that: (i) the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and that it is not necessary, in connection with the offering and sale of the Bonds, to register any securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act; (ii) the Bonds, the Indenture, the Lender Agreements, the Servicing Agreement, and certain provisions of federal tax law conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the statements contained in the Preliminary Official Statement and the Official Statement on the cover and under the captions “INTRODUCTION,” “THE SERIES 2026A/B BONDS,” “SECURITY FOR THE SERIES 2026A/B BONDS,” “FLOW OF FUNDS,” “THE PROGRAM,” “THE GENERAL INDENTURE,” “THE LENDER AGREEMENTS,” “THE SERVICING AGREEMENT,” “TAX MATTERS,” “ELIGIBILITY FOR INVESTMENT,” “Appendix A—DEFINITIONS,” and “Appendix []—[FORM][SUMMARY] OF SERIES 2026A/B INDENTURE” insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, the Lender Agreements and the Servicing Agreement, federal tax law provisions relating to the Bonds, and the eligibility for investment under Texas law, present a fair and accurate summary of such provisions; (iii) the Issuer is authorized to acquire the Certificates to provide financing for single family residences in accordance with the Indenture and to assign the Certificates and other pledged revenues from which the Bonds are payable; (iv) the Indenture creates a valid pledge of the Trust Estate (as defined in the Indenture), the Certificates and money, securities and property held in any fund or account established pursuant to the Indenture (excluding amounts contained in the Series 2026A/B Cost of Issuance Fund and any Series 2026A Rebate Account), including the investment thereof, and a first lien upon, security interest in and assignment to the Trustee of the same, and all right, title and interest of the Issuer in the Certificates, the Lender Agreements and the Servicing Agreement and subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein; and (v) all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission (except state securities commissions) having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations under the

Bonds, the Indenture, the Lender Agreements, the Servicing Agreement, the Continuing Disclosure Agreement and this Purchase Contract, have been obtained and are in full force and effect;

(d) the Underwriter shall have received an unqualified approving opinion of Norton Rose Fulbright US LLP, Bond Counsel dated the Closing Date and addressed to the Issuer, the Underwriter and the Trustee, in substantially the form included in Appendix C, to the effect that: (i) this Purchase Contract has been duly authorized, executed and delivered by, and constitutes a legally valid and binding agreement enforceable in accordance with its terms of, the Issuer, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws or equitable principles relating to or limiting creditors' rights generally, and provided that no opinion need be expressed as to the availability of equitable remedies; (ii) the Issuer is a duly organized and existing non-profit corporation, duly organized and existing under the Constitution and laws of the State, acting pursuant to the Act, with full legal right, power and authority to issue the Bonds and to perform all of its obligations under the Bonds, the Resolution and the Issuer Agreements, and the same are now in full force and effect, and the Issuer has duly adopted the Resolution and has duly authorized, executed and delivered the Bonds, the Issuer Agreements and the Official Statement, and (assuming due authorization, execution and delivery by the other parties thereto, where necessary) the Issuer Agreements constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws or equitable principles relating to or limiting creditors' rights generally, and provided that no opinion need be expressed as to the availability of equitable remedies); (iii) the Issuer has duly approved the Official Statement and has duly approved or ratified, as applicable, the distribution of the Preliminary Official Statement and (iv) the adoption of the Resolution, and the execution and delivery of the Bonds and the Issuer Agreements and the other instruments contemplated by any of such documents to which the Issuer is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or, to its knowledge, any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the Issuer is a party or is otherwise subject or bound;

(e) the Underwriter shall have received a certificate, dated the Closing Date and signed by an authorized officer of the Trustee (or an opinion of counsel to the Trustee as to one or more of such matters addressed to the Issuer and the Underwriter), to the effect that: (i) the Trustee is a national banking association, duly organized, validly existing and in good standing under the laws of the United States, is duly qualified to do business and to exercise trust powers in the State and in all jurisdictions where the nature of its operations as contemplated by the Indenture legally requires such qualification, and has the corporate power to take all action required or permitted of it under the Indenture (including actions required or permitted of it under the Continuing Disclosure Agreement); (ii) the execution, delivery and performance by the Trustee of the Indenture and the Continuing Disclosure Agreement, and its acknowledgment of certain provisions of the Servicing Agreement,

have been duly authorized by all necessary corporate action on the part of the Trustee, and under present law do not and will not contravene the charter or by-laws of the Trustee or conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or instrument to which the Trustee is subject; (iii) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its duties and obligations under the Indenture and its duties and obligations (including its duties and obligations as Dissemination Agent) under the Continuing Disclosure Agreement have been obtained and are in full force and effect; (iv) the Indenture and the Continuing Disclosure Agreement have been duly entered into and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee, enforceable against the Trustee in accordance with their terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or by general equity principles; (v) the Trustee has taken all action necessary for the acceptance of, and has duly accepted the office of, Trustee under the Indenture and has the requisite trust powers to carry out its obligations under the Indenture; and (vi) no litigation has been served on the Trustee or, to the knowledge of such officer, threatened in any way contesting or affecting the existence of powers (including trust powers) of the Trustee or the Trustee's ability to fulfill its duties and obligations under the Indenture and its duties and obligations (including its duties and obligations as Dissemination Agent) under the Continuing Disclosure Agreement;

(f) the Underwriter shall have received a certificate, dated the Closing Date and signed by an Authorized Representative of the Issuer, to the effect that: (i) none of the adoption of the Resolution or the execution or delivery by the Issuer of the Bonds or the Issuer Agreements, or the consummation of the transactions contemplated thereby, will result in the material violation of any constitutional provisions, statute, regulation, order or resolution applicable to the Issuer or conflict with any indenture, loan agreement, bond, note, order, resolution, contract, agreement or other instrument to which the Issuer is a party or, to the knowledge of the Issuer, is otherwise subject or bound; (ii) no material consent, approval, authorization, license or order of any governmental agency or body is required for the execution and delivery by the Issuer of, or performance by the Issuer of its obligations under, the Issuer Agreements, except such consents, approvals, authorizations, licenses or orders as already have been obtained and except such consents, approvals, authorizations, licenses or orders as may be required by the Attorney General of the State of Texas or under the state securities or "blue sky" laws of any jurisdiction in connection with the offer and sale of the Bonds; (iii) no litigation or other proceeding is pending or, to the knowledge of the Issuer, threatened in any state or federal court or other tribunal of competent jurisdiction, in any material way: (a) restraining or enjoining the issuance, sale or delivery of the Bonds; (b) questioning or affecting the validity of the Resolution, the Issuer Agreements, the Bonds, the collection, application and pledge to the Bondholders of any moneys or other security provided for the payment of the Bonds under the Indenture, and Lender Agreements or the Servicing Agreement, or any other transaction referred to in the Official Statement; (c) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Bonds; (d) questioning or affecting the organization or existence of the Issuer or the title to office of any officer thereof; (e) questioning or affecting the power and authority of the Issuer to issue the Bonds or to execute and deliver the Issuer

Agreements; (f) questioning the accuracy or completeness of the Official Statement; or (g) which would adversely affect the exclusion from gross income of interest paid on the 2026A Bonds for federal income tax purposes; (iv) the Issuer has complied with or will on the Closing Date be in compliance with all the material agreements and satisfied all the material conditions on its part to be performed or satisfied at or prior to the Closing Date, including, without limitation, the conditions precedent to the issuance of the 2026A Bonds as set forth in Section 203 of the General Indenture; and (v) the representations of the Issuer as to all material facts contained herein and in the Issuer Agreements are true, complete and correct as of the Closing Date; and (vi) the statements and information contained in the Official Statement under the captions “THE ISSUER” and “NO LITIGATION” with respect to the Issuer do not contain any untrue statements of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and (vii) to its knowledge, the Issuer has not failed to comply, in all material respects, with any continuing disclosure undertaking during the five-year period preceding the date of the Official Statement;

(g) the Underwriter shall have received a certificate or agreement of the Issuer concerning arbitrage and certain other federal income tax matters with respect to the 2026A Bonds, dated the Closing Date and signed by an authorized officer of the Issuer, in form and substance satisfactory to Bond Counsel;

(h) the Issuer shall have received an opinion of Barnes & Thornburg LLP, as Disclosure Counsel, dated the Closing Date and addressed to the Issuer (with a reliance letter to the Underwriter), to the effect that (given appropriate assumptions) (i) the information contained in the Preliminary Official Statement as of its date and as of the date of this Purchase Contract and the Official Statement, as of its date and as of the Closing Date, under the captions “THE ISSUER” and “THE CONTINUING DISCLOSURE AGREEMENT” present a fair and accurate summary of the matters referred to therein and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (ii) no information came to Disclosure Counsel’s attention that leads them to believe that the Preliminary Official Statement as of its date, or as of the date of this Purchase Contract, or the Official Statement as of its date and as of the Closing Date contains or contained any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided, however, Disclosure Counsel expresses no view as to any financial, numerical, demographic, economic, engineering or statistical data; any statements of trends, forecasts, estimates, projections, assumptions, or expressions of opinion; any information relating to CUSIP numbers and information about CUSIP Global Services; any statements of expectation of the Issuer; information concerning The Depository Trust Company contained in the Official Statement, and any information under the sections of the Official Statement titled “SOURCES AND USES OF FUNDS,” “GNMA MORTGAGE-BACKED CERTIFICATE PROGRAM,” “TAX MATTERS – SERIES 2026A BONDS,” “TAX MATTERS – (TAXABLE) SERIES 2026B BONDS,” “ELIGIBILITY FOR INVESTMENT,” “FINANCIAL ADVISOR,” “UNDERWRITING,” and “RATING,” and any appendices to the Official Statement other than “APPENDIX A – DEFINITIONS”;

(i) the Underwriter shall have received an opinion, dated the Closing Date and addressed to the Issuer, the Trustee and the Underwriter, of counsel to the Servicer, or in lieu of an opinion, a certificate executed by an authorized officer of the Servicer, to the effect that: (i) the Servicer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and is duly qualified and in good standing to transact in the State any and all business contemplated by the Servicing Agreement to be conducted by it and possesses all requisite power, licenses, permits and franchises to conduct any and all business contemplated by the Servicing Agreement to be conducted by it and to execute, deliver and comply with its obligations under the terms of the Servicing Agreement; (ii) the execution, delivery and performance of the Servicing Agreement have been duly authorized by all necessary corporate action; (iii) the Servicer is an FHA-approved, VA-approved, and USDA-RHS-approved mortgagee and meets all requirements of applicable laws so as to be eligible to purchase FHA-insured, VA-guaranteed and USDA-RHS-guaranteed mortgage loans; (iv) the Servicer has been approved by GNMA to issue mortgage-backed securities guaranteed by GNMA; (v) the Servicing Agreement constitutes a valid and binding agreement of the Servicer enforceable against the Servicer in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws or equitable principles relating to or limiting creditors' rights generally and by public policy limitations on the enforceability of indemnities and provided that no opinion need be expressed as to the availability of equitable remedies); (vi) the execution and delivery of the Servicing Agreement by the Servicer and the performance and compliance with its terms in the manner contemplated therein will not violate (a) its certificate of incorporation or bylaws or (b) any laws in existence at the time of execution which could have any material adverse effect whatsoever upon the validity, performance or enforceability of any of the terms of the Servicing Agreement applicable to the Servicer and will not constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which the Servicer is a party or which may be applicable to it or any of its assets; (vii) there is no litigation pending or to such counsel's or authorized officer's knowledge, threatened, that would adversely affect the execution or validity of the Servicing Agreement by the Servicer, and there are no other legal or governmental proceedings other than ordinary routine litigation incident to the business conducted by the Servicer pending (or to the best of such counsel's or authorized officer's knowledge, threatened or contemplated by governmental authority or others) to which the Servicer is a party or by which the Servicer or any property of the Servicer is subject, which, if determined adversely to the Servicer would individually or, in the aggregate, have a material adverse effect on the financial position or results of the operations of the Servicer; and (viii) the statements relating to the Servicer contained in the Official Statement do not include any untrue statement of a material fact or omit to state any material facts necessary to make the statements relating to the Servicer therein, in the light of the circumstances under which they are made, not misleading;

(j) the Underwriter shall have received the (A) opinion of Kutak Rock LLP, counsel to the Underwriter ("Underwriter's Counsel"), dated the Closing Date, and addressed to the Underwriter, to the effect that under existing laws, (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended or subject

to qualification of the Indenture under the Trust Indenture Act of 1939, as amended and (ii) the Continuing Disclosure Agreement provides a suitable basis for the Underwriters, and any other broker, dealer, or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Bonds, to make a reasonable determination that the Issuer has met the qualification of paragraph (b)(5)(i) of the Rule; and (B) a negative assurance letter from Kutak Rock LLP, counsel for the Underwriter, dated the date of the Closing, and addressed to the Underwriter to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, but on the basis of their conferences with the representatives of the Issuer, Bond Counsel and the Underwriter and their examination of certain documents referred to in the Preliminary Official Statement and the Official Statement, no information has come to the attention of the attorneys in such firm rendering legal services in connection with their representation of the Underwriter in this matter that would cause them to believe that the Preliminary Official Statement as of its date or as of the date of this Purchase Contract (other than information permitted to be omitted from the Preliminary Official Statement pursuant to the Rule), or the Official Statement as of its date or as of the date of the Closing, contains or contained any untrue statement of a material fact or omits or omitted to state any material fact required to be stated therein or that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; it being understood that in rendering such opinion and providing such negative assurance letter, counsel for the Underwriter are not required to express an opinion or provide negative assurance with respect to financial statements and other financial, statistical, numerical, forecast, technical, operating, demographic or accounting statements and data contained therein included in the Preliminary Official Statement or the Official Statement or any information concerning the GNMA Mortgage-Backed Certificate Program, the book-entry system for registration of the Bonds or The Depository Trust Company, or the Appendices to the Preliminary Official Statement or Official Statement (as to which no view is expressed).

(k) the Underwriter shall have received written evidence satisfactory to it that S&P Global Ratings has assigned a rating of at least “AA+” to the Bonds;

(l) the Underwriter shall have received (i) evidence satisfactory to it of the approval of the Bonds by the Texas Bond Review Board (the “Board”), or the Board’s Executive Director or his designee, and (ii) an unqualified opinion or certificate, dated on or prior to the Closing Date, of the Attorney General of the State approving the Bonds to the extent required by law, accompanied by the certificate of the Comptroller of Public Accounts of the State of Texas as to official registration of the Bonds; and

(m) the Issuer shall furnish or cause to be furnished such additional legal opinions, securities, instruments and other documents, as the Issuer, the Underwriter, Bond Counsel or Disclosure Counsel may reasonably request, to enable such counsel to render their respective opinions or to evidence compliance with legal requirements, the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations contained herein and of the statements and information contained in the Official Statement and the

due performance or satisfaction on or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied.

All the opinions, letters, securities, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter, and the Underwriter shall have the right to waive any condition set forth in this Section 8.

9. **Termination.** The Underwriter may terminate its obligations hereunder by written notice to the Issuer if, at any time subsequent to the date hereof and on or prior to the Closing Date:

(a) (i) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or the United States Tax Court, or (iii) an order, ruling, regulation or communication (including a press release) shall have been issued by the United States Department of the Treasury or the Internal Revenue Service, or (iv) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress which indicates or implies that legislation will be introduced in the United States Congress, in each case referred to in clauses (i), (ii), (iii) and (iv), with the purpose or effect, directly or indirectly, of imposing federal income taxation upon interest to be received by any holder of 2026A Bonds; or

(b) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel to the Underwriter, has the effect of requiring the offer or sale of the Bonds, to be registered under the Securities Act of 1933 or the Indenture to be qualified under the Trust Indenture Act of 1939 or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements or information contained therein not misleading in any material respect; or

(c) (i) in the Underwriter's reasonable judgment, the market price of the Bonds is adversely affected because: (a) additional material restrictions not in force as of the effective date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (b) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; (c) a general banking moratorium shall have been established by federal, New York or State authorities; (d) a war involving the United States of America shall have been declared, or any other national

or international calamity, including any act of terrorism, shall have occurred (economic or otherwise), or any conflict involving the armed forces of the United States of America shall have escalated to such a magnitude as to materially affect the Underwriter's ability to market, take delivery of or redeliver Bonds; or (e) any legislation, ordinance, rule or regulation shall be introduced in or be enacted by a governmental body, department or agency in the State or a decision by a court within the State with respect to the Program or bonds of character similar to the 2026A Bonds; (ii) there shall have occurred any material change, or any other event in the securities or debt markets, which, in the Underwriter's opinion, materially adversely affects the marketability of the Bonds or the market price thereof, or any material development involving a prospective change in, or affecting particularly the economy of the geographic areas constituting the program area with respect to the Bonds, or the mortgage market of said jurisdiction, which, in the Underwriter's reasonable judgment, materially impairs the investment quality of the Bonds, or, in the Underwriter's reasonable judgment, materially impairs the ability of the Underwriter to market, take delivery of, or redeliver the Bonds; (iii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, any of the proceedings of the Issuer taken with respect to the issuance, sale, release or delivery thereof, the pledge or application of any moneys or Certificates provided for the payment of the Bonds or the existence or powers of the Issuer; (iv) any written notice shall have been given by the Rating Agency of any intended downgrading, suspension or withdrawal of the credit rating of the Bonds by the Rating Agency.

10. **Expenses.** If a Closing shall take place hereunder, the Issuer shall pay the Underwriter's Fee, the fees and expenses (including any legal expenses) of the Trustee, the fees and expenses of Bond Counsel, the fees and expenses of Disclosure Counsel, the fees and expenses of the Financial Advisor, the rating agency fee, printing and electronic posting costs, the verification fee (if any), and all other costs of issuing the Bonds, but only from money deposited in the 2026A/B Cost of Issuance Account established under the Indenture.

The Underwriter shall pay its own fees and expenses, unless otherwise agreed by the Issuer. The Servicer and the Lenders executing the Servicing Agreement and the Lender Agreements, respectively, shall pay their own expenses, including the fees and expenses of their respective counsels.

In the event that a closing does not take place, the Issuer shall not be responsible for any fees or expenses incurred in connection with the transactions contemplated under this Purchase Contract.

11. **Notices.** Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the Issuer at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Raymond James & Associates, Inc., 5820 Patterson Avenue, Suite 100, Richmond, Virginia 23226; Attention: Chris Spelbring.

12. **Successors.** This Purchase Contract is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, covenants and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment for the Bonds hereunder, regardless of any investigation made by or on behalf of the Underwriter.

13. **Governing Law.** This Purchase Contract shall be governed by the laws of the State of Texas.

14. **Counterparts.** This Purchase Contract may be executed in one or more counterparts each of which shall be an original and all of which together shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

15. **Effectiveness.** This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Issuer.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Christopher Spelbring
Managing Director

Accepted on _____, 2026

TEXAS STATE AFFORDABLE HOUSING CORPORATION

By: _____
Name:
Title:

SCHEDULE I

MATURITY SCHEDULE

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Homeownership Mortgage Revenue Bonds

\$ _____ Series 2026A (Non-AMT)

\$ _____ Series 2026B (Taxable)

(Final Pricing Wires follow on the next page)

[PRICING WIRE TO BE INSERTED]

NOTE: The 10% Test was met for each maturity of the 2026A Bonds [except the following maturities, which are subject to the Hold-The-Offering-Price Rule:

[Maturity Date] \$ _____

[Maturity Date] \$ _____]

EXHIBIT A

§ _____
TEXAS STATE AFFORDABLE HOUSING CORPORATION
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)

[_____,] 2026

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Texas State Affordable Housing Corporation (the “Issuer”).

1. **Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule A.

(b) As set forth in the Bond Purchase Contract, the Underwriter agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Defined Terms.**

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto, except for those Maturities notated with an asterisk.

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto notated with an asterisk.

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2026.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the tax certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

Dated: _____, 2026

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____

Name: _____

Title: _____

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Annotated pricing wire attached)

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

**Bond Document No. 5:
Continuing Disclosure Agreement**

TEXAS STATE AFFORDABLE HOUSING CORPORATION
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT) and Series 2026B (Taxable)

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of [____], 2026 (this “Disclosure Agreement”) is executed and delivered by Texas State Affordable Housing Corporation (the “Issuer”) and Computershare Trust Company, N.A. (the “Trustee”), with respect to the Issuer’s Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) and Series 2026B (Taxable) (the “Series 2026A/B Bonds”). The Issuer and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Trustee for the benefit of the Owners and beneficial owners of the Series 2026A/B Bonds and in order to assist the Participating Underwriter for the Series 2026A/B Bonds in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the “Securities and Exchange Commission”).

SECTION 2. Definitions. In addition to the definitions set forth in the General Indenture of Trust dated as of [____] 1, 2026 (the “General Indenture”), between the Issuer and the Trustee, as supplemented by the Series 2026A/B Indenture dated as of [____] 1, 2026 (the “Series Indenture”), between the Issuer and the Trustee (the General Indenture and the Series Indenture collectively, the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement that is not defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Bond Disclosure Report” shall mean any Annual Bond Disclosure Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Bonds” shall mean all bonds issued under the Indenture.

“Disclosure Representative” shall mean the President of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, or any successor Dissemination Agent designated in writing by the Issuer and which successor Dissemination Agent has filed with the Trustee a written acceptance of such designation.

“EMMA” means Electronic Municipal Market Access, an electronic service of the Municipal Securities Rulemaking Board.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided, however, the term “Financial

Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year from September 1 through August 31.

“Listed Event” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means the registered owner of any Series 2026A/B Bond.

“Participating Underwriter” shall mean any person required to comply with the Rule in connection with the offering of the Series 2026A/B Bonds.

“Responsible Officer” shall mean, in the case of the Trustee, the officer or officers specifically administering the Indenture.

“Rule” shall mean Rule 15c2-12(b) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Trustee” shall mean Computershare Trust Company, N.A., or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to, not later than six months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending August 31, 2026, provide to the MSRB, in the electronic or other form required by the MSRB, an Annual Bond Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Bond Disclosure Report may be submitted as single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the balance of the Annual Bond Disclosure Report, and later than the date required in this paragraph for the filing of the Annual Bond Disclosure Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) Business Days prior to the date specified in subsection (a) for providing the Annual Bond Disclosure Report to the MSRB, the Dissemination Agent shall provide the Annual Bond Disclosure Report to the Issuer and the Trustee. If by the date specified in this subsection 3(b), the Trustee has not received a copy of the Annual Bond Disclosure Report, the Trustee shall contact the Issuer and the Dissemination Agent to determine if the Issuer is intending to comply with subsection (a).

(c) If the Trustee is able to verify that an Annual Bond Disclosure Report has not been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) on behalf of the Issuer prepare and file the Annual Bond Disclosure Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof; and

(ii) file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Bond Disclosure Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB or a link to the location of the materials filed on EMMA.

SECTION 4. Content of Annual Bond Disclosure Reports. The Annual Bond Disclosure Report for the Series 2026A/B Bonds shall contain or incorporate by reference the following:

(a) If prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer.

(b) Updates, for the most recently ended fiscal year, of the financial information and operating data of the type contained in the following section of the Official Statement: “SECURITY FOR THE BONDS – Valuation of Assets”.

(c) Tables (or other descriptive format) setting forth the following information, as of the end of such Fiscal Year (if not otherwise set forth in the audited financial statements):

(i) For each maturity of Bonds Outstanding under the Indenture, the maturity date, the interest rate, the original aggregate principal amount and the principal amount remaining Outstanding.

(ii) The outstanding principal amount, interest rate and type (i.e., Ginnie Mae, Fannie Mae or Freddie Mac) of the 2026 Series A/B Guaranteed Mortgage Securities.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

(For the purposes of the event identified in this paragraph 12, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangements or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.)

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under number 1, 3, 4, 5, 6 (unless a judgment as to materiality is required to be made), 8 (if the event is a tender offer), 9, 11, 12 or 16 above, it shall promptly notify the Trustee in writing and shall direct the Dissemination Agent to immediately file a notice of such occurrence with the Municipal Securities Rulemaking Board. Such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Whenever the Issuer obtains knowledge of any Listed Event under number 2, 6 (if a judgment as to materiality is required), 7, 8 (if the event is a bond call), 10, 13, 14 or 15 above, it shall promptly determine if such event is material. If the Issuer determines that such event is material, it shall immediately notify the Trustee and the Dissemination Agent in writing and shall direct the Dissemination Agent to immediately file a notice of such occurrence with the Municipal Securities Rulemaking Board. Such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the two (2) preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures.

(b) The Trustee shall, within one (1) Business Day of a Responsible Officer obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. It is agreed and understood that the duty to make the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Trustee has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any of such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Trustee be liable in damages or in tort to any Participating Underwriter, the Issuer, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

SECTION 6. Termination of Reporting Obligations. The Issuer's obligations under this Disclosure Agreement with respect to the Series 2026A/B Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of the Series 2026A/B Bonds. If such termination occurs prior to the final maturity of the Series 2026A/B Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Computershare Trust Company, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Trustee may amend this Disclosure Agreement with consent of Dissemination Agent (and the Trustee shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2026A/B Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Series 2026A/B Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Series 2026A/B Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Series 2026A/B Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Bond Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Bond Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Trustee may be made without its consent (which consent will not be unreasonably withheld or delayed).

The Issuer may also amend or repeal the provisions of this Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2026A/B Bonds in the primary offering of the Series 2026A/B Bonds.

SECTION 9. Additional Information; Miscellaneous. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Bond Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Bond Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Bond Disclosure Report or notice of occurrence of a Listed Event.

Any submission to the Municipal Securities Rulemaking Board (or other applicable repository) shall be in an electronic format and accompanied by identifying information, all as prescribed by the Municipal Securities Rulemaking Board.

SECTION 10. Default. In the event of a failure of the Issuer or the Trustee to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2026A/B Bonds, shall, upon the Dissemination Agent being indemnified to its satisfaction), or any Owner or beneficial owner of the Series 2026A/B Bonds may, take such actions as may be necessary and appropriate to cause the Issuer or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Series 2026A/B Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article XI of the General Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Trustee and the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Trustee or the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the time and with the content described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Agreement. Neither the Trustee nor the Dissemination Agent shall have any duty with respect to the content of any disclosures made pursuant to the terms hereof. Neither the Trustee nor the Dissemination Agent shall have any duty or obligation to review or verify any Annual Bond Disclosure Report, the Issuer's audited financial statements, Listed Events or any other information, disclosures or notices provided to the Trustee or the Dissemination by the Issuer and neither the Trustee nor the Dissemination Agent shall be deemed to be acting in any fiduciary

capacity for the Issuer, the Bondholders or any other party. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied its obligations under this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certification of the Issuer at all times. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct.

The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment in full of the Series 2026A/B Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that either the Trustee or the Dissemination Agent is an "obligated person" under the Rule. The fact that the Trustee may have a banking relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Trustee or a Responsible Officer thereof has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Trustee pursuant to this Disclosure Agreement or the Indenture. Neither the Trustee nor the Dissemination Agent shall in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Trustee hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to them and believed to be genuine and to have been signed or presented by the proper party or parties.

The Trustee and the Dissemination Agent may, from time to time, consult with legal counsel of their own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE TRUSTEE OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE DISSEMINATION AGENT OR THE TRUSTEE, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE TRUSTEE IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and the beneficial owners from time to time of the Series 2026A/B Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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TEXAS STATE AFFORDABLE HOUSING
CORPORATION

By: _____
President

[Signature Page for Continuing Disclosure Agreement]

COMPUTERSHARE TRUST COMPANY,
N.A. (as Trustee and Dissemination Agent)

By: _____
Authorized Officer

[Signature Page for Continuing Disclosure Agreement]

EXHIBIT A

**NOTICE OF FAILURE TO FILE
ANNUAL BOND DISCLOSURE REPORT**

Name of Issuer: Texas State Affordable Housing Corporation

Name of Bond Issue: Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) and Series 2026B (Taxable)

Date of Delivery: [____], 2026

NOTICE IS HEREBY GIVEN that Texas State Affordable Housing Corporation has not provided an Annual Bond Disclosure Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated as of [____], 2026, between the Issuer and Computershare Trust Company, N.A., as trustee. The Issuer anticipates that the Annual Bond Disclosure Report will be filed by _____.

Dated: _____

COMPUTERSHARE TRUST COMPANY, N.A.,
on behalf of Texas State Affordable Housing
Corporation

By: _____

Title: _____

cc: Texas State Affordable Housing Corporation

Tab 5

Presentation, Discussion and Possible Approval of a Resolution Regarding Application for Allocation of Private Activity Bonds Associated with 2025 Carryforward Volume Allocation, Notice of Intention to Issue Bonds and State Debt Application to the Texas Bond Review Board for 2026 Qualified Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto.

Tab 5

Presentation, Discussion and Possible Approval of a Resolution Regarding Application for Allocation of Private Activity Bonds Associated with 2025 Carryforward Volume Allocation, Notice of Intention to Issue Bonds and State Debt Application to the Texas Bond Review Board for 2026 Qualified Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto.

Resolution approving applying for volume allocation for the proposed:

Texas State Affordable Housing Corporation
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)

presented to the Board of Directors of Texas State Affordable Housing Corporation
(June 16, 2026 board meeting)

Document

Number:

1. Resolution authorizing application to Texas Bond Review Board for allocation for the Series 2026A Homeownership Bonds.

RESOLUTION NO. 26-___

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Resolution Regarding Application for Allocation of Private Activity Bonds Associated with 2025 Carryforward Volume Allocation, Notice of Intention to Issue Bonds and State Debt Application to the Texas Bond Review Board for 2026 Qualified Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto

WHEREAS, the Texas State Affordable Housing Corporation (the "Corporation") has heretofore received from the Texas Bond Review Board (the "BRB") certificates of reservation relating to 2025 volume allocation for qualified mortgage bonds totaling in the amount of \$550,474,484.25 and the Corporation received from the BRB a non-traditional carryforward of the aforesaid volume allocation in accordance with applicable federal and state law (the "2025 Carryforward Volume Cap");

WHEREAS, the 2025 Carryforward Volume Cap may be used by the Corporation for any of its qualified mortgage bond or mortgage credit certificate programs;

WHEREAS, the Corporation desires to make all appropriate filings and requests to the BRB to enable the Corporation to apply for a portion of the 2025 Carryforward Volume Cap in connection with the Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026A Bonds (Non-AMT) (the "Series 2026A Bonds") and to secure approval from the BRB of the Series 2026A Bonds and the Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026B Bonds (Taxable) (the "Taxable Series 2026B Bonds");

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

Section 1. That any officer of the Corporation is authorized and directed to execute and deliver to the BRB one or more Applications for Allocation of Private Activity Bonds (the "Application") in connection with requesting an allocation of the 2025 Carryforward Volume Cap for the Series 2026A Bonds in a maximum amount of \$85,000,000, together with any documents, certificates or instruments related thereto.

Section 2. That the Corporation hereby authorizes Norton Rose Fulbright US LLP, as Bond Counsel to the Corporation ("Bond Counsel") to file on its behalf with the BRB the Application and any related certificates or documents to apply for the 2025 Carryforward Volume Cap for the Series 2026A Bonds. Robert D. Dransfield and Paul Braden, as representatives of Bond Counsel, are each hereby designated as an authorized representative of the Corporation for purposes of the Application authorized by this Resolution and they, individually or jointly, are authorized to execute any certificates or documents related to the Application and to make such other filings with the BRB on behalf of the Corporation as may be required by the rules of the BRB.

Section 3. That the President of the Corporation or any other officer of the Corporation is hereby authorized and directed to file with the BRB a Notice of Intent to Issue Bonds and a State Debt Application in connection with the Series 2026A Bonds and the Taxable Series 2026B Bonds (collectively, the "Series 2026A/B Bonds") and such officers are further authorized to

request that the State Debt Application be approved by the Executive Director of the BRB in accordance with rules of the BRB.

Section 4. That the President, Executive Vice President or any other officer of the Corporation is hereby authorized and directed to take any and all other actions necessary or appropriate to secure private activity bond allocation for the Series 2026A Bonds and the approval of the Series 2026A/B Bonds from the BRB.

Section 5. 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. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND EFFECTIVE this June 16, 2026.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

MINUTES AND CERTIFICATION

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

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

1. The Board of Directors (the "Board") of the Corporation convened on June 16, 2026 at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted members of the Board, to wit:

<u>Name</u>	<u>Office</u>
Lemuel Williams	Chair
Valerie V. Cardenas	Vice Chair
David Rassin	Director
David Lewis	Director
Ernest Richards	Director

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

RESOLUTION NO. 26-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Resolution Regarding Application for Allocation of Private Activity Bonds Associated with 2025 Carryforward Volume Allocation, Notice of Intention to Issue Bonds and State Debt Application to the Texas Bond Review Board for 2026 Qualified Mortgage Revenue Bonds and Containing Other Matters Incident and Related Thereto

was duly introduced for the consideration of the Board. It was duly moved and seconded that said Resolution be adopted; and said motion was adopted by the following vote:

___ AYES ___ NOES ___ ABSTENTIONS

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in the Board's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the Board's minutes of said meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose.

SIGNED this June 16, 2026.

Secretary, Texas State Affordable Housing
Corporation

Tab 6

Presentation, Discussion and Possible Approval of a Resolution approving a 90-day extension of the maturity date for an existing Texas Housing Impact Fund (THIF) loan to National Church Residences (Borrower) for Live Oak Village, a 76-unit multi-family community in Aransas Pass, Texas.

CERTIFICATION

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

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

1. The Board of Directors of the Corporation (the “Board”) convened on June 16, 2026, at the Corporation’s offices in Austin, Texas, and the roll was called of the duly constituted members of said Board, who are as follows:

<u>Name</u>	<u>Office</u>
Lemuel Williams, Jr.	Chairperson
Valerie Cardenas	Vice Chairperson
David Lewis	Director
David Rassin	Director
Ernest Richards	Director

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

<u>Name</u>	<u>Office</u>
David Long	President
Janie Taylor	Executive Vice President
Melinda Smith	Chief Financial Officer and Treasurer
Rebecca DeLeon	Secretary
Cynthia Gonzales	Assistant Secretary

All Board members were present except _____, thus constituting a quorum. All of the officers of the Corporation were present at the meeting.

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

“RESOLUTION NO. 26-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A NINETY-DAY EXTENSION OF THE MATURITY DATE FOR AN EXISTING TEXAS HOUSING IMPACT FUND LOAN TO NATIONAL CHURCH RESIDENCES ARANSAS TEXAS FOR LIVE OAK VILLAGE, A 76-UNIT MULTI-FAMILY COMMUNITY IN ARANSAS PASS, TEXAS

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

____ AYES

____ NOS

____ ABSTENTIONS

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

SIGNED this 16th day of June, 2026.

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

RESOLUTION NO. 26-__

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION APPROVING A NINETY-DAY EXTENSION OF THE MATURITY DATE FOR AN EXISTING TEXAS HOUSING IMPACT FUND LOAN TO NATIONAL CHURCH RESIDENCES ARANSAS TEXAS FOR LIVE OAK VILLAGE, A 76-UNIT MULTI-FAMILY COMMUNITY IN ARANSAS PASS, TEXAS

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

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

WHEREAS, said activities and services include those permitted to be funded by the Texas Housing Impact Fund (“THIF”), a fund established and maintained by the Corporation, which include the provision of loans for affordable multifamily rental housing satisfying the requirements of the Corporation’s THIF Policy and Guidelines; and

WHEREAS, the Corporation previously approved and made a loan of THIF funds to National Church Residences Aransas Texas, a Texas nonprofit corporation (“Borrower”), in the maximum principal amount of \$760,000.00 (the “Loan”), evidenced by a promissory note dated as of June 17, 2024 (the “Note”) and secured by a deed of trust recorded in the real property records (the “Deed of Trust”), with Loan proceeds used by Borrower for live Oak Village, a 76-unit multi-family community in Aransas Pass, Texas (the “Project”); and

WHEREAS, the Note matures by its terms on June 17, 2026, and the Note does not contain an option to extend the maturity date, and Borrower has requested that the Corporation extend the maturity date of the Note by ninety (90) days to September 15, 2026 (the “Extension”); and

WHEREAS, the Extension would be implemented pursuant to modifications to the Note and the Deed of Trust (collectively, the “Modification Documents”); and

WHEREAS, the Board of Directors has reviewed and discussed a staff proposal (approved by the Loan Committee of the Corporation), of the Extension, with all other terms and conditions of the Note and Deed of Trust to remain in full force and effect in accordance with the Modification Documents; and

WHEREAS, after due discussion and consideration, the Board of Directors of the Corporation has determined to approve the Extension for the purposes described above.

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

Section 1. Approval of Extension and Related Matters. The Board of Directors approves the Extension of the maturity date of the Note from June 17, 2026, to September 15, 2026 pursuant to the Modification Documents, with all other terms and conditions of the Note and Deed of Trust to remain in full force and effect.

The Board has determined that the Extension of the existing Loan is consistent with and serves a suitable purpose under the THIF Policy and Guidelines, and such purpose is approved by the Board of Directors.

The Board authorizes the President and the Executive Vice President to approve, in consultation with counsel, the form and substance of all necessary documents relating to the Extension, including but not limited to the Modification Documents, and related documents (collectively, the “Transaction Documents”).

Section 2. Execution and Delivery of Transaction Documents. The President and the Executive Vice President are each, in the name and on behalf of the Corporation, authorized to execute and deliver the Transaction Documents to which the Corporation is a party.

Section 3. Execution and Delivery of Ancillary Documents; Taking of Ancillary Actions. The President and the Executive Vice President are each, in the name and on behalf of the Corporation, authorized by the Board of Directors, at any time before or after the execution and delivery of the Transaction Documents, in consultation with counsel, to (i) execute, acknowledge and deliver any and all such orders, directions, certificates, agreements, documents, instruments, amendments and other papers or items (collectively, “Ancillary Documents”), and (ii) do or cause to be done any and all such acts and things (collectively, “Ancillary Actions”), which such officer deems necessary or desirable in connection to consummate the transactions contemplated by the Transaction Documents, or to otherwise fulfill the purposes of this resolution.

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

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

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

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

APPROVED AND EFFECTIVE this 16th day of June, 2026.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

Lemuel Williams, Jr., Chairperson

ATTEST:

Rebecca DeLeon, Secretary
Texas State Affordable Housing Corporation

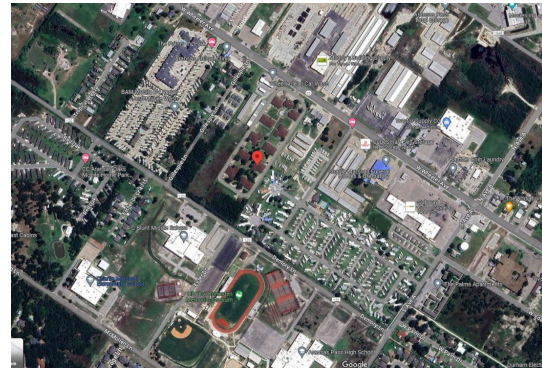
Texas State Affordable Housing Corporation

Texas Housing Impact Fund

Agenda Item: Presentation, discussion and possible approval of a resolution approving a 90-day extension of the maturity date for an existing Texas Housing Impact Fund (THIF) loan to National Church Residences (Borrower) for Live Oak Village, a 76-unit multi-family community in Aransas Pass, Texas.

Summary Update:

In May 2026, TSAHC received a request from National Church Residences (NCR) to extend the maturity date of its THIF loan, which is scheduled to mature on June 17, 2026. The loan, in the amount of \$760,000, was approved by TSAHC in April 2024. NCR is working to close a new loan with Mercy Community Capital by late July 2026. Loan proceeds will repay TSAHC and provide funding for necessary capital improvements, including drainage, sitework, and unit upgrades. Mercy Community Capital is currently completing due diligence, including third-party reports such as a Phase I environmental site assessment, appraisal, and capital needs assessment. Drafts of all reports will be available by mid-June.



2101 W. Wheeler Ave. Aransas Pass, Texas

Public Benefit:

Live Oak Village is a 76-unit affordable rental community serving seniors in Aransas Pass. It includes a mix of one- and two-bedroom units. The project is supported by tenant-based rental vouchers. Two units are reserved for households earning up to 30% of the area median income (AMI), 16 units are reserved for households up to 40% AMI, 31 units are reserved for households up to 50% AMI, and the remaining 27 units are at 60% AMI. Live Oak Village is in a census tract that qualifies as both rural and economically distressed, per the U.S. Treasury's Capital Magnet Fund program.

Financial Summary:

TSAHC's loan enabled NCR to refinance a portion of the capital stack for Live Oak Village, reducing debt costs and positioning the project for rehabilitation and recapitalization. NCR is working to close a \$900,000 loan with Mercy Community Capital by late July 2026 and will repay TSAHC soon after. NCR anticipates Mercy Community Capital's loan committee approval by June 25, 2026. To avoid the need for additional extensions in the event of closing delays, NCR is requesting a 90day extension of the maturity date, through September 15, 2026, to allow sufficient time to close the Mercy loan and repay TSAHC.

Live Oak Village was originally built in 2004 with Low Income Housing Tax Credits and was acquired by NCR in 2017. It has affordability restrictions in place for a 55-year compliance period, which runs through 2059.

Texas State Affordable Housing Corporation

Texas Housing Impact Fund

Market Conditions:

Aransas Pass is located in San Patricio County and is considered by many as a “saltwater heaven” because of its abundant fishing and birding. It is located twenty miles northeast of Corpus Christi and is connected to Mustang Island (which contains Port Aransas). With a population of approximately 9,000, the local economy is focused on fishing and tourism. Mining, quarrying, and oil and gas extraction are also major local industries and local employers. Although mostly mainland, Aransas Pass is the major thoroughway for all oceangoing traffic in and out of Corpus Christi.

As a senior focused housing project, Live Oak Village is well located near public amenities and services. Wheeler Avenue includes several restaurants and businesses, including many doctors’ offices and a Walmart Super Center.

Borrower Summary:

National Church Residences (NCR) is one of the nation’s largest not-for-profit developers and managers of affordable senior housing with over 23,000 units in 340 affordable (30 in TX) and market-rate properties in 25 states. NCR has developed over 310 senior communities to date. NCR opened its doors in 1961 under the guidance and vision of founder Reverend John R. Glenn and continues to honor its mission centered on providing quality housing and care at affordable prices in communities of caring persons. NCR also owns and operates properties that serve various acuity levels, including independent living, assisted living, memory care, and skilled nursing.

NCR has a strong track record of successful housing developments in Texas and staff found no issues of noncompliance within NCR’s portfolio of tax credit supported properties in Texas at the time of the loan application.

Recommendation:

Staff recommends approval of a resolution approving a 90-day extension of the maturity date for the \$760,000 Texas Housing Impact Fund (THIF) loan to National Church Residences (Borrower) for Live Oak Village, a 76-unit multi-family community in Aransas Pass, Texas.

Tab 7

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 Volume Cap under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2027.

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 Volume Cap under the Multifamily Housing Private Activity Bond Program Request for Proposals and the 501(c)(3) Bond Program Policies for Calendar Year 2027.

Summary

In accordance with TSAHC's governing statute, a Request for Proposals (RFP) and updated 501(c)(3) bond policies that comply with both state and federal requirements are reviewed and approved by the board annually. Pursuant to §2306.565 of the Texas Government Code, it 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, published by the Texas Department of Housing and Community Affairs, 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 highlighted the following significant changes to the policies and RFP:

- Section 2, the Targeted Housing Needs definition for Senior or Service Enriched Housing has been broken into two separate categories. Staff is proposing that Senior Housing be its own Targeted Housing need, and a new Supportive and Service Enriched Housing category is proposed. The overall definitions of these housing types (as defined in 42 U.S.C. Section 3607(b) of the Fair Housing Act) have not changed, but we believe the proposed changes will make it easier for Applicants to understand the differences between the categories.
- Section 12(c), Professional Fee Deposit, the timing for professional fee deposits is changing so that deposits for legal services are received prior to the submission of a reservation application to the Texas Bond Review Board.
- Section 12(o), Failure to Timely Pay Fees and Costs, has been amended to include additional guidance on what steps TSAHC may take when fees are not paid within a reasonable timeframe.

The proposed draft also includes minor updates to dates, timelines and adjustments to scoring benchmarks. TSAHC's Bond Counsel and Municipal Advisor are also reviewing and may make minor changes to technical language of defined terms in the final version to be reviewed by the Board in August.

If approved, staff will post the RFP and policies on TSAHC's website and provide notice through the *Texas Register* that public comment will be accepted. Based on public comment and input from TSAHC's Bond Counsel, Issuer's Counsel, General Counsel, and Municipal Advisor, staff may update the draft policies before returning to the Board for further discussion and adoption of the policies and RFP in August 2026.



Development Finance Programs

Staff Recommendation:

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

Texas State Affordable Housing Corporation

~~2026-2027~~ Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

The Texas State Affordable Housing Corporation (the “Corporation”) has approved these policies and request for proposals (“RFP”) for its multifamily tax-exempt bond programs for calendar year ~~2026~~. 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, or similar obligations (the “bonds”) issued by the Corporation. All project applications must be submitted for review of threshold and scoring criteria at least 35 days prior to any presentation to the Corporation’s Board of Directors (the “Board” or “Directors”) for an Inducement Resolution.

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1. Introduction.

- a. The Corporation is a public nonprofit corporation that primarily 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 residential rental developments (“Developments”). Pursuant to §§2306.554, 564 and 565 of the Texas Government Code, the Corporation is authorized to issue qualified 501(c)(3) bonds and to direct the Texas Bond Review Board (the “TBRB”) on the issuance of the portion of the State of Texas’ (“State”) 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 ~~2026~~~~2027~~, the amount is estimated to be approximately \$~~98-110~~ million. This volume cap is available for reservation until August 14, ~~2026~~~~2027~~. Thereafter, the Corporation will be able to apply to reserve any additional available volume cap through the TBRB. There are no deadlines or sizing limitations on the amount of qualified 501(c)(3) bonds that the Corporation may issue.
- b. These policies and RFP have been adopted by the Corporation’s 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 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.

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Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

- d. Contact Information. All questions about the RFP and application process can be directed in writing to:

Development Finance Program
Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752
Tel. 512-477-3562
Email: MFBonds@tsahc.org

2. **Targeted Housing Needs.** Pursuant to §2306.565(b) of the Texas Government Code, the Board has identified target areas of housing need within the State (“Targeted Housing Needs”) for the issuance of qualified residential rental project bonds. 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 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 currently has a recorded regulatory agreement or land use restriction agreement (the “LURA”) placed on it by a public body, or currently has rental rates below market value which make it feasible to convert and preserve as affordable housing. 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.

- i. 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 based on USDA census tract designations.

- ii. Smaller Urban Markets rental housing Developments must be located within a city of less than 150,000 persons; but not within a County of more than 500,000

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Texas State Affordable Housing Corporation
6701 Shirley Avenue, Austin, Texas 78752

Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

persons, and not adjacent to an urban area based on USDA census tract designations;

- c. ~~Senior or Service Enriched Housing.~~ Senior Housing Developments must meet the requirements of the federal Fair Housing Act and: a) is intended for, and solely occupied by, individuals 62 years of age or 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)); ~~Senior or Service Enriched Housing 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 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. d. Supportive and Serviced Enriched Housing. Supportive and Service Enriched Developments A proposed Development that provides provide 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 households facing homelessness. Such Developments will a) reserve at least 10% or more of their units for households earning 30% or less than the area median income; and b) provide free access to four monthly onsite or off-site services focused on households at risk of homelessness, persons with disabilities or other resident services approved by TSAHC; or

- iii. ~~i. 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. e. Disaster Relief Recovery 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 where the declared disaster

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Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

resulted in the loss or destruction of housing units to be eligible for financing under this RFP. TSAHC will only consider the time period 18-months after the initial declaration for eligibility.

3. **Housing Needs Set-Aside.** To ensure that bonds will be available for specific housing needs, the Corporation has determined that until March 1, 20262027, 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 described by this policy; or
 - b. Include at least 10% of housing units built to be accessible for persons with mobility impairments or persons earning less than 30% of the area median income.
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 \$2,000 for private activity bonds or \$2,500 for 501(c)(3) bonds.
5. **Application Review and Management.**
 - a. The Corporation will accept applications on an ongoing basis starting on October ~~65~~, 20252026 and until either 1) all of the anticipated private activity bond volume cap for 20262027 has been allocated to applications with approved inducement allocations, or 2) until May 1, 20262027. After May 1, 20262027, the Corporation may reopen the acceptance window in order to either 1) accept applications for the State of Texas' annual private activity bond volume collapse or 2) to utilize volume cap freed up from previous applications that were not able to close.
 - b. Each application will be provided a submission date (Submission Date) based on the date the complete application and all fees were received by the Corporation.
 - c. The Corporation requires at least 35 days to review an application for threshold and scoring criteria, before any presentation to the Board for approval. All applications that have completed the review process and fulfill the Corporation's threshold and scoring criteria will be presented to the Board for consideration of the approval of an inducement resolution ("Inducement Resolution").
 - d. 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. Once all errors, omissions or insufficient documentation have been corrected, the application will receive a new Submission Date. If an application fails to fulfill the minimum threshold and scoring criteria, the application will be terminated and will not be considered for further review.

Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

- e. Once an Inducement Resolution is approved, Developments must be able to move forward with an application for a reservation of private activity bond volume cap within 90-days. If a Development cannot proceed within this timeline, the Corporation may assign the project a new Submission Date and place the application at the end of our application pipeline, behind applications submitted after the original Submission Date.
 - f. The Corporation may require a Developer to withdraw and resubmit an application for reservation of private activity bond volume cap, if the Developer is unable to submit their application for 4% housing tax credits within 30-days of the date of issuance of the docket number for their reservation from the Texas Bond Review Board. This requirement allows for better management of the Corporation's pipeline and reduces the need to obtain new docket numbers later in the review and approval process.
 - g. The application and all materials submitted to the Corporation constitute public records subject to Tex. Gov't Code, Chapter 552. The application includes a certification acknowledging that the signatory has the authority to release all materials for publication on the Corporation's website and release them in response to a request for public information and make other use of the information as authorized by law. This includes all third-party reports, which may be posted in their entirety on the Corporation's website, as they constitute a part of the Application.
6. **Threshold Criteria.** All applications submitted to the Corporation must meet the following minimum threshold criteria ("Threshold Criteria") to be considered for an issuance of bonds by the Corporation. Applications that do not meet 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 private activity bonds shall agree to the following minimum terms and conditions through a regulatory agreement associated with the Development ("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.

Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

- 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 the greater of 15 years or as long as the Qualified Project Period, as defined in the Regulatory Agreement, for the bonds is in effect.
- b. *Experience Threshold.* Developers must demonstrate sufficient experience in the development and ownership of affordable housing. Developers must submit evidence that they have been involved in the development and ownership of at least 50 units of affordable housing using housing tax credits. 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 and 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 Developer's architect, engineer or other third-party construction supervisor must be submitted prior to closing of the bonds or other obligations to be issued by the Corporation in connection with the financing. 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 the Corporation's website at: www.tsahc.org. Developers and their affiliates will also be evaluated on prior compliance history with the Corporation's and any other state or federal affordable housing program. The Corporation will require through its application process the submission of compliance information and references in order to evaluate 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 may be taken from the Corporation's Resident Services Program Guidelines, available on our website at: <https://www.tsahc.org/property-managers/compliance>

Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

- f. *Energy Efficiency Threshold.* All Developments must adhere to the most recently adopted energy and water conservation design standards published by the Texas Comptroller's State Energy Conservation Office. As of January 1st, 2021 the most recently adopted [codes include American Society of Heating, Refrigerating and Air-Conditioning Engineers \(ASHRAE\) 90.1-2016 or 2018 International Energy Conservation Code \(IECC\) standards](#). Applications must include a certification from the project's architect, engineer or third-party inspector confirming the building plans adhere to this requirement. Additional incentives for Green Building methods and energy efficiency are included as scoring items.
- g. *Environmental Review Threshold.* Prior to closing, the Developer is required to conduct a Phase I Environmental Site Assessment. At or prior to the closing of the financing, the Developer will be required to provide an environmental indemnity in the form satisfactory to the Corporation. For properties located in a Flood Plain with 1-percent annual chance of flooding, as identified by the Federal Emergency Management Agency (FEMA), Developers must provide a mitigation plan drafted by the Development's project engineer. The mitigation plan drafted by the project engineer must be submitted with the initial application and either 1) demonstrate that the Development will be built so that all residential and common use buildings are 18 inches or more above the stated flood plain, or 2) that flood risks can be mitigated through automated systems.
- 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 TBRB, 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 applications must include a letter from the project architect, engineer or contractor certifying that the final construction plans and/or rehab plan will meet or exceed the above listed federal and state accessibility standards.

Texas State Affordable Housing Corporation

2026-2027 Multifamily Tax-Exempt Bond Programs Policies and Request for Proposals

- j. *Community Support Threshold.* Developers are required to collect and submit at least two letters of support with their application. The letters must state that the author is in support of the project, its use as affordable housing and, if applicable, their recognition that the Development may be subject to a property tax exemption. All letters of support or opposition must be provided to the Corporation, as they are received, even after the application has been submitted. 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; Local Housing Finance Agency; Local Public Housing Agency; School District Superintendent; or County Judge, in the jurisdiction in which the Development is located;
 - ii. An approved resolution of support from the City Council, Local School Board or County Commissioner's Court. An approved resolution fulfilling the requirements for housing tax credits pursuant to section 2306.67021 of the Texas Government Code (aka Resolution of No Objection) 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 in the form of a signed award letter or loan commitment; and/or
 - 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;

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- iii. The Corporation will include a reserve for 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 financing 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.
- m. *Readiness to Proceed.* Developers must be able to demonstrate that the proposed Development is ready and able to move forward with the proposed financing. To do so the following documents are required to be submitted with the application.
- i. A letter from the Developer's counsel stating that there are no known lawsuits or other legal actions against the Developer, Developer's affiliates or involving the proposed Development site; and
 - ii. A copy of the application, letter of intent or term sheet from the proposed bond purchaser, underwriter, or originator. Letters of intent or term sheets from the proposed tax credit equity purchaser must be submitted prior to submission of an application for reservation of private activity bond volume cap; and
 - iii. An itemized list of each planned funding source, with application submission dates, approval dates and earliest possible closing dates. All closing dates must be within the anticipated closing date of the bonds or a capital source has been identified to bridge those funds until available.

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n. *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 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 \$200,000 per unit
 - B. New construction costs equal to or less than \$230,000 per unit; or
 - ii. 8 points for:
 - A. Acquisition and rehabilitation costs equal to or less than \$225,000 per unit
 - B. New construction costs equal to or less than \$250,000 per unit; or
 - iii. 15 Points for rehabilitation costs that exceed \$40,000 per unit in projects that meet the At-Risk Preservation and Rehabilitation Targeted Housing Need.
- 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.:
 - i. 15 points – at least 10% 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. At least 20% of the total number of housing units will be available to person earning more than 60% of the area median income; or
 - ii. At least 15% of the total number of 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.
- e. *At-Risk Preservation.* Applications will receive 10 points for the acquisition and rehabilitation of Developments with current affordable housing rental contracts or land

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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; or
 - iii. Receives certification from an alternative local or statewide energy efficiency program, that has been approved by the Corporation. Applicants must submit information regarding the program to be used for scoring along with their application, and the Corporation will determine eligibility, in its sole discretion.

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. *Increased Accessible Housing.* Applications, including those involving the rehabilitation of existing housing units, can receive 10 points for certifying that the Development will provide a higher percentage of units that are accessible for persons with disabilities. Applications must include a letter from the project architect, engineer or contractor certifying that the final construction plans and/or rehab plan will provide twice the minimum federally required accessible units. This equates to at least 10% of units designed for persons with mobility impairments and 4% of units with features for persons with hearing or visual impairments.
- h. *Local Public Funding.* Applications will receive 10 points for providing evidence that a commitment or award of financial support of at least \$1,000 per unit has been made by a unit of government to the proposed development. The only qualifying units of government will be Counties, Cities, Municipal Utility Districts, School Districts and Councils of Government. The Corporation considers fee waivers, grants and loans as financial support.
- i. *Letters of Local Support.* Applications will receive 15 points for submitting at least four letters of support from any combination of persons or entities listed in Section 6(j), *Community Support Threshold*.

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- 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. *Competitive Cycles and Tie Breakers.* Applications are accepted on a daily basis and may be scored and ranked with all other applications received by 5pm on the same day. In the event several applications are received on the same day and total requests for volume cap exceed the estimated amount available to the Corporation in 2026-2027, Applications will be prioritized and ranked in the following manner:
 - i. First, Applications that meet the Housing Needs Set-Asides of Section 3 of this document will be considered priority 1 projects. All other projects will be labeled as priority 2 projects: then
 - ii. Priority 1 applications will be ranked by score and allocated volume cap based on their ranking. If two or more applications have the same score, then the following tie breakers will be used.
 - A. The application with the highest percentage of units serving households at or below 50% of area median income will be given priority, if tied then
 - B. The application with the highest total unit count, if tied then
 - C. The application with the lowest total development costs per unit will be given priority.
 - iii. Priority 2 applications will be ranked by score and will only be allocated volume cap if there is enough available. In the event of a tie among Priority 2 applications, the same tie breaker criteria will be used as for Priority 1 applications. Staff may recommend applications be induced to receive a forward commitment of volume cap in the following allocation year (i.e. an application applying for 2026-2027 volume cap would receive 2027 volume cap) only if such reservation will not commit more than 25% of the next year's estimated allocation.
- 8. **Subsequent Filing Requirements.** Prior to final approval of the bonds or other obligations by the Board or the TBRB, 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;

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- b. A draft of any term sheet, 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 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 require any Developer to attend a meeting to review the Developer's experience, qualifications, and/or the characteristics of a Development.
- b. The Corporation requires the Developer or a representative of the Developer, to attend public hearings where a Development is proposed. If the Development includes multiple sites in several cities, the Corporation will conduct the hearing at a location central to all development sites. All public hearings must be held prior to the final approval of the resolution authorizing the issuance of the requested debt by the Corporation's Board.
- c. With respect to public hearings required by Section 147(f) of the Internal Revenue Code and the related regulation ("TEFRA"), the Corporation will plan and post notice, at the expense of the Developer, of the hearing in the *Texas Register* and on the Corporation's website at least seven (7) days prior to the planned TEFRA hearing. The Corporation will schedule an appropriate date, time and location for TEFRA hearings based on the schedule of publication.

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- 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 posting 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 and Reservation of Volume Cap.

- a. Once the Corporation has approved an Inducement Resolution for a Development, the Corporation and its Bond Counsel will work with the Developer to prepare and time the submission of the application to reserve volume cap (Reservation Application) to the TBRB;
- b. Applications approved for Inducement for the Corporation's 2026-2027 allocation of private activity bonds will have until May 1, 2026-2027 to notify the Corporation and its Bond Counsel they are prepared to move forward with a Reservation Application. Those not prepared to move forward, will be placed to the back of the list of Inducement Resolutions, and must be prepared to submit a Reservation Application within one year from the date of Inducement or the Corporation, in its sole determination, may terminate the award.
- c. In the event the Corporation has approved Inducement Resolutions in excess of its annual allocation, a Developer may choose to submit their Reservation Application to the TBRB to be considered for allocation on or after August 15, 2026-2027, pursuant to Section 1372.022 of Texas Government Code. The Corporation cannot ensure the availability of private activity bond volume cap on or after August 15, 2026-2027.
- d. 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 TBRB.

11. Bond Review Board Approval.

- a. Bonds, notes or similar obligations issued by the Corporation are subject to approval by the TBRB. TBRB rules provide an optional exemption from the formal approval process for the Corporation's 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

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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 or other obligations issued on their behalf (the "Cost of Issuance"). Up to two percent (2%) of the Cost of Issuance may be financed through tax-exempt obligation proceeds and will be considered part of the obligations authorized for issuance by the Corporation, where eligible under the federal tax code. Developers shall commit to pay from other sources any Costs of Issuance not payable from tax-exempt obligation 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.

- a. *Application Fee.* Developers shall submit a nonrefundable fee of \$2,000 for Private Activity Bonds or \$2,500 for 501(c)(3) bonds, made payable to the Corporation, upon submission of the Application. Applications for refunding or restructuring require an application fee of **\$5,000** plus deposit for professional fees of **\$7,500**.
- b. *Inducement Fee.* Developers shall pay a fee of \$8,000, 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 Reservation Application to the TBRB, 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 Prior to the issuance of a reservation certificate for volume cap from the Texas Bond Review Board, Developers shall make a deposit with the Corporation which will be credited against fees and expenses incurred by the Corporation for the services of Bond Counsel, 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, and a \$10,000 deposit for Issuer's Counsel fees (collectively, the "Professional Fee Deposit"). If the accrued fees and expenses of Bond Counsel and/or Issuer's Counsel exceed the amount of such Professional Fee Deposit, the Corporation may require the Developer to submit an additional deposit payment. The balance of any Professional Fee Deposit remaining after a transaction has failed to

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close and has been withdrawn from consideration, less a processing fee of \$500.00, will be refunded to the Developer.

- 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 Municipal Advisor, acting as a financial advisor to the Corporation for its issuance of debt transactions issued for the multifamily bond program, will be equal to 10 basis points (0.10%) on the principal amount of the municipal securities issued, subject to a maximum fee of \$40,000 and a minimum fee of \$15,000 per transaction. In addition, for an additional fee the Corporation's Municipal Adviser may 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 the 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 TBRB.
- f. *Bond Counsel Fees.* Developer shall pay the fees of Bond Counsel, which will be determined based on the structure of the transaction but which will generally range from .75% to 1.5% of the par amount approved in the resolution authorizing the issuance of obligations as provided for in Section 16 of this document, with a minimum fee of \$50,000. All expenses incurred by Bond Counsel in connection with the Development will also be paid by the Developer. Bond Counsel shall receive an initial payment of \$20,000 in advance upon submission of the Development's Reservation Application to the TBRB, which will be credited towards the final amount due Bond Counsel. Bond Counsel may request additional reimbursement of actual hourly costs or expenses from time to time directly from the Developer. Expenses include TEFRA

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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 based upon the hourly rate in effect for the applicable period with the Corporation. In some instances, the fees due to Issuer's Counsel can be based on a fixed fee approved by the Corporation.
- 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, TBRB 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 fifteen basis points (0.15%) of the principal amount of obligations, based upon the maximum par amount approved in the resolution authorizing the issuance of obligations as provided for in Section 16 of this document, with a minimum closing fee of \$20,000.
- i. *Administrative Fee.* Until the final maturity of the obligations, or 15-years from the closing date, whichever is later, 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 will be based upon the maximum par amount approved in the resolution authorizing the issuance of obligations as provided for in Section 16 of this document and 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. *Asset Oversight and Compliance Fee.* Until the end of the Qualified Project Period, as defined in the Regulatory Agreement, an annual fee in an amount equal to the greater of \$45 per unit or \$2,500 for each property included in the Development shall be paid,

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remitted through the respective bond trustee, or other designee, to the Corporation in advance each calendar year. The first calendar year's fee shall be paid at closing. The second calendar year's fee, and all subsequent year's fees, shall be paid on or before March 10 of the applicable year. Beginning with the third annual payment the fee shall increase by 2% per annum, with a maximum increase of 20% or ten annual increases. The Corporation may require the payment of the Asset Oversight and Compliance Fee to be guaranteed by the Development owner and/or general partner(s).

- k. *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.
- l. *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.
- m. *Continuing Costs.* Developers shall pay to the Corporation, in the manner described in the Development documents, the following amounts:
 - i. Any amounts payable pursuant to any indemnity contract or agreement executed in connection with any financing by the Corporation completed as herein contemplated, and
 - ii. 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 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.
- n. *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.
- o. *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. [The Corporation also reserves the right to file a debarment](#)

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request for nonpayment of any fees or expenses incurred by the Corporation, that are not paid within a reasonable time frame.

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 and the Attorney General of the State of Texas. The Developer and its legal counsel shall cooperate fully with Bond Counsel, the Municipal 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
 - 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 Financing.** Following the public hearing(s) and final approval by the Corporation and the TBRB 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 consult with the Corporation's Municipal Advisor and Bond Counsel for information regarding the structure of contemplated

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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-/A3" rating assigned to long-term obligations by a nationally recognized rating agency acceptable to the Corporation. Bonds with an investment grade of "A-/A3" or higher may be sold in minimum denominations of \$5,000,
- ii. The Corporation will consider any bonds with rating lower than "A-/A3" to be 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 \$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) 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

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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, Municipal 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 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 Development 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.

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18. Termination for Cause.

The Corporation may terminate an application, or deny the acceptance of any application, if one or more of the following conditions has occurred or is occurring:

- a. *Failure to Comply with previous RFPs.* 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 the Corporation's policies and procedures with respect to such previously issued obligations or is delinquent in the payment of any fees or costs with respect to such previously issued obligations of the Corporation; or
- b. *Ex Parte Communications.* The Corporation may terminate an application, or refuse to consider submissions from a Developer, if the Developer or any related party thereto, attempts to communicate either verbally or through written means with a member of the Corporation's Board after the submission of an application, while the Application is being reviewed, or prior to any decision about the application by the Board. This excludes communications during any Board meeting or public hearing held with respect to the application, but not during a recess or other nonrecorded portion of the meeting or hearing. For any application involving the allocation of low-income housing tax credits, any violation of Section 2306.1113 of the Texas Government Code will also be cause for termination.

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 AND/OR THE TEXAS BOND REVIEW BOARD.

Tab 8

Presentation, Discussion and Possible Approval to Publish for Public Comment, the Texas Foundations Fund: FY2027 Draft Disaster Recovery Guidelines.



Texas Foundations Fund: FY202~~7~~⁶ Disaster Recovery Guidelines

Funding Overview

Through its Texas Foundations Fund (TFF) program, the Texas State Affordable Housing Corporation (TSAHC) is offering grants to eligible organizations providing housing assistance activities in response to disasters. The ~~total~~ available funding is determined on an annual basis at the discretion of the TSAHC Board of Directors. The amount of funding available for disaster recovery grants during TSAHC's 2027 Fiscal Year is up to \$250,000. ~~The total available for TSAHC's Fiscal Year 2026 is \$350,000.~~

Grant awards will be made for the critical repair of single-family homes located in any one or more counties affected by weather-related natural disasters. The disaster must be declared as such on or after **June 1, 202~~6~~⁵** by a Federal Emergency Management Agency disaster declaration, a Texas Disaster Declaration, and/or a local city or county disaster declaration.

Eligibility Requirements

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

1. **Organization Type:** Applicant must be a current or former TFF nonprofit partner or have received funding through the Housing and Economic Assistance to Rebuild Texas (HEART) Program. Applicants must be current on all reporting requirements for existing grants to be eligible for this funding opportunity. To ensure geographic coverage across Texas in the wake of a disaster, TSAHC reserves the right to waive this requirement for organizations that otherwise meet all program eligibility requirements. Organizations that receive this exception will be required to meet the same financial requirements as outlined in the [annual Texas Foundations Fund guidelines](#).
2. **Household Requirements:** To ensure the funding reaches those who are most in need, each organization must use critical repair funds only for critical home repairs¹ of single-family homes² to households at or below 80% of the area median family income³.
3. **Program Requirements:** Homes receiving repairs must be owner-occupied or single-family rental homes owned and operated by the applicant. All repairs funded by the grant must be provided free of charge and directly related to damage inflicted by the declared disaster.

¹ TSAHC defines critical repairs as repairs to a failed or inefficient system that is compromised by the natural disaster, including electrical, roofing repairs/replacements, structural damage, plumbing, mechanical systems, and heating and air conditioning. Critical repairs must be vital to the health and safety of the occupants and meet state and local building codes.

² TSAHC defines "single family home" as a residential property with an attached or detached dwelling that consists of (i) a single unit on an individual lot; or (ii) a single unit in a condo project, Planned Unit Development, or duplex, triplex or fourplex; or (iii) not more than four connected units, with each unit intended as housing for one family. Dwellings that are not titled as real estate, such as RVs and houseboats, are not eligible.

³ TSAHC uses the U.S. Department of Housing and Urban Development's Section 8 income limits to determine income eligibility. To review the current income limits, visit: www.huduser.org/portal/datasets/il.html

4. **Geographic Requirements:** Applicant must provide critical repairs to disaster-damaged homes located in counties included as part of the Federal Emergency Management Agency's federal disaster declaration, Texas Disaster Declaration and/or local city or county disaster declaration.

Administration

1. Eligible organizations may complete an online application at any time after there has been a disaster declaration for any county or counties in the organization's service area.
2. Awards will be made on a rolling basis as long as funding is available.
3. The maximum grant per application is \$30,000, and the maximum amount that can be used to assist an individual household is \$5,000.
4. An organization is limited to submitting one application per each declared disaster. In the event a disaster declaration is renewed, an organization may not apply for additional funding if they have already received funding for that disaster. An organization may submit more than one application during FY2027⁶ only if there are multiple declared disasters within the organization's service area. If multiple organizations submit an application in response to the same disaster, TSAHC may reduce the amount of funding available to each applicant.
5. Grantees will receive funding as a lump sum award.
6. Grant terms will begin on the date of the federal, state, county or city disaster declaration, whichever is earliest.
7. Grantees must spend 100% of their award and complete all activities proposed in their application within six months of signing their grant agreement.
8. Grantees will be required to submit a final report at the completion of their grant term documenting their utilization of the grant funds.

Grant Agreement

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

- a description of how the grant will be used,
- eligible expenditures⁴,
- reporting requirements, and
- TSAHC's right to inspect properties or service records and to review financial documents.

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

Questions

Questions regarding these guidelines, funding eligibility or grant administration should be submitted in writing to Anna Orendain-Chavez by email at aorendain@tsahc.org or aorendain-chavez@tsahc.org.

⁴ Grantees may use up to 10% of their award for administrative expenses. The remaining funds must be used for direct costs for critical home repairs. These costs may include, but are not limited to, contractor fees, materials, salaries for staff performing critical repair work, and building permits and inspection fees for homes to be repaired.